

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 823 would terminate metropolitan utilities districts as of January 1, 2015. Boards of directors would supervise the sale of all real property, personal property, and vehicles owned by the districts.

The Department of Revenue believes the sale of such property may result in additional tax revenue but cannot determine that impact at this time.

Metropolitan Utilities District (MUD) has provided calendar year estimates for revenue and expenditure reductions. CY 2014 is estimated to be an expenditure reduction of \$341,607,000 and a revenue reduction of \$338,016,000. Although this is the timeframe submitted by MUD, it is believed that these figures actually reflect CY 2015, since the bill's provisions call for a January 1, 2015 termination date. Additionally, the MUD estimates are for *positive* amounts. Since the expenditure and revenue amounts are for reductions, these figures should be shown as *negative* amounts. There is no basis to disagree with these estimates but, since MUD is not a state agency, these numbers are not reflected in the table above.

No fiscal impact to the state.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 823	AM:	AGENCY/POLT. SUB: Metropolitan Utilities District
REVIEWED BY: Cindy Miserez	DATE: 01/22/2014	PHONE: 402-471-4174
COMMENTS: The Metropolitan Utilities District (MUD) presents their FYE 12/31 budget for 2014 and 2015 in their fiscal note. LB823 terminates the operations of MUD as of January 1, 2015.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 823	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue
REVIEWED BY: Cindy Miserez	DATE: 01/29/2014	PHONE: 402-471-4174
COMMENTS: The Nebraska Department of Revenue's analysis of fiscal impact for LB 823 appears to be reasonable.		

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 823

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Metropolitan Utilities District

Prepared by: ⁽³⁾ Debra Schneider
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Date Prepared: ⁽⁴⁾ January 21, 2014

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>2014 Calendar Year</u>		<u>2015 Calendar Year</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	-	-	-	-
CASH FUNDS	\$341,607,000	\$338,016,000	\$316,665,000	\$339,837,000
FEDERAL FUNDS	-	-	-	-
OTHER FUNDS	-	-	-	-
TOTAL FUNDS	\$341,607,000	\$338,016,000	\$316,665,000	\$339,837,000

Explanation of Estimate: The Metropolitan Utilities District reports on a "calendar" year basis; consequently, our response is for calendar year 2014 and 2015 based on our 2014 budget rather than fiscal years as requested on the form. Since the form is requesting "expenditures" rather than "expenses", net expenditures were determined based on revenue less the level of net expenditures required to produce the net increase or decrease in funds for 2014 and 2015. Lines were added to the "Breakdown by Major Objects of Expenditure" to capture additional items that are relevant to the analysis: Long Term Debt Paydown, Proceeds from Debt/Bond Issuance and Other Balance Sheet Changes Impacting Funds. Additionally, the budget addresses selected 2015 "expense" items using an inflation factor applied to 2014 budget details; consequently, "Wages", "Benefits" and "Travel" are reflected at 2014 levels increased by 5%.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014</u>	<u>2015</u>
	<u>2014</u>	<u>2015</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Wages	849	852	\$ 60,512,000	\$ 63,538,000
Benefits.....			50,227,000	52,738,000
Operating (includes cost of gas.....			142,916,000	143,782,000
Travel.....			149,000	156,000
Capital Outlay.....			76,238,000	87,602,000
Aid.....			-	-
Capital Improvements.....			-	-
Long Term Debt Paydown.....			7,643,000	8,605,000
Proceeds from Debt/Bond Issuances.....			-	(39,756,000)
Other Balance Sheet Changes Impacting Funds.....			3,922,000	-
TOTAL.....			\$341,607,000	\$316,665,000

