

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB376 amends the Deferred Building Renewal Act, the provisions of which are applicable to state buildings. The bill would effectively broaden the scope of the act to include buildings owned by public charitable corporations which the bill defines as any entity declared to be a public charitable corporation (**PCC**) by the Legislature.

The bill would authorize allocation of amounts from the Building Renewal Allocation (*Cash*) Fund for PCC building renewal projects. With the exception of interest generated by invested balances, the sole source of revenue that accrues to the Building Renewal Allocation Fund is cigarette tax revenue which is effectively fixed at \$9,163,271 each fiscal year pursuant to Sec. 77-2602 (3)(c). To the extent that the Task Force for Building Renewal might allocate amounts from the fund for PCC building renewal projects under provisions of LB376, amounts available to allocate for building renewal projects for state facilities would be diminished.

LB376 also amends provisions of Sec. 81-188.01 relating to the State Building Renewal Assessment (*Cash*) Fund. The related amendment appears to authorize allocations from the fund for PCC building renewal projects. However, given the limiting provisions of Sec. 81-188.01 (3) and Sec. 81-1108.17 (4) which are not amended by the bill, it would appear that no amounts from the Building Renewal Assessment Fund would be available for allocation to PCC building renewal projects under the provisions of LB376.

Broadening the scope of the Deferred Building Renewal Act as provided in LB376 to include PCC building renewal projects would presumably result in increased demand for limited resources currently available to the Task Force for Building Renewal for project funding. This increase in demand may lead the Task Force to seek funding from sources other than the Building Renewal Allocation Fund and the Building Renewal Assessment Fund (i.e. General Fund, other funds). However, appropriations from alternative fund sources to the Task Force to support additional building renewal project funding would be at the discretion of the Legislature.

Broadening the scope of the Deferred Building Renewal Act to include PCC building renewal projects is likely to increase the volume of building renewal project proposals to be reviewed by Task Force for Building Renewal staff. The operating budget for the Task Force is supported with amounts from the Building Renewal Allocation Fund and the Building Renewal Assessment Fund. Any additional amount diverted from these fund sources to meet increased Task Force operating budget expenditures will correspondingly diminish related funds available for building renewal projects.

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2015

LB⁽¹⁾ 376

**FISCAL
NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾

Administrative Services - 309 Task Force for Building
Renewal

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Date Prepared: ⁽⁴⁾ 1/20/2015

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	Cannot be determined	0	Cannot be determined	0
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	Cannot be determined	0	Cannot be determined	0

Explanation of Estimate:

The purpose of LB376 is to include Public Charitable Corporations' (PCC's) buildings in the Deferred Building Renewal Act, making them eligible for the 309 Task Force Building Renewal Program.

More information is needed to determine the number of buildings and the square footage of the buildings that are owned by PCC's across the State. In addition, a review of these properties would be needed in order to determine the projects that would be required to address the needs and conditions of these properties.

As written the bill doesn't provide for any additional funding for the projects that would be identified for the PCC's. Section 81-188.01, which refers to LB1100 for State Buildings was eliminated in 2011 under LB380. The bill as written provides that these projects would need to be funded with existing resouces under 77-2602 – Cigarette Tax.

More information needs to be provided in order for the Task Force to be able to determine a fiscal impact. This includes the amount for additional expenditures, the impact on projects that have already been submitted and the possible need for additional staff. Absent additional funding this bill will likely reduce the number of projects performed on State buildings due to the increased need and competition for the existing funds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				