

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	10,869	42,000		56,000
CASH FUNDS	(275,000)	(317,000)	(302,500)	(358,500)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>(264,131)</b>	<b>(275,000)</b>	<b>(302,500)</b>	<b>(302,500)</b>

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

LB 1003 changes provisions related to the Nebraska Telecommunications Universal Service Fund Act.

Section 2 adds one factor in determining the prepaid wireless surcharge. The percentage obtained by multiplying the Nebraska Telecommunications Universal Service Fund surcharge percentage rate by the inverse of the Federal Communications Commission's safe harbor percentage for determining the interstate portion of a fixed monthly wireless charge is now added to the two existing percentages used in calculating the prepaid wireless surcharge.

Section 4 removes the direct assessment of universal service fund contributions from prepaid wireless carriers. The Public Service Commission estimates reduced revenue to the Universal Service Fund in the amounts of \$275,000 for fiscal year 2016-17 and \$302,500 for fiscal year 2017-18. The revenue reduction will directly reduce the amount of aid expenditures. There is no basis to disagree with this estimate.

The Department of Revenue estimates one-time development costs to implement the bill to be \$10,869. In addition, the Department estimates decreased Cash Fund revenue, offset by increased General Fund revenue due to the changes provided for in LB1003. There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 1003	AM:	AGENCY/POLT. SUB: Public Service Commission
REVIEWED BY: Robin Kilgore	DATE: 2-3-16	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.		

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 1003	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Robin Kilgore	DATE: 2-8-16	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.		

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

**2016**

**LB<sup>(1)</sup> 1003**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Public Service Commission

Prepared by: <sup>(3)</sup> Suzanne Hinzman

Date Prepared: <sup>(4)</sup> 2/2/2016

Phone: <sup>(5)</sup> 402-471-0240

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	Aid -275,000	-275,000	Aid -302,500	-302,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>Aid -275,000</u>	<u>-275,000</u>	<u>Aid -302,500</u>	<u>-302,500</u>

Explanation of Estimate:

LB 1003 amends the Nebraska Telecommunications Universal Service Fund Act by removing the direct assessment of universal service fund contributions by prepaid wireless carriers from the Commission and moving the collection and remittance responsibilities to the retail selling agent. In doing so, five percent of surcharge revenue would be diverted away from the Commission thereby lowering distributions of aid.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			-275,000	-302,500
Capital improvements.....				
TOTAL.....			-275,000	-302,500

