

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	980,000	980,000	1,980,000	1,980,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	980,000	980,000	1,980,000	1,980,000

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

LB 589 would increase the landfill disposal fee from \$1.25 cents to \$2.00. The Department of Environmental Quality would also be directed to establish a rebate program for political subdivisions based upon the operation of a household hazardous waste collection program. The provisions of LB 589 would become operative on October 1, 2019.

There is no basis to disagree with the estimate developed by the Department of Environmental Quality regarding the amount of additional cash fund revenue resulting from the increased fee. The agency estimates that a total of \$980,000 in cash fund revenue would be received in FY19-20, based upon the October 1 effective date and the quarterly remission schedule currently established in law. The agency estimates that \$1,960,000 would be collected in FY20-21. Current law provides that disposal fee revenue be divided equally between the Integrated Waste Management Cash Fund, which funds agency regulatory and administrative operations, and the Waste Reduction and Recycling Incentive Fund, which is used for grants and rebate payments.

All costs related to the development of the rebate program related to hazard waste collection would be paid from increased cash fund revenues. The agency estimates that FY19-20 staffing expenses to develop the new program could total \$146,691, with ongoing staffing expenses to carry out the program totaling \$53,251.

The fiscal impact to political subdivisions will be based upon the development of household hazardous waste collection programs and whether a municipality or county is eligible for a rebate. Entities with existing programs could receive additional revenue to offset ongoing costs, and entities creating a new program could have some costs offset by rebates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 580	AM:	AGENCY/POLT. SUB: Department of Environmental Quality	
REVIEWED BY: Claire Oglesby	DATE: 2/22/19	PHONE: (402) 471-4174	
COMMENTS: Based on the assumptions provided no basis to disagree with Department of Environmental Quality.			

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

2019

LB⁽¹⁾ 580

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Environmental Quality

Prepared by: ⁽³⁾ Dennis Burling Date Prepared: ⁽⁴⁾ 2/20/2019 Phone: ⁽⁵⁾ 402-471-4214

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$980,000	\$980,000	\$1,960,000	\$1,960,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	980,000	980,000	1,960,000	1,960,000

Explanation of Estimate:

LB580 Section 1.

This legislation proposes to increase the disposal fee from \$1.25 to \$2.00. Statute currently directs that fees collected are to be split between two cash funds, the Integrated Waste Management (IWM) cash fund and the Waste Reduction and Recycling Incentive (WRRRI) cash fund. If we apply FY18 reported waste tonnage to the \$.75 increase in disposal fees, an additional \$1,960,000 would be generated providing each cash fund with an increase in revenue of \$980,000.

The IWM cash fund is used to cover the direct and indirect costs of responding to spills or other environmental emergencies, of regulating, investigating, remediating, and monitoring facilities during and after operation of facilities, or of performance of regulated activities under the Integrated Solid Waste Management Act, the Nebraska Litter Reduction and Recycling Act, and the Waste Reduction and Recycling Incentive Act. The WRRRI cash fund is used as aid for the grant and rebate process.

LB 580 Section 2.

Rules and regulations will be developed to establish criteria for the new rebate program.

Implementation of this program would require around 1.8 to 2.0 FTE of various staff in the first year to develop the program, rules and regulations, and guidance. In subsequent years, there would be a need for .75 to 1.0 FTE (program staff and fiscal staff) to oversee and manage the rebate process. These additional FTE requirements would be supported by the funds placed in the IWM cash fund from the increased fee.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Legal Counsel	.2		\$21,313	
Attorney III	.2		\$18,091	

Division Administrator	.2		\$20,327	
Federal Aid Administrator III	.2		\$12,751	
Program Specialist II	.2	.2	\$10,622	\$10,781
Federal Aid Administrator I	.2	.2	\$7,992	\$8,112
Accounting Clerk II	.2	.2	\$8,055	\$8,176
Accountant I	.2	.2	\$7,076	\$7,182
Staff Assistant I	.2	.2	\$6,612	\$6,711
Benefits			\$33,852	\$12,289
Operating			\$343,309	\$926,749
Travel				
Capital outlay				
Aid			\$490,000	\$980,000
Capital improvements				
TOTAL			\$980,000	\$1,960,000