

PREPARED BY: Scott Danigole
 DATE PREPARED: January 17, 2023
 PHONE: 402-471-0055

LB 395

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$4,500		\$6,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$4,500		\$6,000	

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

LB 395 changes the amount of compensation members of the Nebraska Oil and Gas Conservation Commission receive.

Currently members receive an amount “not more than four hundred dollars” per day for each day actually devoted to the business of the commission. LB 395 changes that amount to “the sum of five hundred dollars”.

In addition, the amount shall be adjusted on July 1, 2025 and each July 1 of each odd-numbered year thereafter by the percentage change in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for the two-year period preceding the date of adjustment.

The Oil and Gas Conservation Commission estimates an additional annual cost of \$6,000 per year to address the increase in compensation. This is based on the number of meetings per year and the marginal increase per meeting. There is no basis to disagree with the Oil and Gas Conservation Commission’s estimates.

LB 395 has no specified operative date. Therefore, it is assumed that the bill’s provisions will operative in September 2023 (90 days after the Legislature adjourns sine die. Under this assumption, only 75% of the fiscal year 2023-24 increase (\$4,500) will be needed. The full annualized amount will be required in fiscal year 2024-25.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 395	AM:	AGENCY/POLT. SUB: Nebraska Oil and Gas Conservation Commission	
REVIEWED BY: Jacob Leaver	DATE: 1/17/2023	PHONE: (402) 471-4173	
COMMENTS: Disagree with the Nebraska Oil and Gas Conservation Commission’s estimated fiscal impact to the agency as a result of LB 395. The expenditures shown appear to be total expense instead of the increase that would occur. Agree with the agency’s explanation showing the increase in expenditures. The positions shown in the fiscal note are not new positions, but rather showing the total expenditures for the current 3 commissioners.			

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

2023

LB⁽¹⁾ 395

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Oil and Gas Conservation Commission

Prepared by: ⁽³⁾ Stan Belieu Date Prepared: ⁽⁴⁾ 01/13/2023 Phone: ⁽⁵⁾ 308-254-6919

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	-	-		
CASH FUNDS	12,000		18,000	
FEDERAL FUNDS	-	-		
OTHER FUNDS	-	-		
TOTAL FUNDS	-	-		

Explanation of Estimate:

The compensation received by our three Commissioners is \$400/day not to exceed \$4000/year for an expense of \$12,000/year

LB 375 would increase this compensation to \$500/day or an estimated \$6000 (based on 12 meetings per year) Our new estimated cost under LB 375 would be \$18,000/year or a \$6000 increase.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Oil and Gas Commissioner	3	3	12,000	18,000
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				