

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$525,000	\$525,000	\$525,000	\$525,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$525,000</b>	<b>\$525,000</b>	<b>\$525,000</b>	<b>\$525,000</b>

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

LB 1180 allows two people residing at the same address to receive telecommunications equipment for the telecommunications relay system (TRS). Currently, only one person is allowed such equipment. Additionally, recipients may not reapply for assistance more often than every three years. The current limitation is five years.

The Public Service Commission (PSC) estimates that 30% of the current recipients have a second person at that address who will now qualify for assistance. A funding increase of \$225,000 would be required to address this population. There is no basis to disagree with this estimate.

Regarding the more frequent replacement of equipment, the PSC estimates a cost of \$300,000 per year. This estimate is based on inflating the current replacement costs to reflect its occurrence every three years rather than every five years. There is no basis to disagree with this estimate.

The TRS is funded by a surcharge of 3 cents per month on each telephone number. The amount of the surcharge is set by the PSC. In order to address these increased costs, the PSC anticipates the need to increase the surcharge to 5 cents per month for each line. There is no basis to disagree with this estimate. When the new level of funding is established, the PSC has the authority to adjust the surcharge to meet actual needs.

The PSC does not estimate any increase in revenue. In conversations with the agency, it was clarified that this is due to the bill's silence regarding the surcharge rate. However, revenue will need to increase to address these additional costs. For this reason, increased revenue in an amount equal to anticipated expenditures is shown in the table above.

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2024

LB<sup>(1)</sup> 1180

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Service Commission

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$525,000	_____	\$525,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$525,000</u>	<u>0</u>	<u>\$525,000</u>	<u>0</u>

**Explanation of Estimate:**

The Commission administers the Telecommunications Relay Service (TRS) program, which exists to provide access to telecommunications services and equipment for individuals who are hearing impaired, speech impaired or deaf/blind impaired. The TRS program is supported through a surcharge on telephone numbers or functional equivalents, and for the fiscal year 2023-2024 is set at \$.03 per telephone number.

The Nebraska Specialized Telecommunications Equipment Program, or NSTEP, is a subprogram operated under the TRS. The NSTEP program is intended to allow qualifying deaf, hard-of-hearing, and/or speech-disabled citizens to obtain specialized telecommunications equipment at no expense, subject to certain program restrictions. To qualify, participants have to provide a Professional Certification that they are Deaf, Hard of Hearing, have a Speech Disability, or are Deaf-Blind. Existing statute (Neb. Rev. Stat. § 86-314 (2) (a) and (b)) provides a limit of one benefit per household, and limits recipients from reapplying more than once every five years. This bill would allow two benefits per household and would allow applicants to reapply every three years. Changes to those two provisions would require an increase in the surcharge to support the additional costs.

The Commission is not aware of any data that would allow us to estimate how many households that currently receive the benefit also contain another individual who would also be eligible. For the purposes of the fiscal note, it was estimated that 30% of the households that receive the benefit today would have an additional individual that would be eligible to apply. Based on that increase in demand, we estimate an additional \$225,000 annually would be necessary to meet demand.

To calculate the impact of a change from a five-year reapplication window to a three-year application window, the Commission assumes everyone who is currently eligible to reapply every five years would then apply on a three-year cycle. That change is estimated to add costs of about \$300,000

annually.

In total, the Commission estimates that the changes would lead to cost increases of \$525,000 annually and we would require an increase in appropriation of this amount to program 064. To generate that additional funding, the Commission would need to consider an increase to the surcharge from \$.03 to \$.05, or an increase of \$.02 per telephone number (or functional equivalent), per month.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<b>Benefits</b> .....				
<b>Operating</b> .....				
<b>Travel</b> .....				
<b>Capital outlay</b> .....				
<b>Aid</b> .....			\$525,000	\$525,000
<b>Capital improvements</b> .....				
<b>TOTAL</b> .....			\$525,000	\$525,000