

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 13, 2023

Agency Submitting: State Department of Conservation and Natural Resources, Division of Environmental Protection

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
BA3185 New Position - Environmental Scientist III - includes in-state travel (Expense)		\$129,163	\$126,547	\$267,886
In-state travel for existing Environmental Scientist IV (supervisor) (Expense)		\$2,768	\$2,768	\$5,535
Total	0	\$131,931	\$129,315	\$273,421

Explanation

(Use Additional Sheets of Attachments, if required)

AB184 (as introduced) establishes an incentive program for the purchase of certain zero-emission medium- and heavy-duty vehicles. The Nevada Division of Environmental Protection is tasked with management and administration of the incentive program and the associated Account for the Clean Trucks and Buses, hereby created. As introduced, this bill will have a fiscal impact on the Division. See Exhibit 1 for full Agency explanation.

Any impacts to the State Environmental Commission will be addressed with existing resources. This bill is not expected to have a fiscal impact on the State Environmental Commission.

Name Sheryl Fontaine
Title Chief, Bureau of Administrative Services

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Friday, February 24, 2023

Name Amy L. Stephenson
Title Director

Description of Fiscal Effect

AB184/BDR 40-0588

Nevada Division of Environmental Protection

This Act becomes effective: (a) upon passage and approval for the purpose of adopting any regulations and performing any other preparatory tasks; and (b) on January 1, 2024, for all other purposes.

The Bill establishes an incentive program (the Program) for the purchase of certain zero-emission medium- and heavy-duty vehicles. The Nevada Division of Environmental Protection is tasked with managing and administering the Program and the associated Account for Clean Trucks and Buses, thereby created. The Bill authorizes the State Environmental Commission (SEC) to adopt any regulations necessary to carry out the Program in accordance with the provisions of this Bill.

Methodology for the Assessment of the fiscal effect

NDEP used experience with the Volkswagen Settlement (VW) and the federal Diesel Emission Reduction Act (DERA) programs to estimate the resources needed to start and implement the Program. The VW and DERA programs are not identical, but they are similar enough that NDEP assumed that implementation of AB 184 will require similar efforts.

The bill requires NDEP to start processing applications every first day of January, March, June, and September. With the VW program, NDEP implemented an annual application solicitation schedule; implementation of the VW schedule utilizes the equivalent of one Environmental Scientist (ES) III FTE for two months (this includes preparing the application solicitation, solicitation outreach, technical assistance with the preparation of applications, reviewing submitted applications and ensure eligibility, , review regular reports, etc.). Considering the quarterly schedule in AB 184 for application review in the Program, NDEP estimates that processing all applications, and implementing the program in time to be ready for the next quarterly review period, the following FTE will be needed:

- For the January 1 review period: 1 full FTE ES III for the 2-month interval period
- For the March 1 review period: 2/3 of an FTE ES III for the 3-month interval period
- For the June 1 review period: 2/3 of an FTE ES III for the 3-month interval period
- For the September 1 review period: 1/2 of an FTE ES III for the 4-month interval period

Or on average, a two month-commitment for each review period for an ES III.

This is equivalent to a total of 8 months per year, i.e., 67% FTE for ES III position, for each FY the Program is implemented. Additionally, the ES III position will be

responsible for working on all the other aspects of the Program, including but not limited to; a) regulation development, verification, and update, as per Section 22 of the Bill; b) promotion of the Program; c) verification of post-award criteria (e.g., Section 20 – requires operation of the clean vehicle for at least 5 years after the replacement); d) verification of the efficacy of the Program, and development or update of existing Program policies and guidance; e) reporting to NDEP Administration, SEC, and Legislative Counsel Bureau (as per Section 22). NDEP estimates that these additional duties bring the total FTE to 100% for the ES III position.

Travel will be required to promote the program across Nevada. Based on NDEP’s experience we expect 2 trips to Las Vegas for 2 people (e.g., the new ES III position and the ES IV supervisor) for 3 days, and 2 trips in Northern Nevada (e.g., Elko and Reno) for 2 people for 1 to 3 days:

Destination	People	Days	Total Cost
Las Vegas (including air fare)	2	3	\$2,075.00
Las Vegas (including air fare)	2	3	\$2,075.00
Northern Nevada (e.g., Elko)	2	3	\$1,294.00
Northern Nevada (e.g., Reno)	2	1	\$90.00
Total per fiscal year			\$5,535

Overall NDEP estimates the following fiscal impact:

Expense Type	FY24	FY25	FY26-27
BA3185- BAQP- New Position – Environmental Scientist III – including travel	129,163	126,547	267,886
Travel for supervisor	\$2,768	\$2,768	\$5,535
Total	\$131,931	\$129,315	\$273,421

In addition, based on NDEP's experience with both DERA and VW programs, additional FTEs will be needed in support of the work performed by the new ES III position. These efforts will be absorbed and covered by existing positions, and do not have a fiscal impact.

- a) 5%-10% of an Environmental Scientist IV (ES IV Supervisor) position, for supervision of the new ESIII position
- b) 5% of a Management Analysis 1 (MA1), for support in the fiscal/budget matters
- c) 4% of an Environmental Chief position for support in regulation development, particularly during the first year.

Position	FTE FY24	FTE FY25	Future Years
BAQP - ES IV	5-10%	5-10%	5-10%
BAQP - MA 1	5%	5%	5%
BAQP - Chief	4%	0%	0%