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PREPARED BY: Jeanne Glenn
DATE PREPARED: January 30, 2012
PHONE: 402-471-0056

LB 1053

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS	See below	See below	See below	See below
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1053 would establish a Nebraska Tourism Commission. The current staff, budget, property and functions of the Travel and Tourism Division of the Department of Economic Development (DED) would be transferred to the control of the Commission. The FY12-13 budget established for the Travel and Tourism Division is:

\$ 250,000	General Funds
\$3,979,777	Cash Funds
\$ 959,815	Federal Funds.
<u>\$5,189,592</u>	Total

Annual cash fund revenue (lodging tax, interest income and miscellaneous sources) has ranged from \$3,700,000 to \$3,900,000 in recent years. There are 12 FTE full-time staff and 30 part-time seasonal staff positions within the division.

It is estimated that there would be increased costs to the Commission in FY12-13 related to moving its office space, as the Tourism Division is currently located within the DED space in the State Office Building. There would also be ongoing administrative expenses incurred by the Commission that are not currently built into the Travel and Tourism Division budget, because as a part of DED, accounting, human resources, payroll, legal and information technology services are provided to the division by other agency staff. There is no basis to disagree with the DED that \$150,000 in administrative services formerly provided by DED would need to be funded through the Commission budget, although the cost for these services may vary based upon decisions made by the commission regarding staffing and allocation of resources.

Assuming that moving and ongoing administrative costs would be paid by reallocating existing funding resources, it is estimated that the transfer of funding from DED to the Nebraska Tourism Commission would have no net impact to the state. Because LB 1053 does not carry the emergency clause or have a specific operating date, it is estimated that the Commission would become operational in early FY12-13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/30/12	PHONE	471-2526
COMMENTS					
ECONOMIC DEVELOPMENT: Concur with agency's estimate of impact. Costs to create new state agency could add more than the conservative estimate of \$150,000 and would likely require additional General Fund or use more of the tourism cash fund for administrative costs.					
DEPARTMENT OF REVENUE: Concur.					

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Please complete ALL (5) blanks in the first three lines.LB⁽¹⁾ 1053 FISCAL NOTEState Agency OR Political Subdivision Name: ⁽²⁾ Economic DevelopmentPrepared by: ⁽³⁾ Gary Hamer Date Prepared: ⁽⁴⁾ January 25, 2012 Phone: ⁽⁵⁾ 1-4388

LEGISLATIVE FISCAL

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>(250,000)</u>	<u>(0)</u>	<u>(250,000)</u>	<u>(0)</u>
CASH FUNDS	<u>(3,958,971)</u>	<u>(4,169,820)</u>	<u>(3,958,971)</u>	<u>(4,322,280)</u>
FEDERAL FUNDS	<u>(959,815)</u>	<u>(959,815)</u>	<u>(959,815)</u>	<u>(959,815)</u>
OTHER FUNDS	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
TOTAL FUNDS	<u>(5,186,786)</u>	<u>(5,129,635)</u>	<u>(5,168,786)</u>	<u>(5,282,095)</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.Explanation of Estimate:

Enactment of LB 1053 would reduce Department of Economic Development expenditures each year by the amount of the tourism promotion (program 618) appropriation. Revenue from the lodging tax previously transferred by the Department of Revenue to the Department of Economic Development would be deposited to the State Visitors' Promotion Cash Fund administered by the Nebraska Tourism Commission. Federal funds previously received by the Department of Economic Development through the byways development program would be awarded to the Nebraska Tourism Commission.

Personnel paid from program 618 visitors' promotion fund appropriation provide program services directly assisting local and regional tourism efforts. Transfer of the tourism promotion appropriation and creation of a separate state agency would result in a conservative estimate of \$150,000 in increased costs to the new agency to provide support services currently being supplied by the Department of Economic Development operations administrative staff. Such services include accounting, human resources, payroll, legal, and information-technology support, none of which are covered under the \$4,097,888 operating expenditures shown below.

MAJOR OBJECTS OF EXPENDITUREPersonal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2012-2013</u>	<u>2013-2014</u>
	<u>12-13</u>	<u>13-14</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Administrative Assistant I	1	1	<u>(32,970)</u>	<u>(32,970)</u>
Tourism Guide	30	30	<u>(249,976)</u>	<u>(249,976)</u>
Economic Development Consultant	6	6	<u>(247,887)</u>	<u>(247,887)</u>
Research Administrator	1	1	<u>(41,590)</u>	<u>(41,590)</u>
Program Analyst	1	1	<u>(14,054)</u>	<u>(14,054)</u>
Research Analyst	1	1	<u>(11,407)</u>	<u>(11,407)</u>
Tourism Director	1	1	<u>(59,482)</u>	<u>(59,482)</u>
Public Information Officer	1	1	<u>(41,375)</u>	<u>(41,375)</u>
Overtime Payments			<u>(9,000)</u>	<u>(9,000)</u>
Benefits.....			<u>(203,553)</u>	<u>(203,553)</u>
Operating.....			<u>(4,097,888)</u>	<u>(4,097,888)</u>
Travel.....			<u>(57,004)</u>	<u>(57,004)</u>
Capital outlay.....			<u>(0)</u>	<u>(0)</u>
Aid.....			<u>(102,600)</u>	<u>(102,600)</u>
Capital improvements.....			<u>(0)</u>	<u>(0)</u>
TOTAL.....			<u>(5,168,786)</u>	<u>(5,168,786)</u>

