

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 780 would amend the amount of administrative funding that could be used from the Nebraska Arts and Humanities Cash Fund. Existing law provides that up to \$30,000 from the fund may be used for administrative costs. Under LB 780, the amount of funding that could be used from the Nebraska Arts and Humanities Cash Fund for operating costs would be calculated based upon one-half of 1% of the balance of the Nebraska Cultural Preservation Endowment Fund.

The Nebraska Arts and Humanities Cash Fund receives its revenue from transfers of investment interest earned on the balance of Nebraska Cultural Preservation Endowment Fund. Under LB 780, if the balance of the Nebraska Cultural Preservation Endowment is, for example, \$10,500,000, the Nebraska Arts Council may use up to \$52,500 of the funds transferred into the Nebraska Arts and Humanities Cash Fund for administrative expenses. The calculation of the administrative cost limit for the Nebraska Arts and Humanities Cash Fund would be carried out annually by the Nebraska Arts Council in conjunction with the budget division of the Department of Administrative Services.

There would be no net fiscal impact to the agency, but an adjustment of operations and state aid designations would be necessary to allow for the expenditure of a higher amount for administrative expenses.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	780	AM:	AGENCY/POLT. SUB: Nebraska Arts Council
REVIEWED BY:	Gary Bush	DATE:	1/24/2020
		PHONE:	(402) 471-4161
COMMENTS: The bill would increase the cash funds available to the Arts and Humanities Cash Fund by \$22,500 in the first year. After that, as the balance in the Cultural Endowment Fund increases because of additional transfers from the General Fund, the amount available in cash funds would also increase. However, increases to the amount available for administration costs would adversely affect the funding available for other projects funded out of the Arts and Humanities Cash Fund.			

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**2020**

**LB<sup>(1)</sup> 780**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Arts Council

Prepared by: <sup>(3)</sup> Michael Markey Date Prepared: <sup>(4)</sup> 1/15/2020 Phone: <sup>(5)</sup> 402-595-2195

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

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

Revenue for LB 780 comes from earnings from the Cultural Preservation Endowment Fund pursuant to Section 82-331.

For purposes of the estimate, revenue for FY20 is calculated using .5% of the current corpus of the Cultural Preservation Endowment Fund (CPEF), which is \$10,500,000. Expenditures reflect on estimated costs of managing CPEF, the Arts and Humanities Cash Fund, and the grants administered through the Fund. Should we not need the entire allotment for expenses, we will only transfer the needed amount.

Current method:

Earnings transferred into the Arts and Humanities Cash Fund: \$400,000  
 Amount specified in law available for administration: \$30,000

Scenario under LB 780:

Earnings transferred into the Arts and Humanities Cash Fund: \$400,000  
 Cap on amount available for administration: \$52,500  
 Balance of the Cultural Endowment: \$10,500,000  
 ½ of 1% of the Endowment balance = \$52,500

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____