

Revised based upon amendments adopted on General File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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 the personal services limit and state aid designations would be necessary to allow for the expenditure of a higher amount for administrative expenses.

As amended, LB 780 would direct the Nebraska Arts Council to prepare a plan to divide the state into creative districts and make recommendations to the Legislature. It would also direct the agency to develop a plan that would permit, to the extent that funds are available, a competitive grant program for creative districts. It is anticipated that there would be some initial costs to the Arts Council to prepare plans for creative districts and for a grant program, but these activities could be carried out using existing staffing and budgetary resources.

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2020

LB⁽¹⁾ 780

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Arts Council

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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	_____	_____	_____	_____
TOTAL FUNDS	<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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____