

MWD

PREPARED BY: Sandy Sostad
DATE PREPARED: February 16, 2012
PHONE: 471-0054

LB 753

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	\$49,930			
CASH FUNDS		\$8,100,000	\$8,100,000	\$10,948,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$49,930	\$8,100,000	\$8,100,000	\$10,948,000

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

LB 753 provides for a sales and use tax on the sale of soft drinks. The bill requires the Department of Revenue to calculate the amount of sales and use taxes collected from sales of soft drinks during the preceding fiscal year, minus the amount of sales taxes that are credited to the State Highway Capital Improvement Fund or the Highway Allocation Fund pursuant to current law. The calculation shall initially be made, on or before August 1, 2013 and each August 1st thereafter. Not later than September 1st of each year, deposits are to be made into two new funds established by the bill with 90% percent of the sales taxes allocated to a State Department of Education Obesity Prevention Fund and 10% to a Department of Health and Human Services Obesity Prevention Fund. The act is operative on October 1, 2012.

The sales tax on soft drinks commences on October, 1, 2012. The Department of Revenue estimates the tax will generate \$8.1 million in FY2012-13; \$10,948,000 in FY2013-14 and \$11,103,000 in FY2014-15. Revenue proceeds will be allocated to entities shown in the following tables for the purposes designated in the bill with expenditures from the proceeds beginning in FY2013-14.

Department of Revenue: The department estimates \$49,930 of one-time general fund expenditures in FY2012-13 to implement the bill. Expenditures include mainframe programming costs to add lines to the sales and use tax return form.

State Department of Education (NDE): The State Department of Education Obesity Prevention Fund receives 90% of the sales tax on soft drinks. The bill provides for the first \$100,000 to be used to establish and maintain a statewide data base to monitor student obesity and fitness. The remaining funds are distributed to school districts to assess student health, weight and fitness, to increase physical education and student physical activity, to improve school meal programs, to coordinate school health programs, to support school district wellness coordinators and to provide other programs to prevent obesity and improve fitness.

Twenty percent of the aid allocation to schools is distributed in an equal amount to each school district and 80% of the aid is distributed proportionally based upon average daily membership. It is assumed NDE can establish and maintain the statewide data base with the \$100,000 of funds allocated by the bill in the initial years, however, an increase in appropriation may be needed in the future at some point. The impact of the bill for NDE is as follows:

		State Dept. of Ed. Obesity Prevention Fund	
	Est. CF Revenue	Est. Cash Fund Admin. Expend.	Est. Aid Expend. to School Districts
FY2012-13	7,290,000		
FY 2013-14	9,405,000	100,000	7,190,000
FY2014-15	9,538,000	100,000	9,305,000

Department of Health and Human Services (HHS): The Department of Health and Human Services Obesity Prevention Fund receives 10% of the sales tax on soft drinks. The funds are to be allocated as aid to local public health departments for programs improving and promoting good health habits, healthy eating, and physical activity for children in child care settings. The bill does not provide any funding for HHS to administer the funds. The agency indicates the need for a .5 FTE to administer and monitor the funds. This fiscal note assumes existing staff and resources of HHS can handle the responsibility. The impact of the bill for HHS is as follows:

Continued

		Dept. of Health & Human Services Obesity Prevention Fund	
	Est. CF Revenue	Est. Cash Fund Admin. Expend.	Est. Aid Expend. to Public Health Departments
FY2012-13	810,000	0	
FY 2013-14	1,045,000	0	810,000
FY2014-15	1,060,000	0	1,045,000

State Highway Capital Improvement Fund and Highway Allocation Fund: Existing law provides for an allocation of sales and use taxes on transactions occurring on or after July 1, 2013 to these funds. The new sales and use tax on soft drinks generates revenue for the funds as follows beginning in FY2013-14:

	State Highway Capital Improvement Fund
	Est. CF Revenue
FY2012-13	0
FY 2013-14	423,000
FY2014-15	429,000

	Highway Allocation Fund
	Est. CF Revenue
FY2012-13	0
FY 2013-14	75,000
FY2014-15	76000

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/21/12	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION: It is questionable as to whether the department would require additional appropriation to distribute the funding as no responsibilities for providing training and technical assistance are specified in the bill. Impact would be cash funds, not general funds.					
DEPARTMENT OF HEALTH AND HUMAN SERVICES: It is questionable as to whether the department would require additional appropriation for staffing to distribute the funding to public health departments as a process for distribution of aid already exists and this new aid would not be distributed on a competitive basis.					
DEPARTMENT OF REVENUE: The agency analysis appears reasonable.					

RECEIVED

JAN 12 2012

LEGISLATIVE FISCAL

2012

Please complete ALL (5) blanks in the first three lines.

LB(1) 753 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Education

Prepared by: (3) Julane Hill Date Prepared: (4) 1/11/12 Phone: (5) 402-471-4352

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$112,703	\$10 Million	\$114,740	\$10 Million
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

Explanation of Estimate:

For NDE to provide guidance for the expenditure of funds, provide training and technical assistance to schools for implementation, oversee implementation, provide evaluation and accountability of programs and funds, and to create and maintain a statewide data base NDE would need a minimum of one full time position and one part time administrative assistant. The Nebraska Health Care Funding Act would generate approximately \$10 million/year. \$112,703 and \$114,740 is inclusive of wages, personal services, and operating expenses for a 1 FTE (Education Specialist III) and a .5 FTE (Administrative Assistant IV) to implement LB753 through 2014.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Program Specialist III	1 FTE	1 FTE	\$52,651	\$53,704
Administrative Assistant IV	.5 FTE	.5 FTE	\$17,161	\$17,504
Benefits.....			\$29,863	\$31,827
Operating.....			\$5,009	\$5,009
Travel.....			\$4,518	\$4,654
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$112,703	\$114,740

RECEIVED

JAN 17 2012

LEGISLATIVE FISCAL

LB⁽¹⁾ **0753**

FISCAL NOTE

2012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) January 13, 2012

Phone: (5) 471-8072

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$22,396	\$0	\$44,791	\$0
CASH FUNDS			\$810,000	\$810,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$23,396	\$0	\$854,791	\$810,000

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

Explanation of Estimate:

Program 179 & Program 514

DHHS would receive 10% of the annual soda tax revenue to distribute to local public health departments to support obesity prevention efforts in child care settings.

Operation Expenditures Program 179

It is estimated that .50 FTE would be required to administer and monitor these new funds.

Aid Expenditures Program 514

The Department of Revenue projects that the Department Health and Human Services will receive \$810,000 in State Fiscal Year 2013-14. In State Fiscal Year 2014-15, the Department of Health and Human Services will receive \$1,045,000 and \$1,060,000 for State fiscal Year 2014-2015. The funds will be distributed to the local health departments.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Community health educator/senior	.50	.50	\$11,677	\$23,353
Benefits.....			\$4,671	\$9,341
Operating.....			\$6,049	\$12,097
Travel.....				
Capital Outlay.....				
Aid.....				\$810,000
Capital Improvements.....				
TOTAL.....			\$22,396	\$854,791

