

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(500,000)		
CASH FUNDS	22,650	22,650	56,540	56,540
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>22,650</b>	<b>(477,350)</b>	<b>56,540</b>	<b>56,540</b>

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

LB 193 would modify the schedule of General Fund transfers to the Nebraska Cultural Preservation Endowment Fund. Current law provides that a \$500,000 General Fund transfer would occur on December 31 of each year, through December 31, 2018. The transfers are contingent upon the documentation of dollar-for-dollar matching funds from private sources.

LB 193 would modify the General Fund transfers as follows:

- December 31, 2013: \$1,000,000
- December 31, 2014: \$ 500,000
- December 31, 2015: \$ 750,000
- December 31, 2016: \$ 750,000

Transfers would remain contingent upon the documentation of dollar-for-dollar matching funds. There is no net increase in total transfers, but the accelerated schedule would result in a larger General Fund transfer in FY13-14. Because the funds would be transferred and not expended, they are shown above as a General Fund revenue loss in FY13-14.

Interest income earnings from the Nebraska Cultural Preservation Endowment Fund are transferred to the Nebraska Arts and Humanities Cash Fund. Due to the accelerated transfer schedule, there is the potential of higher interest earnings due to a larger balance in the endowment fund. There is no basis to disagree with the Nebraska Arts Council estimate of \$22,625 in increased cash fund revenue in FY13-14 and \$56,540 in increased cash fund revenue in FY14-15. There would also be a corresponding increase in cash fund expenditures.

In the FY15-17 biennium, the General Fund transfer would be \$250,000 higher in each year due to the provisions of LB 193, resulting in both increased cash fund revenue and expenditures.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 193	AM:	AGENCY/POLT. SUB: Arts Council	
REVIEWED BY: Matthew Eash		DATE: 2/28/2013	PHONE: 402-471-4175
COMMENTS: If subsequent legislation were enacted in accordance with the intent language of LB 193, then the General Fund impact would be a loss (transfer-out) of \$1,000,000 in FY 2013-14, \$500,000 in FY 2014-15, and \$750,000 in each of FY 2015-16 and FY 2016-17. The Arts Council's estimate of 2013-15 biennial investment income from the addition of \$1.5 million to the Cultural Preservation Endowment appears reasonable, although its fiscal note incorrectly lists its additional income and expenditures as federal funds (it should be cash funds).			

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**2013**

**LB<sup>(1)</sup> 193 FISCAL NOTE**

State Agency OR Political Subdivision Name: Nebraska Arts Council

Prepared by: <sup>(3)</sup> Kathy Kuszak Date Prepared: <sup>(4)</sup> 1/23/2013 Phone: <sup>(5)</sup> 402-595-2195

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

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>\$22,625</u>	<u>\$22,625</u>	<u>\$56,540</u>	<u>\$56,540</u>
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u><u>\$22,625</u></u>	<u><u>\$22,625</u></u>	<u><u>\$56,540</u></u>	<u><u>\$56,540</u></u>

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

Explanation of Estimate:

Historically the Nebraska Cultural Endowment Fund has earned an average of 4.52% annually based on market performance. The estimate is based on the transfer of an additional \$1,000,000 in December 2013 and \$500,000 in December 2014 to the Nebraska Cultural Endowment Fund. The earnings for FY 2014 are calculated on a six month investment period for the \$1,000,000. The earnings for FY 2015 are calculated on \$1,000,000 for an entire year and \$500,000 for a six month period.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	<u>\$22,625</u>	<u>\$56,540</u>
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____