

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	2,955,000		5,910,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,955,000		5,910,000	

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

This bill repeals the five percent per year reductions to the transfer amounts into the Health Care Cash Fund starting in FY 14. This bill would maintain the transfer amount at the current level of \$59.1 indefinitely. Current law requires a five percent reduction to the transfer amount beginning in FY 14 and an additional five percent reduction each year in FY 15 and FY 16. The transfer amounts after FY 16 are held at the FY 16 level.

The State Investment Officer is directed to transfer the statutory amount into the Health Care Cash Fund from a combination of funds from the Nebraska Intergovernmental Transfer Fund and the Tobacco Settlement Fund. In the current year, the transfer amount is \$59.1 million. Beginning in FY 14, the transfer amounts are reduced by five percent each year through FY 16. The differences between the current statutory transfer amounts and the transfer amounts in this bill are shown in the chart below:

Transfer Date	Fiscal Year	Current Transfer	LB 285 Transfer	Difference
7/15/2013	FY 14	56,145,000	59,100,000	2,955,000
7/15/2014	FY 15	53,190,000	59,100,000	5,910,000
7/15/2015	FY 16	50,235,000	59,100,000	8,865,000
7/15/2016	FY 17	50,235,000	59,100,000	8,865,000

The reductions were put into the statute last year because a projection provided by Hewitt Ennisknupp showed a high probability of the fund being depleted. Since the initial report, the state has settled a dispute with the tobacco companies that will give the state a one-time deposit of \$18 million and increases future revenue by approximately \$4 million a year. A revised analysis provided in January 2013 by the same company, shows an improvement, but still with downside risks.

Without this bill, the appropriations funded from the Health Care Cash Fund would need to be decreased by \$2,955,000 in FY 14 and by \$5,910,000 in FY 15. The programs that receive and appropriation from the Health Care Cash Fund are shown on the following page. If reduced some of these programs would have a General Fund impact, such as the provider rates in Behavioral Health, Public Assistance and Medicaid.

AG	Prog	Activity	FY 12	FY 13
3	122	Legislative Council	75,000	75,000
11	507	Attorney General Tobacco Settlement Enforcement	395,807	395,807
16	102	Revenue Auditor for Tobacco Settlement Enforcement	267,332	267,332
25	30	Tobacco Settlement and Control*	2,370,000	2,370,000
25	33	Respite Care Regions Staff and Operating	404,643	404,643
25	33	EMS Technicians Regulation	13,688	13,688
25	33	Gambling Assistance Administration	25,000	25,000
25	33	Parkinson's Disease Registry	26,000	26,000
25	38	Behavioral Health Rate Increase	2,599,660	2,599,660
25	38	Mental Health and Substance Abuse Regions Service Capacity	6,500,000	6,500,000
25	38	Emergency Protective Service Funding	1,500,000	1,500,000
25	38	Gambling Assistance Aid	225,000	225,000
25	179	Public Health Staff	100,000	100,000
25	179	Minority Health Satellite Offices	220,000	220,000
25	250	Mental Health/Substance Abuse Service Capacity Juvenile Justice	1,000,000	1,000,000
25	344	Children's Health Insurance Aid	5,000,000	5,000,000
25	344	General Fund Offset to CHIP**	1,835,700	1,835,700
25	347	Behavioral Health Rate Increase	2,734,444	2,734,444
25	347	Respite Care Aid	810,000	810,000
25	348	Behavioral Health Rate Increase	4,765,896	4,765,896
25	348	Medicaid Smoking Cessation	450,000	450,000
25	424	Developmental Disability Aid	5,000,000	5,000,000
25	502	County Public Health Aid	5,404,190	5,404,190
25	502	Minority Health (2nd Congressional District)	1,349,000	1,349,000
25	502	Minority Health Aid (1st and 3rd Congressional Districts)	1,526,000	1,526,000
25	621	Stem Cell Research	450,000	450,000
25	623	Biomedical Research	14,000,000	14,000,000
51	781	Poison Control Center	200,000	200,000
		Total	59,247,360	59,247,360