

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	300,000			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	300,000			

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

This bill requires the Department of Economic Development to award a \$300,000 grant to a city of the metropolitan class, contingent upon the formal notification by the federal Department of Housing and Urban Development that it intends to provide a Residential Lead-Based Paint Hazard Reduction Act grant. The bill states legislative intent to appropriate \$300,000 from the Health Care Cash Fund.

Omaha is the only city of the metropolitan class. For purposes of this fiscal note, it is assumed that Omaha would receive the notification in FY 15.

The Nebraska Investment Council is required to submit a report to the Legislature every other even-numbered year on the sustainability of the Health Care Cash Fund. The report submitted on September 30, 2014, stated:

At the Current pace of spending the projections suggest that there is a high probability that the Fund transfers are not sustainable indefinitely. The Fund earning cannot keep pace because a significant portion of the earnings are being used to cover a growing negative distribution and reinvested.

There is no possibility that the \$60.1 million transfer can be increased to offset inflation to maintain its purchasing power.

Transfers are sustainable in each of the next ten years by only utilizing most of the investment income and at the expense of maintaining the longer term viability of the Fund.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 397	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Robin Kilgore		DATE: 2-13-14	PHONE: 471-4180
COMMENTS: No basis to disagree with agency's estimate of fiscal impact.			

