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LB 1165

Revision: 01

Revised based on amendments adopted

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(50,000)		(2,050,000)
CASH FUNDS		50,000	50,000	50,000
FEDERAL FUNDS				
OTHER FUNDS				2,000,000
TOTAL FUNDS		0	50,000	0

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

LB 1165 as amended would transfer \$1,000,000 from the Cash Reserve Fund to the Nebraska Cultural Preservation Endowment Fund when the Nebraska Arts Council provides documentation that qualified endowments have generated a dollar-for-dollar match of new money as defined in Section 82-332. For the purpose of this fiscal note, it is assumed that the transfer from the Cash Reserve Fund would occur in FY08-09. The transfer from the Cash Reserve Fund would result in a small General Fund revenue loss because interest earned by the Cash Reserve Fund is transferred to the General Fund. Assuming a 5% interest rate, a \$50,000 annual revenue loss is estimated.

LB 1165 also states in intent language that \$2,000,000 be transferred from the General Fund to the Nebraska Cultural Preservation Endowment Fund on August 1, 2009 and August 1, 2010. Assuming that the transfers are carried out, there would be a General Fund revenue loss in both FY09-10 and FY10-11 and an increase in revenue to the Nebraska Cultural Preservation Endowment.

Revenue earned by the Nebraska Cultural Preservation Endowment Fund is transferred to the Nebraska Arts and Humanities Cash Fund and expended as state aid. Assuming a 5% interest rate, \$50,000 in additional interest could be earned on the \$1,000,000 transferred in from the Cash Reserve Fund, and would first be transferred and expended in FY09-10. If the General Fund transfers are carried out in 2009 and 2010, it is anticipated that interest earned on the additional transfers would not be expended until the following fiscal year. The current appropriation level of the Nebraska Arts and Humanities Cash Fund would be adequate to allow for the expenditure of additional interest income revenue.