

PREPARED BY: Mike Lovelace
 DATE PREPARED: January 29, 2014
 PHONE: 471-0050

LB 873

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 873 creates the Game and Parks State Park Improvement and Maintenance Fund to be used for repair, maintenance, and improvements at state parks. This new fund is financed by a \$15,000,000 transfer from the Cash Reserve Fund on or before July 31, 2014. Actual expenditures from the Game and Parks State Park Improvement and Maintenance Fund will likely be spread out over several years as projects are completed. As the Game and Parks Commission points out on their fiscal note, interest will accrue to the Game and Parks State Park Improvement and Maintenance Fund since a balance, albeit declining, will be maintained as projects pay out. They estimate \$200,000 of interest to be generated.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 873	AM:	AGENCY/POLT. SUB: Nebraska Game & Parks Commission	
REVIEWED BY: Cindy Miserez		DATE: 01/30/2014	PHONE: 402-471-4174
COMMENTS: I concur with the Nebraska Game & Parks Commission's statement of fiscal impact for LB873. The transfer of General Funds to a cash fund also results in a \$15,000,000 reduction in General Fund revenue and a subsequent reduction in General Funds interest earnings over time.			

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

2014

LB⁽¹⁾ 873

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Patrick H. Cole

Date Prepared: ⁽⁴⁾ 1/21/2014

Phone: ⁽⁵⁾ 402-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	7,000,000	15,000,000	8,000,000	200,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>7,000,000</u>	<u>15,000,000</u>	<u>8,000,000</u>	<u>200,000</u>

Explanation of Estimate:

The proposed legislation would create the Game and Parks State Park Improvement and Maintenance Fund which would be used for repair, maintenance, and improvements at state parks. The fund would include an initial transfer of \$15,000,000 from the Cash Reserve Fund, on or before July 31, 2014, and include any gifts, grants, bequests or donations that would materialize.

The legislation would also appropriate \$15,000,000 from the State Park Improvement and Maintenance Fund to the Game and Parks Commission for FY14-15. Based on the intended purpose it is presumed that the authority would be targeted to Capital Program 901, State Park Deferred Maintenance. While the agency has identified over forty-two million dollars' worth of deferred maintenance and ADA needs, it is not likely that the fifteen million dollars identified in this legislation could be fully spent in the first fiscal year. For purposes of this fiscal note, the expenditure of the \$15,000,000 is projected to be over 2-years, and could take additional years depending upon project specifics, weather conditions, preliminary permitting and design needs, as well as unforeseen issues encountered during construction. It would be anticipated that any unexpended balances existing at the end of one fiscal year, be reauthorized for subsequent year(s).

Since not all of the money in the fund will be spent entirely the first year, some interest earnings is presumed to occur. For purposes of this fiscal note, 2% annual earning on \$10,000,000 is used to estimate the interest earnings, which is attributed as revenue during FY15-16. In reality interest would be credited on a monthly basis, beginning after the initial deposit.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....			7,000,000	8,000,000
TOTAL.....			<u>7,000,000</u>	<u>8,000,000</u>