

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			See Below	
CASH FUNDS			See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	See Below

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

LB 418 amends Nebraska Revised Statutes Sections 71-7611 and 77-2602.

Section 71-7611 is amended to say that the Nebraska Health Care Cash Fund shall now also include money received pursuant to Section 77-2602, which shall be used for biomedical research.

Section 77-2602 is amended to read, beginning July 1, 2016, and each fiscal year thereafter, \$2,000,000 of the cigarette tax shall be placed in the Nebraska Health Care Cash Fund to be used for biomedical research and that the amount distributed to the General Fund shall be reduced by a like amount if necessary.

In addition, the bill reduces the amount of the tax placed in the Nebraska Public Safety Communication System Cash Fund by \$2,000,000. The amount scheduled to be placed in this fund, beginning July 1, 2016, is \$5,070,000. The fund would be reduced to \$3,070,000.

The bill has an operative date of July 1, 2016.

The Nebraska State Patrol indicates that the Nebraska Public Safety Communication System Cash Fund is used to provide funding for the statewide radio system and other communication expenses related to public safety. The Patrol's budget request indicated that the additional tobacco taxes due to be deposited in the cash fund were intended to be used to fund Master Lease costs and to replace the Patrol's mobile radios, Mobile Data computers, and Computer Aided Dispatch System, as these will all be nearing the end of their useful lives. In addition, funds were intended to be used to pay for multiple communications related software support agreements and upgrades. Because of the decrease in the cash fund, the Patrol would have to use \$2,000,000 of General Funds for the above expenditures.

We have no basis to disagree with the State Patrol's estimate of fiscal impact.

The University of Nebraska estimates, based on historical distributions, that \$1.5 million of the \$2.0 million would be allotted to the University of Nebraska for biomedical research for FY2016-17.

We disagree somewhat with the University's estimate for FY2016-17. LB 418 simply places this \$2.0 million in the Health Care Cash Fund with an intent to use the additional funds for biomedical research. A subsequent appropriation will be required to send this money to the University or another entity to use for such research.

In summary, the Nebraska Health Care Cash Fund will be increased by \$2,000,000 each fiscal year; the Nebraska Public Safety Communication System Cash Fund will be reduced by \$2,000,000 each year; and because of the reduction to the Nebraska Public Safety Communication System Cash Fund, the State Patrol will require \$2,000,000 in General Funds for the above indicated expenditures.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 418	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 3/13/2015	PHONE: 471-4181
COMMENTS: The Department of Revenue's statement of the impact on the two cash funds listed is correct. There is no operational impact on the Department of Revenue.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 418	AM:	AGENCY/POLT. SUB: State Patrol
REVIEWED BY: Lyn Heaton	DATE: 3/11/2015	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the State Patrol's analysis. I concur that the increase in the allocation of cigarette tax to the State Patrol has been planned since originally enacted for the cost of replacement of equipment which has reached the end of its useful life and other costs of the Public Safety Communication System.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 418	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Lyn Heaton	DATE: 3/11/2015	PHONE: 471-4181
COMMENTS: The University of Nebraska's estimate appears reasonable.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 418	AM:	AGENCY/POLT. SUB: Dept. of Health and Human Services
REVIEWED BY: Lyn Heaton	DATE: 3/11/2015	PHONE: 471-4181
COMMENTS: Concur. No fiscal impact on the Dept. of Health and Human Services.		

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

2015

LB⁽¹⁾ 418

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: ⁽⁴⁾ 2/3/2015

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	\$2,000,000	_____
CASH FUNDS	_____	_____	(\$2,000,000)	(\$2,000,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$0	\$0	\$0	(\$2,000,000)

Explanation of Estimate:

LB 418 amends Section 77-2602 (3) (h) to reduce the funds scheduled to be deposited in the Nebraska Public Safety Communication System Cash Fund from \$5,070,000 to \$3,070,000 effective July 1, 2016. This Cash Fund is used to provide funding for the statewide radio system and other communication expenses related to public safety. The State Patrol's 2016-2017 Budget Request has indicated that the additional tobacco taxes that were scheduled to be deposited in the Cash Fund beginning July 1, 2016 were intended to be used to fund Master Lease Costs, and to replace the Patrol's mobile radios, Mobile Data Computers, and Computer Aided Dispatch System as all will be nearing the end of their useful lives. In addition the funds were intended to be used to pay for multiple communications related software support agreements and upgrades. Therefore, the fiscal impact of LB 418 would be a decrease in revenues of \$2,000,000 in Cash Funds, a decrease in expenditures of \$2,000,000 in Cash Funds, and an increase in General Fund expenditures of \$2,000,000, as Cash Funds would no longer be available to fund the above noted expenses.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	\$0	\$0

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Mason

Date Prepared:(4) 1-29-15

Phone: (5) 471-0676

	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

Beginning July 1, 2016, two million dollars of cigarette tax revenue would be transferred to Nebraska Health Care Cash Fund to be used for biomedical research. Also, beginning July 1, 2016 there would be a two million reduction in cigarette tax revenue transferred to Public Safety Communication System Cash Fund which is used by the Nebraska State Patrol to operate and maintain state Communications System.

There is no Fiscal Impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
		15-16	16-17		
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0

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

2015

LB⁽¹⁾ 418

**FISCAL
NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 27, 2015 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	1,500,000	1,500,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>1,500,000</u>	<u>1,500,000</u>

Explanation of Estimate

Beginning FY16-17 and every fiscal year thereafter, \$2,000,000 will be placed in the Nebraska Health Care Cash Fund to be used for biomedical research. Based on historical distributions the University estimates about \$1.5 million would be allotted to the University of Nebraska for biomedical research. Historically about 60% of this money is used to pay researchers' salaries and benefits and the remainder to purchase supplies and equipment.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Researchers	_____	unknown	_____	750,000
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	187,500
Operating.....	_____	_____	_____	462,500
Travel.....	_____	_____	_____	25,000
Capital outlay.....	_____	_____	_____	75,000
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	<u>1,500,000</u>