

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	4,630,000		4,630,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	4,630,000		4,630,000	

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

This bill states legislative intent to appropriate \$7 million each year to the Tobacco Prevention and Control from the Health Care Cash Fund.

The preliminary recommendation of the Appropriations Committee has \$2,370,000 in funding from the Health Care Cash Fund for the Tobacco Prevention and Control Program. An additional \$4,630,000 would need to be appropriated to meet the legislative intent of \$7 million each year.

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 it 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: 98	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 3/03/2015	PHONE: 471-4173
COMMENTS: Any increased allocation from Health Care Cash Fund is not sustainable.			

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) 3-2-15

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	<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:

There is no Fiscal Impact to the Department of Health and Human Services. The reason is the Legislature intends to appropriate \$7,000,000 (but not appropriate) to the Department of Health and Human Services in Program 30 for FY2015-16 and for FY2016-17 to be used for tobacco prevention and control from the Nebraska Health Care Cash Fund,

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