

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|---------|-------------------|-----------|
| | FY 2016-17 | | FY 2017-18 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | (500,000) |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | 500,000 |
| TOTAL FUNDS | | | | 0 |

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

LB 715 would provide that an amount not to exceed \$500,000 be transferred from the General Fund to the Nebraska Cultural Preservation Endowment Fund annually beginning on December 31, 2017 and continuing through December 31, 2026. Current statutory provisions requiring documentation of a dollar-for-dollar match prior to the transfer of General Funds into the Cultural Preservation Endowment would continue to apply to the transfers authorized in LB 715.

Existing law provides for a transfer not to exceed \$750,000 from the General Fund to the Cultural Preservation Endowment Fund on December 31 of 2016, provided that matching requirements are met. No additional transfers are currently scheduled under law. As a result of LB 715, there would be a \$500,000 General Fund revenue loss beginning in FY17-18 and continuing through FY26-27, and a corresponding revenue increase to the Cultural Preservation Endowment Fund.

An increase in the balance of the Cultural Preservation Endowment Fund would result in higher interest income earned by the fund, which would eventually be transferred to the Arts and Humanities Cash Fund and distributed as state aid. It is estimated by the Nebraska Arts Council that based upon the current interest rates, approximately \$13,400 in additional revenue would be generated by an additional \$500,000 deposit into the fund in FY17-18.

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

2016

LB⁽¹⁾ 715

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Arts Council

Prepared by: ⁽³⁾ Michael Markey Date Prepared: ⁽⁴⁾ 1/22/2016 Phone: ⁽⁵⁾ 402-595-2195

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2016-17</u> | | <u>FY 2017-18</u> | |
|--------------------|---------------------|----------------|---------------------|--------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | \$13,412.50 | \$13,412.50 |
| TOTAL FUNDS | ===== | ===== | \$13,412.50 | \$13,412.50 |

Explanation of Estimate:

Currently, the Nebraska Cultural Endowment Fund is earning at 5.365% annually, based on market performance. The estimate is based on the transfer of an additional \$500,000 in December 2017 to the Nebraska Cultural Endowment Fund. The earnings for FY 2017 are calculated on a six month investment period for the \$500,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2016-17</u> | <u>2017-18</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>16-17</u> | <u>17-18</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | ===== | ===== | ===== | ===== |