

Revised based on amendments adopted through 2-26-08

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2008-09</b>		<b>FY 2009-10</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	500,000		500,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	500,000		500,000	

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

This bill as amended creates the Stem Cell Research Act. The Stem Cell Research Advisory Committee is created. The committee consists of the deans of the two Nebraska medical schools and four scientists from outside of the state. The committee will award grants to Nebraska institutions or researchers for the purpose of conducting nonembryonic stem cell research. The grant awards require a dollar-for-dollar match. The committee is required to report annually to the legislature. The Stem Cell Cash Fund is created. The cash fund is to be used for the grants and up to 3% may be used for administrative expenses. From the revenue from the tobacco settlement, \$500,000 will be annually transferred into the Stem Cell Research Cash Fund.

This bill allows up to 3% or \$15,000, annually may be used for administrative expenses including travel reimbursement and stipends or consulting fees for the committee members. To estimate the travel costs, the costs for scientific reviewers for cancer research grants were used as a comparison. In FY 07, the average cost was \$785 per person per meeting. Assuming two meetings a year and average costs of \$800, the costs would be approximately \$6,400. The balance of the amount that may be used for administrative costs, \$8,600, would be available for stipends or consulting fees and other operating expenses. Existing staff at the Department of Health and Human Services would provide administrative support for the commission. There would be at least \$485,000 annually available for grants. The University of Nebraska would be eligible to receive grants from this fund. It is unknown the amount that would be awarded to the medical center or its employees.

Except for \$2.5 million, money from the tobacco settlement is deposited into the Tobacco Settlement Trust Fund. This bill would decrease the amount of revenue and investment interest deposited into the Tobacco Settlement Trust Fund. A combination of funds from the Tobacco Settlement Trust Fund and the Nebraska Medicaid Intergovernmental Trust Fund are the sources for the \$55 million a year transfer into the Health Care Cash Fund. The State Investment Officer determines the amount of the transfer each year from each fund for the \$55 million transfer.

Replicating the projection done by the State Investment Officer in May, 2007, this annual transfer would lower the ending balance in the Tobacco Settlement Trust Fund in FY 2015 by approximately \$5 million. The ending balance at the end of FY 2015 with this transfer would be approximately \$463 million versus \$468 million.