

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
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 136 changes the deposition of fines and penalties. Currently civil and administrative fines and penalties levied and collected by state agencies, commissions and other entities are deposited in the Permanent School Fund. The bill requires the fines to be remitted to the State Treasurer for distribution in accordance with Article VII, section 5 of the Constitution. This section provides for fines, penalties, and license money to be allocated to the counties where the fine is imposed to be paid over to the public schools in the respective subdivisions where the fine accrues.

The bill has a fiscal impact for school districts. The impact of the bill will vary by district. The Permanent School Fund will have decreased revenue from fines and penalties. This will decrease the amount of interest from the fund that is available to be distributed annually to schools as state apportionment. State apportionment is an annual allocation to school districts of the interest from the Permanent School Fund and income from the school lands that is allocated on a per pupil basis according to census. It is estimated the annual allocation of state apportionment funds will be reduced by about \$33,600 due to the redirection of fine proceeds to the counties. Each school district in the state will receive a smaller amount of state apportionment each year based on the census of children in the district.

Historical amounts deposited into the Permanent School Fund from fines and penalties in the last five bienniums have been about \$1.3 million in 2002-04, \$2.6 million in 2004-06, \$3.5 million in 2006-08, \$2.1 million in 2008-10 and \$1.7 million in 2010-12. The revenue from fines and penalties can vary significantly from year to year. The bill provides for the distribution of these proceeds directly to counties for allocation to school districts each year. It is assumed a high percentage of these proceeds will accrue to the school districts in Lancaster County where a majority of the state agencies are domiciled.

On a statewide basis, there will be more revenue distributed to school districts each year initially pursuant to the bill because the amount of fines levied currently exceeds the amount of state apportionment funding that will be reduced. At some point in the distant future, the interest that could have been earned on these funds had they been placed in the Permanent School Fund each year will exceed the amount that is being redirected on an annual basis to schools.

The fiscal impact of the bill will vary by school district depending upon the amount of state apportionment lost versus the increased amount of revenue from fines and penalties. If a school district experiences a net increase in revenue pursuant to the bill, then state aid (TEEOSA) for the school district will decrease two years later. Likewise, a net decrease in revenue for a school district pursuant to the bill will be reflected as decreased resources for state aid purposes two years later and an increase in state aid will result for schools receiving equalization aid. Assuming annual fine revenue of approximately \$1,120,000 accruing to the schools and reduced state apportionment funding of about \$33,600, the bill will result in an overall decrease in TEEOSA aid of about \$1,086,000 beginning in 2015-16.

SEE NEXT PAGE FOR DAS BUDGET ANALYST'S COMMENTS

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>LB 136</b>	AM:	AGENCY/POLT. SUB: <b>Department of Education (013)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 25 <sup>th</sup> , 2013	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: No basis to dispute agency analysis of potential fiscal impact on the Department of Education. There is no specific estimate provided for the potential savings in the TEEOSA state aid formula, but they do provide a reference figure as to the total statewide receipt of county fines and license monies in School Fiscal Year 2011-12, which was \$18,537,284.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>LB 136</b>	AM:	AGENCY/POLT. SUB: <b>Nebraska Department of Revenue (016)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 29 <sup>th</sup> , 2013	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: Concur with agency analysis of No fiscal impact on the Nebraska Department of Revenue. The agency makes no estimates of impact to Counties or Schools.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>LB 136</b>	AM:	AGENCY/POLT. SUB: <b>Department of Insurance (022)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 23 <sup>rd</sup> , 2013	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: No basis to dispute agency analysis of No fiscal impact on the Department of Insurance			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>LB 136</b>	AM:	AGENCY/POLT. SUB: <b>Department of Agriculture (018)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 21 <sup>st</sup> , 2013	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: No basis to dispute agency analysis of No Fiscal Impact on the Department of Agriculture.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>LB 136</b>	AM:	AGENCY/POLT. SUB: <b>State Treasurer (012)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 21 <sup>st</sup> , 2013	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: Concur with agency analysis of No fiscal impact on the Nebraska State Treasurer's Office.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>136</b>	AM:	AGENCY/POLT. SUB: Dept of Banking	
REVIEWED BY: Gary Bush		DATE:	PHONE: 471-4161
COMMENTS: Concur.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: <b>LB 136</b>	AM:	AGENCY/POLT. SUB: <b>Department of Economic Development (072)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 16 <sup>th</sup> , 2013	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: Concur with agency analysis of No fiscal impact on the Department of Economic Development.			



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

**2013**

**LB<sup>(1)</sup> 136 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Economic Development

Prepared by: <sup>(3)</sup> Gary Hamer Date Prepared: <sup>(4)</sup> January 14, 2013 Phone: <sup>(5)</sup> 1-4388

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

Explanation of Estimate:

No Fiscal Impact

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

**2013**

**LB<sup>(1)</sup> 136 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NDE/School Finance & Organization Services

Prepared by: <sup>(3)</sup> Inbody, Bergquist Date Prepared: <sup>(4)</sup> 1-15-2013 Phone: <sup>(5)</sup> 1-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

**Explanation of Estimate:**

This bill would provide all administrative fines and forfeiture of property be transferred to each respective county. The counties would then disburse the monies to school districts as county fines and license receipts. County fines and license receipts are other actual receipts in the calculation of State Aid (TEOSA). An increase in other actual receipts for a school district may decrease the amount of equalization aid for a school district. In school fiscal year 2011/12, the statewide receipt of county fines and license monies was \$18,537,284.

**Fiscal Impact:**

To the State of Nebraska: There may be a reduction in the amount of State Funds required for State Aid (TEOSA) if equalization aid is reduced.

To the Department of Education: There would be no fiscal impact to NDE.

To School Districts: School districts that receive equalization aid may see a decrease in equalization aid when other actual receipts are increased. There would be no fiscal impact to non-equalized school districts (schools that do not receive equalization aid).

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014 EXPENDITURES</u>	<u>2014-2015 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

**2013**

**LB<sup>(1)</sup> 136 FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) Department of Agriculture

Prepared by: (3) Robert Storant Date Prepared: (4) 01/14/2013 Phone: (5) 402-471-6821

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

Explanation of Estimate:

LB 136 provides for distribution of administrative fines in accordance with Article VII, section 5, of the Constitution of Nebraska and forfeited property in accordance with Article VII, section 7, of the Constitution of Nebraska.

There will be no impact to the Department with the implementation of this bill.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2013**

**LB<sup>(1)</sup> 136 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Banking & Finance

Prepared by: <sup>(3)</sup> Margo Sawyer Date Prepared: <sup>(4)</sup> 1/16/13 Phone: <sup>(5)</sup> 471-4954

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

Explanation of Estimate:

No Fiscal Impact

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2013**

**LB<sup>(1)</sup> 136 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> January 17, 2013 Phone: <sup>(5)</sup> 402-471-2793

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

Explanation of Estimate:  
No fiscal impact

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____



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

**2013**

**LB<sup>(1)</sup> 136 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Insurance

Prepared by: <sup>(3)</sup> Eric Dunning Date Prepared: <sup>(4)</sup> 1-14-12 Phone: <sup>(5)</sup> 402-471-4650

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

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

Explanation of Estimate:

No fiscal impact

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				