

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	(See below)	See below	(See below)
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB 161 would establish the Pairing Equity to Enterprises Act. The Nebraska Entrepreneurial Board would be created and administratively housed in the Department of Economic Development (DED) and a Nebraska Entrepreneurial Fund would be created. The fund would be administered by the board and used to make qualified investments in qualified businesses. The fund would consist of a one-time appropriation by the Legislature, transfers authorized by the legislature, and funds raised from private investors. Dividends from the fund would be used to make private investments as determined by the board.

LB 161 provides that if a designated amount of private equity (not currently established in LB 161) has not been subscribed by January 1, 2017, that private investments would be refunded and the balance of the fund would revert to the General Fund. The amount of state funding that would be appropriated or transferred into the Fund would be subject to legislative funding decisions. The balance of the fund would be supplemented by revenue raised from private investors.

It is assumed that the DED would provide staffing support to the Authority. The agency estimates hiring 3 FTE in FY15-16 to provide support to the functions of the authority, although the extent of staffing required would depend upon the size of the Nebraska Venture Fund and whether the required private investment level was established. It is estimated that in the initial two years of the program, costs would include assisting the board in the development of a strategic plan and efforts to secure private investment participation.

Assuming that the fund met its private investment goal, ongoing costs would involve gathering information to support for the board's investment decisions, monitoring the status of the investments, and managing the fund. If the fund did not meet the required private investment goals, administrative expenses would cease once the fund was closed out. Because language governing the Nebraska Entrepreneurial Fund does not allow for administrative costs to be deducted from the fund, it is assumed that costs would come from the General Fund. There is no basis to disagree with the agency cost estimate of \$259,824 in FY15-16 and \$242,017 in FY16-17.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 161	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Robin Kilgore		DATE: 1-22-15	PHONE: 471-4180
COMMENTS: Concur with agency's estimate of fiscal impact.			

