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 DATE PREPARED: February 15, 2008  
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**LB 966**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See Below		See Below

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

This bill increases the transfer into the Tobacco Prevention and Control Fund from the tobacco settlement agreement from \$2.5 million to \$7 million. The increase would occur for revenues received on or after April 1. The bill also prohibits the unexpended balance at the end of any fiscal year from being lapsed.

Currently funds are directly deposited into the Tobacco Prevention and Control Cash Fund when the money is received by the state. The remaining funds from the settlement agreement are deposited into the Tobacco Settlement Trust Fund. The Tobacco Settlement Trust Fund along with revenue in the Nebraska Medicaid Intergovernmental Trust Fund are the sources of 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.

This bill would reduce the revenue into the Tobacco Settlement Trust Fund and increase the revenue to the Tobacco Prevention and Control Fund. The increased funding to Tobacco Prevention and Control Fund would allow more funding to be appropriated for smoking prevention and cessation programs currently at \$2.5 million. Both revenue and investment earnings would be lower for the Tobacco Settlement Trust Fund.

Cash funds are not lapsed unless there is a statutory provision to allow or require lapses. The Tobacco Prevention and Control Fund currently retains the funds not spent unless there is specific legislative action to do otherwise.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	DATE	2/15/08	PHONE	471-2526
COMMENTS					
HEALTH & HUMAN SERVICES – Reduces payments to Nebraska Settlement Trust Fund by \$4.5 million per year. The NE Settlement Trust Fund is the source of revenue for the NE Health Care Cash Fund. Determination will have to be made as to the sustainability of the \$55 million annual transfer to the Health Care Cash Fund with this additional \$4.5 million annual drain on the Tobacco Settlement Trust Fund. The \$4.5 million would be used for programs funded out of the Tobacco Prevention and Control Cash Fund if appropriated by the legislature.					