

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,475,000	(2,475,000)	2,475,000	(2,475,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS**	2,475,000		2,475,000	
TOTAL FUNDS	4,950,000	(2,475,000)	4,950,000	(2,475,000)

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

LB905 directs the State Treasurer to designate \$50,000,000 of the Cash Reserve Fund as the Nebraska Educational Telecommunications Programming Endowment Fund (Endowment Fund). Any money in the Endowment Fund shall be invested by the state investment officer. Any interest accruing to the Endowment Fund is to be credited to the Nebraska Educational Telecommunications Programming Trust Fund (Trust Fund) which is created. The Trust Fund is to be administered by the Nebraska Educational Telecommunications Commission (NETC).

NETC is to adopt and promulgate rules and regulations to provide that the ultimate use of disbursements from the Trust Fund shall be limited to programming and operational expenses which are not used for fundraising purposes and are not directly supported by the General Fund appropriation to NETC.

All disbursements from the fund shall be matched dollar-for-dollar by other than state sources.

The Nebraska Investment Council Statement of Assets average interest rate for all funds for December 31, 2007 was 4.95%. Using the 4.95% interest rate, the income on the \$50,000,000 Endowment Fund is estimated at \$2,475,000. Any disbursements from the Trust Fund are to be matched dollar-for-dollar. There would also be a reduction of revenue to the General Fund since interest income from the Cash Reserve Fund accrues to the General Fund.

** Dollar-for-dollar matching funds.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Dave Wagaman	DATE	1/25/08	PHONE	471-2526
COMMENTS					
NETC: Generally concur with agency response. However, there may only be 11 months of interest earned in FY 2009, given August 1, 2008, date in section 7(23) of the bill—hence \$1,375 million would be available in FY 2010 from FY 2009 interest earnings. Also, dollar for dollar match would be required, therefore, another \$1.375 million would be available in FY 2010—if the match is obtained. The <u>total</u> potential disbursements at a 3% interest rate would be \$2.750 million in FY 2010.					