

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(720,000)		(720,000)
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 1035 creates the Expressway Construction Fund and provides that \$16 million shall be transferred from the Cash Reserve Fund to the Expressway Construction Fund within seven days after the effective date of this act. Due to the emergency clause this transfer will take place in FY2007-08.

Department of Roads Impact

The bill specifies that money in the Expressway Construction Fund shall be used to match federal funds which have been authorized for construction of portions of the state expressway system. The state expressway system is defined in the bill. The Department of Roads will have an additional \$16 million, plus interest earned, earmarked for use on the expressway system as specified in the bill. The timing of related construction expenditures is currently unknown and may take place over more than one year. For this reason the size of the invested balance over time is unknown which makes an accurate estimate of interest earnings unavailable.

The definition proposed for the expressway system would add 220 miles to the 600 mile expressway system identified in 1988. The addition of these miles to the system will not have a fiscal impact since no timetable is specified for their improvement to expressway standards.

Cash Reserve Fund and General Fund Impact

The Cash Reserve Fund's unobligated balance at the end of this biennium on June 30, 2009 is estimated to be \$540 million. This takes into account transfers that are currently required by law but does not include any transfers proposed by legislation introduced during the 2008 session. LB 1035 would reduce this estimated unobligated balance down to \$524 million.

The interest earned on the Cash Reserve Fund (CRF) balance is deposited into the General Fund. Reducing the CRF balance by \$16 million will reduce General Fund interest revenue by an estimated \$120,000 in FY07-08 (2 months), and by an estimated \$720,000 annually beginning in FY2008-09, assuming a 4.5% interest rate.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
DEPARTMENT OF ROADS: Concur with Department of Road's analysis and estimates of both increased revenue and expenditures fiscal impact.					