PREPARED BY: DATE PREPARED: PHONE: Liz Hruska March 12, 2015 471-0053

LB 397

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	5-16	FY 2016-17					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS								
CASH FUNDS	300,000							
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	300,000							

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

This bill requires the Department of Economic Development to award a \$300,000 grant to a city of the metropolitan class, contingent upon the formal notification by the federal Department of Housing and Urban Development that it intends to provide a Residential Lead-Based Paint Hazard Reduction Act grant. The bill states legislative intent to appropriate \$300,000 from the Health Care Cash Fund.

Omaha is the only city of the metropolitan class. For purposes of this fiscal note, it is assumed that Omaha would receive the notification in FY 15.

The Nebraska Investment Council is required to submit a report to the Legislature every other even-numbered year on the sustainability of the Health Care Cash Fund. The report submitted on September 30, 2014, stated:

At the Current pace of spending the projections suggest that there is a high probability that the Fund transfers are not sustainable indefinitely. The Fund earning cannot keep pace because a significant portion of the earnings are being used to cover a growing negative distribution and reinvested.

There is no possibility that the \$60.1 million transfer can be increased to offset inflation to maintain it purchasing power.

Transfers are sustainable in each of the next ten years by only utilizing most of the investment income and at the expense of maintaining the longer term viability of the Fund.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 397	AM:	AGENCY/POLT. SUB: Department of Economic Development					
REVIEWED BY: Rot	oin Kilgore	DATE: 2-13-14	PHONE: 471-4180				
COMMENTS: No basis to disagree with agency's estimate of fiscal impact.							

LB 397 Fiscal Note 2015

State Agency Estimate								
State Agency Name: Dept. of Economic Development				Date Due LFA1/26/2015				
Approved by: Lara Huskey	Date Prepared: 2/2/2015 Phone: 402-471-3777				1			
	FY 2014	4-201 <u>5</u>		FY 201	<u>5-2016</u>	FY 2016-2017		6-2017
	Expenditures	Revenue		Expenditures	Revenue		Expenditures	Revenue
General Funds								
Cash Funds			_					
Federal Funds			_					
Other Funds			_					
Total Funds			_					
			_					

LB 397 requires the Department of Economic Development to award a grant to a city of the metropolitan class in the amount of three hundred thousand dollars, contingent upon formal notification by the United States Department of Housing and Urban Development that it intends to award a grant to a city of the metropolitan class to carry out the federal Residential Lead-Based Paint Hazard Reduction Act of 1992.

The Department of Economic Development will have minimal costs to implement LB 397 as drafted.

Major Objects of Expenditure								
Class Code	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 Expenditures	15-16 Expenditures	16-17 <u>Expenditures</u>	
Benefits.								
Operating Costs.								
Travel								
Capital Outlay								
Aid								
Capital Improvements.								