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FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS		250,000		250,000	
CASH FUNDS	(See below)	(See below)	(See below)	(See below)	
FEDERAL FUNDS				- 00	
OTHER FUNDS		(250,000)		(250,000)	
TOTAL FUNDS	(See below)	(See below)	(See below)	(See below)	

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

LB 485 would reduce the amount of the annual General Fund transfer to the Nebraska Cultural Preservation Endowment Fund from \$500,000 to \$250,000. Under current law, a \$500,000 transfer from the General Fund to the Nebraska Cultural Preservation Endowment Fund would be carried out on December 31 of 2011, 2012, 2013, 2014, 2015 and 2016, provided that a dollar-for-dollar match has been documented.

LB 485 would result in a \$250,000 General Fund revenue increase from FY11-12 through FY16-17 and a corresponding decrease to the Nebraska Cultural Preservation Endowment Fund, which is classified as a Trust Fund in the state accounting system. The decreased level of transfers into the Nebraska Cultural Preservation Endowment Fund and the resulting lower fund balance would also decrease potential interest income earnings. Because the earnings are transferred to the Nebraska Arts and Humanities Cash Fund and then expended as state aid, there would be a decreased level of cash fund expenditures. Because amount transferred into the Nebraska Arts and Humanities Cash Fund is variable, depending upon investment earnings, the exact revenue loss and decrease in expenditures can not be accurately established.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY Matthew Eash DATE 2/17/11 PHONE 471-2526

COMMENTS

NEBRASKA ARTS COUNCIL: There would be \$250,000 General Fund savings in both FY 2011-12 and FY 2012-13.

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FISCAL NOTE LB485 Nebraska Arts Council

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LEGISLA TOTAL ETGCA* Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	0	0	0	0
Cash Funds	TBD	TBD	TBD	TBD
Federal Funds	0	0	0	0
Other Funds	0	0	0	0
Total Funds	TBD	TBD	TBD	TBD

Explanation of Estimate:

Funds available from the earnings on the transfer and corpus are based on market performance. The corpus is held by the State Treasurer and invested by the State Investment Council.

Because the amount of earnings is based on market performance, we are unable to provide an estimate of the exact impact that the reduction of \$250,000 would have on the annual earnings.

Earnings are a significant mechanism to maintain grants and services, which reduces the agency's need to request more funding from the General Fund.

Major Objects of Expenditure

	Number of Positions		FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		