

Revised to reflect any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	133,345		177,792	
CASH FUNDS	17,907		23,876	
FEDERAL FUNDS	64,905		86,144	
OTHER FUNDS	82,474	82,474	70,869	70,869
TOTAL FUNDS	298,631	82,474	358,681	70,869

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

LB 429, as amended by AM390, requires the Treasurer’s website described in section 84-602.02 (under the Taxpayer Transparency Act) to include a link to the DAS website by July 1, 2014. The DAS website shall have a copy of each active contract that is a basis for an expenditure of state funds. The database shall be accessible by the public and searchable by vendor, agency, board, commission, or department, and by any dollar amount. The database shall also include copies of all expired contracts which were previously included in the database. The database shall include contracts that are active on and after January 1, 2014.

Certain information is exempted from inclusion in the database via redaction and/or withholding. Such information is typically of a personal nature, such as social security number or protected information.

The amended bill’s provisions strike prior references to including subcontracts in the database. In addition, the amended bill excludes letters of agreement utilized by the Department of Health and Human Services.

DAS estimates the need for 2.0 FTE Administrative Assistant positions to fulfill the bill’s provisions. This estimate is the same as the estimate for the bill prior to removal of the subcontracts provisions. It appears unlikely that the bill will have the same costs when such a large number of database items are now removed from the provisions.

One of these positions will work with Nebraska.gov to develop the website so it is compliant with the bill. The position will also work with agencies to ensure documents are provided in the correct format and post the contracts and subcontracts to the website. That Division is funded with Revolving Funds and accounts for the entire amount identified in the revenue and expenditure columns for Revolving Funds above. The total costs for this position are estimated to be: \$84,472 and \$70,869. This higher first year costs are due to start-up costs.

The remaining estimated expenditure amount is \$64,412 in FY2013-14 and \$63,007 in FY2014-15. This is attributed to the State Building Division. That Division estimates the need for 1.0 FTE as well. In the initial fiscal note submission, the Department of Administrative Services noted that there is added complexity for the State Building Division due to the subcontract portion of the bill. This provision is removed in the amended bill. DAS notes correctly that amendments to contracts are now included. Based on that inclusion, they estimate the need for this position.

The work associated with subcontracts would have been much greater than that associated with amendments. Subcontracts would have required individual records for an undetermined number of subcontracts. Complicating that is the fact that DAS does not necessarily have such information available. With amendments, such information is easier because the information is currently available and simply needs to be reported and published on the website. This is the assertion that DAS made in its original fiscal note submission in regard to prime contracts. Furthermore, DAS states in this submission that there are 3,721 current service contracts in place. That is their total number, not including commodity contracts. Some (presumably smaller) portion of those contracts makes up the subset attributable to Building Division.

For the above stated reasons, the DAS estimate for an FTE for Building Division is being discounted in this note. It appears that the need for such a position will not be created by this bill’s provisions.

The Department of Health and Human Services (DHHS) estimates the need for 3.5 FTE to address the amended bill's provisions. This is lower than the original bill's estimate of 5.5 FTE. The decreased staffing is tied to the removal of subcontracts. The 3.5 FTE would be 1.5 Staff Assistant II and 2.0 Paralegal II positions. These positions would address the review, redaction, and compilation of approximately 3,537 documents (contracts, sub grants, and associated documents). The 2.0 Paralegal positions would review the documents to locate and redact any confidential information. The 1.5 Staff Assistants would perform the compilation of documents.

The first year estimated costs reflect less than full-year costs. DHHS anticipates that these positions will not be filled for the entire fiscal year 2013-2014. This estimate appears to be reasonable.

The University of Nebraska filed a response for fiscal impact to the original bill. They did not submit a reply for the amended bill.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 429	AM: 390	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Gary Bush		DATE: March 18, 2013	PHONE: 471-4161
COMMENTS: Agree with estimate of impact.			

Please complete ALL (5) blanks in the first three lines.

2013

LB ⁽¹⁾ 429 **FISCAL NOTE** **AM390**
(revised)

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ March 15, 2013 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

No fiscal impact.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

2013 Legislative Bill Proposal Fiscal Note

Bill #: 429 AM390

State Agency: AS / Materiel – State Purchasing Bureau, State Building Division, 309 Task Force for Building Renewal

Prepared by: Brenda Pape
Dennis Summers
Steve Hotovy

Date Prepared: 03/15/13

Phone: 402-471-0970
402-471-8351
402-471-3515

Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds	146,886	82,474	133,876	70,869
Total Funds	146,886	82,474	133,876	70,869

Explanation of Estimate: This bill as amended requires the disclosure of state contracts including any amendments to such contracts. These contracts and amendments are to be posted to the Administrative Services website. All agencies, boards, commissions, and departments are required to provide this information in electronic form to Administrative Services. The Administrative Services website is to be searchable by vendor, by agency, board, commission, or department, and by dollar amount. The State Treasurer will post a link on its website to the Administrative Services' website.

The State of Nebraska has 3,721 current service contracts in place, not including commodity contracts.

Due to the volume of contracts, the number of amendments to these contracts and the necessary time to redact any required information from the contract and its amendments, AS/Materiel - State Purchasing Bureau will need a minimum of one (1) additional full time employee (FTE). This position has been identified as an Administrative Assistant I. The Administrative Assistant will work with Nebraska.gov to develop the Administrative Services website to ensure compliance with requirements of the bill. This position will work with agencies to ensure documents are provided in the correct electronic format, post contracts and amendments to the website in a searchable format as required, and remove contracts upon expiration of these contracts on an ongoing basis.

The estimated costs for the additional one (1) FTE are \$64,412 in FY13-14 and \$63,007 in FY14-15. These costs include salary and benefits (health insurance is budgeted using the State's current share of the highest cost family plan); ongoing annual operating costs (communication/data processing, printing/publication, supplies and rent/depreciation surcharge). There would also be a one-time cost in FY13-14 for the purchase of new equipment and set up costs of \$2,500.

There would need to be the development of a system for the publishing and maintenance of the contracts and amendments. The exact cost would not be known, until there was further investigation of the requirements and a decision on the system to be used. Potential costs could include:

- Development (assuming 120 hours @ \$85 per hour) = \$10,200;
- Annual account fees (assuming 15 people @ \$36 per month) = \$6,480 per year;
- Annual maintenance (assuming system modifications requiring 10 hours of effort each year @ \$85 per hour) = \$850 per year;
- Annual storage and backup fees (assuming 1,000,000 pages of content) = \$532 per year

Total estimated one-time costs could be \$10,200. Annual costs could be \$7,862 (\$6,480 + \$850 + \$532 = \$7,862).

These additional costs would result in the need for additional revolving appropriation and an increased Materiel-Purchasing Assessment to State Agencies.

The table below summarizes the impact by fund type of the increased statewide Materiel-Purchasing Assessment. The allocation by fund type is based on total FY11-12 operational expenditures.

	FY2013-14	FY2014-15
	Expenditures	Expenditures
General Funds	26,627	22,880
Cash Funds	27,790	23,879
Federal Funds	13,279	11,410
Revolving Funds	14,779	12,699
Total Funds	82,474	70,869

The AS/State Building Division (AS/SBD) currently records key information from all contracts related to construction in the State Accounting System. Additionally, paper versions of each signed contract and amendment are kept on file and can be redacted (if necessary), scanned and published on a website.

However, the amendment to the bill adds the requirement for AS/SBD to report on all amendments to contracts. For lease contracts, it is quite common for AS/SBD to make minor changes to existing contracts to meet changes in agency space needs. For construction contracts, it is very common to write a number of contract change orders to accommodate unforeseen circumstances, omissions and owner requested changes. For a major renovation of an existing building, it would not be uncommon to write 20 change orders during the life of the construction contract. The additional effort to capture and report on contract changes for AS/SBD contracts as well as other state agency contracts will require one (1) additional FTE which has been determined to be an Administrative Assistant I. Longer term staffing requirements, after initial implementation, are more difficult to assess, but are estimated to continue to require one (1) FTE.

The estimated costs for the additional one (1) FTE are \$64,412 in FY13-14 and \$63,007 in FY14-15. These costs are the same as noted above for the additional Materiel FTE.

These additional costs would result in the need for additional revolving appropriation and an increased administrative cost that could result in a need to increase the rental rates at AS/SBD managed facilities.

The 309 Task Force for Building Renewal (Task Force) assumes that the additional staff listed above to manage the new documentation requirements for the Administrative Services website will be sufficient and thus, the Task Force does not anticipate the need to add staff if proposed LB 429, as amended, is passed into law.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions		FY 2013-14	FY 2014-15
	13-14	14-15	Expenditures	Expenditures
Administrative Assistant I	2	2	62,970	64,228
Benefits			51,432	52,364
Operating			9,422	9,422
Operating - System			18,062	7,862
Capital Outlay			5,000	
TOTAL	2	2	146,886	133,876

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 3-27-13

Phone: (5) 471-8072

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$133,345		\$177,792	
CASH FUNDS	\$17,907		\$23,876	
FEDERAL FUNDS	\$64,905		\$86,144	
OTHER FUNDS				
TOTAL FUNDS	\$215,857		\$287,812	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 429, as amended, would apply to current DHHS contracts, subgrants, and associated documents but not subcontracts or second tier subgrants. DHHS estimates that this bill would require the review, redaction, and compilation of approximately 3537 documents. This includes documents that are incorporated by reference into a contract or subgrant. DHHS estimates that 1.5 Staff Assistant II positions and 2 Paralegal positions would be required to perform this work.

The 2 paralegal positions would be required to carefully review the documents to locate and redact any confidential information. The staff assistant would assist with the compilation of the documents.

It is anticipated that these positions will not be filled for all of 2013-2014. This is reflected in the reduced expenditure amount below.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
	Staff Assistant II	1.50	1.50	\$37,698	\$50,263
	Paralegal II	2.0	2.0	\$66,481	\$88,641
	Benefits.....			\$41,671	\$55,563
	Operating.....			\$70,008	\$93,344
	Travel.....				
	Capital Outlay.....				
	Aid.....				
	Capital Improvements.....				
	TOTAL.....			\$215,857	\$287,812