

PREPARED BY: Mike Lovelace
 DATE PREPARED: March 18, 2016
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LB 754

Revision: 02

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect amendments adopted through 3/17/16.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	147,328		176,189	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	147,328		176,189	

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

LB 754 would create the Commission on Military and Veteran Affairs to address matters of military significance to Nebraska, which includes forming relationships to further statewide strategies involving the military, serving as the lead agency on various military related issues and activities, and numerous other responsibilities as outlined in the bill.

The ten member commission is required to meet at least two times each year and members are reimbursed for actual and necessary expenses. The Department of Veterans' Affairs is required to hire a military liaison for the commission and is required to provide administrative support. The commission may also obtain the services of experts and consultants as necessary to carry out their duties.

The attached fiscal note from the Department of Veterans' Affairs estimates total expenditures of \$147,328 in FY2016-17 and \$176,189 in FY2017-18. The FY2016-17 salary and benefit costs are for less than a full fiscal year. In FY2017-18, the first full year of operation, almost 92% of expenditures are for salaries and benefits, which illustrates that the staffing level is the main cost driver. Health insurance costs may be lower than estimated if the new staff chose a different plan than regular family coverage. If they each opted for two-party coverage under the wellness plan the savings would be \$15,610 on a full year basis. Since this will be a new commission and the specific activities that will be undertaken and in turn the resulting workload are difficult to predict there is no basis to disagree with the Department of Veterans' Affairs' estimates. It is noted that the department's estimates are higher than those provided by the Department of Economic Development (\$86,352 in FY2016-17 and \$132,674 in FY2017-18) prior to the adoption of AM2103 which replaced DED with the Department of Veterans' Affairs.

The estimates provided by the Department of Veterans' Affairs are broken down as follows:

	FY2016-17	FY2017-18
Military Affairs Liaison salary	48,204	65,877
Staff Assistant salary	27,743	37,916
Health insurance (reg. family plan)	31,010	41,348
Retirement/FICA contribution	11,393	15,570
Workers comp.	930	930
Other	48	48
Subtotal salary and benefits	119,328	161,689
Publication/printing	5,000	1,500
IT and phone support	5,000	3,500
Educational expense	2,000	0
Miscellaneous expenses	1,500	1,500
Travel	6,000	8,000
Capital outlay (computer, printer, etc.)	8,500	0
TOTAL	147,328	176,189

Amendment AM2625 adopted on Select File adds the provisions of LB 764, which amends the Nebraska Code of Military Justice to provide the framework to allow commanding and general officers to issue administrative discipline for minor offenses. This amendment has no fiscal impact.

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

2016

**LB⁽¹⁾ 754
AM 2103**

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) NEBRASKA DEPARTMENT OF VETERANS AFFAIRS

Prepared by: (3) JOHN MCNALLY Date Prepared: (4) MAR 09, 2016 Phone: (5) 402-471-2458

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	147,328		176,189	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	147,328		176,189	

Explanation of Estimate:

The additional responsibility to communicate and provide updates to a wide range of stakeholders would have a fiscal impact on the Nebraska Department of Veterans' Affairs, Agency 28.

This would require the creation of two new positions and an increase in operating expenses.

The additional staffing requirements would create a need for a corresponding increase in PSL.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Commission Administrator	1	1	*48,204	65,877
Staff Assistant	1	1	*27,743	37,916
Benefits.....			43,381	57,896
Operating.....			**13,500	***6,500
Travel.....			6,000	8,000
Capital outlay.....			****8,500	
Aid.....				
Capital improvements.....				
TOTAL.....			147,328	176,189

*16-17 pay rates are calculated at .75 of a fiscal year to account for the time before we would be able to staff the positions.

**Operating expenses for 16-17: 5,000 publication/printing, 5,000 for IT and phone support, 2,000 educational expenses, 1,500 for miscellaneous expenses and 8000 travel expenses.

***Operating expenses for 17-18 include 1,500 publication/printing, 3,500 IT & phone support, 1,500 miscellaneous and 8,000 travel expenses.

****Capital outlay includes computers, scanners, laptop, printer and other office setup equipment.

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2016

LB⁽¹⁾ 754 – AM 2103

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Dept. of Economic Development

Prepared by: ⁽³⁾ Courtney Dentlinger Date Prepared: ⁽⁴⁾ 2/22/2016 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

AM 2103 to LB 754 would create the Commission on Military and Veteran Affairs. The Commission would consist of six voting members and four non-voting members. The voting members would include the Director of the Department of Economic Development (DED), the Adjutant General, the Director of Veterans Affairs and three residents of Nebraska with military experience. The commission would address matters of military significance in Nebraska.

The Commission would elect a chairperson, vice-chairperson, and secretary from among its members. The Commission would meet two times a year at such times and places determined by the chairperson, and for other special meetings when deemed necessary by the chairperson. Members would receive no compensation for their service as members of the commission, but would be reimbursed for actual and necessary expenses.

The Department of Veterans' Affairs would hire a military affairs liaison for the Commission and fix his or her salary, and would provide administrative support to the Commission, as needed. The Commission would prepare and submit an annual report no later than November 15th of each year, summarizing the military assets of Nebraska, including installations and missions, and the economic impact of the military assets.

There is no anticipated fiscal impact to DED, as a result of AM 2103. Any expenses incurred by the Director in attending meetings would be nominal.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____