

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	3,785		3,875	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	59,072	59,072	4,260	4,260
<b>TOTAL FUNDS</b>	<b>62,947</b>	<b>59,072</b>	<b>8,135</b>	<b>4,260</b>

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

LB 851 changes provisions related to the Taxpayer Transparency Act.

Section 2 provides definitions for “Expenditure of state funds”, “Pass-through funds”, “State entity”, and “State receipts”.

Section 3 requires the State Treasurer to develop and maintain a single, searchable web site with information on state receipts, expenditures of state funds, and contracts which is accessible by the public at no cost to access.

The Department of Administrative Services will need to modify the State Contracts Database to accommodate additional entities and develop user authentication portal for such entities. They estimate a cost of \$59,072 to address this work. In addition, 30 hours per year for maintenance work is estimated. The ongoing cost is estimated to be \$4,260. This work would be paid with Revolving Funds. These estimates appear to be reasonable.

The Nebraska State College System estimates additional workload that will cost \$3,875 per year. This is based on 240 additional hours of work (80 hours per year) at each of the three Colleges. There is no basis to disagree with this estimate.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 851	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services	
REVIEWED BY: Lyn Heaton		DATE: 2/8/2016	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department of Administrative Services’ analysis given the need to collect contract information from additional “state entities” not currently included in the state contracts database. An increase in the Material Division’s revolving fund assessment would have an indirect impact on the General Fund and other agency funds.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 851	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 2/12/2016	PHONE: 471-4181
COMMENTS: The Department of Revenue’s estimate of no revenue impact and no operational fiscal impact on the Department appears reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 851	AM:	AGENCY/POLT. SUB: State Treasurer's Office
REVIEWED BY: Lyn Heaton	DATE: 2/8/2016	PHONE: 471-4181
COMMENTS: Concur with the State Treasurer's Office's estimate of no fiscal impact on their office.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 851	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Lyn Heaton	DATE: 2/12/2016	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the University of Nebraska's estimate of minimal fiscal impact.		

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

**2016**

**LB<sup>(1)</sup> 851**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) - Materiel

Prepared by: <sup>(3)</sup> Ana Hyler Date Prepared: <sup>(4)</sup> 01/13/2016 Phone: <sup>(5)</sup> 402-471-2432

**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>
<b>GENERAL FUNDS</b>	_____	_____	_____	_____
<b>CASH FUNDS</b>	_____	_____	_____	_____
<b>FEDERAL FUNDS</b>	_____	_____	_____	_____
<b>REVOLVING FUNDS</b>	<u>\$59,072</u>	<u>\$59,072</u>	<u>\$4,260</u>	<u>\$4,260</u>
<b>TOTAL FUNDS</b>	<u>\$59,072</u>	<u>\$59,072</u>	<u>\$4,260</u>	<u>\$4,260</u>

**Explanation of Estimate:**

LB851 provides for the website of the State Treasurer to contain links to additional types of expenditures of State funds. The legislation as written redefines "state entity," to include other bodies created by state statute that include a person appointed by the Governor, the head of any state agency or department, an employee of the State of Nebraska, or any combination of such persons. This bill would require approximately 15 additional semi-independent state entities to submit contract information into the State Contracts Database/Website. These entities do not use the EnterpriseOne Financial System. These entities do not have state credentials or access to the state network.

This legislation would require DAS - Materiel Division to modify the State Contracts Database solution to allow for the additional entities and develop user authentication portal for such additional entities. Modification of the database solution will be required to grant appropriate access to the applicable Public Active Directory (AD) groups for the solution. The smaller entities would input their contract data and documents directly into the State Contracts Database solution. Document Types and a numbering structure will need to be set up for each new entity.

The State Contracts Database Website search page(s) will also require modification to include "Other State Entities" so their contracts can be searched separate from State Agencies and Higher Education.

This project will require design, development, testing, technical review, and training. This project is estimated to take 416 hours of work at a rate of \$142 per hour, totaling \$59,072.00 (416 hrs. X \$142 = \$59,072).

Ongoing this solution will require an estimated additional 30 hours, per year, of maintenance work at the rate of \$142 per hour, or \$4,260 yearly (30 hrs. X \$142 = \$4,260). The legislation as drafted also appears to include subcontracts. The State generally does not collect subcontracts, or have any involvement in the payment of subcontracts or subcontractors. If the intent is to include subcontracts into the database this would involve additional time and expense and could invite resistance from contractors.

These additional costs would result in the need for additional revolving appropriation and an increased DAS - Materiel/Purchasing Assessment for FY16-17. Some of the entities that would be included in this bill are not included in the assessment. These addition costs that will be incurred to have them added to the database would be assessed across the board to the State Agencies that are currently being assessed.

The additional ongoing costs for FY17-18 would be addressed in the assessment development for the new biennium, but would result in an increased assessment and a possible increase in appropriation.

The table below summarizes the impact by fund type of the increased statewide DAS - Materiel/Purchasing Assessment. The allocation by fund type is based on total FY14-15 operational expenditures.

	FY2016-17	FY2017-18
	Expenditures	Expenditures
General Funds	\$15,762	\$1,137
Cash Funds	\$21,922	\$1,580
Federal Funds	\$12,436	\$897
Revolving Funds	\$8,952	\$646
Total Funds	\$59,072	\$4,260

**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>
Benefits.....				
Operating.....			\$59,072	\$4,260
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$59,072</b>	<b>\$4,260</b>



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

**2016**

**LB<sup>(1)</sup> 851**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters

Date Prepared: <sup>(4)</sup> January 12, 2016

Phone: <sup>(5)</sup> 402-471-2793

**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:

No fiscal impact

**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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2016**

**LB<sup>(1)</sup> 851**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) University of Nebraska

Prepared by: (3) Michael Justus Date Prepared: (4) February 11, 2016 Phone: (5) 402-472-2191

**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:**

The bill requires the "identity, principal location, and amount of state receipts received" by each state agency to be published on the State spending website as required by the Taxpayer Transparency Act. A clarification of this receipts language was obtained from the State Treasurer and based on the State Treasurer's interpretation, we believe there will be no fiscal impact on the University.

The University can provide the requested summary information of revenues/receipts based on the following:

- \*the data will be provided annually after June 30 of each year on a cash basis
- \*the source will be DAS general ledger account totals for the year, disregarding state funds
- \*the descriptors for the revenue summary totals will be the DAS general ledger account names.

This approach is similar to how expenses are currently published to the State spending website. A request will be submitted to DAS to provide the revenue summary report. We anticipate some unknown amount of programming costs will be involved, but the fiscal impact should be minimal.

**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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2016**

**LB<sup>(1)</sup> 851**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska State College System (NSCS)

Prepared by: <sup>(3)</sup> Carolyn Murphy

Date Prepared: <sup>(4)</sup> 2/12/2016

Phone: <sup>(5)</sup> 402-471-2505

**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	<u>3,875.00</u>	<u>                    </u>	<u>3,875.00</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUNDS	<u><u>3,875.00</u></u>	<u><u>                    </u></u>	<u><u>3,875.00</u></u>	<u><u>                    </u></u>

**Explanation of Estimate:**

LB851 makes changes to the Taxpayer Transparency Act and would add additional reporting requirements for the NSCS. These include all receipts, as well as the addition of contracts and expenditures from the NSCS revenue bond programs and Facilities Corporation.

While the NSCS does not believe that the addition of the revenue bond program and Facilities Corporation contracts and expenditures to the reporting requirements will add significant workload, there is concern about the impact of providing all receipts. With the change on page 4, line 18, NSCS receipt information will need to include "identity, principal location, and amount". On the expenditure side, this is currently interpreted to mean transaction level detail (i.e. the identity of who was paid and the amount for each payment). This would lead us to believe that will also be the case for receipts. Providing this level of detail will add a significant workload to the process. It is also important to note that under the Federal Educational Rights and Privacy Act (FERPA) requirements, the NSCS cannot disclose student names as part of receipt detail, so student names will need to be redacted.

Assuming transactional detailed receipt information is required, the NSCS anticipates the workload of pulling this receipt information from various systems across the three Colleges, redacting student names, as well as any other confidential information, and preparing the data in the format necessary for upload may require approximately 80 hours of work each year at each of the three Colleges, for a total of 240 hours.

**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>
Hourly Workers (240 hours x \$15/hr)	<u>                    </u>	<u>                    </u>	<u>3,600.00</u>	<u>3,600.00</u>
Benefits.....	<u>                    </u>	<u>                    </u>	<u>275.00</u>	<u>275.00</u>
Operating.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Travel.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital outlay.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Aid.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital improvements.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>