

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		\$0	
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 248 creates the Youth Opportunities in Learning and Occupations Act.

The objectives of the Act are to:

- A) Prepare young people to enter the workforce;
- B) Develop marketable skills and competencies, increase earning power, and secure jobs for those who successfully complete training;
- C) Provide career counseling;
- D) Reduce unemployment;
- E) Provide a basis for employees to successfully increase skills for gainful employment;
- F) Engage employers in preparing young people for gainful employment;
- G) Prepare young people to fulfill the employment needs of businesses in Nebraska;
- H) Identify and develop young people to fulfill the demand for a skilled workforce.

The Commissioner of Labor is to administer a grant program, beginning in FY2017-18 and thereafter, that provides grants to certain employers and nonprofit corporations to fulfill the objectives of LB 248. The Commissioner is to give priority to programs, services, or training that results in employment. Grant funds are to be allocated as equally as possible across the three Nebraska congressional districts.

The Department is given rule and regulation authority and is required to report the Governor and Legislature on or before November 1 of each year beginning in 2018.

LB 248 creates the Youth Opportunities in Learning and Occupations Fund. The fund shall be used for administrative costs of the program and providing the grants authorized by the Act. Money in the fund may not be expended without matching funds equal to 100% of the appropriated amount have been credited to the fund. Matching funds may come from any nonstate source including federal, local government, private foundation, or quasi-governmental entity.

The actual fiscal impact of the bill is dependent on how much the Legislature appropriates to implement its provisions. However, the bill contains intent to appropriate language for FY2017-18 in the amount of \$20,000,000 from the General Fund.

The Department of Labor indicates that the cost to implement the provisions of LB 248 include 3.0 FTE and administrative costs. For FY2017-18 the estimated cost is \$206,780 and for FY2018-19 it is \$245,220. This includes PSL of \$93,380 and \$125,751 for the respective fiscal years.

TECHNICAL NOTE: Language in the bill provides that no money in the Cash Fund shall be expended until matching funds equal to at least 100% of the amount appropriated by the Legislature are received, therefore, prior to receiving those funds there is no mechanism to pay for the administrative costs and no mechanism to provide money moving into the Cash Fund to implement the provisions of the bill. In addition, because the bill does not contain the emergency clause activity could begin do sooner than mid-September 2017.

We disagree somewhat with the Department of Labor's estimate of cost. We believe the Act can be implemented and administered with 2.0 FTE. The cost for FY2017-18 will be \$167,823 with PSL of \$59,923 and for FY2018-19 it will be \$200,165 with PSL of \$80,696.

ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 248	AM:	AGENCY/POLT. SUB: Dept of Labor
REVIEWED BY: Gary Bush	DATE: 1/20/17	PHONE: (402) 471-4161
COMMENTS: The agency's estimate of impact appears to be reasonable. Agree with the technical note offered by the agency.		

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

2017

LB⁽¹⁾ 248

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kim Schreiner Date Prepared: ⁽⁴⁾ 01-19-2017 Phone: ⁽⁵⁾ 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		(\$20,000,000)		
CASH FUNDS	\$206,780	\$20,000,000	\$245,220	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$206,780</u>		<u>\$245,220</u>	

Explanation of Estimate: Costs to administer this new program would include three FTE and related benefits, in addition to indirect costs, IT applications (both rolled into operating costs totaling \$65,275) and an additional capital outlay for computer equipment of \$16,500. Year 2 includes a slight increase in salaries and related benefits. The three FTE will only be onboard for nine months of year one since activity cannot begin prior to mid-September 2017.

Technical Note: As there is no mechanism to pay for these administrative costs and no mechanism to provide money moving into the Cash Fund to implement the provisions of this bill, the Agency is unable to perform the provisions until \$20,000,000 in matching funds is raised. It is also unknown as to how much will be paid out each fiscal year. The bill does not have an emergency clause, therefore, activity would begin no sooner than mid-September 2017.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	17-18	18-19	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
JT Program Coordinator	1.50	2.0	\$66,913	\$90,109
Staff Assistant II	.75	1.0	26,467	35,642
Total Salaries	2.25	3.0	\$93,380	\$125,751
Benefits.....			\$31,625	\$42,589
Operating.....			\$65,275	\$76,880
Travel.....				
Capital outlay.....			\$16,500	
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$206,780</u>	<u>\$245,220</u>