

Updated for the 2018 Legislative Session and includes any amendments adopted to-date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	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 1.1 FTE, administrative, and aid costs. For FY2018-19 the estimated cost is \$\$1,250,000 and for FY2019-2019 it is \$1,250,000. This includes PSL of \$36,507 and \$32,042 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 no sooner than mid-July 2018.

We disagree with the Department of Labor’s estimate of cost in that we are unable to estimate the amount of aid that would be received or distributed given the requirements of the bill for matching funds. We estimate the costs at \$108,643 for FY2018-19 and \$70,336 for FY2019-20.

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2018

LB⁽¹⁾ 248

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kim Schreiner Date Prepared: ⁽⁴⁾ 11-21-2017 Phone: ⁽⁵⁾ 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$20,000,000)		
CASH FUNDS	\$1,250,000	\$20,000,000	\$1,250,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,250,000</u>		<u>\$1,250,000</u>	

Explanation of Estimate: Costs to administer this new program would include 1.1 FTE and related benefits in addition to indirect costs, IT applications (both rolled into operating costs totaling \$53,899) and an additional capital outlay for computer equipment of \$5,500. Year 2 includes a slight net reduction in headcount required as well as the remaining costs related to IT applications. The 1.1 FTE will only be onboard for 11 months of year one since activity cannot begin prior to mid-July 2018.

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-July 2018.

Business and Labor AM301 corrects this technical note and would change the amount appropriated from general funds to cash funds from \$20,000,000 to \$2,500,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19	2019-20
	18-19	19-20	EXPENDITURES	EXPENDITURES
JT Program Coordinator	1.00	.50	\$33,707	\$22,639
Staff Assistant II	.10	.25	2,800	9,403
Total Salaries	1.10	.75	\$36,507	\$32,042
Benefits.....			\$12,737	\$11,180
Operating.....			\$53,899	\$27,114
Travel.....				
Capital outlay.....			\$5,500	
Aid.....			\$1,141,357	\$1,179,664
Capital improvements.....				
TOTAL.....			\$1,250,000	\$1,250,000