

Amendments adopted through 3/14/18.

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				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB299 enacts the Occupational Board Reform Act.

Sections 3 through 13 basically contain definitions of a variety of terms, while Section 14 contains a policy statement regarding occupational regulation. Section 15 relates to occupational regulation for individuals with criminal convictions. These sections do not require additional activity and workload and would have minimal if any fiscal impact.

Section 16 requires that starting in 2019, legislative standing committees shall annually review and analyze approximately 20% of the occupational regulations within the jurisdiction of the committee and prepare and submit an annual report electronically to the Clerk of the Legislature by December 15 of each year. Each report shall include the committee's recommendations regarding whether the occupational regulations should be terminated, continued, or modified. Subsection 3 provides a list of ten specific items to be included in this report. Subsection 4 lists seven "needs" for which each has listed a specific likely recommendation. Subsection 6 then directs the Legislature to enact the least restrictive regulation if they find that regulation is necessary.

The ten items to include in the report under subsection 3 would not be particularly difficult. However subsection 4 which lists the seven different "needs" for regulations to address in the review appear to be much more difficult to do. The level of analysis and review would be significant to document and "prove" whether any or all of the seven needs are met and develop the evidence to support the accompanying likely recommendation. To some extent, each of these reviews is very similar to a performance audit.

For purposes of this fiscal note, it's assumed that the "occupational regulations" referred to in Section 16 relates to the 172 professions listed in the original bill, therefore under the 20% guideline, about 35 reviews would be required each year. These are especially concentrated in the Health and Human Services (HHS) Committee which would be tasked to do roughly 20 reviews per year while the other thirteen standing committees would likely do 1-3 per year. And assuming that work on these reviews would not occur during the legislative session and the final reports are due by December 15, there would be roughly five months for which the reviews would have to be conducted allowing time for committee review of the results. Subsection 5 allows for utilization of any report pursuant to the Nebraska Regulation of Health Professions Act but it's unclear whether the reviews under that act address the same areas as Section 16.

While these reviews could be done with existing staff, the depth of the reviews and analysis would likely be cursory and abbreviated with the timeframe allowed and number of reviews to be done especially with the HHS Committee. This could be alleviated to some extent by reallocation and/or reassignment of other staff within the Legislative Council but such assistance is unknown as that would require action by the Executive Board. In the absence of such action by the Executive Board, at a minimum, an additional position could be warranted to coordinate the process, help train standing committee staff, and assist in some of the workload on HHS Committee. Cost of this position would be approximately \$85,000 for salary and benefits of a research analyst position.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 299	AM: 2349	AGENCY/POLT. SUB: Legislative Council
REVIEWED BY: Lee Will	DATE: 03/21/2018	PHONE: (402) 471-4175
COMMENTS: No basis to disagree with the Legislative Council's need for an additional FTE to accommodate the provisions of the Amendment. This would be in addition to the expenditures that were noted in the original fiscal note for LB 299.		
The operative date of the act is January 1, 2019, so the cost anticipated for FY 2018-19 would be half of what is noted.		

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

2018

LB⁽¹⁾ 299 AM2349

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 03 Legislative Council

Prepared by: ⁽³⁾ Diane Nickolte Date Prepared: ⁽⁴⁾ 3/21/2018 Phone: ⁽⁵⁾ 402/471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>102,450</u>	<u> </u>	<u>102,450</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>102,450</u></u>	<u><u> </u></u>	<u><u>102,450</u></u>	<u><u> </u></u>

Explanation of Estimate:

This fiscal note anticipates that the Legislative Council will need to hire one person to provide oversight of the process. This is, in part, due to the fact that the detail required in the reviews by AM2349 is actually greater than the original bill which created a new office within the Legislative Council.

Specifically, this person would be responsible for training committee counsels in best practices so that they perform a coordinated, consistent, objective analysis of occupational regulations. Coordination is especially important due to the high turnover in our committee counsel positions. This person may also need to distribute the workload among committee counsels so that one committee is not overloaded. In addition, this person will be responsible for reviewing the reports to help ensure that the requirements in Section 16 of AM2349 (compiling existing information, identifying assumptions underlying the regulation of occupations, preparing a statement of oversight, and obtaining a comparison of regulatory requirements in other states) are completed in a timely, organized, and defensible manner.

In addition, this coordinator will need to train committee counsels to conduct their reviews against a least restrictive regulation analysis and prepare a comprehensive report so that the occupational regulations meet the policies stated in Section 14 of AM2349.

Salary and benefits are estimated to \$97,940. One time office expenses \$1,470 and ongoing cost would be approximately \$3,040.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Legal Counsel for Occupational Regulation	<u>1.0</u>	<u>1.0</u>	<u>68,180</u>	<u>68,180</u>
Benefits.....			<u>29,760</u>	<u>29,760</u>
Operating.....			<u>2,010</u>	<u>2,010</u>
Travel.....			<u>2,500</u>	<u>2,500</u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u><u>102,450</u></u>	<u><u>102,450</u></u>