

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
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.**

LB 420 creates the Fair Chance Hiring Act.

The bill prohibits an employer or employment agency, as they are defined in the bill, from requesting an applicant to disclose information regarding the applicant’s criminal record or history, until it has been determined that the applicant meets the minimum employment qualifications. There are exceptions to this prohibition, where the employer may ask about the applicant’s criminal record if the following apply:

- The applicant is applying for a position in which a criminal history record check is required by federal or state law;
- Federal or state law specifically disqualifies an applicant with a criminal background, even if the law allows for a waiver that would allow the applicant to be employed;
- The request is limited to the types of criminal offense that require a background check or that disqualify the applicant.

The bill also provides that if an employer or employment agency does request disclosure of an applicant's criminal history, and the applicant is still eligible for the position, the applicant must be afforded the opportunity to explain the information and circumstances.

Employer is defined as any person having in their employ 15 or more employees for each working day in 20 or more calendar weeks in the current or preceding year and includes the state of Nebraska, governmental agencies and political subdivisions, regardless of number of employees, any person acting either directly or indirectly for an employer, and any party whose business is financed in whole or in part by the Nebraska Investment Finance Authority. It does not include the United States, a corporation owned by the government of the United States, an Indian tribe, or a law enforcement agency.

The bill does not prevent an employer from conducting a criminal history check after they have determined that that applicant meets minimum employment qualifications.

Both the Department of Labor and the Department of Administrative Services indicate no fiscal impact to the state as result of the provisions of LB 420.

We agree with the Department of Labor’s and the Department of Administrative Services’ estimate of fiscal impact.

<b>ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 420	AM:	AGENCY/POLT. SUB: Dept of Administrative Services
REVIEWED BY: Gary Bush	DATE: 1/24/17	PHONE: <a href="tel:4024714161">(402) 471-4161</a>
COMMENTS: Concur.		

ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 420	AM:	AGENCY/POLT. SUB: Dept of Labor
REVIEWED BY: Gary Bush	DATE: 1/20/17	PHONE: <a href="tel:4024714161">(402) 471-4161</a>
COMMENTS: No basis to disagree with the estimate provided.		

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

**2017**

**LB<sup>(1)</sup> 420**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS)– State Personnel Recruitment

Prepared by: <sup>(3)</sup> Josh Stafursky Date Prepared: <sup>(4)</sup> 1-18-2017 Phone: <sup>(5)</sup> 402-471-4165

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB420 allows employers, including the State of Nebraska, to request information about an applicant’s criminal history on an employment application if the position applied for requires (by state or federal law or regulation) a criminal history check be conducted in order for the applicant to be eligible for consideration. In 2014, LB907 required that references to criminal history be removed from applications for the majority of positions and, as a result, State Personnel removed such references from the State’s application templates.

When submitting a job requisition to State Personnel for posting, agencies will be required to identify jobs that require some form of a criminal history disclosure as a condition of application. DAS State Personnel – Recruitment will develop an additional application template or supplemental job questionnaire that includes the disclosure request. Current technology allows this process to occur with little time needed for setup.

There is no fiscal impact to the Department of Administrative Services.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

**2017**

**LB<sup>(1)</sup> 420**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Kim Schreiner Date Prepared: <sup>(4)</sup> 1-18-2017 Phone: <sup>(5)</sup> 402-471-2492

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</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: There will be no fiscal impact on the Nebraska Department of Labor.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Salaries	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____