

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See below		
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS	3,000,000	3,000,000		
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 1165 would amend sections of law governing the Nebraska Brand Committee. On July 1, 2020, sections of law creating the governing board of the Nebraska Brand Committee, defining brand inspection areas, requiring ownership inspections in the brand inspection area, establishing ownership inspection, registered feedlot and packing house fees, and specifying agency administrative staff duties would be repealed. The powers, duties and functions of the Nebraska Brand Committee would be transferred to the Department of Agriculture. The employees of the Nebraska Brand Committee would become employees of the Department of Agriculture, and any appropriation and salary limit provided to the Nebraska Brand Committee would be transferred to the Department of Agriculture. The balance of the Nebraska Brand Inspection and Theft Prevention Fund would be transferred to the Management Services Expense Revolving Fund in the Department of Agriculture on July 1, 2020.

LB 1165 would require the Department of Agriculture to administer the brand recording and registration function, which would remain in law. Total cash fund spending authority to be transferred from the Brand Committee to the Department of Agriculture on July 1, 2020 would total \$5,386,898, and the transferred personal services limit would total \$3,194,387. The amount of funding to be transferred to the Management Services Expense Revolving Fund is estimated to total approximately \$2,800,000 to \$3,000,000, based upon the June 30, 2019 balance of the Nebraska Brand Inspection and Theft Prevention Fund.

Ongoing revenue and expenses for the Department of Agriculture to administer the brand registration and recording process would be considerably lower than the current budget of the Nebraska Brand Committee. In FY18-19, \$440,000 in revenue was received from fees charged on brand renewals, brand transfers and new brands. The Nebraska Brand Committee budget indicates that \$100,000 to \$150,000 is spent annually for 1 to 2 FTE to carry out the brand recording function.

It is estimated that there would need to be an increased Revolving Fund spending authority in the Department of Agriculture as a result of the transfer of funds from the Nebraska Brand Inspection and Theft Prevention Fund to the Management Services Expense Revolving Fund. It is estimated that the transferred funds and personal services limit would be used to pay accumulated benefits to existing Brand Committee staff devoted to inspection, administration and enforcement functions, as those activities would no longer be carried out under law.

The Brand Committee currently owns vehicles, a building, electronic tablets used by inspectors, office equipment and law enforcement equipment that is used by the theft prevention division of the agency. It is anticipated that the property and equipment that would no longer be required would be auctioned off by the Department of Administrative Services materiel division pursuant to 81-161.04. Proceeds of auctions are deposited into the General Fund, unless an exception is made in the law governing that process. Proceeds received from the auction of agency property would result in a one-time General Fund revenue increase.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1165	AM:	AGENCY/POLT. SUB: Nebraska Department of Agriculture	
REVIEWED BY: Claire Oglesby		DATE: 2/14/20	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with Nebraska Department of Agriculture's fiscal note statement.			

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

2020

LB⁽¹⁾ 1165

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ashley Bonebright Date Prepared: ⁽⁴⁾ 2/12/2020 Phone: ⁽⁵⁾ 402-429-2487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$5,262,195	_____	\$5,262,195	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$5,262,195</u>	_____	<u>\$5,262,195</u>	_____

Explanation of Estimate:

LB 1165 authorizes the merger of the Nebraska Brand Committee, Agency 039 into the Nebraska Department of Agriculture, Agency 018 effective July 1, 2020. LB 294, Appropriation bill authorizes a cash fund appropriation of \$5,262,195 for FY 2020-21 and a salary limit of \$3,119,792.

It is estimated for FY 2020-21, the second year of the biennium, the Department of Agriculture cash fund appropriation would increase by \$5,262,195. The biennium appropriation request for the next biennium would reflect the Department's funding needs as a result of the merger.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____