

Updated for the 2020 Session. 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 2020-21		FY 2021-22	
	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.

LB345 provides an employee of the State of Nebraska providing services to individuals in facilities under twenty-four-hour care and supervision shall:

- Not be disciplined nor lose any right, benefit, or privilege for refusing to work more than 12 consecutive hours.
- Not be required to work 7 straight days without a day off.
- Accept overtime on a voluntary basis only.

The Nebraska Department of Correctional Services (NDCS) indicates that without essential staffing levels, the facilities would be required to run on a modified schedule or become locked down resulting in increased costs. Historically, on 9/2/16-9/7/16 and in 3/2/17-3/5/17 the costs were \$6,801 and \$4,298 respectively, resulting in the average of about \$916 per day which mainly consisted of supplies for kitchen meals brought to the units during lock-downs. For staffing, NDCS also indicates that the provisions of LB345 could require a partnership with the Nebraska State Patrol and the National Guard who would need to assist in staff shortage situations in order to maintain the safety and security of the facility. The agency reports that actual staffing costs are indeterminable.

The Nebraska Department of Veterans' Affairs (NDVA) indicates the elimination of mandatory overtime would necessitate additional agency staffing hours and travel costs. NDVA estimates the costs to be \$253,821 of which \$104,067 would be General Funds. The estimate assumes additional staffing would be available and the agency suggests competing demands may inflate costs for agency personnel.

The Nebraska Department of Health and Human (DHHS) indicates that for FY2017-18 an average of over 3,500 hours were worked each week as overtime in their six 24-hour facilities. DHHS also indicates that the facilities would need to contract with emergency staffing agencies to fill in gaps in the schedule. DHHS estimates the cost for emergency agency staffing will greatly exceed the costs of the existing overtime.

The Department of Administrative Services states there would be no fiscal impact to the agency as there are no employees in a 24/7 care and supervision facility.

Work schedules and overtime are covered by collective bargaining.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 345	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services (046)
REVIEWED BY: Joe Wilcox	DATE: 12/03/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Correctional Services (NDCS) estimate of Indeterminate fiscal Impact to the Agency from LB 345.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 345	AM:	AGENCY/POLT. SUB: Department of Veterans' Affairs
REVIEWED BY: Neil Sullivan	DATE: 12/3/2019	PHONE: (402) 471-4179
COMMENTS: The Department of Veterans' Affairs assessment of fiscal impact from LB 345 appears reasonable		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 345	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 11/26/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of no fiscal impact from LB 345.		

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

2020

LB⁽¹⁾ 345

FISCAL NOTE

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

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 11/26/19 Phone: ⁽⁵⁾ (402)479-5702

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>0</u>	<u>_____</u>	<u>0</u>

Explanation of Estimate:

The original fiscal note submitted 03/22/19 has not changed:

Fiscal impact is indeterminate. NDCS is required to protect the citizens of Nebraska based on state statute. Without the essential staffing levels the facilities would be required to run on a modified schedule or become locked down.

Exact costs for additional supplies during a lockdown are hard to determine in the time allocated, the 2 examples listed are from Tecumseh State Correctional Institution when lockdowns occurred for various reasons. The main supplies bought are for the kitchen as meals are delivered to the all the units: March 2nd-5th 2017 costing \$4,298 and September 2nd-7th 2016 costing \$6,801. This averages out to be \$916 per day when a facility must be locked down or run modified operations.

Passing of LB 345 could also require a large partnership with the Nebraska State Patrol and National Guard, who would need to assist in staff shortage situations and maintain the safety and security of the facility.

Note that this analysis does not address any pending amendments.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2020

LB⁽¹⁾ 345

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Veterans' Affairs

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 11/25/2019 Phone: ⁽⁵⁾ 402-471-2409

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	104,067	_____
CASH FUNDS	_____	_____	60,917	_____
FEDERAL FUNDS	_____	_____	88,837	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	253,821	=====

Explanation of Estimate:

Elimination of mandatory overtime (MOT) in the four 24 hour facilities operated under Nebraska Department of Veterans' Affairs (NDVA) would necessitate additional agency staffing hours and travel costs.

Average agency hourly cost including travel	\$	49.77
Estimated hours		11,625
Total Agency Costs to replace MOT	\$	578,582
Existing MOT costs including benefits	\$	324,761
Cost above existing MOT	\$	253,821

These costs assume that availability of agency staffing remains available. If mandatory overtime is eliminated for all state facilities, agency staffing may become more scarce causing the costs to increase.

Additionally, the elimination of mandatory overtime may influence voluntary overtime. Some voluntary overtime may be driven by an effort by staff to control when overtime is performed. Without the risk of mandatory overtime, staff may choose not to volunteer as much.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	164,984
Travel.....	_____	_____	_____	88,837
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	253,821

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

2020

LB⁽¹⁾ 345 (Updated)

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Personnel

Prepared by: ⁽³⁾ RJ Borer Date Prepared: ⁽⁴⁾ 11/01/2019 Phone: ⁽⁵⁾ 402-471-4460

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 345 as introduced prohibits mandatory overtime for certain state employees in twenty-four (24) hour care and supervision facilities. An employee shall not be disciplined nor lose any right, benefit or privilege for refusing to work more than twelve consecutive hours. The bill also requires that no state employee work seven straight days without a day off.

This will have no fiscal impact to the Department of Administrative Services as the agency has no employees in a twenty-four (24) care and supervision facility.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 11-19-19

Phone: (5) 471-6719

FY 2020-2021

FY 2021-2022

	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 345 eliminates the ability of 24 hour facilities to require mandatory overtime once an employee has worked 12 consecutive hours or has worked seven straight days without a day off.

During FY19, an average of over 4,500 hours were worked each week as overtime in the six facilities of the Department of Health and Human Services (DHHS) for a total of more than 239,000 hours for the year. The Department does not track voluntary versus mandatory overtime so we do not know how many of the overtime hours would be impacted. This bill may also impact staff's desire to work voluntary overtime.

The facilities would need to contract with emergency staffing agencies to fill in gaps in the schedule. DHHS anticipates the cost for an emergency staffing pool will greatly exceed the costs of the existing overtime.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2020-2021	2021-2022
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....				