

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</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 381 changes provisions related to reimbursement of expenses by striking language specifying that “actual and necessary expenses” are to be reimbursed and leaving the language to read “expenses” are to be reimbursed as provided for in sections 81-1174 to 81-1177.

Section 81-1174 is amended so that reimbursements shall not exceed one hundred percent nor be less than seventy-five percent of the federal per diem rate.

DAS – Accounting would need to review, re-write and re-publish the Accounting Manual and Policies related to employee expense reimbursement forms. The costs associated with this would be absorbed by State Accounting.

Any state agency, board or commission that needs to reimburse expenses may have a change in the amounts reimbursed under the modified language. That amount cannot be determined without a full survey of all state agencies. Even if such a survey were conducted, the amounts reported would be speculative, due to the amount of travel done from one year to another. It is not anticipated that any such changes will be significant. Agencies that do experience a significant change in reimbursement costs will be able to submit those changed through the normal budget process.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 381	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 2/5/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of minimal fiscal impact from LB 381.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 381	AM:	AGENCY/POLT. SUB: Department of Health & Human Services	
REVIEWED BY: Neil Sullivan	DATE: 2/11/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Health & Human Services estimate of no fiscal impact from LB 381.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 381	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Neil Sullivan	DATE: 1/25/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the University of Nebraska estimate of no fiscal impact from LB 381.		

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

2019

LB<sup>(1)</sup> 381

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Ann Martinez Date Prepared: <sup>(4)</sup> 1/20/2019 Phone: <sup>(5)</sup> 402-471-4135

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2019-20		FY 2020-21	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 381 proposes to change provisions relating to reimbursement for expenses. More specifically, to change reimbursement of meals or incidental expenses incurred during travel to be no more than 100% nor less than 75% of the federal General Services Administration (GSA) per diem rates as determined by and in accordance with policies established by the Director of the Department of Administrative Services (DAS). This method would replace reimbursement of actual costs for meals or incidental expenses based on itemized receipts. Approved travel and lodging expenses would continue to be reimbursed based on actual expenditures. The proposed changes would be effective January 1, 2020.

This legislation would require DAS – State Accounting in FY19-20 to: review, re-write and re-publish the Accounting Manual and Policies and related employee expense reimbursement forms, as well as create and publish any necessary new forms; roll-out communication and re-training of enterprise-wide pre-auditors on new procedures upon implementation; and provide ongoing training to reinforce procedures. This additional work is estimated to require 440 staff hours from the three-member Internal Control/Pre-Audit Team, Operations Manager, and State Accounting Administrator. Any revisions would also require administrative review and approval. The weighted average, fully-loaded cost (salary and benefits - using FY19-20 estimated salary and benefit increases) per hour for these five staff members is \$36.62 for a total of \$16,113 (\$36.62 per hour x 440 staff hours = \$16,113). State Accounting would absorb the costs of these requirements within normal operations during FY19-20. It is anticipated there would be minimal additional costs for FY20-21 and beyond in these areas.

This legislation would also require DAS – State Accounting to analyze and develop the percentage(s) to be used in calculating amounts for reimbursement. State Accounting would do so with an objective to develop a percentage(s) that would be cost neutral when compared to recent actual reimbursements. This additional work will require analyzing samples of historical reimbursements based on actual receipts in relation to GSA rates in effect at the time. This analysis is estimated to require 220 staff hours from the three-member Internal Control/Pre-Audit Team with review by the Operations Manager and State Accounting Administrator. Any revisions would require administrative review and approval. The weighted average fully loaded cost (salary and benefits – using FY19-20 estimated salary and benefit increases) per hour for these five staff members is \$38.33 for a total of \$8,433 (\$38.33 per hour x 220 staff hours = \$8,433).

It is anticipated that 40 hours of staff time would be required annually to analyze and review the percentage(s) on an on-going basis for a total of \$1,786 (\$44.65 estimated FY20-21 weighted average per hour x 40 staff hours = \$1,786), beginning in FY20-21. State Accounting could accomplish this work with existing resources.

Benefits from reduced labor time for employees to prepare reimbursement forms and collect receipts, for accounting personnel review and approvals, and pre-auditor reviews of detailed expense reports and receipts are unclear, because personnel time would still be required to verify trip start/stop times and to determine applicable GSA rate(s) to be applied. Personnel time would still be required to review trip information of conferences/seminars for possible inclusion of lodging, meals, and entertainment events. GSA regulations do provide separate amounts for breakfast, lunch and dinner. These amounts would be used if the conference/ seminar includes meals that are already paid for, i.e. through a registration for such conference/seminar. Further, this bill would allow agencies to know and project the costs of employee travel prior to the actual travel. This may facilitate agencies in the budgeting and planning of employee travel.

Summary of fiscal impact:

Fiscal Year 19-20:  
 Re-view, re-write, re-publish, training 16,113  
 Analysis and development of percentage(s) 8,433  
 Total: \$ 24,546

Fiscal Year 20-21:  
 Analysis and review of percentage(s) 1,786  
 Total: \$1,786

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u> <u>EXPENDITURES</u>	<u>2020-21</u> <u>EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</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 1-28-19

Phone: (5) 471-6719

**FY 2019-2020**

**FY 2020-2021**

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

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

**Explanation of Estimate:**

There is no fiscal impact to the Department of Health and Human Services.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2019-2020 EXPENDITURES	2020-2021 EXPENDITURES
	19-20	20-21		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				

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**2019**

**LB<sup>(1)</sup> 381**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 18, 2019 Phone: <sup>(5)</sup> 402-472-7109

**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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

The bill, dealing with the reimbursement of expenses, will have no fiscal impact on the University.

**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.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2019**

**LB<sup>(1)</sup> 381**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Becky Fleming Date Prepared: <sup>(4)</sup> 2/1/2019 Phone: <sup>(5)</sup> 402-479-4692

**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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 381 changes provisions relating to reimbursement of expenses incurred during travel status. It allows the Director of Administrative Services to establish policies and procedures to set a percentage of the federal General Services Administration (GSA) per diem rates for the reimbursement of meals or incidental expenses. Such percentage shall not exceed one hundred percent or be less than seventy-five percent of the GSA per diem rates.

Using data from the four most recent fiscal years completed (FY14-15 through FY17-18), it is estimated that the Dept. of Transportation (NDOT) had an average of 6,875 meal expense reimbursements submitted per year from employees, officers and commission members throughout the agency. An internal survey estimated that it takes on average fifteen minutes to process one expense reimbursement starting with the person travelling and finishing with accounting staff processing the reimbursement. Between the four fiscal years reviewed, it took an average of 1,719 hours per year in total to process the reimbursement claims across this span of time. Taking this average number of hours times an average hourly pay rate of \$26.50 of persons preparing, submitting and processing expense vouchers provides for an average soft savings equivalent to \$45,547 annually.

The Department is unable to readily calculate the cost of meal reimbursement since it is unknown what percentage of the GSA per diem would be set by DAS but will realize reduced staff time in the processing of expense reimbursements that can be redirected to core duties and responsibilities.

**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.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>