

Revised to provide clarification.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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.

LB511, as amended by AM672, includes the following.
 LB 511, as amended.
 LB381

LB511, as amended.

Authorizes adjustments to work schedules for state employees for participation in approved youth mentoring programs. LB511, as amended, makes changes to the duties and responsibilities of the State Director of Personnel. The Department of Administrative Services (DAS) has indicated there is no longer an increase in costs for DAS Personnel.

LB381

Changes the method of reimbursing state employees, boards and commissions for meals or incidental expenses incurred during travel status. Currently, meals or incidental expenses are reimbursed on an actual and necessary basis with receipts required. LB318, as amended into LB511, changes the method of reimbursement to a percentage of the per diem rates of the federal General Services Administration (GSA) as determined by the Director of Administrative Services (DAS). The percentage shall not exceed 100% nor be less than 75% of the federal per diem rate. Any meal expense charged directly to and paid for by the state shall be identified on the request for reimbursement and deducted from the per diem. LB381, as amended into LB511, also provides that reimbursement for meals or incidentals does not have to be fully itemized, as is the case for reimbursement for travel and lodging expenses.

The federal per diem rates vary from state to state and city to city. For example, the federal per diem rate for Nebraska is \$55 and the federal per diem rate for Omaha is \$61.

It would appear from the information provided, that the fiscal impact could vary from state agency to state agency. The fiscal impact for all state agencies cannot be determined, in part, because DAS must determine what percentage of the GSA per diem rates will be used by the State. DAS has indicated an intention to develop a percentage that would be cost neutral when compared to actual reimbursement...

Department of Administrative Services (DAS) – State Accounting

DAS indicates costs to review, re-write and re-publish the Accounting Manual and Policies and related employee expense reimbursement forms; and communication and re-training of pre-auditors. DAS indicates that State Accounting could accomplish this work with existing resources.

DAS indicates benefits from reduced labor time for employees that currently prepare reimburse forms and collect receipts; for accounting personnel review and approval; and pre-audit reviews of detailed expense reports and receipts are unclear. Personnel time would still be required to verify trip start/stop times and to determine applicable federal per diem rates. Personnel time would still be required to review trip information of conferences/seminars for possible inclusion of meals.

DAS also indicates that the change could allow agencies to project the costs of employee meals prior to the actual travel.

Nebraska Department of Transportation (NDOT)

NDOT indicates there will be a savings in staff time in the processing of meal expense reimbursement.

Department of Health and Human Services

No fiscal impact.

University of Nebraska

No fiscal impact.

Legislative Council

The Legislative Council indicates there could be an increase in cost estimated at \$28,850. During the interim, Senators who travel to their capitol office and are in an overnight status could claim the meal per diem.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 511	AM: 672	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 3/21/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of minimal fiscal impact from LB 511 as amended by AM 672.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 381	AM:	AGENCY/POLT. SUB: Nebraska Department of Transportation
REVIEWED BY: Neil Sullivan	DATE: 2/13/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Department of Transportation estimate of minimal indeterminate fiscal impact from LB 381.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
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.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 511	AM: 672	AGENCY/POLT. SUB: Legislative Council
REVIEWED BY: Neil Sullivan	DATE: 3/21/2019	PHONE: (402) 471-4179
COMMENTS: No basis to dispute that there will be a fiscal impact from LB 511 as amended by AM 672. Insufficient information to concur or dispute with the Legislative Council assessment of net fiscal impact.		

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

2019

LB⁽¹⁾ 511 AM 672

FISCAL NOTE

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

Prepared by: ⁽³⁾ RJ Borer
Ann Martinez Date Prepared: ⁽⁴⁾ 03/15/2019 Phone: ⁽⁵⁾ 402-471-4460
402-471-4135

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

Explanation of Estimate:

LB 511 allows an agency head to adjust the work schedule of a state employee, as defined, by up to one hour per week to permit such state employee to volunteer in an approved youth mentoring program. Any request is to be submitted and approved in accordance with agency procedures, including approval by the supervisor. Such adjustment is not to be construed as authorization for paid leave for any State employee.

LB 511 requires the Director of Personnel to use an existing data base to find approved programs that meet the criteria in the bill and promulgate rules if necessary regarding such program; however the bill, as amended, states that each state agency is responsible for verifying that the youth mentoring program is on the list of approved programs. Any program on the list must require and perform background checks.

AM 672 creates no fiscal impact on the Department of Administrative Services – State Personnel Division.

AM 672 also amends into LB 511 the provisions of LB 381 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 – LB 511 AM 672 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)	<u>8,433</u>
Total:	\$ 24,546

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

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....				
Operating.....				
Operating Back Ground Checks.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2019

LB⁽¹⁾ 381

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 2/1/2019 Phone: ⁽⁵⁾ 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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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.....	_____	_____	_____	_____
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

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<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	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:	POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
		19-20	20-21	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....					

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

2019

LB⁽¹⁾ 381

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 18, 2019 Phone: ⁽⁵⁾ 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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

