

PREPARED BY: Liz Hruska  
 DATE PREPARED: January 30, 2019  
 PHONE: 402-471-0053

**LB 627**

Revision: 00

**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.**

This bill prohibits discrimination based on sexual orientation and gender identity. Enforcement would be through the Equal Opportunity Commission (EOC).

The number of additional cases is unknown. The City of Omaha has an ordinance that prohibits discrimination based on sexual orientation. Since 2012 through 2018, 16 cases have been filed. For the purposes of this fiscal note, it is assumed the number of cases can be handled within existing resources. However, if the caseload increase is substantial, there would be a backlog approximately equal to the number of additional cases filed, if and until additional resources are provided.

The State Department of Personnel estimates there would be minimal costs responding to cases filed against the State, as few cases are anticipated. The costs could be handled within existing resources.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 627</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Department of Administrative Services (065)</b>	
REVIEWED BY: Joe Wilcox	DATE: 02/04/2019	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Department of Administrative Services (DAS) estimate of potential fiscal impact to the Agency from LB 627, noting the Agency fiscal note indicates that DAS could absorb these estimated potential costs with existing resources.			

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**2019**

**LB<sup>(1)</sup> 627**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jennifer Sommars-Link Date Prepared: <sup>(4)</sup> 01/30/2019 Phone: <sup>(5)</sup> 402-471-1405

**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 627 proposed to make it illegal to discriminate against individuals on the basis of sexual orientation or gender identity in employment, public accommodation and housing. If enacted, any discrimination training and several documents would require an update to include the additional language. State Personnel could complete such updates using current resources.

This bill creates new protected classes; thus may result in additional Nebraska Equal Opportunity Commission/Equal Employment Opportunity Commission (NEOC/EEOC) claims being filed concerning fair hiring practices. It is unknown if, or how many, additional claims would be filed. The number of claims filed has varied from one to five, over the last several years.

It is estimated that approximately 25 hours of legal staff time is used to respond to each NEOC/EEOC claim and approximately 4 hours of either Human Resources staff time to gather discovery and assist at mediation. Fully loaded cost (salary & benefits) for such staff time is estimated as follows:

Attorney III Time:	25 hours	x	\$45.14	=	\$1,128.50
Paralegal Time:	1 hour	X	\$26.60	=	\$ 26.60
HR Staff Time:	4 hours	x	\$25.00	=	\$ 100.00
Total:	30 hours				<u>\$1,245.10</u>

Thus, the average cost for each NEOC/EEOC is estimated to be \$1,245.10 per claim. Such costs could be absorbed and handled with existing staff and resources.

It is important to note that all NEOC/EEOC claims must be investigated and responded to regardless of the merit of the claim; thus even baseless claims require the State to expend such resources in response to a claim.

**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>

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**2019**

**LB<sup>(1)</sup> 627**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebr Equal Opportunity Comm

Prepared by: <sup>(3)</sup> Kathleen Bogenreif Date Prepared: <sup>(4)</sup> 2-5-19 Phone: <sup>(5)</sup> 402-471-4061

**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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

During the last 3 years the NEOC has taken a total of 24 federal only charges covering the bases of gender identity and sexual orientation, which is an average of 8 per year. If these bases are added to the Fair Employment Practice Act, the NEOC would have the opportunity to dual file these charges with the EEOC at \$700 per charge rather than receiving \$70 per charge to file the federal only charges. However, the EEOC contract is based on case completions from the prior year so the agency would not see any possible increase in funds until FY 21-22. Based on this average the NEOC may be eligible for an additional \$5,000 from the EEOC beginning FY 21-22 depending on the mix of cases completed.

The amount of the federal EEOC funds received is based on the actual number of dual-filed cases contracted for and completed, and on the amount of funding the EEOC has received for this purpose. Although the NEOC may have the opportunity to contract for additional cases, the number of cases the agency completes may not increase to take advantage of the added funding if there is no increase in the number of investigators available to process cases.

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