

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$412,878		\$131,090	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$24,000	\$24,000		
<b>TOTAL FUNDS</b>	<b>\$436,878</b>	<b>\$24,000</b>	<b>\$131,090</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 1130 changes provisions of the Nebraska Statewide Workforce and Education Reporting System Act (NSWERS).

Section 1 requires quarterly wage reports submitted to the commissioner for the State Unemployment Insurance Trust Fund to include certain data elements in a standardized format for each employee. The implementation date for this provision shall be on or before December 1, 2022. Similar data elements are required for employers who hire or rehire an employee.

Sections 4 through 6 require the Department of Labor, Department of Health and Human Services, Department of Motor Vehicles, and Department of Revenue to each enter into a memorandum of understanding with NSWERS to ensure that data collected is exchanged with NSWERS on or before December 31, 2022.

The Department of Administrative Services – Accounting Division, estimates the need to alter certain computer systems and enable collection of additional data elements. This is estimated to be a one-time cost of \$24,000. There is no basis to disagree with this estimate.

The Department of Motor Vehicles estimates the need for 40 hours of programming time. That cost can be absorbed with current resources.

The Department of Labor estimates the need for 1.5 business analysts to work with a vendor and add the required data fields. That cost is estimated to be \$168,923. Since the work to be performed is not a federal requirement, that cost will be borne by the General Fund. There is no basis to disagree with this estimate.

The Department of Revenue estimates the ongoing need for additional staffing four months per year to address processing issues. In addition, a one-time programming charge is required to add a line to the Schedule I, adding a line to NebFile for Individuals, and adding two new schedules. The total estimate from the Department of Revenue is \$243,895 in fiscal year 2022-23 and \$131,090 in fiscal year 2023-24. There is no basis to disagree with this estimate.

The Department of Health and Human Services states that the language in LB 1130 would violate federal regulations for both the Medicaid and Child Support Enforcement state programs. Both programs would be subject to fines or loss of federal funds. Based on this, the Department of Health and Human Services did not estimate a dollar impact for LB 1130.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1130	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Patrick Redmond	DATE: 2/1/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Administrative Services assessment of fiscal impact from LB 1130.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1130	AM:	AGENCY/POLT. SUB: DMV	
REVIEWED BY: Gary Bush	DATE: 1/28/22	PHONE: (402) 471-4161	
COMMENTS: No basis to disagree with the agency's estimate of the impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1130	AM:	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Patrick Redmond	DATE: 2/24/2022	PHONE: (402) 471-4181	
COMMENTS: The Department of Labor assessment of fiscal impact from LB 1130 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1130	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Patrick Redmond	DATE: 2/24/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 1130.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1130	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Patrick Redmond	DATE: 2/24/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Health and Human Services assessment of no fiscal impact from LB 1130.			

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

**2022**

**LB<sup>(1)</sup> 1130**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Philip Olsen Date Prepared: <sup>(4)</sup> January 24, 2022 Phone: <sup>(5)</sup> 402-471-0600

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	\$24,000	\$24,000	_____	_____
<b>TOTAL FUNDS</b>	<u>\$24,000</u>	<u>\$24,000</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB 1130 would require additional data elements to be included with wage reports provided to the Nebraska Department of Labor. The data elements for each employee include (i) first name, middle name, and last name, (ii) date of birth, (iii) job title that translates to the latest version of the federal Standard Occupational Classification (SOC) published by the US Department of Labor, (iv) pay rate, (v) employment start date, (vi) employment end date, and (vii) job location.

The state does not currently maintain job titles that translate to the federal Standard Occupational Classification (SOC). The Department of Administrative Services (DAS) Human Resources, Employee Relations, and State Personnel would need to regularly maintain a tie between the SOC positions and our current job codes. This would be an ongoing effort that would need to be reviewed each time the SOC is updated.

Assuming the definition of job location means the city in which a teammate spends the majority of their time, or where they have an office, the information could be provided. That information is currently in the Workday system, and an interface would need to be developed to pull the data into the EnterpriseOne accounting system.

We estimate \$24,000 of contracted developer time (240 hours x \$100 per hour = \$24,000) to build and implement required interfaces for federal SOC, work location, and data extract requirements.

The DAS program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University and state colleges. Any increase in costs could increase the amount assessed.

These additional costs would result in the need for additional revolving fund appropriation and an increase in the accounting assessment. The biennial FY21-23 accounting assessment has already been published and would need to be adjusted, thus impacting other agencies, boards and commissions, the University, and the state colleges.

The table below summarizes the estimated impact by fund type of the increased accounting assessment. The allocation by fund type is based on a four-year (2018-2021) average of the payment of previous accounting assessments.

<b>Fund Type</b>	<b>FY23-24 Expenditures</b>
General Fund	\$8,814
Cash Fund	\$9,140
Federal Fund	\$5,251
Revolving Fund	\$795
<b>Total</b>	<b>\$24,000</b>

LB 1130 as introduced does have a fiscal impact on the Department of Administrative Services.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b><u>POSITION TITLE</u></b>	<b><u>NUMBER OF POSITIONS</u></b>		<b><u>2022-23</u></b>	<b><u>2023-24</u></b>
	<b><u>22-23</u></b>	<b><u>23-24</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....			\$24,000	0
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$24,000</b>	<b>0</b>

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

**2022**

**LB<sup>(1)</sup> 1130**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> January 24, 2022 Phone: <sup>(5)</sup> 402-471-3902

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

There will be 40 hours of Programming and Testing that can be absorbed within existing DMV appropriation.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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.

**2022**

**LB<sup>(1)</sup> 1130**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Rea Easton Date Prepared: <sup>(4)</sup> 02/18/2022 Phone: <sup>(5)</sup> 402-416-6809

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>168,982.66</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><b>168,982.66</b></u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Explanation of Estimate: The Nebraska Department of Labor (NDOL) estimates that 1.5 business analysts would be required to work with a vendor to add the fields required by this legislation. Since the work is not federal requirement, existing federal funds would not be available to support the staff costs.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
IT Business System Analyst	<u>1.5</u>	<u>                    </u>	<u>107,445.62</u>	<u>                    </u>
Benefits.....			<u>35,896.61</u>	<u>                    </u>
Operating.....			<u>25,640.43</u>	<u>                    </u>
Travel.....			<u>                    </u>	<u>                    </u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><b>168,982.66</b></u>	<u>                    </u>



DOR estimates minimal impact on the General Fund revenue.

LB 1130 will require a one-time programming charge of \$105,660 paid to the OCIO for the following: adding a line to the Schedule I, adding a line to NebFile for Individuals, and adding two new schedules. Additionally, DOR will need two FTE Office Technicians and six temporary SOS employees, contracted with Department of Administrative Services for four months each year, in order to implement processing.

LB 1130 becomes operative 3 months after adjournment.



**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

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

Prepared by: (3) John Meals

Date Prepared 2-24-2022

Phone: (5) 471-6719

**FY 2022-2023**

**FY 2023-2024**

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

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

**Explanation of Estimate:**

LB1130 requires several Nebraska agencies, including Department of Health and Human Services [DHHS], to provide employment data to the Nebraska Statewide Workforce and Education Reporting System Act.

The bill as written would violate federal regulations for both the Medicaid and Child Support Enforcement (CSE) state programs, thus subjecting both programs to fines or loss of federal funds.

Specifically Medicaid regulations 42 USC 1396a(a)(7) and 42 CFR Part 431, Subpart F, and CSE, 42 U.S.C. §653 (l)

In addition, the bill as written would violate NE DHHS's current agreement between CSE and federal partners which could jepordize continued access to necessary federal databases thus disrupting program continuity as well as additional potential fines.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				