

Revised to correct cost

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

This bill creates the Nebraska Volunteer Service Commission as an independent agency on the operative date of this act. The Volunteer Service Commission, ServeNebraska, is administratively under the Department of Health and Human Services. The bill gives the commission the ability to employ an executive director. The executive director is allowed to hire up to 15 full-time staff and expend funds for office space, furniture, equipment and other supplies. The bill assigns duties to the commission. The effective date of the act is July 1, 2023. The bill has the emergency clause.

Section 10 of the bill dictates that on the operative date of this act, all employees and all items of property, real and personal, including office furniture, fixtures, books, documents and records of the Nebraska Volunteer Service Commission will become subject to the independent statutory agency. Section 11 of the bill indicates that any appropriation and salary limit provided for the Nebraska Volunteer Service Commission within the Department of Health and Human Services will be null and void and any such amounts will be appropriated to the independent statutory agency for FY24. The amount of state appropriations DHHS indicates the Agency receives for the commission amounts to \$30,000 General Funds and \$1,446,989 Federal Funds annually. Such appropriations would be reduced from DHHS and added to the newly independent ServeNebraska agency.

ServeNebraska also indicates a total of \$106,900 in General Funds (which includes the \$30,000 appropriation and an additional \$76,900 in other state funds from DHHS which captures special projects and certain operational costs) and \$5.15 million in Federal Funds (multiple federal grants, including for Americorps programs, which are to be spent over a period of years) would need to follow the Nebraska Volunteer Service Commission programing from DHHS to the newly independent agency. Note that the funding available and the appropriations do not match due to the funding being spent over multiple years.

ServeNebraska indicates the current annual expenditures for operations amounts to approximately \$800,000 annually. Expenses as an independent state agency may be more depending on factors including availability of physical space and technological costs. The Department of Administrative Services indicates a low estimate for additional annual costs to be \$12,988 per employee and a high estimate to be \$15,303 per employee. ServeNebraska employs approximately 8 FTEs therefore using the figures provided by DAS the low-end estimate to the new agency would be \$103,904 and the high-end would be \$122,424. This includes office space as well as technology fees and office fixtures. ServeNebraska utilizes work cell phones and does not utilize landlines therefore the technology costs may be overstated. The language of the bill indicates that office furniture and fixtures would accompany the program to the new agency therefore the anticipated actual cost in revolving funds by DAS is indeterminable at this time. The combined annual expenditures, \$800,000, plus the high-end operations cost estimate of \$122,424 would remain less (\$922,424) than the current annual appropriation DHHS would surrender to the new agency (\$1,476,989).

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 111	AM:	AGENCY/POLT. SUB: <b>Department of Health and Human Services</b>	
REVIEWED BY: Kimberly Burns	DATE: 02/13/2023	PHONE: (402) 471-4171	
COMMENTS: No basis to disagree with the Department of Health and Human Services' assessment of fiscal impact from LB 111.			

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

LB: 111            AM:                            AGENCY/POLT. SUB: **Dept. of Administrative Services – SBD and OCIO**

REVIEWED BY: Kimberly Burns            DATE: 01/19/2023                            PHONE: (402) 471-4171

COMMENTS: Concur with the Department of Administrative Services' overall assessment that State Building Division and OCIO will incur fiscal impact, but the total is undeterminable. The agency's estimate of fiscal impact, on a per-teammate basis, appears reasonable.

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

**2023**

**LB<sup>(1)</sup> 111**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) – State Building Division (SBD), Office of the Chief Information Officer (OCIO)

Prepared by: <sup>(3)</sup> Jennifer Sommars-Link Date Prepared: <sup>(4)</sup> 01/10/2023 Phone: <sup>(5)</sup> 402-471-1405

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<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>REVOLVING FUNDS</b>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

**Explanation of Estimate:**

LB 111 proposes to restructure the Nebraska Volunteer Service Commission, also known as ServNebraska, previously created through Executive Order No. 94-5, and create the Commission as an independent agency effective on July 1, 2023. The Commission is authorized to employ an executive director and to obtain office space, furniture, equipment, and other necessary supplies. The executive director is authorized to hire up to fifteen full-time equivalent employees as funding is available. On July 1, 2023, all employees of the Nebraska Volunteer Service Commission as the commission existed prior to such date shall be employees of the new independent statutory agency that is created. Also, on the operative date of this act all items of property, real and personal, including office furniture, fixtures, books, documents, etc., shall become the property of the new independent agency.

As the commission currently exists it is more difficult to determine what the impact will be for DAS-SBD and the OCIO when it becomes an independent agency.

The Department of Administrative Services – State Building Division (DAS-SBD) would have the responsibility of securing office space for the executive director and teammates as required. It is estimated that the square foot requirements are 200 square feet for each new staff member at an estimated rate of \$22 per square foot.

DAS-SBD would request additional revolving fund spending authority to provide commercial space to the new Agency. The new agency would be billed monthly by DAS-SBD for the amount of the commercial lease. Depending on the staffing numbers there may be state-owned space available, but that is undeterminable at this time. It is possible that existing space occupied by the existing Nebraska Volunteer Service Commission could be used by the new independent agency.

The new agency could also require one-time and on-going services from the Office of the Chief Information Officer (OCIO). The commercial space may require one-time network setup costs estimated to be \$815 per installation plus monthly services for a phone, computer lease and other technology services estimated at \$254 per month. The OCIO would request additional revolving fund spending authority to provide these one-time and on-going services. The new agency would be billed for the one-time and the monthly services. It is impossible at this time to determine the additional services that will be required beyond what is currently being provided to the current commission.

DAS-SBD would additionally estimate costs of \$5,500 per cubicle added and \$7,000 per office added to such space. It is indeterminable at this time to know what furniture, etc. exists now and could be used in the future.

These costs could be paid directly by the commission to the vendor or processed and billed back to the commission by DAS-SBD.

Such fiscal impact would begin FY2023-24.

DAS SBD and OCIO are requesting an increase in revolving fund appropriation that is sufficient to cover the additional operational costs as a result of the creation of a new agency. The table below provides an estimate of those costs and the estimated revolving fund appropriation that could be applied to each new teammate hired by the agency.

<b>Revolving Fund Appropriation Estimate Per Employee over 12-month Period</b>		
	<b>Low Estimate</b>	<b>High Estimate</b>
Office Space (est. 200 sq ft @ \$22 per ft)	\$4,440	\$4,440
Technology Fees (est. \$254 over 12-months plus one-time costs)	\$3,048	\$3,863
Cubicle/Office Materials	\$5,500	\$7,000
<b>Total 12-Month Estimate</b>	<b>\$12,988</b>	<b>\$15,303</b>

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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) John Meals

Date Prepared 2-13-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	(30,000)	\$0	(30,000)	\$0
<b>CASH FUNDS</b>		\$0		\$0
<b>FEDERAL FUNDS</b>	(1,446,989)	\$0	(1,446,989)	\$0
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	(1,476,989)	\$0	(1,476,989)	\$0

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

**Explanation of Estimate:**

LB 111 proposes to remove the Nebraska Volunteer Service Commission, also known as ServeNebraska (ServeNE), from within the Department of Health and Human Services (DHHS) and create a separate statutory Agency for the commission. DHHS would return the current appropriated amounts of general, federal, and cash funds for ServeNE to the State.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
		23-24	24-25	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....				(30,000)	(30,000)
Travel.....					
Capital Outlay.....					
Aid.....				(1,446,989)	(1,446,989)
Capital Improvements.....					
<b>TOTAL.....</b>				<b>(1,476,989)</b>	<b>(1,476,989)</b>