

Updated for the 2024 Legislative Session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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.

LB 327 changes provisions related to minimum wage so that each January 1, beginning in 2028, minimum wage will increase by the lesser of one and one-half percent, rounded to the nearest cent, or the increase in the cost of living as measured by the percentage increase as of August of the previous year over the level as of August of the preceding year in the consumer price index for all urban consumers (CPI-U). Current statutory provision calls for the minimum wage to increase each January 1, beginning January 1, 2028, by the CPI-U percentage increase but includes no reference to the “lesser of” provision.

The Department of Administrative Services correctly notes that under 48-1202, “Employer” under the Wage and Hour Act, “shall not include the United States, the state, or any political subdivision thereof”. Therefore, the State is not impacted directly by the provisions of LB 327.

The Department of Labor estimates no fiscal impact to administer the bill’s provisions.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 327	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor	
REVIEWED BY: Kimberly Burns	DATE: 02/08/2023	PHONE: (402) 471-4171	
COMMENTS: Concur with the Nebraska Department of Labor’s assessment of no fiscal impact from LB 327 in the 2023-2025 biennium.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 327	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services – Employee Relations	
REVIEWED BY: Kimberly Burns	DATE: 12/13/2023	PHONE: (402) 471-4171	
COMMENTS: The Department of Administrative Services’ assessment of no fiscal impact from LB 327 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 327	AM:	AGENCY/POLT. SUB: University of Nebraska System	
REVIEWED BY: Kimberly Burns	DATE: 12/14/2023	PHONE: (402) 471-4171	
COMMENTS: The University of Nebraska System’s assessment of no immediate fiscal impact from LB 327 appears reasonable.			

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

2024

LB⁽¹⁾ 327

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton

Date Prepared: ⁽⁴⁾ 12/10/2023

Phone: ⁽⁵⁾ 402-416-6809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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: There is no fiscal impact to the Nebraska Department of Labor for LB 327.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 327

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) Employee Relations

Prepared by: ⁽³⁾ Dan Birdsall Date Prepared: ⁽⁴⁾ 12/4/2023 Phone: ⁽⁵⁾ 402-471-4106

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 327 amends the Wage and Hour Act by defining the yearly increase of minimum wage beginning January 1, 2027, and subsequent years. The minimum wage increase will be the lesser of 1.5% or the increase in the cost of living.

According to the definitions in Section 48-1202 of the Wage and Hour Act, the state does not fall under the definition of "Employer." Therefore, the state is not covered by the Act and is not impacted directly by these changes.

There is no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2024 FISCAL
NOTE**

LB ⁽¹⁾ 0327 Change provisions relating to the minimum wage under the Wage and Hour Act

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

Prepared by:⁽³⁾ Chris Kabourek Date Prepared:⁽⁴⁾ 12/13/2023 Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024 - 25		FY 2025 - 26	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

LB 327 would change the maximum possible increase for the minimum wage in the year 2027 and future years.

LB 327 would cap the maximum amount of minimum wage increases at 1.5% each year starting in the year 2027.

The current state language requires the minimum wage in 2027 to increase by the amount of the consumer price index for the Midwest Region. LB 327 would require the state's minimum wage to increase the lessor of the consumer price index or 1.5%.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024 - 25 EXPENDITURES</u>	<u>2025 - 26 EXPENDITURES</u>
	<u>24 - 25</u>	<u>25 - 26</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				