

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,045,277	\$403,492	\$824,682	\$403,492
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,045,277	\$403,492	\$824,682	\$403,492

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

LB 335 is the Health Care Staffing Agency Registration Act.

Section 2 provides definitions for the Act.

Section 3 requires a health care staffing agency operating in Nebraska to register annually with the Department of Labor. Annual registration fees of five hundred dollars (\$500) shall be remitted to the State Treasurer for credit to the General Fund.

Sections 4 through 9 provide requirements and prohibitions that agencies must follow to maintain approved status as a registered health care staffing agency.

Section 10 provides powers and duties to the Commissioner of Labor regarding notice of revocation, investigation to determine agency compliance with the Act, administration of oaths and affirmations, subpoena power and the like in regard to investigations and proceedings.

Section 11 requires the Department of Labor to establish a system for the public to report complaints.

Section 12 requires the Commissioner of Labor to issue citations when an investigation reveals health care staffing agency violations. Administrative penalties shall not be more than one thousand dollars (\$1,000) in the case of a first violation and not more than five thousand dollars (\$5,000) in the case of a second or subsequent violation.

Section 14 requires the Department of Labor to create a database of health care staffing agencies registered under the Act. The database shall be accessible to the public on the Department of Labor's website.

The Department of Labor (DOL) estimates the need for additional staffing and ongoing operations costs to administer the provisions of LB 335. In addition, start-up costs related to creation of the required database are required.

To administer the program, DOL estimates the need for 1.0 Attorney, 5.0 Labor Law Specialists, and 1.0 Office Specialist. These estimates are based on an assumed 25 hearings per year for the current 803 employers currently doing business in Nebraska. Hearing officers are anticipated to work approximately 40 hours per case at a total hearing officer cost of \$150,000 per year. There is no basis to disagree with these estimates.

Utilizing its own IT team to develop the registration system DOL estimates an initial build cost of \$405,830 and annual maintenance costs of \$94,950. Included in these costs is an OCIO Senior Database and System Administrator and costs for additional server and database storage. By utilizing its own IT team DOL will not incur additional staffing costs associated with one half-time IT Web Developer, nor for one half-time IT Business System Analyst. Those positions are currently on staff at DOL. For this reason, the DOL staffing estimate is reduced accordingly.

DOL also estimates General Fund revenue in the amounts of \$403,492 in FY24 and FY25. This is based on the required registration fees for an estimated 803 entities. There is no basis to disagree with this estimate.

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

LB: **335** AM: AGENCY/POLT. SUB: **Nebraska Department of Labor**

REVIEWED BY: Kimberly Burns DATE: 02/08/2023 PHONE: (402) 471-4171

COMMENTS: The Nebraska Department of Labor's assessment of fiscal impact from LB 335 seems reasonable given the assumptions used.

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

2023

LB⁽¹⁾ 335

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 02/7/2023 Phone: ⁽⁵⁾ 402-416-6809

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>
GENERAL FUNDS	<u>1,162,455</u>	<u>403,492</u>	<u>867,062</u>	<u>403,492</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>
TOTAL FUNDS	<u><u>1,162,455</u></u>	<u><u>403,492</u></u>	<u><u>867,062</u></u>	<u><u>403,492</u></u>

Explanation of Estimate:

LB335 creates the Health Care Staffing Agency Registration Act. The Nebraska Department of Labor (NDOL) is responsible for the administration of the Act. LB335 requires NDOL to create and maintain a registration for all health care staffing agencies doing business in Nebraska. Health care staffing agencies are required to register with NDOL on an annual basis. Further, Section 5 requires health care staffing agencies to report additional information on a quarterly basis to NDOL. Sections 10, 11, and 12 require NDOL to establish a system to receive complaints and the sections give the Commissioner of Labor authority to investigate alleged violations of the Act, issue citations, and revoke registrations. The Commissioner of Labor may designate an attorney they employ to represent him or her in civil actions to enforce the Act.

As defined in LB335, NDOL estimates 803 employers currently doing business in Nebraska will be required to register under the Act. Registration fees are \$500 per year for \$401,500 per year in revenue. LB335 does not have an operative date or a timeframe for establishing initial compliance, so registration will need completed within the first state fiscal year.

To administer the program, NDOL will need 1 Office Specialist and 5 Labor Law Specialists. Additionally, NDOL will use contract hearing officers for conducting appeals. NDOL estimates 25 hearings per year. Each hearing will take approximately 40 hours of work from the hearing officer at a rate of \$150 per hour for a total of \$150,000 per year.

NDOL will need 1 Attorney III for developing regulations, advising on program operations, and representing the commissioner in enforcement of the Act.

NDOL will use its IT team for development of the registration system. As drafted, the registration requires several documents which NDOL will need to store. As the bill is originally drafted, IT costs are estimated at \$405,830 for initial build and \$94,950 for annual maintenance costs. NDOL has seen a draft amendment that would substantially reduce the costs.

Initial Costs include 1 full time Web Developer for 6 months. 30 days work from a NDOL Database Administrator, 1 full time Business Analyst for 6 months, 20 hours from an OCIO Senior Database and System Administrator, and costs for additional server and database storage.

Additionally, NDOL will use Nebraska Interactive to set up an online payment portal. This cost is free to the agency, but all online payments have a \$12.45 transaction fee. 20% of total transaction fees goes to the Nebraska Secretary of State. This would be approximately \$1,992 per year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
IT Web Developer	.50	.23	65,099	31,443
IT Database Analyst	.13	.06	16,275	8,202
IT Business System Analyst	.50	.10	52,079	10,937
Office Specialist	1.00	1.00	41,554	43,632
Attorney III	1.00	1.00	89,836	94,328
Labor Law Specialist	5.00	5.00	258,051	270,954
Total Salaries	8.13	7.00	522,894	459,496
Benefits			187,706	164,947
Operating			437,715	242,619
Travel				
Capital outlay			14,140	
Aid				
Capital improvements				
TOTAL			1,162,455	867,062