

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$161,648		\$165,345	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$161,648		\$165,345	

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

LB 177 amends the Nebraska Wage Payment and Collection Act.

The bill adds new language to the statute to give the Commissioner of Labor investigative and subpoena power for records and witnesses relating to the enforcement of the Act. The Commissioner may also assess civil penalties up to \$1,000 per violation of the Act, and determine whether an employer is liable for waiting time damages to an employee of 50% of wages owed.

The bill also provides that any employer who continues to violate the Act by refusing to pay wages owed or waiting time damages shall be reported to the county attorney of the appropriate county for prosecution. An employer found guilty under this subsection of the Act shall be guilty of a Class IV misdemeanor and charged costs. A Class IV misdemeanor carries a maximum fine of \$500 and a minimum fine of \$100.

The Department of Labor indicates that they receive over 33,000 contacts each year related to the Wage Payment and Collection Act. Currently, the department has no statutory authority to investigate wage claims but provides assistance by way of providing information to assist citizens. They also perform 1,247 wage conciliation actions annually and, where jurisdiction is authorized, pursue select cases.

The Department of Labor estimates that LB 177 will significantly increase the scope and number of investigations they perform and that an additional 2.0 FTE will be required to handle a substantial increase in cases per year. The new FTE will be for Labor Law Specialists. They also estimate that 10 to 15 administrative hearings per year will be conducted requiring approximately five hours of Attorney II preparation and hearing time per hearing and an average of \$1,000 per hearing for contract hearing officer costs.

Based on current activity regarding contacts and actions by the department, the estimate of fiscal impact appears reasonable and there is no basis to disagree.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 177	AM:	AGENCY/POLT. SUB: Dept. of Labor	
REVIEWED BY: Gary Bush		DATE: January 31, 2013	PHONE: 471-4161
COMMENTS: Agency's estimate of impact appears to be reasonable.			

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

2013

LB⁽¹⁾ 177 FISCAL NOTE

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

Prepared by: (3) Debbie Kay Ward Date Prepared: (4) 1/30/2013 Phone: (5) 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$161,648		165,345	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>161,648</u>		<u>165,345</u>	

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

Explanation of Estimate:

- The Department of Labor receives over 33,000 contacts related to the Nebraska Wage Payment & Collection Act each year. Currently the Department has no statutory authority to investigate wage claims but provides assistance by way of providing information to assist citizens in understanding the law.
- If no payment has been made, the Department exercises its responsibility to enforce the Wage and Hours Act to assure the payment of minimum wage.
- The Department conducts 1,247 wage conciliation actions annually and pursues select cases, when jurisdiction is authorized under the Nebraska Wage & Hour Act.
- LB 177 proposes to provide jurisdiction to the Department of Labor to investigate and subpoena records and witnesses related to the enforcement of the Nebraska Wage Payment & Collection Act.
- If LB177 passes, the scope and number of investigations would significantly increase.
- The Department estimates that 2 full-time staff would be required to handle an additional 400 cases each per.
- The Department also estimates 10 -15 administrative hearings per year would be conducted requiring approximately 5 hours of Attorney III preparation and hearing time per hearing and an average of \$1000 per hearing for contract hearing officer costs.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Labor Law Specialist	2	2	\$77,132	\$79,061
Contractual Hearing Officer	62.5 hrs	62.5 hrs	\$12,500	\$12,500
Benefits.....			\$33,849	\$36,353
Operating.....			\$11,458	\$11,744
Travel.....			\$2,000	\$2,000
Capital outlay.....			\$1,600	
Indirect costs.....			\$23,109	\$23,687
Capital improvements.....				
TOTAL.....			<u>\$161,648</u>	<u>\$165,345</u>