

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				
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS	See Below	See Below	See Below	See Below
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 6 creates the Nebraska Commission on Problem Gambling.

The bill would create a nine member commission whose responsibilities include developing guidelines and standards for the operation of the Gamblers Assistance Program and to direct the distribution and disbursement of money in the Compulsive Gamblers Assistance Fund.

The nine members are to be appointed by the Governor with legislative confirmation for three year terms. The Governor is to appoint the members from specific lists submitted by the General Affairs Committee of the Legislature.

The commission is to adopt bylaws to govern its operation and is required to meet a minimum of four times each calendar year. They are to appoint a director of the Gambling Assistance Program who may hire, supervise, and terminate commission and program staff. The director is responsible for the duties of the office and administration of the program, and is to provide an annual report to the General Affairs Committee of the Legislature.

The commission is to, by rule and regulation, provide for an evaluation and approval process for provider applications and contracts for treatment and other services funded from the Compulsive Gamblers Assistance Fund and develop standards for training and certification of problem gambling counselors. They are also to provide for the review and use of evaluation data, the use of funds for education and prevention regarding problem gambling, the creation of outreach programs regarding problem gambling, and other activities it finds necessary. They are also to report annually to the Governor and Legislature regarding administration and funding details.

The bill also creates the Gamblers Assistance Program. The program is to contract with providers for treatment services for Nebraska consumers; promote public awareness of problem gambling and the availability of treatment; evaluate the scope of problem gambling in Nebraska; and perform other duties and provide other services as the commission determines.

LB 6 terminates the State Committee on Problem Gambling, currently administered by the Department of Health and Human Services, and provides for the transfer of all files, records, and documents to the newly created commission.

The Commission on Problem Gambling is to be located for administrative purposes within the Charitable Gaming Division of the Nebraska Department of Revenue and is to be funded by the Compulsive Gamblers Assistance Fund. The Division is to provide office space, equipment, furniture, and supplies for the staff of the Gamblers Assistance Program.

The Department of Health and Human Services estimates a reduction in expenditures of \$1,473,820 per fiscal year and a reduction in revenue of \$1,285,000 per fiscal year. This includes a reduction in FTE of 1.5, which is the elimination of a Health Program Manager I (0.75 FTE) position and a Staff Assistant I position (0.50 FTE). The majority of the reduction is in the Aid category (\$1,382,620).

The Department of Revenue assumed supplying fixtures for 4.0 FTE at \$17,293 for FY2013-14 and \$7,893 in subsequent fiscal years. First year costs would include computers, printers, telephones, and office furniture. Other expenses that would be charged in the first year and subsequent years include office space, record storage, supplies, and copier rental.

The Fiscal Office estimates that the new Commission would require 2.0 FTE, a full-time director as required by the bill and one full-time support person. Based on equivalency with a Department of Revenue division manager, it is estimated that the new director will require a salary of \$64,342 and the staff assistant position will require a salary of \$27,618.

Operating costs for the current program at the Department of Health and Human Services are \$12,400. The bill does not require the Charitable Gaming Division to cover the new commission's travel budget and the bill does provide that the commissioner's will receive reimbursement for their actual expenditures to attend meetings, so that expenditure will come from the commissions budget.

We expect the aid now going to the program will transfer to the new commission.

The estimated fiscal impact for FY2013-14 is as follows:

Expenditure:	Commission On Problem Gambling:	Charitable Gaming Division:	Health & Human Services:	Total:
Salary:	\$ 91,960	\$ 0	(\$ 62,309)	\$ 29,651
Benefits:	\$ 22,990	\$ 0	(\$ 16,500)	\$ 6,490
Operating:	\$ 0	\$ 8,646	(\$ 12,400)	\$ (3,754)
Travel:	\$ 7,200	\$ 0	\$ 0	\$ 7,200
Aid:	\$1,382,620	\$ 0	(\$1,382,620)	\$ 0
Total:	\$1,504,770	\$ 8,646	(\$1,473,829)	\$ 39,587

Of the above estimate, \$16,209 of the current program at DHHS is paid for from the Alcohol Data grant which is federal funds. We expect this grant to transfer to the new commission. The remaining funds are from the Lottery allocation and the Health Care Cash Fund and are all cash funds. The operating expenditure from the Charitable Gaming Division comes from the Charitable Gaming Operation Fund

The estimated fiscal impact for FY2014-15: is as follows:

Expenditure:	Commission On Problem Gambling:	Charitable Gaming Division:	Health & Human Services:	Total:
Salary:	\$ 94,259	\$ 0	(\$ 62,309)	\$ 31,950
Benefits:	\$ 23,564	\$ 0	(\$ 16,500)	\$ 7,064
Operating:	\$ 0	\$ 3,946	(\$ 12,400)	\$ (8,454)
Travel:	\$ 7,200	\$ 0	\$ 0	\$ 7,200
Aid :	\$1,285,000	\$ 0	(\$1,285,000)	\$ 0
Total:	\$1,410,023	\$ 3,946	(\$1,376,209)	\$ 37,760

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

LB: 6	AM:	AGENCY/POLT. SUB: Dept. of Health and Human Services
REVIEWED BY: Lyn Heaton	DATE: 1/31/2013	PHONE: 402.471.4181
<p>COMMENTS: Concur with the dollar impacts estimated by the Dept. of Health and Human Services, though an effective date of July 1, 2013 as is assumed by the Department is not provided by the bill.</p> <p>Technical Note: Based on the bill, the effective date for the transfer of the Compulsive Gambler Assistance Program from DHHS to the Dept. of Revenue would be on or about September 6, 2013. Typically, a transfer of administrative responsibility for a program from one agency to another as is envisioned in the bill would be operative at the beginning of a fiscal year and would allow sufficient time for the necessary preparatory administrative actions to be completed.</p>		

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

LB: 6	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/1/2013	PHONE: 402.471.4181
<p>COMMENTS: The Dept. of Revenue has indicated the cost to provide office space, equipment, furniture, and supplies for employees of the Gamblers Assistance Program will be paid from the Charitable Gaming Operations Fund. Section 4 of the bill provides that the Commission on Problem Gambling shall provide for office space and equipment, and support and facilitate the work of the program. Further, section 6 of the bill provides that the Compulsive Gamblers Assistance Fund shall be used to pay the costs and expenses of the commission, among other things. Consequently, the Charitable Gaming Operations Fund would not be required to cover the costs and expenses as estimated by the Dept. of Revenue.</p> <p>The Dept. of Revenue's fiscal note does not include the revenue and expenditures that would occur within the Department's budget as a result of the transfer of the Compulsive Gamblers Assistance Program. These potential revenues and expenditures would be roughly equal to the amounts shown as being eliminated from the Dept. of Health and Human Services on their agency fiscal note.</p> <p>Technical Note: It is unclear what is meant by the language in section 7, "The Compulsive Gamblers Assistance Fund shall not be subject to any nonstatutory expenditure limitation from any source". This language could be problematic. Nebraska Constitution, Article III, Section 22, regarding Legislature's powers provides that "Each Legislature shall make appropriations for the expenses of the Government." Article IV, Section 7, regarding Governor's powers provides: "No appropriations shall be made in excess of the recommendation contained in such budget...unless by three-fifths vote of the Legislature, and such excess so approved shall be subject to veto by the Governor." There are also current statutory provisions at Section 49-804 through 49-805.01 R.R.S. 2010 specifying the conditions of a valid appropriation.</p>		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 1-18-13

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	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	-\$1,457,620	-\$1,285,000	-\$1,457,620	-\$1,285,000
FEDERAL FUNDS	-\$16,209		-\$16,209	
OTHER FUNDS				
TOTAL FUNDS	-\$1,473,829	-\$1,285,000	-\$1,473,829	-\$1,285,000

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

Explanation of Estimate:

The fiscal impact to the Department of Health and Human Services if the GAP program moved to the Department of Revenue would be a reduction in budgeted expenditures of \$1,473,829 and an estimated revenue loss of \$1,285,000 in Lottery and Health Care Cash annually. In addition to the cash funding, \$16,209 of the Administration costs of the GAP program are paid for from the Alcohol Data grant.

This fiscal note assumes a July 1, 2013 implementation date.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:		NUMBER OF POSITIONS		2013-2014	2014-2015
POSITION TITLE		13-14	14-15	EXPENDITURES	EXPENDITURES
H74241	Health Program Manager I	- 0.75	-0.75	-\$48,500	-\$48,500
S01841	Staff Assistant I	-0.50	-0.50	-\$13,809	-\$13,809
Benefits.....				-\$16,500	-\$16,500
Operating.....				-\$12,400	-\$12,400
Travel.....					
Capital Outlay.....					
Aid.....				-\$1,382,620	-\$1,382,620
Capital Improvements.....					
TOTAL.....				-\$1,473,829	-\$1,473,829

