

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS	See Below		See Below	
TOTAL FUNDS	See Below		See Below	

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

LB amends Nebraska Revised Statutes Section 48-622.02 dealing with the Nebraska Training and Support Trust Fund (NTSTF).

The bill strikes language from the statute stating that any money deposited or paid into the fund is hereby appropriated and adds language allowing money in the fund to be used for operating costs of the State Unemployment Insurance Trust Fund and the Nebraska Training and Support Trust Fund.

The bill also strikes language from 48-622.02 (3) regarding administrative costs.

Money in the NTSTF is derived from interest earned by the State Unemployment Insurance Trust Fund and transferred to the NTSTF.

The Department of Labor has noted in their fiscal note that the NTSTF is changed to a cash fund; and that the Administrative Costs Reserve Account within the NTSTF is created. The Department also indicates that the bill would repeal the direct appropriation to the Commissioner of the NTSTF and makes no provision for appropriations between the effective date of the act and the beginning of the next biennium, and they believe there would be a lapse of appropriation.

We disagree with the Department’s interpretation. It is our understanding that while the intent of LB 997 is to change the NTSTF to a cash fund, the introduced bill does not make that change. In addition, the Administrative Costs Reserve Account already exists. While the appropriation language in Section 48-622.02 is repealed, the actual appropriation is not. The appropriation for this fund is made in the mainline budget bill, LB 195 (2013) and cannot be repealed in this manner; therefore, there will be no lapse in the appropriation.

The Department has indicated new expenditures of \$4,150,722 in FY14-15 and \$4,152,755 in FY15-16.

We disagree with the Department’s estimate of expenditure. Because the bill does not actually change the name of the fund or provide for a transfer of money from the trust fund to a new cash fund, there is no change in the financial status of the current fund.

There is no fiscal impact as a result of LB 997.

NOTE: in order to accomplish the change from a trust fund to a cash fund it will be necessary to add language to the bill transferring the money in the NTSTF to the new cash fund effective as of July 1, 2015.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 997	AM:	AGENCY/POLT. SUB: Dept. of Labor	
REVIEWED BY: Gary Bush		DATE: January 30, 2014	PHONE: 471-4161
COMMENTS: Agree with the Dept. of Labor’s estimate of impact.			

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

2014

LB⁽¹⁾ 997

FISCAL
NOTE

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

Prepared by: ⁽³⁾ Debbie Kay Ward Date Prepared: ⁽⁴⁾ 1-27-14 Phone: ⁽⁵⁾ 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$4,150,722		\$4,152,755	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$4,150,722		\$4,152,755	

Explanation of Estimate: The Administrative Costs Reserve Account is created within the Nebraska Training and Support Trust Fund (NTST). Money shall be allocated from the NTST Fund to the Administrative Costs Reserve Account in amounts sufficient to pay the anticipated administrative costs. Money in the NTST Fund shall be used for (a) administrative costs of establishing, assessing, collecting, and maintaining state unemployment insurance tax liability and payments, (b) administrative costs of creating, operating, maintaining, and dissolving the State Unemployment Insurance Trust Fund and the NTST Fund, (c) support of public and private job training programs designed to train, retrain, or upgrade work skills of existing Nebraska workers of for-profit and not-for-profit businesses, (d) recruitment of workers to Nebraska, (e) training new employees of expanding Nebraska businesses, (f) the costs of creating a common web portal for the attraction of businesses and workers to Nebraska, and payment of unemployment insurance benefits if solvency of the state's account in the Unemployment Trust Fund and of the State Unemployment Insurance Trust Fund so require.

With LB 997, this fund now becomes a Cash Fund. It strikes the direct continuing appropriation to the Commissioner but leaves the program within NDOL with (now appropriated) expenditures to be spent at the recommendation of the Commissioner and approval of the Governor. The fund source for the NTST Fund would continue to be interest earned on money in the State Unemployment Insurance Trust Fund. Since the name of the fund remains the same and the manner of spending is unchanged, the primary change would be including the NTST Fund expenditures in the budget process. LB 997 would repeal the direct appropriation to the Commissioner that is in the existing statute and makes no provision for appropriations between the effective date of the act and the beginning of the next biennium. Therefore, there will be a lapse in appropriations from the effective date of LB 997 until July 1, 2015 unless some provision is made for the transition.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2014-15	2015-16
	14-15	15-16	EXPENDITURES	EXPENDITURES
Job Training Program Coordinator	1.00	1.00	\$49,236	\$50,344
Staff Assistant II	.15	.15	4,332	4,429
Salaries			53,568	54,773
Benefits.....			22,815	23,328
Operating.....			13,991	14,306
Travel.....			750	750
Capital outlay.....			800	800
Aid.....			4,058,798	4,058,798
Capital improvements.....				
TOTAL.....			\$4,150,722	\$4,152,755