

PREPARED BY: Scott Danigole
 DATE PREPARED: January 24, 2019
 PHONE: 471-0055

LB 359

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		(882,741)		(882,741)
TOTAL FUNDS		(882,741)		(882,741)

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

LB 359 changes provisions related to the Unemployment Trust Fund.

Under the bill's provisions, the Department of Labor would change its regulations and allow for Unemployment Trust Fund payments to come in on an annual basis for employers meeting certain requirements, rather than the quarterly basis that they do now. The Department of Labor estimates lost interest to be (\$882,741) per year. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 359	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor	
REVIEWED BY: Neil Sullivan	DATE: 1/24/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Nebraska Department of Labor assessment of fiscal impact from LB 359.			

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

2019

LB⁽¹⁾ 359

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 1/23/2019 Phone: ⁽⁵⁾ 402-471-2774

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
TRUST FUNDS	_____	(882,741)	_____	(882,741)
TOTAL FUNDS	=====	(882,741)	=====	(882,741)

Explanation of Estimate:

There will be reduced interest earned in the unemployment trust fund if payments come in on an annual basis instead of quarterly. The unemployment trust fund earned approximately \$9,905,500 in interest last year. Of the total interest earned, approximately \$1,765,500 was from the monies collected from 2018 quarterly payments. NDOL assumes 50% of employers will voluntarily elect to pay on annual basis. If 50% pay annually, interest will be reduced by approximately \$882,741.

	<u>Full</u>	<u>Interest</u>	<u>less 5%</u>	<u>Interest</u>	<u>less 10%</u>	<u>Interest</u>	<u>less 25%</u>	<u>Interest</u>	<u>less 50%</u>	<u>Interest</u>
Q4	9,446,517	212,547	8,974,191	201,919	8,501,865	191,292	7,084,888	159,410	4,723,259	106,273
Q1	43,679,766	982,795	41,495,778	933,655	39,311,789	884,515	32,759,825	737,096	21,839,883	491,397
Q2	14,167,394	318,766	13,459,024	302,828	12,750,655	286,890	10,625,546	239,075	7,083,697	159,383
Q3	11,172,177	251,374	10,613,568	238,805	10,054,959	226,237	8,379,133	188,530	5,586,089	125,687
TOTAL	78,465,854	1,765,482		1,677,208		1,588,934		1,324,111		882,741
		Trust Fund Interest Reduced		88,274		176,548		441,370		882,741

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u> <u>EXPENDITURES</u>	<u>2020-21</u> <u>EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====