

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|-----------|-------------------|-----------|
| | FY 2020-21 | | FY 2021-22 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | (300) | | (300) |
| CASH FUNDS | | See Below | | See Below |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | (300) | | (300) |

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

LB 788 changes a report's due date from July 1 of each year to December 31. The report is one covering the activities of the program financed by the Nebraska Training and Support Cash Fund.

Section 2 amends the contractor registration fee from \$40 to an amount not to exceed \$40.

Section 4 outright repeals several sections of statute. Among these sections is the repeal of provisions related to employment agencies. Currently there are two such agencies paying \$150 per year in Private Employment Agency Fees.

The Department of Labor estimates the revenue loss associated with the provisions in section 4 to be \$300 per year. This revenue loss is to the General Fund and appears to be reasonable.

The Department of Labor also estimates a revenue loss to Cash Funds in the amount of (\$223,335) each year. This is due to the provisions in section 2 of the bill. The Department of Labor based their estimate on an assumed reduction in the fee from \$40 to \$25. In reality, the amount of revenue loss (if any) is dependent on the Department's decision whether or not to adjust the fee. Since this section of the bill is permissive, the Department could maintain a \$40 fee. A loss in Cash Fund revenue *could* occur, but is not a necessary outcome of LB 788.

| | | | |
|--|-----------------|---------------------------------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 788 | AM: | AGENCY/POLT. SUB: Department of Labor | |
| REVIEWED BY: Neil Sullivan | DATE: 1/16/2020 | PHONE: (402) 471-4179 | |
| COMMENTS: The Department of Labor assessment of fiscal impact from LB 788 appears reasonable. | | | |

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

2020

LB⁽¹⁾ 788

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 1-14-2020 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2020-21</u> | | <u>FY 2021-22</u> | |
|--------------------|---------------------|--------------------------|---------------------|--------------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ (\$300) | _____ | _____ (\$300) |
| CASH FUNDS | _____ | _____ (\$223,335) | _____ | _____ (\$223,335) |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== (\$223,635) | ===== | ===== (\$223,635) |

Explanation of Estimate: Section 2 of LB 788 proposes to amend the contractor registration fee from a set rate of \$40 to any amount up to \$40. On average, 14,889 fee-paying contractors register with NDOL per year. If the fee is reduced from \$40 to \$25, there will be a decrease in the Cash Fund Revenue of \$223,335 per year. Using a rate anywhere from \$10 to \$40 will generate revenue from \$148,890 to \$595,560.

Section 4 of LB 788 proposes to repeal provisions relating to employment agencies. Currently, Private Employment Agency Fees are \$150 per year. Since 2017, only two (2) businesses have registered per year. Per Neb. Rev. Stat. §48-514, all money paid to the Commissioner of Labor or license fees under section 48-503 are paid over to the State Treasurer.

The remaining sections of LB 788 have no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2020-21 EXPENDITURES</u> | <u>2021-22 EXPENDITURES</u> |
|---------------------------|----------------------------|--------------|---------------------------------|---------------------------------|
| | <u>20-21</u> | <u>21-22</u> | | |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Total Salaries..... | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | ===== | ===== | ===== | ===== |