

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	356,829	356,829	362,690	362,690
TOTAL FUNDS	356,829	356,829	362,690	362,690

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

LB 981 adds Constitutionally established agencies to the term “state agency” for the purpose of competitive bidding for contracts for service.

The Department of Administrative Services estimates the need for 4.0 additional FTE to address the anticipated new contracts for service that the Purchasing Bureau will handle. This is based on the number of current contracts that are valued at or above \$50,000. There is no basis to disagree with this estimate.

Constitutional agencies anticipate no additional costs associated with the provisions of LB 981. The dollars currently spent on such contracts will now flow through the State Purchasing Bureau.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 981	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179	
COMMENTS: The Department of Administrative Services estimate of enterprise fiscal impact from LB 981 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 981	AM:	AGENCY/POLT. SUB: Attorney General	
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179	
COMMENTS: Increased purchasing assessment appears to be manageable within current resources. The Attorney General assessment of no fiscal impact from LB 981 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 981	AM:	AGENCY/POLT. SUB: Auditor of Public Accounts	
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179	
COMMENTS: Increased purchasing assessment appears to be manageable within current resources. The Auditor of Public Accounts assessment of no fiscal impact from LB 981 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 981	AM:	AGENCY/POLT. SUB: Public Service Commission
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179
COMMENTS: Increased purchasing assessment appears to be manageable within current resources. The Public Service Commission assessment of no fiscal impact from LB 981 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 981	AM:	AGENCY/POLT. SUB: Secretary of State
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179
COMMENTS: Increased purchasing assessment appears to be manageable within current resources. The Secretary of State assessment of no fiscal impact from LB 981 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 981	AM:	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179
COMMENTS: Increased purchasing assessment appears to be manageable within current resources. The State Treasurer assessment of no fiscal impact from LB 981 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 981	AM:	AGENCY/POLT. SUB: Supreme Court
REVIEWED BY: Neil Sullivan	DATE: 1/23/2020	PHONE: (402) 471-4179
COMMENTS: Increased purchasing assessment appears to be manageable within current resources. The Supreme Court assessment of no fiscal impact from LB 981 appears reasonable.		

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Materiel Division, State Purchasing Bureau

Prepared by: ⁽³⁾ Jennifer Sommars-Link Date Prepared: ⁽⁴⁾ 01/17/2020 Phone: ⁽⁵⁾ 402-471-1405

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	\$356,829	\$356,829	\$362,690	\$362,690
TOTAL FUNDS	<u>\$356,829</u>	<u>\$356,829</u>	<u>\$362,690</u>	<u>\$362,690</u>

Explanation of Estimate:

LB 981 redefines the term state agency to include any officer or state agency established by the Constitution of Nebraska; thus requiring constitutional officers to comply with the competitive bidding processes prescribed by the Department of Administrative Services (DAS) Materiel Division – State Purchasing Bureau (SPB).

Currently, contracts for services by constitutional officers and agencies are not required to comply with the review and competitive bidding processes prescribed by the SPB Procurement Manual. Assuming all existing service contracts of the constitutional officers and agencies are properly documented in the state’s Enterprise Resource Planning (ERP) system – JD Edwards – EnterpriseOne, such entities currently have 373 service contracts in existence, with 144 of such contracts being at a value over \$50,000.

Currently SPB manages approximately 245 service contracts between five (5) services buyers, which is 49 contracts per buyer (245 contracts / 5 buyers = 49 contracts each). In order to manage the additional 144 contracts from the constitutional entities (those over \$50,000 which would be required to be competitively bid) would require SPB to obtain three (3) additional FTE’s (144 contracts / 49 contracts for each buyer = 2.93 additional services buyers). All services buyers are currently Buyer III’s due to the complexity of services contracts. SPB currently employs four (4) Staff Assistant II’s to assist in managing approximately 700 goods and services contracts. This equates to approximately 175 contracts support by each Staff Assistant II (700 contracts / 4 assistants = 175 contracts each). The additional 144 contracts would require the addition of one additional FTE for a Staff Assistant II to support such contracts.

The estimated cost for these four (4) new FTE’s is \$356,829 in FY20-21 and \$362,690 in FY21-22. These costs include salary and benefits (health insurance is based on the State’s share of the highest cost family plan); ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies). Also included would be a one-time cost of \$1,500 per FTE in FY20-21 for set up costs and the purchase of new non-capitalized equipment (monitors, furniture, etc.).

These additional costs would result in the need for additional revolving appropriation each fiscal year and an increased DAS Materiel Division - Purchasing Assessment. The FY20-21 Purchasing Assessment has already been published and would also require additional resources for agencies, boards and commissions.

The table below summarizes the estimated impact by fund type of the estimated increased assessment for both fiscal years. The allocation by fund type is based on a four (4) year [2016-2019] average of operating costs.

Fund Type	FY20-21	FY21-22
General Fund	\$90,489	\$91,976
Cash Fund	\$134,306	\$136,512
Federal Fund	\$73,323	\$74,527
Revolving Fund	\$58,711	\$59,675
Total	\$356,829	\$362,690

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Buyer III	3	3	\$160,911	\$164,933
Staff Assistant II	1	1	\$37,979	\$38,929
Benefits.....			\$134,682	\$141,171
Operating.....			\$23,257	\$17,657
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$356,829	\$362,690

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Jay Bartel Date Prepared: ⁽⁴⁾ 1-16-20 Phone: ⁽⁵⁾ 402-471-2687

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Auditor of Public Accounts

Prepared by: ⁽³⁾ Mary Avery Date Prepared: ⁽⁴⁾ 01/15/2020 Phone: ⁽⁵⁾ 402-471-3686

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 981, as currently written, provides for applicability of provisions regarding state contracts for services to certain state entities.

Any work necessary will be absorbed using the existing appropriations of Agency 010, Auditor of Public. At this time, there would be no additional fiscal impact to Agency 010-Auditor of Public Accounts.

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>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

Prepared by: ⁽³⁾ Suzanne Hinzman Date Prepared: ⁽⁴⁾ 01/16/2020 Phone: ⁽⁵⁾ 402-471-0240

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill has no fiscal impact for the Public Service Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 1/17/2020 Phone: ⁽⁵⁾ 402-471-2384

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Tyson Larson Date Prepared: ⁽⁴⁾ 1/15/20 Phone: ⁽⁵⁾ (402) 471-1234

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	-	-	-	-
CASH FUNDS	-	-	-	-
FEDERAL FUNDS	-	-	-	-
OTHER FUNDS	-	-	-	-
TOTAL FUNDS	-	-	-	-

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB981 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2020

LB⁽¹⁾ 981

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/11/20 Phone: ⁽⁵⁾ 1-4138

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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