

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                     |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | <b>FY 2021-22</b>   |                | <b>FY 2022-23</b>   |                |
|   | <b>EXPENDITURES</b> | <b>REVENUE</b> | <b>EXPENDITURES</b> | <b>REVENUE</b> |
| GENERAL FUNDS   | \$68,175            |                | \$294,121           |                |
| CASH FUNDS  |                     |                | \$103,681           |                |
| FEDERAL FUNDS   |                     |                | \$135,125           |                |
| OTHER FUNDS   |                     |                | \$13,787            |                |
| <b>TOTAL FUNDS</b>  | <b>\$68,175</b>     |                | <b>\$546,717</b>    |                |

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

LB 577 changes provisions related to elections.

Section 1 allows all courts and their offices to be closed on Election Day (the first Tuesday following the first Monday in November of even numbered years).

Section 4 institutes automatic voter registration for electors applying for an original or renewal motor vehicle license, unless such elector specifies that she or he does not want to register to vote.

Section 15 extends Election Day as a paid holiday under the Uniform Commercial Code; state employees will therefore receive this day as a paid holiday.

The Department of Motor Vehicles estimates 120 hours of computer programming to address the requirements of LB 577. The Department will absorb this cost with currently budgeted resources.

The Secretary of State estimates the need for 1.0 IT Infrastructure Support Tech to address the ongoing increase in data traffic associated with a greatly increased number of voter registrations to process. This estimate appears to be reasonable.

The Department of Administrative Services – Employee Relations, would need to amend existing labor contracts to reflect the new holiday. They anticipate being able to do this with currently budgeted resources.

On a statewide basis, any agency needing personnel to work on Election Day will face the issue of paying holiday or overtime pay to such employees. According to the Department of Administrative Services, based on the average costs associated with holiday pay, the statewide total cost (all fund sources, all agencies) will be approximately \$479,072 in even numbered years. There is no basis to disagree with this estimate. This cost is included in the table above, but it should be noted that the expenditure authority will need to be addressed on an agency-by-agency basis in the deficit request process which will occur in the fall of 2021 and addressed by the Legislature in the 2022 Legislative session.

| <b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>   |              |   |                       |
|--|--------------|---|-----------------------|
| LB: 577  | AM:          | AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles |                       |
| REVIEWED BY:   | Lucas Martin | DATE: 02/2/2021   | PHONE: (402) 471-4181 |
| COMMENTS: No basis to disagree with the Department of Motor Vehicles' assessment of fiscal impact that will be absorbed within existing appropriation. |              |   |                       |

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

LB: 577          AM:                                  AGENCY/POLT. SUB: Nebraska Secretary of State  
REVIEWED BY: Lucas Martin                                  DATE: 02/23/2021                                  PHONE: (402) 471-4181  
COMMENTS: No basis to disagree with the Secretary of State's assessment of fiscal impact.

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

LB: 577          AM:                                  AGENCY/POLT. SUB: Nebraska Department of Administrative Services  
REVIEWED BY: Lucas Martin                                  DATE: 02/5/2021                                  PHONE: (402) 471-4181  
COMMENTS: Based on the reasonable assumptions used by the Department of Administrative Services, there is no basis to disagree with the fiscal impact.

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

LB: 577          AM:                                  AGENCY/POLT. SUB: Nebraska State Supreme Court  
REVIEWED BY: Lucas Martin                                  DATE: 03/02/2021                                  PHONE: (402) 471-4181  
COMMENTS: No basis to disagree with the State Supreme Court's assessment of fiscal impact.

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

**2021**

**LB<sup>(1)</sup> 577**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Motor Vehicles

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> January 26, 2021 Phone: <sup>(5)</sup> 402-471-3902

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|               | <u>FY 2021-22</u>   |                | <u>FY 2022-23</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 legislation will require 120 hours of programming performed by DMV staff. These costs will need to be absorbed within existing appropriations.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2021-22</u>      | <u>2022-23</u>      |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
|                           | <u>21-22</u>               | <u>22-23</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.

**2021**

**LB<sup>(1)</sup> 577**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Secretary of State

Prepared by: <sup>(3)</sup> Joan Arnold Date Prepared: <sup>(4)</sup> 1/27/2021 Phone: <sup>(5)</sup> 402-471-2384

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|                    | <u>FY 2021-22</u>   |                | <u>FY 2022-23</u>   |                |
|--------------------|---------------------|----------------|---------------------|----------------|
|                    | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS      | \$68,175            |                | \$67,645            |                |
| CASH FUNDS         |                     |                |                     |                |
| FEDERAL FUNDS      |                     |                |                     |                |
| OTHER FUNDS        |                     |                |                     |                |
| <b>TOTAL FUNDS</b> | <u>\$68,175</u>     |                | <u>\$67,645</u>     |                |

**Explanation of Estimate:**

LB577 provides for automatic voter registration for those applying for driver's licenses and state ID's unless the applicant specifically declines. There would be ongoing costs associated with the proposed legislation as it would significantly increase the amount of data being transmitted. We currently process about 230,000 transactions per year on average for a four-year election cycle, and we expect that this change could result in an increase to approximately 575,000 transactions each year. As a result of this increased traffic, we estimate increased costs from the OCIO in the amount of \$1,800 per year. We also anticipate needing an IT Infrastructure Support Tech to monitor the system transactions given the additional volume and to troubleshoot issues that may arise (\$47,000 annual salary plus benefits, technology fees, and other miscellaneous office expenses).

LB577 also declares Election Day a state holiday. Due to our holiday policy, we do not anticipate any direct costs associated with this holiday; however, on a statewide basis, some agencies could have a fiscal impact due to overtime considerations as there would likely be several agencies required to still work on the holiday.

Lastly, LB577 requires the counties to provide postage paid early voting ballot return envelopes. Based on postage costs paid in 2020, we estimate the additional costs to the counties at nearly \$300,000 statewide, with individual county costs ranging from \$100 in the smallest county (Arthur) to over \$81,000 in the largest county (Douglas). This funding is unlikely to be available in the existing county budgets.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>          | <u>NUMBER OF POSITIONS</u> |              | <u>2021-22</u>      | <u>2022-23</u>      |
|--------------------------------|----------------------------|--------------|---------------------|---------------------|
|                                | <u>21-22</u>               | <u>22-23</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| IT Infrastructure Support Tech | 1.0                        | 1.0          | \$47,000            | \$48,000            |
| Benefits.....                  |                            |              | \$16,450            | \$16,800            |
| Operating.....                 |                            |              | \$4,725             | \$2,845             |
| Travel.....                    |                            |              |                     |                     |
| Capital outlay.....            |                            |              |                     |                     |
| Aid.....                       |                            |              |                     |                     |
| Capital improvements.....      |                            |              |                     |                     |
| <b>TOTAL.....</b>              |                            |              | <u>\$68,175</u>     | <u>\$67,645</u>     |

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

2021

LB<sup>(1)</sup> 577

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) - Employee Relations - Enterprise

Prepared by: <sup>(3)</sup> Sean Davis Date Prepared: <sup>(4)</sup> 1/15/21 Phone: <sup>(5)</sup> 402-471-8292

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|                    | <u>FY 2021-22</u>   |                | <u>FY 2022-23</u>   |                |
|--------------------|---------------------|----------------|---------------------|----------------|
|                    | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS      | _____               | _____          | \$226,476           | _____          |
| CASH FUNDS         | _____               | _____          | \$103,681           | _____          |
| FEDERAL FUNDS      | _____               | _____          | \$135,128           | _____          |
| REVOLVING FUNDS    | _____               | _____          | \$13,787            | _____          |
| <b>TOTAL FUNDS</b> | <u>_____</u>        | <u>_____</u>   | <u>\$479,072</u>    | <u>_____</u>   |

**Explanation of Estimate:**

LB 577 creates a new holiday in § 25-2221 entitled Election Day, which would occur on the first Tuesday following the first Monday in November of each even-numbered year. The bill also alters provisions related to early voting and automatic voter registration.

If this bill was passed as introduced, state teammates would receive the new state holiday every other fiscal year, as § 84-1001, which outlines state holidays, states that paid holidays include all days enumerated in § 25-2221.

Department of Administrative Services (DAS) Employee Relations would negotiate agreements with all four labor unions, NAPE/AFSCME, FOP 88, SLEBC and SCATA, to make the necessary adjustments to the labor contracts, websites, policy, and marketing material, all of which can be done with existing staff and resources.

The state would incur additional costs above a normal operating day because of state teammates working at a holiday pay rate as outlined in the applicable labor contract.

Below is a summary of the enterprise-wide fiscal impact. The estimate is based on the average cost of a holiday, from the cost per day of the most recent thirteen holidays – January 20, 2020 – January 1, 2021.

| <b>HOLIDAYS</b>            | <b>WAGES PAID</b>   | <b>PLUS - FICA &amp; RETIREMENT</b> |
|----------------------------|---------------------|-------------------------------------|
| 1.20.20                    | 431,527.55          |                                     |
| 2.17.20                    | 448,279.63          |                                     |
| 4.24.20                    | 506,945.35          |                                     |
| 5.25.20                    | 428,493.67          |                                     |
| 7.3.20                     | 211,224.40          |                                     |
| 9.7.20                     | 398,488.21          |                                     |
| 10.12.20                   | 460,825.61          |                                     |
| 11.11.20                   | 453,017.77          |                                     |
| 11.26.20                   | 377,426.89          |                                     |
| 11.27.20                   | 438,023.62          |                                     |
| 12.24.20                   | 446,689.58          |                                     |
| 12.25.20                   | 390,143.44          |                                     |
| 1.1.21                     | 417,460.10          |                                     |
| <b>Total</b>               | <b>5,408,545.82</b> |                                     |
| <b>Average per Holiday</b> | <b>\$416,042</b>    | <b>\$63,030 = \$479,072</b>         |

It is difficult to determine the exact impact by fund type as some Agencies/Programs are impacted more by additional holiday and benefit costs because of their need for 24/7 coverage. Future costs will also increase with salary increases. An increase in PSL (Personal Services Limitation) and appropriation would be required.

The table below summarizes the estimated impact by fund type of the increased enterprise-wide salary expenditures. The allocation by fund type below is based on an average of salary (PSL) expenditures over a four-year period (2016-2019).

|                    | <b>FY22-23</b>      |
|--------------------|---------------------|
|                    | <b>Expenditures</b> |
| General Funds      | \$226,476           |
| Cash Funds         | \$103,681           |
| Federal Funds      | \$135,128           |
| Revolving Funds    | \$13,787            |
| <b>Total Funds</b> | <b>\$479,072</b>    |

LB 577 would also transition daily gross payroll expense of \$4,113,461 from regular pay to holiday pay every other fiscal year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <b><u>POSITION TITLE</u></b>      | <b><u>NUMBER OF POSITIONS</u></b> |                     | <b><u>2021-22</u></b>      | <b><u>2022-23</u></b>      |
|-----------------------------------|-----------------------------------|---------------------|----------------------------|----------------------------|
|                                   | <b><u>21-22</u></b>               | <b><u>22-23</u></b> | <b><u>EXPENDITURES</u></b> | <b><u>EXPENDITURES</u></b> |
|                                   |                                   |                     |                            | \$416,042                  |
| <b>Benefits</b> .....             |                                   |                     |                            | \$63,030                   |
| <b>Operating</b> .....            |                                   |                     |                            |                            |
| <b>Travel</b> .....               |                                   |                     |                            |                            |
| <b>Capital outlay</b> .....       |                                   |                     |                            |                            |
| <b>Aid</b> .....                  |                                   |                     |                            |                            |
| <b>Capital improvements</b> ..... |                                   |                     |                            |                            |
| <b>TOTAL</b> .....                |                                   |                     |                            | \$479,072                  |

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

**2021**

**LB<sup>(1)</sup> 577**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 3/1/2021 Phone: <sup>(5)</sup> 402-326-9215

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|               | <u>FY 2021-22</u>   |                | <u>FY 2022-23</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:**

Creating Election Day, every other year, as a holiday and a day on which courts are closed could potentially affect court case progression and judicial and staff workload. A reasonable estimate of the fiscal impact of this change cannot be determined at this time. However, it is assumed the impact would not be significant. No additional resources required.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2021-22</u>      | <u>2022-23</u>      |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
|                           | <u>21-22</u>               | <u>22-23</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Benefits.....             | _____                      | _____        | _____               | _____               |
| Operating.....            | _____                      | _____        | _____               | _____               |
| Travel.....               | _____                      | _____        | _____               | _____               |
| Capital outlay.....       | _____                      | _____        | _____               | _____               |
| Aid.....                  | _____                      | _____        | _____               | _____               |
| Capital improvements..... | _____                      | _____        | _____               | _____               |
| TOTAL.....                | _____                      | _____        | _____               | _____               |