

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$4,981,660		\$4,981,660	
TOTAL FUNDS	\$4,981,660		\$4,981,660	

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

LB 931 changes provisions relating to disqualification of benefits under the Employment Security Law.

Section 1 eliminates paid vacation leave received upon separation from employment from the definition of "Paid vacation leave" in section 48-602. This definitional change impacts certain disqualification for benefits provided for in section 48-628.02 (section 2 of LB 931).

The Department of Labor estimates this change will result in \$4,981,860 per year in greater unemployment benefits paid. This estimate is based on historical data for claimants who were denied benefits stating they had received vacation pay at the time of separation.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 931	AM:	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Patrick Redmond	DATE: 1/20/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Labor assessment of fiscal impact from LB 931.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 931	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Patrick Redmond	DATE: 1/19/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Revenue assessment of no fiscal impact from LB 931.			

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

**2022**

**LB<sup>(1)</sup> 931**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Rea Easton Date Prepared: <sup>(4)</sup> 1/18/2022 Phone: <sup>(5)</sup> 402-416-6809

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

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
TRUST FUNDS	<u>\$4,981,660</u>	_____	<u>\$4,981,660</u>	_____
<b>TOTAL FUNDS</b>	<u><u>\$4,981,660</u></u>	_____	<u><u>\$4,981,660</u></u>	_____

**Explanation of Estimate:** As proposed, LB 931 removes the disqualification for benefits regarding Paid Vacation Leave. During the twelve-month period ending September 30, 2021, 4,528 claimants were initially denied benefits stating they had received vacation pay at time of separation. The average weekly benefit amount for these claimants was \$366.73. If these claimants were denied benefits for an average of three weeks, the Nebraska Department of Labor would pay out \$4,981,660 more ( $\$366.73 * 3 * 4,528$ ) in unemployment insurance benefits each year. The three-week estimate is used as we do not track the number of weeks at separation the vacation pay is applied to. The charging of the additional benefits paid out would follow whether the employer is chargeable based upon the separation from employment. If the separation was non-disqualifying, the additional benefits would be charged to the employer's experience account. If the employer is non-charged, the benefits will be paid out of the pool account.

Unemployment benefits paid is one factor into the annual average combined tax rate calculation. An increase in benefits paid may result in changes to the annual average combined tax rate.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

