

PREPARED BY: Scott Danigole  
 DATE PREPARED: February 18, 2022  
 PHONE: 471-0055

**LB 1063**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$5,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$5,000,000			

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

LB 1063 appropriates \$5,000,000 of Federal Funds for fiscal year 2022-23 to the Department of Labor. The Federal Funds are from the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021 (ARPA).

The Department of Labor shall use the funds to increase the number of apprentices through the registered apprenticeship system with focus on individuals who became unemployed or underemployed due to COVID. Additionally, the funds shall be used to provide premium pay to existing apprentices who are registered with the reregistered apprenticeship system who are eligible for premium pursuant to ARPA.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 1063	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Patrick Redmond	DATE: 2/22/2022	PHONE: (402) 471-4181
COMMENTS: The Department of Labor assessment of fiscal impact from LB 1063 appears reasonable.		

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

**2022**

**LB<sup>(1)</sup> 1063**

**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> 02/14/2022 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	<u>5,000,000</u>	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>5,000,000</u>	_____	_____	_____

**Explanation of Estimate:**

LB 1063 seeks to (1) increase the number of registered apprentices with a focus on individuals that were unemployed/underemployed due to the COVID-19 public health emergency, and (2) provide premium pay to existing apprentices.

NDOL is currently the recipient of the Apprenticeship State Expansion (ASE) Grant from the United States Department of Labor. This discretionary federal award shares similar goals to those identified in LB 1063. As a condition of the award, NDOL is expected to enroll 440 new apprentices over a 3- year period of performance (July 1, 2019 to June 30, 2022). The Department funded 3 FTEs under this program, which included a project manager and two outreach specialists.

When comparing ASE staffing levels to enrollment outcomes, the Department averaged approximately 15 new enrollments per quarter with a total grant award of \$841,483. If this data is scaled to accommodate a \$5M award, the Department would require approximately 8.5 FTE to administer the award at a comparable level of performance.

The added complexities of targeting pandemic-impacted populations and adjudicating requests for premium payments to existing apprentices will accumulate a significant administrative cost over the life of the award.

Note: As ARPA funds must be spent by December 31, 2024, this will be a temporary program and will require 8.5 FTE temporary positions with some being part-time. Building apprenticeship programs requires significant commitment from individual employers. Under current programs, NDOL has not seen sufficient employer interest to expend \$5 million by 2024 for high quality programs to benefit Nebraska.

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>
Project Manager	0.5	0.5	38,111.22	38,873.44
Job Training Program Coordinator-Supervisory	2.0	2.0	123,222.53	125,686.98
Workforce Coordinator	5.0	5.0	207,029.68	211,170.27
Accountant II	0.5	0.5	22,264.53	22,709.82
Administrative Technician	0.5	0.5	18,324.59	18,691.08
Benefits.....			136,627.33	139,359.87
Operating.....			97,590.95	99,542.77
Travel.....			3,600.00	3,600.00
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>646,770.82</b>	<b>659,634.24</b>