

Updated for 2018 Session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

| | FY 2018-19 | | FY 2019-20 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

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

LB 655 allows the Director of Administrative Services to permit a state employee, with the authorization of his or her supervisor, to participate in volunteer activities at a public elementary, middle, or high school, or a nonprofit organization that focuses on such education during normal work hours, without loss of pay, vacation time, sick leave, or earned overtime accumulation.

The Department of Administrative Services identifies a state-wide cost of \$9,511,534 in the first year. This is not a cost of expenditures, rather it represents the salaries and benefits that will be spent while employees are volunteering. The cost is more accurately identified as a lost productivity cost. The DAS estimate includes the following assumptions: 50% of employees participating for half of one work day per month. This amount is applied to the average state employee's average wage and benefit cost. There is no basis to disagree with this estimate.

The University of Nebraska estimates a productivity loss of approximately 54,000 hours per year. This translates to about 26 FTE per year. The University also notes that inclusion under the provisions of LB 655 "may not be appropriate given our separate personnel system."

The State College System would face the same productivity loss. The College System notes: "given the Board of Trustees' constitutional authority, its personnel are not subject to DAS Regulations."

No fiscal impact.

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

| | | | |
|---|-----|---|-----------------------|
| LB: 655 | AM: | AGENCY/POLT. SUB: Dept of Administrative Services | |
| REVIEWED BY: Gary Bush | | DATE: 2/2/17 | PHONE: (402) 471-4161 |
| COMMENTS: The agency's estimate of a statewide impact of lost productivity because of the provisions of the bill, given the assumptions detailed, appears to be reasonable. | | | |

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

| | | | |
|--|-----|-------------------------------------|-----------------------|
| LB: 655 | AM: | AGENCY/POLT. SUB: Dept of Education | |
| REVIEWED BY: Gary Bush | | DATE: 1/26/17 | PHONE: (402) 471-4161 |
| COMMENTS: No basis to disagree the estimate of impact provided by the agency. However, the cost to the agency for lost productivity could be significant depending on how much employees are allowed to volunteer. | | | |

| ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|--|-----|--|---|
| LB: 655 | AM: | AGENCY/POLT. SUB: State College System | |
| REVIEWED BY: Gary Bush | | DATE: 1/31/17 | PHONE: (402) 471-4161 |
| COMMENTS: Unable to provide comment as the agency did not provide an estimate on the impact of the bill. | | | |

| ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|--|-----|--|---|
| LB: 655 | AM: | AGENCY/POLT. SUB: University of Nebraska | |
| REVIEWED BY: Gary Bush | | DATE: 1/31/17 | PHONE: (402) 471-4161 |
| COMMENTS: No basis to disagree with the assumption used by the University for productive hours lost. The fiscal impact to the University would likely be significant given the higher level of salary and benefits that University employee receive. | | | |

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

2017

LB⁽¹⁾ 655

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) - State
Personnel & Employee Relations Divisions

Prepared by: ⁽³⁾ William J. Wood Date Prepared: ⁽⁴⁾ 1-23-17 Phone: ⁽⁵⁾ 402-471-4106

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2017-18</u> | | <u>FY 2018-19</u> | |
|-----------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| REVOLVING FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

LB655 provides an opportunity for State employees to volunteer time at schools or non-profit organizations that focus on education during work time. The DAS Director would be given the authority to adopt and promulgate rules and regulations as necessary.

The bill impacts all state agencies, the University of Nebraska, the state colleges and the Department of Education. Because DAS does not have access to the personnel costs of the University of Nebraska or the State Colleges, they were excluded from our cost analysis. If enacted today, we estimate the statewide cost as follows:

| | |
|---|-------------|
| Average State employee wage per hour | \$24.76 |
| Plus: Employee Benefits – FICA (7.65%) & Retirement (7.50%) per hour | \$3.76 |
| Total Average Cost per Hour | \$28.52 |
| Average State employee wage + benefits per day | \$228.16 |
| Amount of volunteer days* anticipated per employee | 6 |
| Cost per employee, per year who participates | \$1,368.96 |
| Approximate number of employees wanting to participate (50% of code, non-code employees & Department of Education employees) | 6,948 |
| Total Estimated Cost | \$9,511,534 |

*Volunteer days based on half a day per month per employee.

The expenditures expressed for FY2017-18 and FY2018-19 below were derived by taking the estimated 2016 cost in the table above and increasing it by 1% (\$9,511,534 x 1.01 = \$9,606,649) and 1.5% (\$9,606,649 x 1.015 = \$9,750,749) respectively. These costs represent wages and benefits paid to State employees for an estimated amount of time spent as a volunteer.

The allocation by fund type in the table below was determined by using the State's four year average (2013-2016) of PSL (Personal Service Limitation) expenditures.

| Fund Type | FY17-18 PSL/Benefits Expenditures | FY18-19 PSL/Benefits Expenditures |
|------------------|--|--|
| General | 5,029,348 | 5,104,788 |
| Cash | 2,028,600 | 2,059,029 |
| Federal | 1,244,831 | 1,263,503 |
| Revolving | 1,303,870 | 1,323,429 |
| Total | 9,606,649 | 9,750,749 |

These figures represent lost productivity in that such employees would be spending the estimated days/time volunteering as opposed to accomplishing job duties within their employed positions.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2017-18</u> | <u>2018-19</u> |
|------------------------------|-----------------------------------|---------------------|----------------------------|----------------------------|
| | <u>17-18</u> | <u>18-19</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.

2017

LB⁽¹⁾ 655

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾

Joel Scherling

Date Prepared: ⁽⁴⁾

1/23/17

Phone: ⁽⁵⁾

402-471-4736

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2017-18</u> | | <u>FY 2018-19</u> | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| CASH FUNDS | <u></u> | <u></u> | <u></u> | <u></u> |
| FEDERAL FUNDS | <u></u> | <u></u> | <u></u> | <u></u> |
| OTHER FUNDS | <u></u> | <u></u> | <u></u> | <u></u> |
| TOTAL FUNDS | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

Explanation of Estimate:

LB 655 would not require NDE to expend additional funds for payroll unless additional staff members or temporary workers are hired to work when volunteers are absent. The bill does not establish limitations on the amount of work time spent volunteering in the public schools and certain nonprofits. The director of Department of Administrative Services (DAS) is charged with adopting and promulgating rules and regulations regarding this activity, which would likely address this issue.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2017-18</u> | <u>2018-19</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>17-18</u> | <u>18-19</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| | <u></u> | <u></u> | <u></u> | <u></u> |
| | <u></u> | <u></u> | <u></u> | <u></u> |
| Benefits..... | | | <u></u> | <u></u> |
| Operating..... | | | <u></u> | <u></u> |
| Travel..... | | | <u></u> | <u></u> |
| Capital outlay..... | | | <u></u> | <u></u> |
| Aid..... | | | <u></u> | <u></u> |
| Capital improvements..... | | | <u></u> | <u></u> |
| TOTAL..... | | | <u>0</u> | <u>0</u> |

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

2017

LB⁽¹⁾ 655

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 1/27/2017 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2017-18</u> | | <u>FY 2018-19</u> | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| | Unable to | | Unable to | |
| TOTAL FUNDS | <u>determine</u> | <u>_____</u> | <u>determine</u> | <u>_____</u> |

Explanation of Estimate:

LB655 would authorize NSCS employees to participate in volunteer work at public, elementary, middle, and high schools and certain nonprofit organizations that focus on education during work hours pursuant to DAS regulations. However, given the Board of Trustees' constitutional authority, its personnel are not subject to DAS Regulations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2017-18</u> | <u>2018-19</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>17-18</u> | <u>18-19</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.

2017

LB⁽¹⁾ 655

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 26, 2017 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2017-18</u> | | <u>FY 2018-19</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 bill would permit a state employee, with the authorization of his or her supervisor, to participate in volunteer activities at a public elementary, middle, or high school, or a nonprofit organization that focuses on such education, during normal work hours, without loss of pay, vacation time, sick leave, or earned overtime accumulation. The University is included in the definition on page 2 line 11, however it may not be appropriate given our separate personnel system.

The University has about 13,500 employees budgeted positions. If each employee uses a single afternoon (4 hours) during the year, that would translate to about 54,000 hours of lost productivity, or about 26 FTE's.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2017-18</u> | <u>2018-19</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>17-18</u> | <u>18-19</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | | | _____ | _____ |
| Operating..... | | | _____ | _____ |
| Travel..... | | | _____ | _____ |
| Capital outlay..... | | | _____ | _____ |
| Aid..... | | | _____ | _____ |
| Capital improvements..... | | | _____ | _____ |
| TOTAL..... | | | _____ | _____ |