

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	20,000,000			
CASH FUNDS	20,124,602	20,124,602	67,339	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>40,124,602</b>	<b>20,124,602</b>	<b>67,339</b>	

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

LB 667 is the Youth Opportunities in Learning and Occupations Act.

Section 2 provides Legislative intent and the primary objectives of the Act.

Section 3 provides definitions for the Act.

Section 4 identifies the entities that may apply to the Commissioner of Labor for a grant pursuant to the Act as:

- Employers seeking to secure training for young people for demand occupations in a particular industry; or
- Nonprofit corporations that do business in Nebraska and provide young people with soft-skills training for career readiness, career counseling to assess occupational skills, interests, and abilities and analyze potential career opportunities, or other programming related career readiness.

Section 5 requires the Commissioner of Labor, beginning in fiscal year 2019-20, to award grants pursuant to the Act in approximately equal amounts for each congressional district. Not more than half of the funds allocated to each congressional district shall be awarded to employers.

Section 6 provides reporting requirements.

Section 8 creates the Youth Opportunities in Learning and Occupations Fund (YOLO Fund), which shall be used to administer costs of the program and provide grants. Money in the fund shall not be expended until matching funds equal to at least one hundred percent of the money appropriated by the Legislature have been received by the Commissioner of Labor and remitted for credit to the fund. Any money in the fund not distributed shall be retained by the department and distributed as grants in the next fiscal year.

Section 9 provides Legislative intent to appropriate twenty million dollars from the General Fund for fiscal year 2019-20 to carry out the provisions of the Act.

The Department of Labor estimates the need for 1.0 FTE to administer the program. The cost for this is estimated to be \$124,602. This estimate appears to be reasonable.

The Department of Labor notes an assumption that General Funds will be transferred to the YOLO Fund, but a strict reading of the bill does not support that. It appears that \$20 million of General Funds, in addition to \$20 million of matching funds, will be available for the program. Furthermore, the bill states that matching funds equal to at least 100% **of the money appropriated** must be received. Since the money appropriated includes the administrative cost of \$124,602, the Cash Fund revenue must equal \$20,124,602.

The Department of Labor estimates distributing \$1.5 million in grants each year. Under this assumption, grants (totaling \$40 million) would be distributed over the course of approximately 26 years. For this reason, ongoing costs of \$67,339 (\$45,500 for salary, \$16,339 for benefits, and \$5,500 for capital outlay) are included for years beyond what the Department of Labor anticipated in their fiscal note response.

Note: For fiscal year 2020-21, no dollars other than administrative costs are shown in the table above. The authority to distribute grants in fiscal year 2020-21 will be made automatically as a reappropriation of spending authority from one fiscal year to the next within a biennium.

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2019

LB<sup>(1)</sup> 667

FISCAL NOTE

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

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

	FY 2019-20		FY 2020-21	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$20,000,000			
CASH FUNDS	\$124,602	\$20,000,000		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$20,124,602</u>	<u>\$20,000,000</u>		

Explanation of Estimate: Costs to administer this new program would include 1.0 FTE and related benefits in addition to indirect costs, IT applications (both rolled into operating costs totaling \$57,263) and an additional capital outlay for computer equipment of \$5,500.

**Technical Note:** As there is no mechanism to pay for these administrative costs and no mechanism to provide money moving into the Cash Fund to implement the provisions of this bill, the Agency is unable to perform the provisions until \$20,000,000 in matching funds is raised. The Department anticipates awarding approximately \$1,500,000 in grants each year. LB667 states that \$20 million will be appropriated from General Funds. It is our assumption that these funds will be transferred into a Cash Fund from State General Funds for NDOL's use. The Employment and Training Program at NDOL does not currently have a General Fund appropriation.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

POSITION TITLE	NUMBER OF POSITIONS		2019-20	2020-21
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
JT Program Coordinator	1.00	1.00	\$45,500	
Total Salaries	1.00	1.00	\$45,500	
Benefits.....			\$16,339	
Operating.....			\$57,263	
Travel.....				
Capital outlay.....			\$5,500	
Aid.....				
Capital improvements.....				
TOTAL.....			\$124,602	