

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$1,839,081	\$641,000	\$1,835,131	\$641,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,839,081	\$641,000	\$1,835,131	\$641,000

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

LB 614 would eliminate the distinction that allows for feedlots registered with the Brand Committee to not require inspection. This would have the effect of nullifying the initial fee for registered feedlots. The feedlot registration fee schedule provided in legislation provides for discretion upon the director of the Brand Committee, and is currently set as follows: \$1000.00 for each 1,000 head plus \$250.00 for each increment of 250 head above the 1,000 head total of the one-time capacity of lot(s) to be registered.

Using data from Program Summary Reports provided by DAS, the average monthly revenue from the registered feedlot distinction for calendar years 2019-2020 is \$109,505. The current inspection fee implemented by the Brand Committee is \$1/head of cattle with statute allowing for the fee to be raised to \$1.10 upon discretion of the director.

This would increase revenues and significantly increase the workload for the Brand Committee. We have no basis to dispute their estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 614	AM:	AGENCY/POLT. SUB: Nebraska Brand Committee	
REVIEWED BY: Claire Oglesby		DATE: 2/3/21	PHONE: (402) 471-4174
COMMENTS: Based on Brand Committee's explanation it is reasonable to assume a revenue increase and the need to hire additional staff. At this time, it is indeterminable to know how much staff would be needed.			

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

2021

LB⁽¹⁾ 614

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Brand Committee

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Date Prepared: ⁽⁴⁾ 1-28-2021

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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	\$1,839,081.00	\$641,000.00	\$1,835,131.00	\$641,000.00
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,839,081.00</u>	<u>\$641,000.00</u>	<u>\$1,835,131.00</u>	<u>\$641,000.00</u>

Explanation of Estimate:

The revoking of the RFL program would trigger the physical inspection of all cattle now being sold by the current RFL's. The assumption used in this projection is 2 turns of the RFL head count from previous FY 19'-20' that was approximately 1,066,000 head. Also assumed is a reduction of 425,000 head from the Local inspections due to the removal of the requirement of cattle being inspected into RFL's. The net increase in head count that would need to be inspected would be approximately 1,707,000. It would take approximately 22 additional full time inspectors and 11 part time inspectors to inspect an additional 1,707,000 head of cattle for the year. Expenses are based on prior year expense amounts averaged by employee.

Revenue, since the Brand Committee is already collecting \$1,066,000.00 from the RFL's today, the additional revenue to the agency would be the second turn of 1,066,000 head minus the 425,000 head for a net of 641,000 head inspected @ a \$1/head inspection fee.

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>
Full Time Brand Inspectors	22	22	\$819,500.00	\$835,890.00
Part Time Brand Inspectors	11	11	\$163,812.00	\$163,812.00
Benefits.....			\$297,255.00	\$303,200.00
Operating.....			\$346,280.00	\$319,995.00
Travel.....			\$212,234.00	\$212,234.00
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$1,839,081.00</u>	<u>\$1,835,131.00</u>