

PREPARED BY: Doug Gibbs
 DATE PREPARED: February 28, 2013
 PHONE: 402-471-0051

LB 570

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$67,220		\$68,578	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$67,220		\$68,578	

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

LB 570 creates the Employers Certainty in Records Act.

The bill defines electronic monitoring in the workplace; requires an employer to provide prior written notice of electronic monitoring of employees; provides that an employee may contact the Dept. of Labor if they believe they are being improperly monitored; states circumstances where prior written notice does not have to be provided to employees; provides for civil penalties; and includes an exemption for criminal investigations.

The Department of Labor indicates that to enforce LB 570 will require 1.0 FTE Labor Law Specialist. They believe there will be a substantial amount of travel involved as investigations will need to be conducted at the work site. Most of their current calls and complaints are related to surveillance at gas stations, truck stops, and convenience stores and occur throughout the state. Most retail establishments and medical facilities, shopping malls, etc. utilize some form of electronic surveillance, often without anyone's specific knowledge. The Department indicates it will take one staff person to cover all Nebraska businesses to insure they have appropriate notice posted and are complying with the provisions of the bill. In order to investigate a complaint it will be necessary to be at the work site to conduct interviews and obtain visual confirmation of the violation unless there is absolute video or audio evidence to support a claim. The Department currently receives approximately 50 calls per year related to electronic surveillance. These types of cases are likely more complicated than the average wage case, for example, and will require more time to complete; three to five hearings per year a likely, with six hours of Attorney III time in preparing for and performing each hearing, plus an additional \$1200 per hearing for a hearing officer. The estimate includes \$38,566 in PSL for FY2013-14 and \$39,530 in PSL for FY2014-15.

We have no basis to disagree with the Department's estimate of fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 570	AM:	AGENCY/POLT. SUB: Dept. of Labor	
REVIEWED BY: Gary Bush	DATE: March 1, 2013	PHONE: 471-4161	
COMMENTS: Agree with the Dept. of Labor's estimate of impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 570	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Gary Bush	DATE: February 28, 2013	PHONE: 471-4161	
COMMENTS: Concur with the University of Nebraska estimate of impact.			

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

2013

LB⁽¹⁾ 570 FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ _____ Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The bill would require posting a notification to employees and would have a minimal impact on the University.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			<u>_____</u>	<u>_____</u>

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

2013

LB⁽¹⁾ 570 FISCAL NOTE

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

Prepared by: (3) Debbie Kay Ward Date Prepared: (4) 2/05/2013 Phone: (5) 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$67,220		\$68,578	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$67,220		\$68,578	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate: LB570 provides for regulation of the use of electronic surveillance and monitoring in any Nebraska workplace. One full-time Labor Law Specialist position will be required to enforce this statute. There will be a substantial amount of travel involved as investigations conducted under this act will likely need to be performed at the work site. As stated below, most of our calls and complaints are related to surveillance at gas stations, truck stops and convenience stores across the state. Most of these establishments use some sort of electronic surveillance on their premises. Most retail establishments and medical facilities, shopping malls, etc. utilize some form of electronic surveillance, often without anyone's specific knowledge. It will take a full time individual due to the travel alone just to cover all Nebraska businesses in making sure they have the appropriate notice posted and that they are in compliance with all areas of the statute. In order to investigate violations of the statute, it will be necessary to be at the work site to conduct interviews and obtain visual confirmation of the violation unless there is absolute video or audio evidence to support a claim. The investigator would conduct the investigations, prepare the investigative file, make the determination and write the final report for the commissioner and attend all related hearings. LB 570 proposes employer's notification of monitoring activities of employees. NDOL will provide posters, field calls regarding improper monitoring activities, assess and collect fines. NDOL currently receives approximately 50 calls per year related to electronic surveillance. Cases related to LB570 would likely be more complicated than, say, the average wage case, and so would require more time to complete. Three to five hearings per year would likely be necessary, with 6 hours of Attorney III time for preparing for, and performing, each hearing, plus \$1200 per hearing for the hearing officer.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Labor Law Specialist	1.0	1.0	\$38,566	\$39,530
Benefits.....			\$16,925	\$18,176
Operating.....			\$5,729	\$5,872
Travel.....			\$5,000	\$5,000
Capital outlay.....			\$1,000	
Indirect Costs.....				
Capital improvements.....				
TOTAL.....			\$67,220	\$68,578