

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$40,540		\$38,196	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$40,540		\$38,196	

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

LB 947 amends Nebraska Revised Statutes Sections 48-1203 and 48-1205 dealing with the state minimum wage.

Section 48-1203 is amended regarding persons compensated by gratuities to provide that the minimum rate shall be raised to \$3.00 per hour beginning on the effective date of LB 947 and that rate shall remain in place for a one-year period following the effective date.

In the second year following the effective date of the bill, the minimum rate shall be \$3.00 plus the lesser of \$0.95 or the amount necessary to equal 70 percent of the minimum wage in effect at that time.

The minimum rate will continue to be increased annually as described above until it is equal to 70 percent of the minimum wage in effect in that year. Once the minimum rate is equal to 70 percent of the minimum wage it will then be adjusted annually thereafter by an amount necessary to remain equal to 70 percent of the minimum wage.

Section 48-1205 is amended to provide that minimum wage information shall be posted by employers and that such information shall be furnished by the Department of Labor. In addition, the Commissioner of Labor is to calculate the minimum wage amounts provided for in LB 947 and provide notice of such amounts and the date they become effective to employers.

The Department of Labor indicates that LB 947 would cause an increase in the number of employers the Department works with from an enforcement perspective. This is because federal minimum wage for tipped employees would no longer apply and the Department would be the agency enforcing the new minimum wage for such employees. The Department estimates they would require an additional 0.5 FTE for a Labor Law Specialist to enforce the provisions of LB 947.

The cost to implement LB 947 would be \$40,540 for FY14-15 and \$38,196 for FY15-16. PSL would be \$18,828 and \$19,251 for FY14-15 and FY15-16 respectively.

There is no basis to disagree with the Department of Labor's estimate of expenditure.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 947	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Gary Bush	DATE: January 30, 2014	PHONE: 471-4161
COMMENTS: No basis to disagree with the agency's estimate of impact.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 947	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Gary Bush		DATE: January 28, 2014	PHONE: 471-4161
COMMENTS: No basis to disagree with the University's estimate of impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 947	AM:	AGENCY/POLT. SUB: Dept. of Labor	
REVIEWED BY: Gary Bush		DATE: January 27, 2014	PHONE: 471-4161
COMMENTS: No basis to disagree with the agency's estimate of impact.			

State Agency Estimate

State Agency Name: Department of Revenue	Date Prepared: 1/24/2014	Date Due LFA: 1/24/2014
Approved by: Kim Conroy		Phone: 471-5896

	FY 2014-2015		FY 2015-2016		FY 2016-2017	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$0		\$0		\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$0

LB 947 gradually increases the state minimum wage for persons compensated based on gratuities. The minimum wage calculation is determined by the Commissioner of Labor.

It is estimated that this bill would have no impact on the General Fund.

It is estimated that there would be no costs to the Department to implement this bill.

Major Objects of Expenditure

Class Code	Classification Title	14-15 FTE	15-16 FTE	16-17 FTE	14-15 Expenditures	15-16 Expenditures	16-17 Expenditures
Total							

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

2014

LB⁽¹⁾ 947

**FISCAL
NOTE**

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 27, 2014 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</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:

LB 947 increases the minimum wage for employees who are generally compensated by way of gratuities. It would have no fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</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.

2014

LB⁽¹⁾ 947

**FISCAL
NOTE**

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

Prepared by: ⁽³⁾ Debbie Kay Ward Date Prepared: ⁽⁴⁾ 01/24/2014 Phone: ⁽⁵⁾ 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$40,540		\$38,196	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$40,540</u>		<u>\$38,196</u>	

Explanation of Estimate: LB 947 would cause an increase to the number of employers NDOL works with from an enforcement perspective. This is because the federal minimum wage for tipped employees would no longer apply after LB 947. Nebraska Department of Labor would be tasked with enforcing the new Nebraska minimum wage for tipped employees. There are approximately 2,916 restaurant employers in the state of Nebraska. Therefore, the Labor Law section of the Nebraska Department of Labor would need an extra .5 FTE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Labor Law Specialist	.5	.5	\$18,828	\$19,251
Salaries.....			\$18,828	\$19,251
Benefits.....			11,181	11,245
Operating.....			7,531	7,700
Travel.....				
Capital outlay.....			3,000	
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$40,540</u>	<u>\$38,196</u>