

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$519,211		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$519,211		\$0	

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

LB 251 creates the Veterans Subsidized Training and Employment Act.

The bill would require the Department of Labor to administrate and provide grants to eligible businesses to subsidize, for the first 180 calendar day after a new employee is hired, part of the on-the-job training and compensation costs for the new employee.

“New employee” is defined as a person who was unemployed prior to employment with the eligible business, regardless of whether they were receiving unemployment compensation, and was a member of the armed forces of the United States and was honorably discharged. It does not include temporary or seasonal employees or someone employed by a related person of the eligible business.

The bill allows the Department of Labor, for FY2015-16, to use up to 4% of any funds appropriated for the purpose of marketing the program.

The grant amounts are to be as follows:

- >For the first 30 calendar days of employment, 100% of the wage amount, exclusive of benefits, not to exceed \$20 per hour;
- >For days 31 through 90, 75% of the wage amount, exclusive of benefits;
- >For days 91 through 150, 50% of the wage amount, exclusive of benefits; and
- >For days 151 through 180, 25% of the wage amount, exclusive of benefits.

If a new employee leaves employment with the eligible business, the grant shall be cancelled as of that date.

The bill requires the Commissioner of Labor to provide a report on the program to the Governor and Legislature no later than September 1 of each year for the fiscal year just prior. The bill also creates the Veterans Subsidized Training and Employment Program Fund.

LB 251 also states legislative intent to appropriate \$2,500,000 from the General Fund for the program in FY2015-16.

The Department of Labor estimates the cost to implement LB 251 at \$2,500,000.

We disagree with the Department of Labor’s estimate, which is based off of the legislative intent language and includes the expenditure of aid. Legislative intent to appropriate in this type of bill is not binding as the Legislature can choose to appropriate at a different level of funding.

The actual fiscal impact of the bill to the Department of Labor is what it would cost the Department in terms of salary, benefits, operations, travel, and capital outlay to implement. We believe the fiscal impact to be \$519,211 for FY15-16. This includes salary and benefits for 7.2 FTE, as estimated by the Department, of \$361,946 with PSL of \$264,815. The 7.2 FTE includes: 6.0 FTE Workforce Coordinators, 1.0 FTE Job Training Program Coordinator, and 0.2 Workforce Services Administrator.

We do not have an estimate of how many eligible businesses would participate or how many new employees would be subsidized.

The Department of Labor did estimate that if the aid amount was \$1,880,789, they would subsidized approximately 200 on-the-job trainings.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 251	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Robin Kilgore	DATE: 1-23-15	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.		

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

2015

LB⁽¹⁾ 251

FISCAL NOTE

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

Prepared by: ⁽³⁾ Joan Modrell Date Prepared: ⁽⁴⁾ 1-20-2015 Phone: ⁽⁵⁾ 402-471-9948

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u> </u>	<u> </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>\$2,500,000</u>	<u>\$2,500,000</u>	<u> </u>	<u> </u>

Explanation of Estimate: Total expenditures consist of the staffing costs for 6 Workforce Coordinators, 1 Job Training Program Coordinator, and .2 Workforce Services Administrator as well as the benefits, operating costs, administrative support staff, supplies, and travel needs of the staff to promote the program to veterans and employers.

Workforce Coordinator's would act as employer representatives to promote the program to employers, eligible veterans, and facilitate placing qualified veterans into on-the-job training experiences with the employer. One Job Training Program Coordinator would oversee the program to provide staff training, offer program guidance, and create statewide recruiting initiatives. Twenty percent of a Workforce Services Administrator's time would be dedicated towards creating state policy, program oversight, budget oversight, and approval of program expenditures.

Four percent of the overall budget would be dedicated towards marketing the program. Approximately \$35,000 would be dedicated toward technology enhancements allowing applications to be submitted electronically.

Approximately \$1,880,789.21 would be dedicated toward participants, resulting in an estimated 200 on-the-job trainings.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Workforce Coordinator (WFC)	<u>6</u>	<u> </u>	<u>\$210,412.80</u>	<u> </u>
Job Training Program Coordinator	<u>1</u>	<u> </u>	<u>42,182.40</u>	<u> </u>
Workforce Services Administrator	<u>.2</u>	<u> </u>	<u>12,220.00</u>	<u> </u>
Total Salaries	<u>7.2</u>	<u> </u>	<u>\$264,815.20</u>	<u> </u>
Benefits.....			<u>97,131.04</u>	<u> </u>
Operating.....			<u>222,188.55</u>	<u> </u>
Travel.....			<u>26,676.00</u>	<u> </u>
Capital outlay.....			<u>8,400.00</u>	<u> </u>
Aid.....			<u>1,880,789.21</u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>\$2,500,000.00</u>	<u> </u>

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2015

LB⁽¹⁾ 251

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ _____

Prepared by: ⁽³⁾ GARY MAIXNER Date Prepared: ⁽⁴⁾ 01-20-15 Phone: ⁽⁵⁾ 402-471-2458

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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: The bill does not have an anticipated impact on expenditures or revenue.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				