

PREPARED BY: Scott Danigole  
 DATE PREPARED: January 30, 2015  
 PHONE: 471-0055

# LB 541

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	2,176			
TOTAL FUNDS	2,176			

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

LB 541 requires the Department of Administrative Services to adopt policies and procedures regarding the disposal of records contained in the database established in the Taxpayer Transparency Act.

In order to automate the disposal process, DAS estimates programming costs of \$2,176 in FY2015-16. This estimate appears to be reasonable. If the disposal process is not automated, DAS estimates a total cost of \$67,127 in FY2017-18 and \$67,437 in FY2018-19.

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2015

LB<sup>(1)</sup> 541

FISCAL  
NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Dept. of Administrative Services - Materiel Division

Prepared by: <sup>(3)</sup> Bo Botelho Date Prepared: <sup>(4)</sup> 01/22/2015 Phone: <sup>(5)</sup> 402-471-0972

**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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>2,176</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB541 is a bill relating to the Taxpayer Transparency Act and adds a provision allowing the Department of Administrative Services to adopt policies and procedures regarding the disposal of records contained in the databases created pursuant to 84-602.02 to exclude expired contracts which have been disposed of pursuant to applicable records retention and disposition schedules.

The State Contracts Database currently holds 76,000 document files and 67,000 data files. Since the initiation of the project to date, an average of 4,000 document files and 3,000 data files, for a total of 7,000 files, are uploaded to the database per month. It is estimated that as record retention dates are reached, eventually an average of 7,000 files per month will need to be deleted from the database. It is assumed that the number of monthly contracts being added to the database will stay constant.

Assuming that applicable records retention policy would require that expired contracts be maintained for five years after they expired, no action would be required to exclude expired contracts from the database during the upcoming biennium, but would begin during the following biennium.

Option 1: Materiel needs to be notified of files to be deleted

Upon testing the manual deleting process it is estimated that it takes approximately two minutes to delete each file. This includes receiving the request to delete said file.

Administrative Services-Materiel Division calculates that approximately 233 hours per month or (7,000 files x 2 min. each = 233 hours) will be needed to delete files upon specific request. In order to fulfill the requirements of this bill, Materiel Division will need to add one additional full-time position, a Staff Assistant I in FY17-18 (233 hours per month x 12 months = 2,800 hours).

The total projected costs for the Materiel Division are shown below in the first table. These costs include salary and benefits (health insurance is based on the State's current share of the highest cost family plan); and ongoing annual operating costs (communication/data processing, printing/publication and supplies). There would also be a onetime cost in FY17-18 for the purchase of new equipment and set up costs of \$2,500.

	FY2017-18	FY2018-19
New Position - Staff Assistant I	Expenditures	Expenditures
Salary	32,410	33,140
Benefits	27,750	29,830
Operating	4,467	4,467
Capital Outlay	2,500	0
Total Funds	67,127	67,437

These additional costs would result in the need for additional revolving appropriation and an increased Materiel-Purchasing Assessment to State Agencies for FY17-18 and FY18-19 in order to meet this requirement, though the services provided would also include Higher Education and other publicly funded entities.

The table below summarizes the impact by fund type of the increased statewide Materiel-Purchasing Assessment. The allocation by fund type is based on total FY13-14 operational expenditures. The FY13-14 data is the most current available.

	FY2017-18	FY2018-19
	Expenditures	Expenditures
General Funds	22,134	22,236
Cash Funds	22,941	23,047
Federal Funds	9,979	10,025
Revolving Funds	12,073	12,129
Total Funds	67,127	67,437

Option 2: Materiel automates the deletion process

Another approach would be to automate the deletion process. All expired contracts being held in the database would be deleted 5 years after expiration. This would be an automatic task performed by the system currently being used for the database. This change to the database will have an estimated development cost of 16 hours, which equates to approximately \$2,176 (\$136 per hours x 16 hours = \$2,176). This one-time additional cost could be met with current resources. The process to automate the system would begin in FY15-16.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

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2015

LB<sup>(1)</sup> 541

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters

Date Prepared: <sup>(4)</sup> January 29, 2015

Phone: <sup>(5)</sup> 402-471-2793

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact

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.....	_____	_____	_____	_____