

PREPARED BY: Doug Gibbs  
 DATE PREPARED: February 22, 2017  
 PHONE: 402-471-0051

**LB 416**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$250,000		\$250,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$250,000		\$250,000	

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

LB 416 amends Nebraska Revised Statutes Section 48-621 and states legislative intent to appropriate funds.

Section 48-621 amends the language regarding the Employment Security Special Contingent Fund to allow expenditures from the Fund by the Department of Labor to employ bilingual investigators for the enforcement of the Employee Classification Act (ECA).

The bill also strikes outdated language regarding Reed Act funds received by the state.

The bill also contains intent to appropriate language and would appropriate \$250,000 from the Employment Security Special Contingent Fund to the Department of Labor for FY2017-18 and FY2018-19, respectively, to employ bilingual investigators to enforce the Employee Classification Act.

The Department of Labor indicates that they currently employ a bilingual labor law specialist who assists in Employment Classification Act investigations and that in 2016 there were a total of 85 ECA investigations, distributed among three labor law specialists. Eleven of the 85 investigations required a bilingual specialist.

<b>ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>	
LB: 416      AM:	AGENCY/POLT. SUB: Dept of Labor
REVIEWED BY: Gary Bush	DATE: 1/26/17      PHONE: <a href="tel:4024714161">(402) 471-4161</a>
COMMENTS: No basis to disagree with the estimate provided.	

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

**2017**

**LB<sup>(1)</sup> 416**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Kim Schreiner Date Prepared: <sup>(4)</sup> 01-24-2017 Phone: <sup>(5)</sup> 402-471-2492

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate: As proposed LB 416 allocates \$250,000 of the Department's cash appropriation in Program 31 for the hiring of bilingual ECA investigators housed in Program 194. The Department of Labor already has a bilingual labor law specialist on staff who assists in ECA investigations. In calendar year 2016, the department worked 85 ECA investigations. This work was distributed among 3 labor law specialists. Of these cases 11 required a Spanish translator. The Department used the bilingual labor law specialist already employed by the Department to assist in the 11 cases. The current biennium budget submitted by the Department provides for the equivalent of 2.0 FTE for labor law specialists for the ECA program.

Unless the caseload increases substantially, the Department will not hire additional labor law specialists for the ECA program.

Funds from the Employment Security Special Contingent Fund are currently used by the Department to maintain and upkeep its two office buildings, built in 1953 and 1958. Because the buildings were purchased with federal funds and federal grant funds cannot be expended for sinking funds, neither building participates in the LB 309 Task Force process and normal and deferred repairs, fire/life-safety codes, ADA compliance, and Energy Conservation are paid for from the Contingent Fund.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Labor Law Specialist	_____	_____	_____	_____
<b>Total Salaries</b>	_____	_____	_____	_____
<b>Benefits</b> .....	_____	_____	_____	_____
<b>Operating</b> .....	_____	_____	_____	_____
<b>Travel</b> .....	_____	_____	_____	_____
<b>Capital outlay</b> .....	_____	_____	_____	_____
<b>Aid</b> .....	_____	_____	_____	_____
<b>Capital improvements</b> .....	_____	_____	_____	_____
<b>TOTAL</b> .....	_____	_____	_____	_____