

**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	See Below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill would require a criminal history record information check for employees who have direct access to federal tax information.

The Department of Health and Human Services (HHS) estimates the impact of this bill as follows:

	FY2017-18	FY2018-19
Fund Source:	EXPENDITURES	EXPENDITURES
GENERAL FUNDS	3,064	614
CASH FUNDS	0	0
FEDERAL FUNDS	5,986	1,196
OTHER FUNDS	0	0
TOTAL FUNDS	9,050	1,810

Due to the relatively small General Fund expenditure impact, no additional General Fund appropriation should be required.

The Department of Labor states that they have 50 employees impacted by this bill. The agency states that each background check costs \$45.25 per employee for a total of \$2,262.50, and they can use federal funds for this additional cost.

The Department of Revenue estimates a \$10,000 cost in FY18 and a \$2,000 in subsequent years. Due to the relatively small General Fund expenditure impact, no additional General Fund appropriation should be required.

The State Patrol estimates no fiscal impact from this bill.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 433	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Lyn Heaton	DATE: 3/1/2017	PHONE: <a href="tel:4024714181">(402) 471-4181</a>	
COMMENTS: No basis upon which to disagree with the Department's analysis.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
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LB: 433	AM:	AGENCY/POLT. SUB: Department of Labor
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REVIEWED BY: Lyn Heaton	DATE: 3/1/2017	PHONE: <a href="tel:(402)471-4181">(402) 471-4181</a>
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COMMENTS: No basis upon which to disagree with the Department's analysis. It is assumed there will be a smaller ongoing annual expense as turnover requires background checks on new employees.
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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
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LB: 433	AM:	AGENCY/POLT. SUB: Department of Revenue
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REVIEWED BY: Lyn Heaton	DATE: 3/1/2017	PHONE: <a href="tel:(402)471-4181">(402) 471-4181</a>
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COMMENTS: The Department's estimate appears reasonable. The extent to which the Department will incur additional cost is dependent on the interpretation of "direct access" to federal tax information. Since multiple state agencies are affected, and different interpretations may be employed, a uniform definition would be helpful in ascertaining the cost (i.e. which employees would require a background check).
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**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-17-17

Phone: (5) 471-6351

	<u>FY 2017-2018</u>		<u>FY 2018-2019</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$3,064		\$614	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$5,986		\$1,196	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<b>\$9,050</b>		<b>\$1,810</b>	

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

**Explanation of Estimate:**

The Department of Health and Human Services estimates that initially 100 Child Support staff, 50 Economic Assistance Staff, and 50 Medicaid and Long-Term Care staff will need to be finger printed for background checks by the State Patrol. Each check costs \$45.25. Assuming a turnover rate of approximately 20%, subsequent years will require an additional 40 new hires to be finger printed and checked. State and federal funding mixes vary depending upon staff functions and are as follows:

	<b>First Year</b>				<b>Subsequent Years</b>			
	Staff	Total Cost	FF	GF	Staff	Total Cost	FF	GF
CSE	100	\$4,525	66.00%	34.00%	20	\$905	66.00%	34.00%
			\$2,987	\$1,538			\$597	\$308
EA	50	\$2,263	57.53%	42.47%	10	\$453	57.53%	42.47%
			\$1,302	\$961			\$260	\$193
MLTC	50	\$2,263	75.00%	25.00%	10	\$453	75.00%	25.00%
			\$1,697	\$566			\$339	\$114
<b>Total</b>		<b>\$9,050</b>	<b>\$5,986</b>	<b>\$3,064</b>		<b>\$1,810</b>	<b>\$1,196</b>	<b>\$614</b>

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2017-2018 EXPENDITURES	2018-2019 EXPENDITURES
	17-18	18-19		
Benefits.....				

Operating.....	\$9,050	\$1,810
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$9,050</b>	<b>\$1,810</b>

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

**2017**

**LB<sup>(1)</sup> 433**

**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> 1-24-2017 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>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate: The Nebraska Department of Labor is required by the United States Department of Labor to participate in the treasury offset program (TOP). This program requires that the Department receive federal tax information (FTI). Failure to participate in this program would create a federal conformity issue for the Department. IRS Publication 1075 requires any employee with access to FTI to undergo a federal background check. LB 433 authorizes this federally required background check. The Department has 50 employees with mandatory access to FTI in order to perform their jobs. Each background check will cost the Department \$45.25. At a cost of \$45.25 per employee, total expenses will be \$2,262.50. The expenses can utilize available Federal Funds.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

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



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

**2017**

**LB<sup>(1)</sup> 433**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 1-25-17 Phone: <sup>(5)</sup> (402)471-4545

**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	_____	_____	_____	_____
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>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____