

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2019-20 | | FY 2020-21 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | See below | | 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.

LB 337 requires the Director of Administrative Services to include in the annual budget report on agency budget requests information that complies and summarizes the following:

- The aggregate value of federal funds appropriated to agencies for the preceding fiscal year;
- The aggregate amount of federal funds appropriated to agencies for the preceding fiscal year;
- The percentage of agency’s total budget for the preceding fiscal year that constitutes federal receipts;
- A description of any requirement for state match, including a memorandum of understanding, a maintenance-of-effort agreement, or a contract entered into with any federal entity to received federal receipts for the preceding fiscal year;
- An operating plan in the event that federal receipts are reduced by ten percent (10%) or more but less than twenty-five percent (25%) from the preceding fiscal year; and
- An operating plan in the event that the federal receipts are reduced by twenty-five percent (25%) or more from the preceding fiscal year.

The Department of Administrative Services estimates no fiscal impact. This appears to be reasonable.

The Game and Parks Commission estimates the need for 2.0 FTE to address the provisions of LB 337. The need for additional staffing would be understandable if the Commission was required to perform additional analysis due to the bill’s provisions. However, LB 337 only makes requirements of the Director of the Department of Administrative Services. If work is required by the agency to perform additional analysis, the need for greater staffing will likely be realized.

The Department of Health and Human Services (DHHS) estimates the need for 2.0 FTE to address the provisions of LB 337. Like the Game and Parks Commission, DHHS is not required by the bill’s provisions to perform any additional work. The burden falls to the Department of Administrative Services. If work is required by the agency to perform additional analysis, the need for greater staffing may be realized.

| | | | |
|--|-----------------|---|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 337 | AM: | AGENCY/POLT. SUB: Department of Administrative Services | |
| REVIEWED BY: Lee Will | DATE: 1/28/2019 | PHONE: (402) 471-4175 | |
| COMMENTS: Concur with the Department of Administrative Services’ assessment of no fiscal impact. | | | |

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 337 AM: AGENCY/POLT. SUB: Game and Parks Commission

REVIEWED BY: Lee Will DATE: 2/12/2019 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with the Game and Parks Commission's indication of additional staff to comply with provisions of the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 337 AM: AGENCY/POLT. SUB: Department of Health and Human Services

REVIEWED BY: Lee Will DATE: 2/14/2019 PHONE: (402) 471-4175

COMMENTS: The Department of Health and Human Services' assessment of fiscal impact seems reasonable as the staff time required to develop the federal fund inventory and operating plan if funds were reduced could be significant.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 337 AM: AGENCY/POLT. SUB: Nebraska State College System

REVIEWED BY: Lee Will DATE: 2/19/2019 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with the Nebraska State College System's assessment of fiscal impact.

LB⁽¹⁾ 337

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Budget Division, DAS State Accounting – Central Finance

Prepared by: ⁽³⁾ Lee Will
Ann Martinez Date Prepared: ⁽⁴⁾ 01-19-2019 Phone: ⁽⁵⁾ 402-471-4181
402-471-4135

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2019-20</u> | | <u>FY 2020-21</u> | |
|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>See Below</u> | <u> </u> | <u>See Below</u> | <u> </u> |
| CASH FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| FEDERAL FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| REVOLVING FUNDS | <u>See Below</u> | <u> </u> | <u>See Below</u> | <u> </u> |
| TOTAL FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Explanation of Estimate:

LB 337, as introduced would require the Director of Administrative Services to include in the annual budget report on agency budget requests information that complies and summarizes federal funding. The report is due on or before September 15th of each even-numbered year. The required contents of the compilation of the federal receipts of state agencies is prescribed in the new statutory language that is in Section 1 of the bill.

The biennial budget request instructions issued by the State Budget Division already include much of the same, or very similar, information regarding federal funding. The information is collected in the Nebraska Budget Request and Reporting System (NBRRS) and made available to the public with the biennial budget requests at <https://das-nebs.ne.gov/public/faces/publicIndex.jsp>.

To the extent the budget instructions do not currently explicitly instruct agencies to submit, and the NBRRS does not collect, the exact information outlined in Section 1 of LB 337 as proposed, existing section 81-1113.01 currently includes an opportunity for the Legislative Fiscal Analyst to recommend changes to the State Budget Administrator or for additional forms to be utilized for the collection of budget information.

In summary, LB 337 as introduced does not appear to have a fiscal impact on the DAS State Budget Division (General Fund) as the kind of information that is required to be submitted is already collected or can be readily collected under current law and within current resources.

The required contents for the compilation of federal receipts for the Department of Administrative Services (DAS) that is to be submitted to the DAS State Budget Division by LB 337 as proposed can be completed with existing DAS State Accounting – Central Finance staff and resources and therefore, has no Revolving Fund impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2019-20</u> | <u>2020-21</u> |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>19-20</u> | <u>20-21</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Benefits..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Operating..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Travel..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Capital outlay..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Aid..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Capital improvements..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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2019

LB⁽¹⁾ 337 Annual Federal Receipts Report

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Game and Parks Commission

Prepared by: ⁽³⁾ Christina Peters Date Prepared: ⁽⁴⁾ 2/7/2019 Phone: ⁽⁵⁾ (402) 471-5403

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2019-20</u> | | <u>FY 2020-21</u> | |
|--------------------|-----------------------------|------------------------------------|-----------------------------|------------------------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>157,850</u> | <u> </u> | <u>151,850</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><u>157,850</u></u> | <u><u> </u></u> | <u><u>151,850</u></u> | <u><u> </u></u> |

Explanation of Estimate:

The proposed legislation would require all agencies to submit a compilation of federal receipts including specific grant detail to the office of the Director of Administrative Services through the agency budget requests for inclusion in the annual budget report.

The report would include the aggregate value of the federal receipts received by the agency the preceding fiscal year, the aggregate amount of federal funds appropriated to the agency by the Legislature during that same time frame, the percentage of the agency's total budget for that fiscal year that constitutes the federal receipts, a description of any requirement for a state match entered into with any federal agency or entity to receive federal receipts for that year. This description details the obligations imposed on the state agency, including any monetary match requirements, the number of full-time and part-time positions obligated by the agreement and a description of any other resources and obligations incurred by the state agency, including citation of applicable federal law, regulation or grant provision.

Additionally two operating plans are required, one in the event that federal receipts would be reduced by 10-24%, and another if reduced by more than 25% from the reported fiscal year. These plans are to include a description of the program or activity affected, the impact on the recipient(s) of federal receipts, and potential changes to the program or activity if the reduction were to take place.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2019-20</u> | <u>2020-21</u> |
|------------------------------|----------------------------|--------------|-----------------------------|-----------------------------|
| | <u>19-20</u> | <u>20-21</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Federal Aid Administrator II | <u>2</u> | <u>2</u> | <u>85,742</u> | <u>85,742</u> |
| Benefits..... | | | <u>62,108</u> | <u>62,108</u> |
| Operating..... | | | <u>4,000</u> | <u>4,000</u> |
| Travel..... | | | <u> </u> | <u> </u> |
| Capital outlay..... | | | <u>6,000</u> | <u> </u> |
| Aid..... | | | <u> </u> | <u> </u> |
| Capital improvements..... | | | <u> </u> | <u> </u> |
| TOTAL..... | | | <u><u>157,850</u></u> | <u><u>151,850</u></u> |

LB⁽¹⁾ 337

The Nebraska Game and Parks Commission receives federal funding from over 250 different federal grants for research, education, operations, habitat management, financial aid and capital development and maintenance projects ranging individually in size from less than \$10,000 to over \$4,000,000. The legislation does not identify any funding limits, so it is estimated each grant would require all of the same information. It should be noted that the majority of grants are utilized through a multitude and variety of contracts with individuals and other public and nongovernmental entities. The requirement of identifying operating impacts to these entities would be significant.

The agency would have between 350 to 1,500 unique financial agreements to report in a given period. Averaging eight hours of staff time to compile the reporting requirements of this bill for each award, translates to 2,800 to 12,000 hours or 1.4 to 5.8 FTE's. For estimate purposes, two Federal Aid Administrator II level positions would be requested. At \$20.611/hr. (\$42,871/annual) with benefits (estimate \$6,500 OASDI/Retirement and \$24,554 family health insurance) each position would be \$73,925 annually. With additional expenses of one-time office equipment needs (desk, chair, phone, computer, printer) of \$3,000 each, and annual operating expenses (phone, copying, IT charges) of \$2,000 each, the expenses for both positions is estimated at \$157,850 in FY19/20 and \$151,850 in FY20/21.

Inclusion on an A-bill would be requested.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Michalski

Date Prepared 1-28-19

Phone: (5) 471-6719

| | <u>FY 2019-2020</u> | | <u>FY 2020-2021</u> | |
|----------------------|---------------------|---------|---------------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$137,282 | | \$164,739 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$137,282 | | \$164,739 | |

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

Explanation of Estimate:

This bill requires the Department of Administrative Services (DAS) to include reports that reflect (1) the amount of federal receipts of the agency from preceding fiscal year, (2) aggregate amount of federal funds appropriated for the preceding fiscal year, (3) percentage of the total budget that constitutes federal receipts, (4) a description of any requirement for a state match, MOU, MOE agreement, or contract with any federal entity, (5) an operating plan and impact analysis if federal receipts were to be reduced by 10% for each source of federal dollars, and (6) an operating plan and impact analysis if federal receipts were to be reduced by 25% or more for each source of federal dollars.

The Department of Health and Human Services (DHHS) administers roughly 150 grants/sources of federal funding. Over half of the grants are utilized through a multitude and variety of contracts with other public and nongovernmental entities. The planning, coordination, and annual reviews of the bills requirements is estimated to take 5,000 hours of staff time.

DHHS estimates that 2 Federal Aid Administrator II positions would be needed to carry out the requirements of this bill. These positions would start September of 2019.

MAJOR OBJECTS OF EXPENDITURE

| PERSONAL SERVICES: | NUMBER OF POSITIONS | | 2019-2020 | 2020-2021 | |
|-------------------------------------|---------------------|-------|-----------|------------------|------------------|
| | POSITION TITLE | 19-20 | 20-21 | EXPENDITURES | EXPENDITURES |
| V19612 Federal Aid Administrator II | | 1.67 | 2 | \$78,773 | \$94,528 |
| Benefits..... | | | | \$24,758 | \$29,710 |
| Operating..... | | | | \$33,751 | \$40,501 |
| Travel..... | | | | | |
| Capital Outlay..... | | | | | |
| Aid..... | | | | | |
| Capital Improvements..... | | | | | |
| TOTAL..... | | | | \$137,282 | \$164,739 |

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

2019

LB⁽¹⁾ 337

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 02/19/2018 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2019-20</u> | | <u>FY 2020-21</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | <u>-0-</u> | <u>-0-</u> | <u>10,227</u> | <u>-0-</u> |

Explanation of Estimate:

LB337 adds a requirement for the Director of Administrative Services to include a federal funding inventory in an annual budget report. Information required includes the aggregate value of the federal receipts, the aggregate amount of federal fund appropriated, the percentage of the agency's total budget that constitutes federal receipts and a description of any requirement for a state match – all for the preceding fiscal year. LB337 also requires submission of an operating plan in the event that federal receipts are reduced by 10-25%; and an additional plan in the event that federal receipts are reduced by 25% or more. The NSCS estimates that it will require about 500 total hours across Chadron, Peru, and Wayne State Colleges to prepare the information required by the bill. At \$19 per hour, plus FICA, the NSCS estimates the cost to comply with the provisions of LB661 to be approximately \$10,227 (500 hours x \$19/hour + FICA).

It appears that the bill requires this information be provided annually by the Director of Administrative Services. The NSCS assumes that, for purposes of this bill, the Colleges will be required to provide this information to the Director of Administrative Services on an annual basis in some format.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2019-20</u> | <u>2020-21</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>19-20</u> | <u>20-21</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| | _____ | _____ | _____ | 9,500 |
| Benefits..... | _____ | _____ | _____ | 727 |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | 10,227 |