

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	2,500,000		2,500,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,500,000		2,500,000	

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

LB 644 is the Nebraska Workforce Diploma Act.

Section 3 requires the Department of Labor (DOL), on or before August 15, 2019, and annually thereafter, to request applications from eligible program providers to participate in the workforce diploma program. On or after September 15, 2019, and annually thereafter, the DOL shall announce the approved program providers who shall establish a program and begin accepting students on or before December 15, 2019. Unless otherwise required, an approved program provider shall not be required to reapply annually to remain an approved program provider.

Section 4 requires the DOL shall reimburse each approved program provider participating in the program for the completion of the following milestones for each student:

1. \$250 for the completion of five credit hours;
2. \$250 for the completion of an employability skills certification program equal to at least ten credit hours;
3. \$250 for the attainment of an industry-recognized credential requiring up to fifty hours of training;
4. \$500 for the attainment of an industry-recognized credential requiring fifty-one through one hundred hours of training;
5. \$750 for the attainment of an industry-recognized credential requiring more than 100 hours of training; and,
6. \$1,000 for the attainment of a high school diploma.

Section 6 states Legislative intent to appropriate \$2,500,000 for fiscal years 2019-20 and 2020-21 to carry out the provisions of the Act.

LB 644 is silent regarding the fund source for the appropriation intended in section 6. It is assumed that funding would come from the General Fund.

The DOL estimates the need for 1.0 FTE to administer the Nebraska Workforce Diploma Act. Operational costs are estimated to be \$86,499 in fiscal year 2019-20 and \$82,619 in fiscal year 2020-21. The remainder of the \$2,500,000 would be directed to reimbursements as outlined in section 4. The DOL estimate of administrative costs appears to be reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 644	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor	
REVIEWED BY: Neil Sullivan		DATE: 2/6/2019	PHONE: (402) 471-4179
COMMENTS: The Nebraska Department of Labor assessment of fiscal impact from LB 644 appears reasonable.			

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

2019

LB⁽¹⁾ 644

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 2-5-2019 Phone: ⁽⁵⁾ 402-471-9912

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>\$2,500,000</u>	<u> </u>	<u>\$2,500,000</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>\$2,500,000</u></u>	<u> </u>	<u><u>\$2,500,000</u></u>	<u> </u>

Explanation of Estimate: LB 644 creates the Nebraska Workforce Diploma Act. The Nebraska Workforce Diploma Act is to be administered by the Nebraska Department of Labor. Starting by August 15, 2019 and each year thereafter, the Department shall request applications for eligible program providers for the workforce diploma program. The Department must review and determine which program providers are eligible. The Department is responsible for making payment to the eligible program providers when participants attain specific outcomes. The Department must also review on an annual basis the performance of the eligible program providers. The Department anticipates this will require one Program Coordinator to administer the workforce diploma program at a total cost of \$80,999 for Salaries, Benefits and overhead in FY19-20 with an additional \$5,500 for computer needs in FY19-20 only. As written, LB 644 provides \$2.5 million each fiscal year for 2019-20 and 2020-21 to the Department. There is no funding provided for in LB 644 after fiscal year 2020-2021. It is unknown how many participants there will be, but the Department may expend up to the \$2.5 million in total each year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
JT Program Coordinator	<u>1.0</u>	<u>1.0</u>	<u>\$46,182</u>	<u>\$47,106</u>
Total Salaries	<u>1.0</u>	<u>1.0</u>	<u>\$46,182</u>	<u>\$47,106</u>
Benefits.....			<u>\$16,584</u>	<u>\$16,916</u>
Operating.....			<u>\$18,233</u>	<u>\$18,597</u>
Travel.....				
Capital outlay.....			<u>\$5,500</u>	
Aid.....			<u>\$2,413,501</u>	<u>\$2,417,381</u>
Capital improvements.....				
TOTAL.....			<u><u>\$2,500,000</u></u>	<u><u>\$2,500,000</u></u>