

PREPARED BY: Scott Danigole
 DATE PREPARED: February 01, 2019
 PHONE: 471-0055

LB 581

Revision: 00

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	31,770		63,540	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	31,770		63,540	

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

LB 581 requires certain political subdivisions to use generally accepted accounting principles using the accrual basis.

The Nebraska Association of County Officials (NACO) identifies the potential impact to counties in terms of required modifications in software programming, methods, and accounting practices required for shifting from a cash basis to an accrual basis for budget statements.

The Auditor of Public Accounts would be required to develop new forms and procedures to address budgets being filed on accrual basis. The Auditor estimates the need for 1.0 FTE to address the provisions of LB 581. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 581	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 1/29/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with NACO's assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 581	AM:	AGENCY/POLT. SUB: Auditor of Public Accounts	
REVIEWED BY: Lee Will	DATE: 2/4/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Auditor of Public Account's statement of fiscal impact.			

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

2019

LB⁽¹⁾ 581

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/28/2019 Phone: ⁽⁵⁾ (402) 434.5660

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	=====	=====	=====	=====

Explanation of Estimate:

LB 581 would require counties to use generally accepted accounting principles using the accrual basis for their budget statements. The fiscal impact to counties to implement LB 581 is expected to be significant in terms of required modifications in software programming, methods, and accounting practices required for shifting from a cash basis to an accrual basis for budget statements. This legislation would be an unfunded mandate and the cash basis of budgeting is used in the majority if not all counties.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2019

LB⁽¹⁾ 581

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Auditor of Public Accounts

Prepared by: ⁽³⁾ Mary Avery Date Prepared: ⁽⁴⁾ 1/31/19 Phone: ⁽⁵⁾ 402-471-3686

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>31,770</u>	<u> </u>	<u>63,540</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>31,770</u>	<u> </u>	<u>63,540</u>	<u> </u>

Explanation of Estimate:

LB 581, as currently written, requires additional work for the Auditor of Public Accounts. The APA shall develop new forms and procedures to address budgets being filed on accrual basis. Additional steps would be required to address the audit waiver provision being added, as budgets need to be filed prior to audit waiver approval, so as written, additional work would need to be done by our office. With effective dated January 1, 2020, FTE would start at that time and go forward. So, 1 FTE for half the year the first year and 1 FTE going forward after that.

One Staff-\$45,000, retirement-\$3,400, FICA & Medicare-\$3,400, and Health Insurance-\$11,740.

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>
Auditor	<u>1</u>	<u>1</u>	<u>31,770</u>	<u>63,540</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>31,770</u>	<u>63,540</u>