

PREPARED BY: Scott Danigole
 DATE PREPARED: January 17, 2020
 PHONE: 471-0055

LB 813

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	4,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	4,000,000			

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

LB 813 provides Legislative intent to appropriate four million dollars (\$4 million) from the General Fund to the Department of Labor for fiscal year 2020-21 to expand existing initiatives to:

- Provide technical assistance to employers establishing or expanding registered apprenticeship and preapprenticeship programs;
- Develop, administer, and provide grants for employers partnering with the department in establishing registered apprenticeship and preapprenticeship programs;
- Provide grants to employers and partners with an institution of higher education for the purposes of providing tuition assistance, stipends, or both to registered apprentices for tools, books, or supplies needed to complete the apprenticeship; and
- Develop criteria for and administer the grants.

The Department of Labor estimates the need for 9.5 FTE to administer the program and address the provisions of LB 813. The Department correctly identifies the costs associated with LB 813 to be \$4 million.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 813	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Neil Sullivan	DATE: 1/17/2020	PHONE: (402) 471-4179
COMMENTS: The Department of Labor assessment of fiscal impact from LB 813 appears reasonable.		

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2020

LB⁽¹⁾ 813

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 1-15-2020 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$4,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$4,000,000</u>			

Explanation of Estimate: LB 813 would appropriate \$4,000,000 for one year (2020-2021) to support or expand existing Registered Apprenticeship and Pre-Apprenticeship initiatives as well as adding authority to provide grants directly to businesses.

The Nebraska Department of Labor (NDOL) currently has an existing successful Registered Apprenticeships (RA) and Pre-Apprenticeship initiatives that support the US Department of Labor (USDOL) certifications program. Supporting and expanding the existing resources is where the majority of the resources and funds would need to be focused for success. Rather than hire additional full time staff members (FTEs) for one year only to support this function, a combination of reassignments or expansion of duties of existing staff and hiring contractors would be necessary. NDOL anticipates devoting two-thirds of the funds to expanding current efforts towards existing apprenticeship initiatives. This will include hiring contract staff to quickly increase the number of people NDOL has working towards this effort to utilize the funds during the one-year timeframe. NDOL anticipates needing ten additional contractors for this expansion effort.

The remaining one-third of the funds would be utilized to establish a new grant program as proposed in LB 813 to be awarded to employers as grants. Establishing a new grant program with a governance, appropriate rules, regulations, forms, selection criteria and safeguards against waste, fraud and abuse would take considerable time before being able to implement this option and would require expansion of current responsibilities of existing staff as well as hiring outside contracting support. NDOL anticipates needing at least three contractors and in addition to time from existing staff members in legal, finance, and employment and training divisions of NDOL.

A marketing campaign included at \$150,000 would be required to meet the strict one-year timeline, which would also require considerable staff time across multiple areas of jurisdiction within the agency and potential contracting support. Technology costs are included at \$400,000 to manage the implementation, follow-up reviews, monitor, audit and provide the results of the program. The cost of thirteen Contractors total \$1,300,000. NDOL anticipates awarding grants/aid of \$1,300,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
ES PROGRAM SPECIALIST	.50		26,535	
STAFF ASSISTANT I	.50		18,166	
ADMIN. ASSISTANT II	.25		11,729	
ES SUPERVISOR	.25		11,030	
ATTORNEY III	.50		45,327	
ACCOUNTING & FINANCE MANAGER	.50		41,167	
DEPUTY COMMISSIONER OF REEMPLOYMENT SERVICES	.25		34,373	
WORKFORCE SERVICES ADMINISTRATOR	.50		37,868	
WORKFORCE COORDINATOR	4.00		187,139	
EMPLOYMENT SPECIALIST	2.00		90,494	
PUBLIC INFORMATION OFFICER III	.25		14,572	
Total Salaries	9.50		518,400	
Benefits			194,400	
Operating			1,954,700	
Travel			32,500	
Capital outlay				
Aid			1,300,000	
Capital improvements				
TOTAL			4,000,000	