

PREPARED BY: Scott Danigole
 DATE PREPARED: January 20, 2021
 PHONE: 471-0055

LB 260

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|---------|-------------------|---------|
| | FY 2021-22 | | FY 2022-23 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | \$749,927 | | \$749,927 | |
| TOTAL FUNDS | \$749,927 | | \$749,927 | |

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

LB 260 changes provisions of the Employment Security Law.

Section 1 adds “an individual (who) has made all reasonable efforts to preserve employment but voluntarily leaves employment for the purpose of caring for a family member with a serious health condition” to the list of good cause for voluntarily leaving employment under section 48-628.13.

The Department of Labor, based on 2020 data, anticipates it will pay out \$749,927 in unemployment insurance benefits each year. Such payouts come from a non-appropriated trust fund.

| | | | |
|---|-----------------|---------------------------------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 260 | AM: | AGENCY/POLT. SUB: Department of Labor | |
| REVIEWED BY: Neil Sullivan | DATE: 1/20/2021 | PHONE: (402) 471-4179 | |
| COMMENTS: The Department of Labor assessment of fiscal impact and potential UI tax implications from LB 260 appears reasonable. | | | |

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

2021

LB⁽¹⁾ 260

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 1-15-2021 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2021-22</u> | | <u>FY 2022-23</u> | |
|--------------------|-------------------------|----------------|-------------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| TRUST FUNDS | <u>\$749,927</u> | _____ | <u>\$749,927</u> | _____ |
| TOTAL FUNDS | <u><u>\$749,927</u></u> | _____ | <u><u>\$749,927</u></u> | _____ |

Explanation of Estimate: As proposed, LB 260 expands the definition of quit for good cause to include leaving one's employment to care for a family member with a serious health condition. In 2020, approximately 180 claimants stated they quit their job to care for a family member. The average weekly benefit amount for 2020 was \$297.59 and the average claim duration was approximately 14 weeks. The Nebraska Department of Labor anticipates it will pay out \$749,926.80 more ($\$297.59 * 14 * 180$) in unemployment insurance benefits each year. The additional benefits paid out are not chargeable to the employer and will be paid out of the pool account.

Unemployment benefits paid is one factor into the annual average combined tax rate calculation. An increase in benefits paid may result in changes to the annual average combined tax rate

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2021-22 EXPENDITURES</u> | <u>2022-23 EXPENDITURES</u> |
|---------------------------|----------------------------|--------------|---------------------------------|---------------------------------|
| | <u>21-22</u> | <u>22-23</u> | | |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |