

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	\$829,864		\$1,110,443	
CASH FUNDS	\$46,420		\$185,676	
FEDERAL FUNDS				
OTHER FUNDS			\$1,391,386	
TOTAL FUNDS	\$876,284		\$2,520,395	

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

LB 652 is the Nebraska Historically Underutilized Business Program Act.

Section 2 provides Legislative findings. Section 3 provides definitions for the Act.

Section 4 requires a business desiring to be certified as a HUB to complete a form prescribed by the Department of Labor or participate in the Department of Transportation's Nebraska Unified Certification Program. Once certification is granted, it shall remain in place for five (5) years. A HUB may only recertify up to four times for a total of 20 years maximum.

Section 5 requires each government entity to make a good faith effort to utilize HUBs in contracts for construction, services, and commodity purchases.

Section 6 provides for penalties if a contractor or subcontractor refuses or fails to comply with any portion of the Act.

Section 7 requires the Department of Labor to compile a directory of businesses certified as HUBs and post it on the department's website. The directory shall be provided to every government entity in January and July of each year.

Section 8 requires each government entity to make the directory publicly available not later than November 15 of each year. In addition, each government entity shall include: the number and dollar amount of HUB contracts, an analysis of the relative level of HUB opportunity, the goals established under the Act, a statement regarding whether established goals were met during the prior two calendar years, and if the goals were not met during the prior two calendar years, an explanation of why they were not met.

Section 9 requires that the Act be applied to all contracts entered into by a government entity with an expected value of two hundred thousand dollars (\$200,000) or more.

Section 12 provides for an operative date of July 1, 2022.

The Department of Labor estimates the need for 5.25 FTE in fiscal year 2022 and an annualized total FTE increase of 11.0 beginning in fiscal year 2023. In order to have the new program running by the bill's operative date, start-up costs are included in fiscal year 2022. These include such things as \$200,000 to contract with IT specialists to build the new IT applications, other personnel to address legal issues and development of materials required by the Act. There is no basis to disagree with the Department of Labor's estimates.

The Department of Transportation already administers a federal program that is similar. The program created by LB 652 will need to be administered separately and will require 2.0 FTE. There is no basis to disagree with this estimate. The Department of Transportation also identifies that the bill's provisions will result in fewer bids for certain projects; this may result in higher bids and negotiated contracts. These potentially higher costs cannot be determined at this time.

The Department of Administrative Services (DAS) estimates the need for 13.0 additional FTE beginning in fiscal year 2023. Currently, DAS does not monitor subcontractors. The bill's provisions require such monitoring and additional FTE will be required to meet this provision. In addition, a new process will need to be developed for the State Purchasing Bureau and the State Building Division. There is no basis to disagree with these estimates.

DAS also notes that the State Purchasing Assessment has already been published and included in agency budget submissions. The bill's provisions will require an increase in that assessment, which would affect all state agencies. The same issue also applies to the State Building Division rental rates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 652	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Neil Sullivan	DATE: 2/16/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Labor assessment of fiscal impact from LB 652 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 652	AM:	AGENCY/POLT. SUB: Department of Transportation
REVIEWED BY: Neil Sullivan	DATE: 2/17/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Transportation assessment of fiscal impact from LB 652 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 652	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 2/3/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Administrative Services assessment of agency and enterprise fiscal impact from LB 652 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 652	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 2/17/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Economic Development assessment of minimal fiscal impact from LB 652 appears reasonable.		

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

2021

LB⁽¹⁾ 652

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NEBRASKA DEPARTMENT OF LABOR

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 2-10-2021 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	\$829,864		\$1,110,443	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$829,864		\$1,110,443	

Explanation of Estimate:

LB 652 creates the Nebraska Historically Underutilized Business Program Act. As proposed businesses may apply to the Commissioner of Labor to be certified as a historically underutilized business. If approved, the certification remains for five years. Businesses must annually provide an affidavit to the Commissioner to verify continued certification. LB 652 gives both the Nebraska Department of Labor (NDOL) and the Nebraska Department of Transportation investigatory powers for determining if a business meets the definition of a historically underutilized business. NDOL may decertify the business if it violates any rule, policy, or procedure of the historically underutilized business program.

NDOL is required to maintain a list of all businesses that have certified and the nature of the business along with its capacity to perform the work.

Further, Section 5 of LB 652 requires the Commissioner of Labor to prescribe forms for HUB plans and compliance with HUB subcontracting requirements.

Section 7 of LB 652 requires NDOL to provide training regarding state procurement procedures and create and send historically underutilized businesses an orientation package upon certification or recertification.

The Nebraska Historically Underutilized Business Program Act is a brand-new program to be administered by NDOL. The Department anticipates placing this program within its Labor Standards Division. NDOL will need one Labor Standards Program Supervisor, three new Labor Standards Investigators and a Staff Assistant 1. NDOL will also need one Labor Market Research Analyst I.

Given the complexities, NDOL anticipates the need of a new Procurement Director to manage the agency's own contracting compliance. One Attorney III will be required to develop regulations and assist in developing a program compliant with the law. NDOL anticipates the Attorney III will be in year one only. Significant time from the agency's Finance Department is anticipated. The Department is anticipating 1.0 of an Accountant III.

The program will also require NDOL to build new IT applications to manage the program. A full-time Contractor will be needed at \$200,000 for the first year. Backup costs for disk and data storage will be \$3,000 per year while annual maintenance will be \$20,730 each year. NDOL will need a Business Analyst. Additionally, NDOL needs a staff Web Developer to maintain the system. NDOL will require an additional Public Information Officer to develop materials required by the program and market the program generating Advertising expenses of \$3,000 in Year Two.

The program begins July 1, 2022. NDOL would hire the Labor Standards Supervisor, Attorney III, and IT Contractor around July 1, 2021 to properly develop the program. The Labor Standards Investigators, Staff Assistant I, and Procurement Director will not be hired until closer to April 1, 2022 to prepare for the launch of the new program.

Total PSL for new positions is \$353,618 in Year One and \$675,233 in Year Two.

July 1, 2021:

- Labor Standards Program Supervisor: 1.0
- Attorney III: 1.0
- IT Contractor: 1.0
- Business Analyst: 1.0

April 1, 2022:

- Procurement Director: 1.0
- Labor Standards Investigator: 3.0
- Labor Market Research Analyst I: 1.0
- Staff Assistant I 1.0
- PIO: 1.0
- Accountant III: 1.0
- Web Developer: 1.0

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
PUBLIC INFORMATION OFFICER III	.25	1.00	14,864	60,644
LABOR STANDARDS PROGRAM SUPERVISOR	1.00	1.00	52,594	53,646
STAFF ASSISTANT I	.25	1.00	8,851	36,113
ATTORNEY III	1.00	0.00	92,467	
ACCOUNTANT III	.25	1.00	26,949	109,952
LABOR STANDARDS INVESTIGATOR	.75	3.00	36,242	147,868
PROCUREMENT DIRECTOR	.25	1.00	13,151	53,658
RESEARCH ANALYST I	.25	1.00	10,943	44,650
WEB DEVELOPER	.25	1.00	22,613	92,261
IT BUSINESS SYS ANALYST/COORD	1.00	1.00	74,943	76,441
Total Salaries	5.25	11.00	353,617	675,233
Benefits			129,449	247,183
Operating			353,618	188,027
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			829,864	1,110,443

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2021

LB⁽¹⁾ 652

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 2/11/2021 Phone: ⁽⁵⁾ 402-479-4691

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	\$46,420		\$185,676	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$46,420		\$185,676	

Explanation of Estimate:

LB 652 adopts the Nebraska Historically Underutilized Business Program Act. This bill establishes a state-level program similar to the federal DBE program to encourage the use of historically underutilized businesses (HUB).

This bill will create a second program that would need to be administered separately from the DBE program.

A minimum of two additional full-time employees will be needed in order to administer the program and track and report program data annually. Operating expenses, such as computer lease, phone, IT site support, training, etc. will be incurred for the two additional FTEs.

	<u>FY 2021 – 22*</u>	<u>FY 2022 - 23</u>
2 Highway External Civil Rights/DBE Officer, salary \$57,633/year, plus benefits	\$43,920	\$175,676
Operating cost for 2 Highway External Civil Rights/DBE Officer @ \$5,000	\$2,500	\$10,000
Total Salary, Benefits, and Operating Expense	\$45,412	\$181,646

*Calculated as April – June 2022

NDOT would realize fewer bids to certain projects, which in turn results in higher bids. The fiscal impact of fewer bids is undeterminable at this point.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Highway External Civil Rights/DBE Officer	2	2	\$28,816	\$115,266
Benefits.....			\$15,104	\$60,410
Operating.....			\$2,500	\$10,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$46,420	\$185,676

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

2021

LB⁽¹⁾ 652

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Materiel Division – State Purchasing Bureau (SPB); State Building Division (SBD), Director’s Office – Central Finance

Prepared by: ⁽³⁾ Jennifer Sommars-Link Date Prepared: ⁽⁴⁾ 1/21/2021 Phone: ⁽⁵⁾ 402-471-1405
Doug Hanson 402-471-2662
Ann Martinez 402-471-4135

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	\$1,391,385	\$1,391,385
TOTAL FUNDS	=====	=====	\$1,391,385	\$1,391,385

Explanation of Estimate:

Among other requirements, LB 652 requires government entities to use HUBs in certain contracts, create opportunities for HUB subcontractors, and monitor contractors and subcontractors to determine compliance with a subcontracting plan. Currently the Department of Administrative Services (DAS) is not involved in monitoring subcontractors. This would entail a significant amount of time and effort to identify contracts with subcontracting opportunities and to monitor such subcontracting plans and re-review changing subcontracting plans with no contractual relationship with the subcontractors. Further it will be difficult to determine, prior to receiving submissions, whether a subcontracting plan will be required, as government entities do not typically have such insight and rely on bid submissions and proposals to know when subcontractors are required.

DAS Materiel Division - SPB and DAS SBD will each have to develop a new process and accompanying documents to allow for this alternative type of procurement. As subcontracting plans are also to be evaluated, evaluation processes will require modification and/or alternative evaluation processes created for those contracts including a subcontracting plan. Training sessions would need to be held with other state agencies to explain and educate the agencies on new procurement processes. Such legislation will require SPB to maintain two sets of processes, one for entities required to utilize HUB businesses and one for entities not subject to the bill.

SPB would require five (5) additional FTE’s to manage such workload and the other requirements of the Act. These positions would be contract managers.

The estimated cost for these five (5) new FTE’s is \$553,991 in FY22-23. It is assumed that the staff would be in place July 1, 2022. These costs include salary and benefits (health insurance is based on the State’s share of the highest cost family plan); ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies.) Also included are one-time costs of \$1,500 per FTE in FY22-23 for set up costs and the purchase of new non-capitalized equipment (monitors, furniture, etc.).

These additional costs would result in the need for additional revolving appropriation and an increased DAS Materiel Purchasing Assessment. The FY22-23 Purchasing Assessment has already been published and any increases would impact all agencies, boards, and commission.

The table below summarizes the estimated impact by fund type of any increased statewide Purchasing Assessment. The allocation by fund type below is based on an average of Purchasing Assessment expenditures over a four-year period (2017-2020).

Fund Type	FY22-23
General Fund	\$135,098
Cash Fund	\$317,512
Federal Fund	\$36,581
Revolving Fund	\$64,800
Total	\$553,991

DAS SBD would also require five (5) additional FTE's to manage the workload and the requirements of the Act. These positions would also be contract managers.

The estimated cost for these five (5) new FTE's is \$553,991 in FY22-23. It is assumed that the staff would be in place July 1, 2022. These costs include salary and benefits (health insurance is based on the State's share of the highest cost family plan); ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies.) Also included are one-time costs of \$1,500 per FTE in FY22-23 for set up costs and the purchase of new non-capitalized equipment (monitors, furniture, etc.).

These additional costs would result in the need for additional revolving appropriation and an increase in SBD rental rates. The FY22-23 Rental rates have already been published. Any increases would impact agencies, boards, and commissions in State-owned property.

The table below summarizes the estimated impact by fund type of the increased SBD rental rates. The allocation by fund type below is based on an average of Operating Expenses over a four-year period (2017-2020).

Fund Type	FY22-23
General Fund	\$140,474
Cash Fund	\$203,899
Federal Fund	\$119,555
Revolving Fund	\$90,063
Total	\$553,991

There are numerous requirements on the part of the prime contractors to provide subcontracting plans, compliance documentation as well as ongoing reporting, etc. This legislation could greatly increase costs to the state as the contractors will certainly incorporate such costs into the contracted price. The increased costs, however, are unknown.

Payment Requirements

Currently the Prompt Payment Act requires that a creditor receive full payment on or before the forty-fifth (45) calendar day.

During FY19-20 Central Finance processed over 29,000 vendor payments.

It is difficult to determine how many current and/or future vendors would qualify for the twenty-one (21) and thirty (30) day payment deadline, but even with the use of an electronic solution it will be very challenging to meet such deadlines consistently.

Central Finance would require an additional FTE, an Accountant I, to assist the Agency's twelve (12) Divisions in monitoring the status of invoices in the State's ECM solution, help research contracts to determine if a signed contract changes the payment schedule, track invoices that haven't been entered into the State's ECM solution and to assist with Central Finance Accounts Payable processing/pre-audit as needed. One-time costs would be incurred to create a new queue for and to make changes to workflows for those invoices that are due within twenty-one (21) and thirty (30) days.

The estimated cost for this FTE \$80,341 in FY22-23. These costs include salary and benefits (health insurance is based on the State's share of the highest cost family plan); ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies. Also included are one-time costs of \$1,500 in FY22-23 for set up costs and the purchase of new non-capitalized equipment (monitors, furniture, etc.) and \$4,080 for approximately 40 hours of OCIO Application Development time @ \$102/hour to develop additional queues and workflows in the DAS Accounts Payable ECM solution.

These additional costs would result in the need for additional revolving fund appropriation and an increased Director's Office - Central Finance Assessment that is charged to all the Divisions of DAS. To determine the total by fund impact in the table below the impact is assumed to be revolving funds. Any increases to a DAS internal assessment can impact the enterprise due to possible increases in rates charged to other agencies for DAS goods and services.

Protest Requirements

Under the APA the protesting bidder would have the right to an administrative hearing before a hearing officer to present their protest. The parties would be able to present testimony, cross-examine witnesses, and present evidence. Under the APA, the parties have the right to request discovery, subpoenas, and protective orders, and to file motions. The hearing officer can conduct a pre-trial conference to rule on matters brought before the hearing officer, and procedural matters related to conducting the hearing. The protesting party can request that a transcript of the proceedings be made and that the rules of evidence apply to the hearing. Either party is entitled to judicial review of the hearing officer's final ruling in the District Court and may appeal the District Court ruling to the Court of Appeals.

The costs of the formal hearing are paid by the party against whom the final decision is rendered. If the State appeals a final decision, court costs and transcription fees would be the obligation of the State. There would be additional costs based upon the number of hours State employees would have to allocate to respond to the bid protest under the APA that would not be incurred under the current protest process. Any hearing costs charged to DAS Materiel – Purchasing would eventually require additional revolving fund appropriation and an increase in the Materiel – Purchasing Assessment.

The fiscal impact of this bill is difficult to quantify due to the number of variables; variables that are mostly controlled by the protesting bidder. The following provides costs for personnel and services that would be necessary for a bid protest under pursuant to the APA.

Hearing officer: \$150.00 to \$800.00 per hour plus expenses. (Hearings could last between a half-day to a week)

Court Reporter: If no transcript is ordered the cost is \$90.00 for the first hour and every hour thereafter is \$70.00. If a transcript is ordered the cost is \$40.00 for the first hour and \$30.00 per hour for every hour thereafter, but the transcript fee is an additional charge which varies based upon the nature and complexity of the transcript.

The estimated costs per hour are based on current salary (minimum permanent) and health insurance costs (most expensive plan), plus FICA, retirement, Employee Assistance Program and Workers' Compensation. Time necessary to respond to discovery, provide witness statements, and prepare necessary work product to prepare for the judicial review and/or court hearings would vary from protest to protest. Such costs for existing personnel would be absorbed within current operations, however allocated resources to bid protests would reduce the resources available to allocate to other procurements.

Buyer III: [salary and benefits] – cost per hour \$41.73
 Backup Buyer III: [salary and benefits] – cost per hour \$41.73
 Staff assistant II: [salary and benefits] – cost per hour \$33.19
 Attorney III: [salary and benefits] – cost per hour \$52.71
 Paralegal I: [salary and benefits] – cost per hour \$36.17
 Procurement Supervisor: [salary and benefits] – cost per hour \$49.37
 Materiel Administrator: [salary and benefits] – cost per hour \$85.16

It is difficult to determine the number of protests that will be submitted on contract awards under this bill.

An unquantifiable cost to the State caused by protests under this legislation would be the extended delay in executing contracts due to APA procedures.

A bid protest under this legislation could result in a delay of an estimated minimum of sixty (60) days and an estimated maximum of one and one-half years. Delay in executing the contract could result in additional unquantifiable costs to maintain continuity of services through statutory exceptions to the normal contracting process.

It has been SPB’s experience that there can be multiple bid protests filed on the same intent to award. Additionally, it has been the experience of SPB that upon sustaining a bid protest and awarding to another bidder SPB receives additional protests on the new award. Under this bill both scenarios will lead to additional costs to the State as indicated above.

Due to the potential for legal precedent being set by this bid protest process, the State’s interests would be best served if the process were centralized. If the process were centralized in DAS – Materiel - SPB at least one Attorney III and one Paralegal would need to be added to the DAS – Materiel SPB staff to handle statewide bid protests. The estimated cost for these two FTE’s is \$203,063 in FY22-23. These costs include salary and benefits (health insurance is budgeted using the State’s current share of the highest cost family plan as a base); and ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies. Also included are one-time costs of \$1,500 for each FTE in FY22-23 for set up costs and the purchase of new non capitalized equipment (monitors, furniture, etc.).

These additional costs for a centralized approach would result in the need for additional revolving fund appropriation and an increase in the Materiel – Purchasing Assessment.

The increase in FTE’s, benefits and operating costs for the centralized proposal aren’t included in the table below. They are reflected in the table at the top of this Fiscal Note in the FY2022-23 Expenditures/Revenue columns with the revolving fund appropriation request and the required additional revenue.

The table below summarizes the estimated impact by fund type of any increased statewide Purchasing Assessment. The allocation by fund type below is based on an average of Purchasing Assessment expenditures over a four-year period (2017-2020).

	FY22-23
	Expenditures
General Funds	\$49,520
Cash Funds	\$116,382
Federal Funds	\$13,409
Revolving Funds	\$23,752
Total Funds	\$203,063

The data on the left in the table below reflects the estimated impact by fund type for the combined increases to DAS assessments and rates for the new FTE’s and related costs in DAS Materiel – SBP, DAS SBD and DAS Director’s Office – Central Finance. The data on the right of the table includes those costs plus the additional FTE’s and related costs for a centralized response to protests with DAS Materiel – SPB. As this is the preferred option those costs are included in the tables at the top and bottom of this fiscal note.

FY22-23		FY22-23	
Without Centralized Protests		With Centralized Protests	
	Estimated Expenditures		Estimated Expenditures
General Funds	\$270,196	General Funds	\$319,716
Cash Funds	\$635,024	Cash Funds	\$751,406
Federal Funds	\$73,162	Federal Funds	\$86,571
Revolving Funds	\$209,941	Revolving Funds	\$233,693
Total Funds	\$1,188,323	Total Funds	\$1,391,386

Annual Reporting Requirements

Finally, the Act requires that each government entity make publicly available not later than November 15 of each year, the number and dollar amount of contracts awarded and paid to HUB's; and analysis of the level of opportunity for HUBs, the goals established in the two calendar years prior, and a statement regarding whether or not those goals were met. Another reporting requirement exists to be submitted with the appropriation request wherein the goals are first established, detailing compliance or noncompliance as appropriate. The time required to complete this requirement is difficult to assess at this time.

While many of the areas of fiscal impact are difficult to determine, this legislation would have a large fiscal impact to the various Divisions' of the Department of Administrative Services as well as to the entire enterprise.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2021-22	2022-23
	21-22	21-23	EXPENDITURES	EXPENDITURES
Contract Manager		10		\$666,998
Accountant I		1		\$36,444
Attorney III		1		\$73,196
Paralegal		1		\$44,109
Benefits.....				\$488,998
Operating.....				\$78,640
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				\$1,391,385

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

2021

LB⁽¹⁾ 652

FISCAL NOTE

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

Prepared by: ⁽³⁾ Anthony Goins Date Prepared: ⁽⁴⁾ 2/13/2021 Phone: ⁽⁵⁾ 402-471-3777

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	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB652 adopts the Historically Underutilized Business Act. The bill would require more reporting and monitoring of contracts, which would increase the cost to the Department for contracting services. Given that the number of contracts DED issues that would be subject to the provisions of LB652 are low, the additional costs could be absorbed with current resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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