

PREPARED BY: Suzanne Houlden
 DATE PREPARED: February 09, 2022
 PHONE: 402-471-0057

LB 1092

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB 1092 puts into place a structure to allow the Nebraska State College System (NSCS) to establish, maintain and administer one or more risk loss trusts for the purpose of paying losses and expenses incurred by the state colleges from (a) general and professional liability, including, but not limited to judgments, awards, and settlements of claims and suits.

The Department of Administrative Services' (DAS) Risk Management office currently processes Tort, Contract and Miscellaneous claims for the State Colleges. Risk Management has received two claims in 2019, two claims in 2020 and three claims in 2021. The bill does not create a fiscal impact for DAS Risk Management.

The funding of the trusts will be determined after the legislation is in place. While the NSCS does not know what investments would be needed to establish or maintain the necessary trusts at this time, it intends to request future funding to establish the trust accounts through the normal biennium budget process, with review by its Board of Trustees, the Coordinating Commission for Postsecondary Education (CCPE) and the administration. After the trust is established, and depending on the value of claims at the time, it will make an internal assessment to replenish the trust account, and if necessary, will ask for state support to cover major losses. Insurance premium savings would be targeted for the trust account to maintain its value and cover losses. The revenues from its Auxiliary System might also be taxed to support a portion of the trust.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1092	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY:	Gary Bush	DATE:	1/27/22	PHONE: (402) 471-4161
COMMENTS: Disagree with the agency's estimate of no fiscal impact. The impact of the bill is delayed until such time that risk loss trusts could be setup. At that point, the State Colleges will begin to have an impact. How much that impact is depends how much risk loss trusts they establish.				

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

2022

LB⁽¹⁾ 1092

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System

Prepared by: ⁽³⁾ Monte R. Kramer Date Prepared: ⁽⁴⁾ 1-24-2022 Phone: ⁽⁵⁾ 402-471-2507

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

No fiscal impact.

The bill puts a structure in place to allow the NSCS to establish risk loss trusts. The funding of the trusts will be determined in the future after the legislation is in place.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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.

2022

LB⁽¹⁾ 1092

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Administrative Services (DAS) – Risk Management Division

Prepared by: ⁽³⁾ Allen Simpson Date Prepared: ⁽⁴⁾ 9 Feb 2022 Phone: ⁽⁵⁾ (402)471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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 1092 will allow the Board of Trustees of the Nebraska State Colleges to establish, maintain and administer one or more risk-loss trusts for the purpose of paying losses and expenses incurred by the state colleges from (a) general and professional liability, including, but not limited to judgments, awards, and settlements of claims and suits arising under state or federal law, including but limited to, the State Contract Claims Act, the State Miscellaneous Claims Act, and the State Tort Claims Act, (b) damage, destruction, or loss of real or personal property, and (c) errors and omissions liability.

The Risk Management office currently processes Tort, Contract and Miscellaneous claims for the State Colleges. Risk Management has received two claims in 2019, two claims in 2020 and three claims in 2021.

LB 1092 as introduced doesn't provide any information regarding the funding of any risk-loss trusts that would be created.

The bill does not create a fiscal impact for DAS Risk Management.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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.

2022

LB⁽¹⁾ 1092

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Josh Shasserre Date Prepared: ⁽⁴⁾ 2-11-22 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____