

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	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 224 provides 12 weeks of paid maternity leave to State of Nebraska employees for the birth of a child. According to the Department of Administrative Services (DAS) State Personnel division, the State health plan’s third-party administrator estimates there are an average of 313 children born each plan year (to State employees on the health plan).

Using an average hourly wage of \$31.36, the fiscal impact is estimated to be \$4,712,127 assuming 313 employees would be paid at that hourly rate for twelve weeks.

The impact by fund type is shown in the table below as provided by the DAS State Personnel division. This allocation is based on average Salary expenditures over a five-year period (2020-2024), and represents the potential additional salary expense over current appropriations. These expenses would not be centralized, however; they would be incurred in the agency where the employee works. Since it would be difficult to accurately estimate the salary and PSL amounts and fund type specific to each agency, one option could be a mid-biennium adjustment request by agencies that are impacted.

<b>Fund Type</b>	<b>Expenditures - FY25-26</b>	<b>Expenditures - FY26-27</b>
General Fund	\$2,553,488	\$2,553,488
Cash Fund	\$1,082,392	\$1,082,392
Federal Fund	\$840,497	\$840,497
Revolving Fund	\$235,750	\$235,750
<b>Total</b>	<b>\$4,712,127</b>	<b>\$4,712,127</b>

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 224	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS) – State Personnel - Enterprise
REVIEWED BY: Ryan Yang	DATE: 1/22/2025	PHONE: (402) 471-4178
COMMENTS: The DAS assessment of fiscal impact from LB 224 appears reasonable.		

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

**2025**

**LB<sup>(1)</sup> 224**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) – State  
Personnel - Enterprise

Prepared by: <sup>(3)</sup> Sean Davis Date Prepared: <sup>(4)</sup> 1/16/25 Phone: <sup>(5)</sup> 402-471-4439

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	_____	<u>See below</u>	_____

**Explanation of Estimate:**

LB 224 provides 12 weeks of paid maternity leave to State of Nebraska employees for the birth of a child. The State health plan’s third-party administrator estimates there are an average of 313 children born each plan year.

The average hourly wage for State of Nebraska employee job classes is \$31.364. 313 children each requiring 12 weeks of paid leave is 150,240 hours per year (12 weeks x 40 hours per week x 313 children = 150,240 hrs.). At an average cost per hour of \$31.364, the annual fiscal impact is estimated to be \$4,712,127.36 (150,240 hrs. x \$31.364 = \$4,712.127.36).

The table below summarizes the estimated impact by fund type for paid leave. The allocation by fund type is based on an average for Salary expenditures over a five-year period (2020-2024).

<b>Fund Type</b>	<b>Expenditures – FY25-26</b>	<b>Expenditures – FY26-27</b>
General Fund	\$2,553,488	\$2,553,488
Cash Fund	\$1,082,392	\$1,082,392
Federal Fund	\$840,497	\$840,497
Revolving Fund	\$235,750	\$235,750
<b>Total</b>	<b>\$4,712,127</b>	<b>\$4,712,127</b>

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 2-18-25

Phone: (5) 471-6719

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$893,664	\$0	\$908,163	\$0
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$481,204		\$489,011	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$1,374,868	\$0	\$1,397,174	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

LB224 mandates the Department of Health and Human Services (DHHS) to provide eligible employees 12 weeks of paid maternity leave (or their proportional equivalent for regular employees employed less than 40 hours a week) for the birth of their child. An “eligible employee” is one that:

1. Is a state employee;
2. Gives birth to a child; and
3. Is assuming a parental role with respect to the child.

These 12 weeks of leave will run concurrently with any leave authorized under the Family and Medical Leave Act of 1993 and will not be charged against any sick, vacation, compensatory, or other leave a maternity leave eligible employee is entitled to. DHHS will not compensate a terminated employee for any unused maternity leave.

The Division of Vital Statistics, National Center for Health Statistics – Center for Disease Control and Prevention (CDC), reports a birth rate of 63.6 per 1,000 women aged 15-44. As of January 2025, after adjusting for applicable age range, an estimated 104 employees of DHHS will qualify for these 12 weeks of maternity leave causing an annual \$1,319,105 fiscal impact based on average hourly rate.

DHHS Operations and Human Resources would require an additional HR Specialist for the additional duties derived from LB224’s implementation: develop tracking responsibilities to ensure that leave is administered pursuant to the legislation, provide communications to staff, update systems to establish and recognize the type of leave, update DHHS policies, create application form, update internal reporting, and train staff on this new leave type and timekeeping practices.

The Department’s fiscal note represents the max cost for this program. Currently, individuals may take time off for maternity leave by utilizing sick or vacation time. Replacing that utilization with a new leave type would not automatically constitute a new cost. However, the new leave type may have other costs like temporary staff to offset individuals on leave for twelve weeks. For the purposes of this fiscal note, the department is using a very high-level cost estimate of sixty-five percent general funds and thirty-five percent federal funds.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:		NUMBER OF POSITIONS		2025-2026	2026-2027
	POSITION TITLE	25-26	26-27	EXPENDITURES	EXPENDITURES
K17252	HR Specialist/Generalist	0.75	1	\$34,485	\$48,280
	Benefits.....			\$12,070	\$16,898
	Operating.....			\$1,328,313	\$1,331,996
	Travel.....				
	Capital Outlay.....				
	Aid.....				
	Capital Improvements.....				
	<b>TOTAL.....</b>			\$1,374,868	\$1,397,174