

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$813,754		\$824,979	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$813,754</b>		<b>\$824,979</b>	

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

LB 573 is the Meat and Poultry Workers and Contractors Protection Act.

Section 3 provides definitions for the Act.

Section 4 requires each covered industrial operation to submit a disaster mitigation plan to the Commissioner of Labor and provides requirements for covered industrial operators during and after disaster mitigation events. The commissioner shall receive, investigate and attempt to resolve complaints and may assess a civil penalty of up to fifteen thousand dollars (\$15,000) against violators. The commissioner shall develop a process to monitor compliance.

Section 5 requires the commissioner to require all covered industrial operators employing a minimum of twenty-five (25) employees to provide each employee information on their rights to collectively bargain and join or form a union. A civil penalty of up to fifteen thousand dollars (\$15,000) against a covered industrial operation in violation is provided for. In addition, section 5 requires the commissioner to appoint a Workers and Contractors Task Force that is charged with submitting an annual report to the commissioner and the Legislature evaluating the effectiveness of the Meat and Poultry Workers and Contractors Protection Act.

The Department of Labor (DOL) estimates the need for 6.30 FTE to administer the act. Currently, 26 employers meet the definition of a covered industrial operator. In order to adequately address LB 573's provisions, DOL will need to employ three bilingual Labor Law Specialists. Two attorneys and one paralegal will address legal proceedings, compliance issues and perform investigative work.

DOL notes that the potential costs associated with hearings under the provisions of section 4 are not included in their estimate. A disaster could result in 25-50 covered workers filing complaints leading to a hearing. Clearly, this estimate cannot be verified and the number of potential hearings could be much higher. DOL estimates a cost of \$1,400 per hearing (multiplied by the number of hearings that could occur). Since any potential hearings are speculative, DOL has not included an amount for them in their fiscal note response. If such hearings occur in the future, DOL will be able to request funding through the normal budget and midbiennium adjustment processes.

There is no basis to disagree with DOL's estimates.

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2025

LB<sup>(1)</sup> 573

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Rea Easton Date Prepared: <sup>(4)</sup> 2/14/2025 Phone: <sup>(5)</sup> 402-416-6809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	813,754		824,979	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	813,754		824,979	

Explanation of Estimate: LB573 creates the Meat and Poultry Workers and Contractors Protection Act which defines a covered industrial operator as a slaughterhouse or meatpacker with over 250 employees. Currently, 26 employers doing business in Nebraska meet the definition of a covered industrial operator. LB573 requires these operators to implement disaster mitigation plans and provide severance and workers compensation coverage to covered workers affected by a disaster event. LB573 also requires the Nebraska Department of Labor (NDOL) to monitor a covered industrial operator’s compliance with this law, assess civil penalties against operators who violate the law, and create a task force to evaluate the effectiveness of the Meat and Poultry Workers and Contractors Protection Act.

Section 4 of LB573 requires a covered industrial operator to submit a disaster mitigation plan to the Commissioner of Labor. These mitigation plans must include a description of the type and location of potential disaster events that affect livestock and poultry and a plan to ensure animals have food, water and shelter during extreme weather events. The mitigation plan must also address how a covered industrial operator will carry out a depopulation of livestock and poultry in the event of a public health threat including how the operator will dispose of deceased animals to address a public health threat associated with diseases spread through contact with humans or animals. During a disaster mitigation event, an operator is required to provide full compensation to a covered worker in accordance with Nebraska worker compensation laws for injury and illnesses incurred by covered workers. Additionally, the operator must provide 12 weeks of severance pay to covered workers who, because of the disaster event, were terminated from employment by the operator. Under Section 4 of the bill, the Commissioner of Labor is required to investigate complaints from covered workers who allege a covered industrial operator violated any portion of Section 4 and may assess a civil penalty up to \$15,000 against the operator found to have violated the law. The Commissioner of Labor is also authorized to initiate legal proceedings in courts of competent jurisdiction to recover damages or obtain relief on behalf of a covered worker. Additionally, NDOL is tasked with developing a process to monitor covered industrial operators to ensure their compliance with Section 4 of this legislation. In the event that the commissioner assesses any civil penalty against an industrial operator, such penalty may be contested. The commissioner will retain an impartial hearing officer for the contested case.

Section 5 of LB573 specifies that the Commissioner of Labor shall require all covered industrial operators employing a minimum of 25 employees to provide information to each employee of their collective bargaining and unionization rights. If, after investigation, the Commissioner of Labor finds that the operator engaged in misinformation, intimidation or wrongful termination against workers who attempted to form or join a union, the Commissioner may assess a civil penalty of up to \$15,000 against the operator. Section 5 also requires the Commissioner of Labor to appoint a Workers and Contractors Task Force consisting of 7 members representing unions, the agricultural industry and members of the Legislature’s agricultural committee. The task force must meet 4 times per year and hold 3 additional meetings in various parts of the state with affected stakeholders and other interested parties. In the event that the commissioner assesses any civil penalty against an industrial operator, such penalty may be contested. The commissioner will retain an impartial hearing officer for the contested case.

LB573 will require NDOL to utilize 3 Bilingual Labor Law Specialists to monitor the compliance of covered industrial operators and investigate complaints filed against operator by covered workers. This will also require time from their Manager and Director. Additionally, NDOL will require 2 Attorney III positions and 1 Paralegal II position to initiate and administer assessments of civil penalties against operators failing to comply with Sections 4 and 5 as well as to commence and manage legal proceedings filed in courts of competent jurisdiction across the state to recover damages or relief on behalf of covered workers. In cases where a disaster event occurs, NDOL believes there is potential for a significant percentage of a covered industrial operator’s workers to submit complaints to NDOL resulting in a considerable number of investigations and legal proceedings. Multiple covered industrial operators and their workers may be affected by a single disaster event depending on the severity of the disaster event. It is estimated that there would be five hearings required under Section 5 at \$1,400 per hearing for a total of \$7,000.

TECHNICAL NOTE: The cost of Hearing Officers or staff time that would be required under Sections 4, is not included in the fiscal impact for LB573. A single disaster affecting just one industrial operator has the potential of impacting 250 or more covered employees. A catastrophic event could affect even more industrial operators. If just 25–50 covered workers filed complaints that led to a hearing (10%-20% of a 250 workforce), at a cost of \$1,400 per hearing officer the total cost would fall between \$35,000-\$70,000.

**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>
Labor Law Specialist	3.00	3.00	180,167	185,572
Paralegal II	1.00	1.00	92,738	95,520
Attorney III	2.00	2.00	234,049	241,070
Labor Standards Director	.10	.10	14,059	14,481
Labor Law Program Manager	.20	.20	17,247	17,765
<b>Total Salaries</b>	<b>6.30</b>	<b>6.30</b>	<b>538,260</b>	<b>554,408</b>
<b>Benefits</b> .....			<b>194,126</b>	<b>199,950</b>
<b>Operating</b> .....			<b>81,368</b>	<b>70,621</b>
<b>Travel</b> .....				
<b>Capital outlay</b> .....				
<b>Aid</b> .....				
<b>Capital improvements</b> .....				
<b>TOTAL</b> .....			<b>813,754</b>	<b>824,979</b>