

revised to reflect amendments

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2007-08</b>		<b>FY 2008-09</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	5,925			
OTHER FUNDS		84,280		102,733
<b>TOTAL FUNDS</b>	<b>5,925</b>	<b>84,280</b>		<b>102,733</b>

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 265 contains provisions relating to the consolidation of Department of Labor cash funds, age discrimination cases filed with the Nebraska Equal Opportunity Commission, unemployment insurance and confidentiality, authorities of the Commissioner of Labor, the Unemployment Trust Fund, and changes to definitional language.

The primary fiscal components of LB 265 are sections 9 and 10 of the bill.

Section 9 of LB 265 allows for the implementation of a levy, issued for overpayments where an individual has refused to pay within twelve months of the overpayment determination. The purpose of the levy is to give the Department of Labor another tool with which they can reclaim payments that were made under fraudulent claims. The Department estimates this authority will result in increased collections and interest of \$79,705 in FY08 and \$98,158 in FY09. These funds are remitted back to the Unemployment Insurance Trust Fund.

Section 10 of LB 265 makes individual employers, partners, corporate officers, and members of limited liability companies and partnerships liable for payment of the combined tax. The Department estimates increased remittances to the Unemployment Insurance Trust Fund of \$4,575 in FY08 and FY09.

It is estimated that all other changes and provisions contained in LB 265 will have minimal to no fiscal impact.

The Department of Labor estimates one time re-programming costs of \$5,925. All costs are for implementation of the levy issued for benefit overpayments. The estimated expenditures are detailed in the table below.

<b>Expense Item</b>	<b>FY08</b>
IT Applications Developer (120 hours)	3,114
UI Program Supervisor (40 hours)	886
Benefits	1,146
Operating	779
<b>Total</b>	<b>5,925</b>

As amended my AM1495, LB 265 provides for a phased in increase in the minimum wage. This increase mirrors the increase adopted by the Federal Government. Currently, the minimum wage is set at \$5.15 per hour.

On July 24, 2007, the minimum wage would increase \$.70 to \$5.85 per hour.

On July 24, 2008, the minimum wage would increase \$.70 to \$6.55 per hour.

On July 24, 2009, the minimum wage would increase \$.70 to \$7.25 per hour.

There appears to be no material fiscal impact associated with the adoption of this amendment.

**IMPACT ON POLITICAL SUBDIVISIONS:** This bill does not appear to have a material fiscal impact on political subdivisions.