

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
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 1408 intends for hotel employees to undergo mandatory training on human trafficking issues. A task force, as outlined in section 81-1430, will collaborate with the Department of Labor and hotels to create an appropriate training curriculum and decide on the delivery method. Recommendations and decisions must be finalized by December 1, 2024. The training will cover:

- The definition of human trafficking, including the commercial exploitation of children;
- How to recognize individuals at risk of human trafficking;
- Identifying signs of human trafficking and those involved;
- The differences between labor and sex trafficking in the hotel industry;
- The role of hospitality employees in reporting and responding to suspected human trafficking cases;
- Contact details for the National Human Trafficking Resource Center Hotline and local law enforcement.

Section 3 defines terms and outlines specific requirements for hotels in Nebraska concerning human trafficking.

Since its inception in 2015, the Nebraska Human Trafficking Task Force (NHTTF), coordinated by the Attorney General's Office, has been delivering comprehensive human trafficking training across Nebraska. The task force offers these educational sessions in various formats, including in-person events and professionally produced videos that are freely accessible on the Attorney General's website.

The task force states that it is fully prepared to provide the training required by LB1408 utilizing its existing resources. However, there is a caveat: if the Department of Labor's recommendations from LB1408 necessitate in-person training for new hotel staff, this would introduce additional financial implications. Specifically, the costs associated with travel, presentation materials, and other related expenses incurred by the Attorney General's staff would increase.

According to Nebraska Department of Labor (NDOL) records, approximately 680 employers categorized as hotels collectively employ around 8,800 individuals. The cost associated with developing and implementing the required training program to combat human trafficking is challenging to estimate at this stage. This difficulty arises because the human trafficking task force, the Department of Labor, and the hotels themselves are responsible for devising the training curriculum and its distribution method. Given the uncertainty surrounding the specifics of the final training program, the projected costs are anticipated to range between \$50,000 and \$100,000. For budgeting purposes, an allocation of \$100,000 has been included in the Fiscal Year 24-25 Operating costs to cover these expenses.

NDOL states to fulfill its responsibilities effectively, the department needs to host the approved training on its agency website. This will be linked to a database designed to track the training completion status of employees and the hotels they are employed by. It is estimated that developing this database would require the dedicated effort of a full-time developer over a period of three months. Additionally, to ensure adherence to the training requirements, the Nebraska Department of Labor (NDOL) plans to carry out periodic reviews and follow-up audits. This ongoing compliance effort will necessitate the hiring of a full-time Labor Law Specialist.

NDOL acknowledges that the NHTTF already provides training programs on human trafficking, but assumes the training is not specifically tailored to hotels. This assumption has led NDOL to conclude that the development and implementation of hotel-specific training necessitate additional resources and the need to employ a Labor Law Specialist and allocate a full-time developer for a three-month period to create and manage a training-related database.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1408	AM:	AGENCY/POLT. SUB: Nebraska Attorney General (011)
REVIEWED BY: Joe Wilcox	DATE: 01/26/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Attorney General estimate of Potential Fiscal Impact to the Agency from LB 1408, which the Agency estimates it can accommodate within existing resources.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1408	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor (023)
REVIEWED BY: Joe Wilcox	DATE: 02/07/2024	PHONE: (402) 471-4178
COMMENTS: Do not disagree with the Nebraska Department of Labor estimate of Potential Fiscal Impact to the Agency from LB 1408.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1408	AM:	AGENCY/POLT. SUB: Nebraska State Patrol (064)
REVIEWED BY: Joe Wilcox	DATE: 02/01/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska State Patrol estimate of No Fiscal Impact to the Agency from the provisions of LB 1408.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1408	AM:	AGENCY/POLT. SUB: Nebraska Commission on Law Enforcement and Criminal Justice (078)
REVIEWED BY: Joe Wilcox	DATE: 01/25/2024	PHONE: (402) 471-4178
COMMENTS: While LB 1408 does establish a Task Force within the Nebraska Commission on Law Enforcement and Criminal Justice (Crime Commission) for the purposes of investigating and studying human trafficking, and the Executive Director of the Crime Commission is assigned to be part of the Task Force, it is unclear if the Agency is responsible for the administrative costs associated with the Task Force, as other agency directors are also on the Task Force, and the Department of Labor is also relegated several tasks in the bill. Therefore, I believe there is Potential, but Undetermined Fiscal Impact to the Agency from LB 1408.		

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2024

LB⁽¹⁾ 1408

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 2/6/2024 Phone: ⁽⁵⁾ 402-416-6809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>238,642</u>	<u> </u>	<u>89,012</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>238,642</u>	<u> </u>	<u>89,012</u>	<u> </u>

Explanation of Estimate: LB 1408 requires the Department of Labor to ensure all employees within the hotel industry receive human trafficking training every year. All employers not in compliance will be listed on the department’s website. According to our records, there are roughly 680 employers meeting the definition of hotel employing approximately 8,800 employees.

The cost of the training is difficult to determine. The human trafficking task force, Department of Labor, and hotels are tasked with the development of the training curriculum and method for distribution. Due to the unknown details of the finalized training, estimated costs will be between \$50,000-\$100,000. For the purposes of the Fiscal Note, \$100,000 has been included in the FY24-25 Operating costs.

To carry out the department’s duties, the department will need the approved training on the agency website which ties to a database that tracks employees who have completed the training and the hotels they work for. We estimate it will take a full-time developer three months to create the database. NDOL will conduct periodic reviews and subsequent audits to ensure compliance which will require one full time Labor Law Specialist.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Labor Law Specialist	<u>1.00</u>	<u>1.00</u>	<u>58,632</u>	<u>59,805</u>
IT Applications Developer/Lead	<u>.25</u>	<u> </u>	<u>34,518</u>	<u> </u>
Total Salaries	<u>1.25</u>	<u>1.00</u>	<u>93,150</u>	<u>59,805</u>
Benefits.....	<u> </u>	<u> </u>	<u>33,216</u>	<u>21,326</u>
Operating.....	<u> </u>	<u> </u>	<u>112,276</u>	<u>7,881</u>
Travel.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>238,642</u>	<u>89,012</u>

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2024

LB⁽¹⁾ 1408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 01-31-2024 Phone: ⁽⁵⁾ 402-479-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 1408

FISCAL NOTE

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

Prepared by: ⁽³⁾ Joshua Shasserre Date Prepared: ⁽⁴⁾ 1/24/2024 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

Since 2015 the Nebraska Human Trafficking Task Force (NHTTF) has been coordinated by the Attorney General's Office. The NHTTF conducts or coordinates trafficking trainings throughout Nebraska in both in-person and using professionally produced videos available to the public without charge on the Attorney General's website. The NHTTF has conducted training specific to a wide variety of non-governmental entities encompassing thousands of people, including school counselors, nurses, utility lineman, high school, and university students and many more. The NHTTF is willing and able to provide the training contemplated by LB1408 with its existing resources. However, If the Department of Labor's recommendations resulting from LB1408 would require trainings to be conducted *in person*, the frequency of training new hotel staff required by LB1408 would require additional costs principally for travel, presentation materials and related expenses incurred by the Attorney General's existing staff.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 1408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Crime Commission

Prepared by: ⁽³⁾ Amanda Limbach Date Prepared: ⁽⁴⁾ 01/25/24 Phone: ⁽⁵⁾ 402-471-8799

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 1408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/6/2024 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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 to change procedures to ensure lodging used is in compliance. Any potential impact on lodging expenditures is not estimated to be significant.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____