

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2012-13</b>		<b>FY 2013-14</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$17,588,354		\$17,399,301	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$17,588,354</b>		<b>\$17,399,301</b>	

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

LB 791 amends the Employment Security Law to adopt the Shared Work Unemployment Compensation Program.

A shared work unemployment compensation program is defined to mean a program that allows certain employees to collect unemployment compensation benefits if the employees share the work remaining after a reduction in the total number of hours of work and a corresponding reduction in wages. A participating employee works a reduced number of hours and receives unemployment compensation benefits for the hours not worked. For example, a participating employee works 30 hours and receives unemployment compensation for 10 hours.

The bill requires an employer who wishes to participate in the program to file a written shared work plan with the Department of Labor and, as a condition of approval, agree to furnish reports relating to the operation of the plan. The employer must also be up to date on all unemployment contributions, must designate an affected unit of at least three employees, reduce the employee's hours by at least 10% but no more than 40%, continue to provide fringe benefits to the participating employees, certify that the shared work plan is in lieu of temporary layoffs that would affect at least 10% of the employees in the affected unit, and certify that they will not hire new employees in the affected unit while the plan is in place.

The bill further provides that if any of the participating employees are covered by a collective bargaining agreement, the shared work plan shall be approved in writing by the collective bargaining agent.

The Nebraska Department of Labor has indicated they do not currently track the type of information necessary to estimate a fiscal impact solely on Nebraska experience. The state of Missouri has a program similar to that proposed by LB 971 and the Department has examined Missouri's experience and extrapolated the potential cost in Nebraska based upon that experience.

The Department estimates the fiscal impact of LB 791 to the Unemployment Trust Fund in FY12-13 to be at total of \$17,588,354. This includes costs of \$604,659 for salaries, \$194,164 for benefits, \$372,120 for operations, and \$221,191 for travel and other costs. The cost for unemployment benefits is estimated at \$16,196,220.

For FY13-14 the cost is estimated at a total of \$17,399,301. This includes \$546,597 for salaries, \$174,911 for benefits, \$281,268 in operations, and \$200,305 for travel and other costs. The cost for unemployment benefits is estimated at \$16,196,220.

We find no basis to disagree with the Department of Labor's estimate of fiscal impact.