

PREPARED BY: Scott Danigole  
 DATE PREPARED: March 08, 2023  
 PHONE: 402-471-0055

**LB 502**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$756,046		\$685,888	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$756,046</b>		<b>\$685,888</b>	

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

LB 502 is the Warehouse Worker Protection Act.

Section 2 provides definitions for the Act.

Under the provisions of LB 502, employers must provide a written description of each quota an employee is subject to within 30 days of hire. Employees shall not be required to meet a quota that prevents compliance with meal or break times. Paid and unpaid breaks shall not be considered productive time for the purpose of any quota or monitoring system unless the employee is required to be on call.

Section 9 allows the commissioner of labor to subpoena records and witnesses related to enforcement of the Act, conduct facility inspections, and gather testimony on any matter relative to enforcement of the Act.

The Department of Labor (DOL) estimates the need for slightly more than 5 FTE to address the requirements of LB 502. This estimate is based on the estimated number of qualifying worksites in Nebraska and complaints as compared to similar worker protection programs. Additionally, DOL estimates \$150,000 per year in expenditures related to conducting appeals and holding hearings.

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

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: <b>502</b>	AM:	AGENCY/POLT. SUB: <b>Nebraska Department of Labor</b>	
REVIEWED BY: Kimberly Burns	DATE: 03/08/2023	PHONE: (402) 471-4171	
COMMENTS: The Nebraska Department of Labor's assessment of fiscal impact from LB 502 seems reasonable given the assumptions used.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: <b>502</b>	AM:	AGENCY/POLT. SUB: <b>Attorney General</b>	
REVIEWED BY: Kimberly Burns	DATE: 01/26/2023	PHONE: (402) 471-4171	
COMMENTS: No basis to disagree with the Attorney General's estimate in the Explanation section of unquantifiable fiscal impact from LB 502.			

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

**2023**

**LB<sup>(1)</sup> 502**

**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> 03/06/2023 Phone: <sup>(5)</sup> 402-416-6809

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>756,043</u>	<u>                    </u>	<u>685,888</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>
<b>TOTAL FUNDS</b>	<u><u>756,043</u></u>	<u><u>                    </u></u>	<u><u>685,888</u></u>	<u><u>                    </u></u>

**Explanation of Estimate:**

LB502 creates the Warehouse Worker Protection Act. The Nebraska Department of Labor (NDOL) is responsible for the administration of the Act. LB502 requires NDOL to receive and investigate complaints under the Warehouse Worker Protection Act. As drafted LB502 gives the commissioner authority to subpoena records and witnesses and conduct onsite inspections. If the commissioner finds, after notice and hearing, that a violation occurred, the commissioner may order a civil penalty. Each day of continued violation constitutes a separate violation. Further, Section 9 of LB502 requires NDOL to investigate worksites and employers that have an annual employee injury rate of at least one and one-half times as high as the warehousing industry's average annual injury rate as published. These worksite investigations span the entire state.

The commissioner has the authority to adopt and promulgate rules and regulations to carry out the Warehouse Worker Protection Act.

NDOL does not have any existing data that accurately compares to the definitions provided in LB502. NDOL does have existing employment data that follows different definitions of employee and employer. NDOL utilized its existing data to estimate 300 employer worksites in Nebraska would be covered by LB502. The 300 worksites have an approximate total of 70,000 employees. Compared to its existing worker protection programs, NDOL estimates an additional 200 complaints per year in addition to any mandatory worksite investigations. Based on these estimates, NDOL would need 4 Labor Law Specialists.

Additionally, NDOL will use contract hearing officers for conducting appeals. NDOL estimates 25 hearings per year. Each hearing will take approximately 40 hours of work from the hearing officer at a rate of \$150 per hour for a total of \$150,000 per year.

NDOL will need 1 Attorney III for developing regulations, advising on program operations, and representing the commissioner in enforcement of the Act.

NDOL will use its IT team for development of the complaint system. NDOL can utilize existing systems for the framework and estimates IT costs at \$145,196 in Year 1 and ongoing costs of \$62,603. Personnel includes a Web Developer, Database Administrator and Business System Analyst. Other costs include OCIO support as well as additional server and database storage costs.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

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**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2023-24</b>	<b>2024-25</b>
	<b><u>23-24</u></b>	<b><u>24-25</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Labor Law Specialist	4.00	4.00	206,441	216,764
Attorney III	1.00	1.00	89,836	94,328
Web Developer	.33	.12	45,973	17,553
IT Database Administrator	.08	.03	11,145	4,388
IT Business System Analyst	.33	.06	36,778	7,021
<b>Total Salaries</b>	<b>5.74</b>	<b>5.21</b>	<b>390,173</b>	<b>340,054</b>
<b>Benefits</b> .....			<b>140,062</b>	<b>122,071</b>
<b>Operating</b> .....			<b>215,708</b>	<b>223,763</b>
<b>Travel</b> .....				
<b>Capital outlay</b> .....			<b>10,100</b>	
<b>Aid</b> .....				
<b>Capital improvements</b> .....				
<b>TOTAL</b> .....			<b>756,043</b>	<b>685,888</b>

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**2023**

**LB<sup>(1)</sup> 502**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Attorney General

Prepared by: <sup>(3)</sup> Dana Hoffman Date Prepared: <sup>(4)</sup> 1-19-23 Phone: <sup>(5)</sup> 402-471-2687

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

	<u>FY 2023-24</u>		<u>FY 2024-25</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:**

Proposed LB502 would adopt the Warehouse Worker Protection Act and would authorize the Commissioner of Labor to investigate complaints submitted by employees of certain warehouse distribution centers and order an employer to pay a civil penalty if a violation of the Act is found. Section 12 of the bill provides the Attorney General may take such action as may be necessary to enforce the Act. While there could be some increased workload for the Nebraska Department of Justice, primary enforcement authority for the Act would remain with the Commissioner of Labor and any increased costs for this office cannot be quantified at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____