

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$113,100		\$105,700	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$113,100</b>		<b>\$105,700</b>	

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

LB 261 would create the Nebraska Worker Adjustment and Retraining Notification Act.

This bill is similar to the federal Worker Adjustment and Retraining Notification Act but is broader than the federal act in that it applies to a wider range of employers and deals with layoffs of fewer employees.

In general, the bill provides that an employer shall not order a mass layoff, worksite closing, or transfer of operations unless 60 days prior they have given written notice to each affected employee, each representative of the affected employee, the Commissioner of Labor, the local workforce investment board, and the mayor of the city or village where the action will occur.

If the action will result in employment loss of 250 or more employees the employer must give the same notice as above 120 days before the layoff, closing, or transfer.

LB 261 provides that the provisions of the Act shall not apply to layoff, closing, or transfer if the action involves a temporary facility or is the result of the completion of a particular project and the employees were hired with the knowledge that this was a limited undertaking.

The bill establishes a rapid response team in the Department of Labor. The basic purpose of the team is to organize meetings in order to provide employers and employee representatives an opportunity to obtain information about dislocated worker services available locally to eligible employees. The team is also to offer to meet with management to discuss alternatives, facilitate cooperation between employer and employees, and meet onsite with workers to provide information.

Any person, including a political subdivision, may file a complaint with the Commissioner of Labor if they believe their rights under the Act have been violated, they may also proceed with a civil action in district court. Employers who are found in violation of the Act shall be liable to each aggrieved employee and shall provide double back pay for each calendar day of violation, the value of benefits the employee would have received, other economic and exemplary damages, and reasonable attorney's fees and costs.

The Attorney General, Commissioner of Labor, and affected city, village, or county are also provided with a right of civil action for a violation of the Act. The prevailing party in such a suit shall also have a lien upon the business revenue and all real and personal property of the employer for the employer's liability.

The Attorney General may petition the district court for an order of restitution of money or property to any person or class of persons injured by a violation. The courts do not have the authority to enjoin a plan closing or mass layoff.

The Department of Labor estimates a need for 3.0 FTE in FY2017-18 and 4.0 FTE in FY2018-19 to implement additional rapid response activities and requirements and for investigation and enforcement activities required by the Act. The Department indicates that because this bill exceeds Nebraska's federal authority under the federal WARN Act, they will be unable to use existing federal funds and will require a General Fund appropriation. Total cost for FY2017-18 and FY2018-19 is estimated at \$281,826 and \$295,408, respectively.

We disagree with the Department's estimate of cost and note that the Department already has rapid responses plans and procedures as required by the WARN Act and that the requirements for rapid response under LB 261 should be incorporated within those current plans and procedures. We believe the Department will only require 1.0 FTE for a Workforce Coordinator, with PSL for the two years of the biennium of \$37,100 and \$37,500, respectively.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES

**LB: 261**                      **AM:**                      AGENCY/POLT. SUB: **Nebraska Department of Labor (23)**

REVIEWED BY: Joe Wilcox                      DATE: 1/20/2017                      PHONE: [\(402\) 471-4178](tel:4024714178)

COMMENTS: No basis to dispute the Nebraska Department of Labor estimate of potential fiscal impact to the Agency from LB 261 in general, however, the Agency fiscal note identifies \$46,053 of Indirect Overhead expense which would be applied to the new program of work and these costs are not new expenses for the agency created by the bill, but merely a re-allocation of existing overhead costs. These overhead costs should not be included in the total as new costs to the Agency.

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

**2017**

**LB<sup>(1)</sup> 261**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Kim Schreiner Date Prepared: <sup>(4)</sup> 01-19-2017 Phone: <sup>(5)</sup> 402-471-2492

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

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$281,826		\$295,408	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$281,826</b>		<b>\$295,408</b>	

Explanation of Estimate: After reviewing LB 261, to implement the additional Rapid Response activities and the requirements (beyond current federal WARN Act) and penalties imposed on employers for lack of compliance are listed below. The investigation and enforcement outlined in the act would essentially create a new program.

This bill will require the hiring of four FTE's listed below with Salaries and Benefits in year one totaling \$171,973 with Indirect Overhead expenses of \$46,053. This bill does not have an emergency clause so activity would begin no sooner than mid-September 2017. Therefore, the four FTE will only be onboard for nine months of year one. Expenses also include \$22,000 for computer equipment and \$40,000 within Operating Expenses for the creation of print and video materials to inform employers and affected workers of the Nebraska Worker Adjustment and Retraining Notification Act for year one only. Both years include \$1,800 for Supplies also within Operating Expenses. All other increases in year two are related to annual salary increase as well as a full year of the four FTE.

Because this bill exceeds the State's federal authority under the federal WARN Act, the Agency would be unable to use existing federal funds. This program would need to be funded with General Funds.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Workforce Coordinator	1.50	2.0	\$55,628	\$74,913
Workforce Services Administrator	0.75	1.0	48,459	65,258
Administrative Assistant I	0.75	1.0	24,378	32,829
<b>Total Salaries</b>	<b>3.00</b>	<b>4.0</b>	<b>\$128,465</b>	<b>\$173,000</b>
Benefits.....			\$43,508	\$58,590
Operating.....			\$87,853	\$63,818
Travel.....				
Capital outlay.....			\$22,000	
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$281,826</b>	<b>\$295,408</b>

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LB<sup>(1)</sup> 261

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Jay Bartel

Date Prepared: <sup>(4)</sup> 1-17-17

Phone: <sup>(5)</sup> 471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</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

<u>Personal Services:</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>POSITION TITLE</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

*JRS*  
1-19-17