

Updated to reflect new agency response.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	206,346		270,837	
CASH FUNDS			1,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	206,346		271,837	

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

LB 36 changes provisions of the Administrative Procedures Act.

Section 2 provides Legislative Findings.

Section 3 requires the Department of Health and Human Services, beginning January 1, 2018, to review its rules and regulations pertaining to the issuance of occupational credentials for those in existence at that time. Beginning January 1, 2023 and every five years thereafter, the department shall review its rules and regulations for the same regardless of when such credentials were created.

Section 4 makes the same requirement of the Department of Labor beginning January 1, 2019 and every five years thereafter.

Section 5 requires every other state agency (except DHHS and Labor) to undergo the same review beginning January 1, 2020 and every five years thereafter.

Section 6 requires every agency to complete an individual critical assessment document on every rule and regulation pertaining to the issuance of all occupational credentials. The document shall be made available at one public location and on the agency's website. By December 31 of the review year, the agency shall submit the document electronically to the Executive Board of the Legislature.

A sampling of state agencies revealed either limited or no anticipated costs associated with the bill's provisions. Costs may include things such as publication notices, attorney's and staff time. Due to the effective dates in the bill, these costs would not be realized during the upcoming biennium.

The Department of Health and Human Services estimates the need for 2.25 FTE in fiscal year 2017-18 and 3.0 FTE per year after that. This team of staff would address the bill's requirements that pertain to approximately 5,000 pages of occupations-related rules and regulations. DHHS has also included costs associated with hearing notices for each set of regulations. There is no basis to disagree with these estimates. It is assumed that the first two years' costs are associated with the January 1, 2018 start date. Since the bill calls for reviews every five years, these costs should not be incurred in Fiscal Years 20-22.

The Department of Labor estimates a cost of \$1,000 in fiscal year 2018-19 to conduct two public hearings and related publication costs for six different occupations. This estimate appears to be reasonable.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 036	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor	
REVIEWED BY: Lee Will	DATE: 01/20/2017	PHONE: (402) 471-4175	
COMMENTS: The Nebraska Department of Labor's estimate of fiscal impact appears to be reasonable given the assumptions used.			

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

LB: 036 AM: AGENCY/POLT. SUB: Nebraska Department of Roads

REVIEWED BY: Lee Will DATE: 01/19/2017 PHONE: [\(402\) 471-4175](tel:(402)471-4175)

COMMENTS: Concur with the Nebraska Department of Roads' statement of no fiscal impact.

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

LB: 036 AM: AGENCY/POLT. SUB: Public Service Commission

REVIEWED BY: Lee Will DATE: 01/17/2017 PHONE: [\(402\) 471-4175](tel:(402)471-4175)

COMMENTS: No basis to disagree with the Public Service Commission's assessment of no fiscal impact.

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

LB: 036 AM: AGENCY/POLT. SUB: Nebraska Department of Insurance

REVIEWED BY: Lee Will DATE: 01/17/2017 PHONE: [\(402\) 471-4175](tel:(402)471-4175)

COMMENTS: The Nebraska Department of Insurance's estimate of fiscal impact appears to be reasonable given the assumptions used.

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

LB: 036 AM: AGENCY/POLT. SUB: Department of Motor Vehicles

REVIEWED BY: Lee Will DATE: 01/17/2017 PHONE: [\(402\) 471-4175](tel:(402)471-4175)

COMMENTS: Concur with the Department of Motor Vehicles' statement of fiscal impact.

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

LB: 036 AM: AGENCY/POLT. SUB: State Fire Marshal

REVIEWED BY: Lee Will DATE: 01/17/2017 PHONE: [\(402\) 471-4175](tel:(402)471-4175)

COMMENTS: The State Fire Marshal's estimate of fiscal impact appears to be reasonable given the assumptions used.

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS)

Prepared by: ⁽³⁾ Bo Botelho Date Prepared: ⁽⁴⁾ 1/6/2017 Phone: ⁽⁵⁾ (402) 471-0972

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB36 is a bill that provides for review by state agencies of occupational credentials and the creation of a critical assessment documents. It requires that state agencies regularly review the rules and regulations pertaining to the issuance of occupational credentials and completion and release of a critical assessment document. As the Department of Administrative Services has no occupational credentialing responsibilities, such legislation does not impact the Department of Administrative Services.

There is no fiscal impact on the Department of Administrative Services.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	0	0	0	0

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ _____ Phone: ⁽⁵⁾ (402)471-3902

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

No Fiscal Impact for FY 2017-18 or FY 2018-19 because the effective date for the DMV is January 1,2020. There will be a fiscal impact to the Department associated with LB 36 beginning in FY 2020, but the overall fiscal impact is indeterminable at this time.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

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

Prepared by: ⁽³⁾ Robert M. Bell Date Prepared: ⁽⁴⁾ 1/13/2017 Phone: ⁽⁵⁾ (402) 471-4650

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 significant fiscal impact on the Nebraska Department of Insurance. Any review by the Department of existing rule and regulations pertaining to the issuance of occupational credentials would not begin until 2020. It is anticipated that such a review will require several hours of work by Department staff. Publication of notice in a newspaper of general circulation will cost \$500. LB 36 can be accomplished with existing staff and appropriations.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-9-17

Phone: (5) 471-6351

	FY 2017-2018		FY 2018-2019	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$206,349		\$270,837	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$206,349	\$0	\$270,837	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 36 would require state agencies to review rules and regulations pertaining to the issuance of occupational credentials every five years, completing and publishing a critical assessment document explaining the purpose of the regulations; a review and determination that it has achieved that purpose in a cost-effective manner without unduly inhibiting entrepreneurship and commerce; and the fiscal impact on state agencies, political subdivisions, and regulated persons. Additionally, agencies would be required to publicize and hold hearings for each critical assessment document prior to submission to the Executive Board of the Legislative Council.

In order to fulfill the requirements of LB 36, the Department of Health and Human Services would require at least three FTEs, including the following: 1 FTE DHHS Program Manager II and 2 FTE DHHS Program Specialist. This team would be responsible for performing critical assessment and LB 36's associated requirements for approximately 5,000 pages of occupations-related rules and regulations administered by the Division of Public Health, including Nebraska Administrative code Titles 172, 175, 177, 178, 179, 180, and 391. Assuming a separate hearing notice for each set of regulations and corresponding critical assessment document, the Department estimates a cost of \$3,220 to fulfill LB 36's public notification requirements.

- 161 sets of occupational credentialing regulation
- \$20 average price per notice
- \$3,220 cost to issue public notice (recurring every five years)

Analysis related to establishing the effects of rules and regulation on entrepreneurship and commerce would likely be subject to a competitive bid contract, which would be in addition to the estimates above.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2017-2018	2018-2019	
	POSITION TITLE	17-18	18-19	EXPENDITURES	EXPENDITURES
DHHS Program Manager II		0.75	1.00	\$44,284	\$59,045
DHHS Program Specialist		1.50	2.00	\$69,564	\$92,751
Benefits.....				\$38,651	\$51,535
Operating.....				\$53,850	\$67,506
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$206,349	\$270,837

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Banking & Finance

Prepared by: ⁽³⁾ Margo Sawyer Date Prepared: ⁽⁴⁾ 1/12/17 Phone: ⁽⁵⁾ 471-4954

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:

There would be no fiscal impact until calendar year 2020. At that point, staff resources would have to be used on reviewing rules, holding a hearing, and preparing the critical assessment document. The department would not add additional staff or capital outlay. Costs other than staff time would be minimal--publication and hearing transcription. The department estimates staff costs at approximately \$2,100 for sixty hours of an Attorney III's time, and \$75 for publication costs, and \$250 for court reporting costs. The department anticipates absorbing all costs.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Fire Marshal

Prepared by: ⁽³⁾ Deb Hostetler Date Prepared: ⁽⁴⁾ 1/13/2017 Phone: ⁽⁵⁾ (402) 471-9479

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: There will be no fiscal impact for the Agency for the FY2017-19 biennium. Per Section 5 of LB36, the Agency would be required to review and provide a critical assessment document of occupational credentialing beginning January 1, 2020. There will be costs in the outer years to publish the notice of public hearing and to hold the hearing. These costs are estimated to be around \$500 assuming that one hearing can be held for all the licenses issued by the Agency. The Agency is not anticipating additional costs to determine “a description, including an estimated quantification, of the fiscal impact on...regulated persons of the rule or regulation.” If the Agency is required to have a more verifiable method for determining those costs than just an informal survey of applicants, there may be additional expenses. Further, the language in the bill does not clearly define what occupational credentialing entails. If other areas, such as a daycare provider (where the individual does not get a specific license such as a nurse or electrician, but cannot enter the occupation without receiving several permits from State Agencies), were to be included there could be additional costs to the Agency in determining the “estimated quantification, of the fiscal impact on...regulated persons of the rule or regulation.”

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>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kim Schreiner Date Prepared: ⁽⁴⁾ 1/20/2017 Phone: ⁽⁵⁾ 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	_____	_____	_____	_____
CASH FUNDS	_____	_____	\$1,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$1,000	=====

Explanation of Estimate:

The Nebraska Department of Labor licenses six different occupations. Licensure for contractor registration, professional employee organizations, and farm labor contractors is done by our labor standards division. Licensure for boiler inspectors, elevator mechanics and elevator contractors is done through our safety division. We would require two separate public hearings on the licensing of these six occupations. Publication and hearing costs for two public hearings is estimated at \$1,000. All programs impacted by LB 36 are cash funded programs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Salaries	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	\$1,000
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	\$1,000

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

2017

LB⁽¹⁾ 36

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 1/13/17 Phone: ⁽⁵⁾ (402) 479-4692

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:

LB36 requires State agencies to review rules and regulations pertaining to the issuance of occupational credentials and to complete a critical assessment document. For Dept of Roads, beginning January 1, 2020 the reviews begin with reviews every 5 years. At this time the critical assessment document shall be completed and available at one public location and on the agency's website.

No fiscal impact is anticipated to the Department.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____