

PREPARED BY: Doug Gibbs
 DATE PREPARED: February 23, 2017
 PHONE: 402-471-0051

LB 507

Revision: 00

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 | | | | |
| CASH FUNDS | | (\$5,250) | | (\$1,750) |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | (\$5,250) | | (\$1,750) |

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

LB 507 repeals the Farm Labor Contractor Act.

The Farm Labor Contractor Act requires farm labor contractors to apply for a license with the Department of Labor before a farm labor contractor can work in Nebraska.

The current license fee is \$750. A proposal to reduce the fee to \$250 is currently in the Administrative Procedure Act rulemaking process.

The Department of Labor indicated that in calendar year 2016, seven license applications were approved and 29 additional applications were exempt from the program and were authorized to work without a license.

The Department of Labor indicates a loss of revenue of \$5,250 for FY2017-18 and \$1,750 in FY2018-19.

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

| ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|---|---------------|--|--|
| LB: 507 | AM: | AGENCY/POLT. SUB: Department of Labor | |
| REVIEWED BY: Gary Bush | DATE: 2/22/17 | PHONE: (402) 471-4161 | |
| COMMENTS: The department's estimate of the loss of revenue appears to be reasonable. | | | |

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

2017

LB⁽¹⁾ 507

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kim Schreiner Date Prepared: ⁽⁴⁾ 02-17-2017 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 | _____ | (\$5,250) | _____ | (\$1,750) |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| UI TRUST FUND | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | <u>_____</u> | <u>(\$5,250)</u> | <u>_____</u> | <u>(\$1,750)</u> |

Explanation of Estimate:

LB 507 eliminates the Farm Labor Contractor Act. This program requires farm labor contractors to apply for a license issued by the Nebraska Department of Labor before a farm labor contractor can perform work in Nebraska. The farm labor contractor program is a cash funded program.

In 2016, the department proposed a fee reduction from \$750 to \$250. This proposal is currently going through the Administrative Procedure Act rulemaking process. FY18-19 above reflects this change.

In calendar year 2016, 7 applications for farm labor contractors were approved. 29 additional applications were exempt from the program and were authorized to work without a license. The 7 approved applications generated \$5,250 that went to the Contractor-PEO-Farm Fee Reg Cash Fund 22330. Eliminating the program will result in a loss of revenue.

Associated expenses totaled just \$788.94 in FY15-16 and \$128.52 year-to-date FY16-17. The staff time to administer the act would be used within other areas of the department. There will be no overall net expense savings to the Agency.

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> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Total Salaries | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |