

PREPARED BY: Douglas Gibbs
 DATE PREPARED: January 22, 2018
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LB 784

Revision: 01

Revised to include Department of Labor revision

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$500		\$500	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$500		\$500	

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

LB 784 amends the Employee Classification Act to provide that any contractor who has unpaid fines as a result of a violation of the Employee Classification Act shall be barred from contracting with the State of Nebraska or any political subdivision until such fines are paid.

The Department of Labor indicates a cost of \$500 per fiscal year for posting on the NDOL ECA website those contractors with unpaid fines. Cost would be charged against the Contractor's Registration Cash Fund. They also indicate a minimal amount of staff time necessary and can absorb that cost.

We agree with the Department of Labor's estimate of cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 784	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor	
REVIEWED BY: Neil Sullivan	DATE: 1/22/2018	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Nebraska Department of Labor's estimated fiscal impact from LB 784.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 784	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 1/17/2018	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of no fiscal impact from LB 784.			

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

2018

LB⁽¹⁾ 784

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 1-22-2018 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>\$500</u>	_____	<u>\$500</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>\$500</u></u>	_____	<u><u>\$500</u></u>	_____

Explanation of Estimate: LB 784 would require that any contractor who has unpaid fines for a violation of the Employee Classification Act (ECA) be barred from contracting with the state or any political subdivision until such fines are paid. NDOL will implement a posting on the NDOL ECA website of those contractors with unpaid fines. NDOL estimates that it will take \$500 annually against the Contractor's Registration Cash Fund to develop the file and post it on a regular basis. Through the recent process improvement efforts of the Department, it is estimated that the minimal amount of staff time needed can be absorbed.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19	2019-20
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	<u>500</u>	<u>500</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$500</u>	<u>\$500</u>

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

2018

LB⁽¹⁾ 784

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Materiel Division and State Building Division

Prepared by: ⁽³⁾ Doug Wilken Date Prepared: ⁽⁴⁾ 1/10/18 Phone: ⁽⁵⁾ 402-471-4114

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	<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:

LB784 proposed to bar any contractor (as defined by 48-2902), meaning an individual, partnership, limited liability company, corporation, or other business entity engaged in a delivery service or a construction contractor business (as defined by 48-2103), and includes any subcontractor performing services for a contractor) who has unpaid fines for a violation of the Employee Classification Act from contracting with the state or any political subdivision until such fines are paid.

This proposal will require DAS to confirm that a contractor, as defined, does not have any outstanding fines associated with a violation of the Employee Classification Act. As the Department of Labor posts this information on the internet, DAS will need to modify their boilerplates and procedures to include confirming a contractor does not have outstanding fines prior to contracting with such contractor. This step can be completed using current staffing and resources.

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

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	0	0	0	0