

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	31,497		7,837	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	31,497		7,837	

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

LB 718 changes provisions of the Administrative Procedure Act.

Under the bill's provisions, each agency shall prepare a semiannual agenda for rules and regulations under development or review or planned development or review. The agency shall file a certified copy of the agenda with the Secretary of State who shall keep a permanent file of all agendas.

The Secretary of State is charged with specifying the manner in which each agency shall prepare an agenda. At minimum, the agenda shall include a brief summary of the action, the relevant legal authority, any appropriate deadlines, and the name, telephone number, and means of electronic communication with a knowledgeable agency official.

Section 5 prohibits an agency from adopting, amending or repealing a rule or regulation that is not included on an agenda except when the rule or regulation or amendment or repeal is 1) in response to a natural disaster or declaration of emergency, 2) required by federal law, 3) related to the loss of or access to additional federal funds, or 4) the result of a state or federal court decision.

The Secretary of State estimates the need for 0.25 FTE and \$23,660 for one-time costs associated with systems and website modifications. These estimates appear to be reasonable.

The Department of Administrative Services estimates a very small workload increase that would cost under \$700 per year. This estimate appears to be reasonable. Since the dollar amount is so low, it is assumed that AS would absorb this cost within their current budget resources.

Although the bill's provisions would likely impact all agencies, it is doubtful that any given agency would experience a significant impact. In all likelihood, the impact on individual agencies would be similar to that of AS: a slight workload increase that could be accommodated with current resources.

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFA: 01/24/2014

Approved by: Kim Conroy

Date Prepared: 1/17/2014

Phone: 471-5896

	<u>FY 2014-2015</u>		<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 718 would amend five sections of the Nebraska Administrative Procedures Act dealing with the adoption of rules and regulations by state agencies to:

1. Require each agency to file two agendas for regulation adoption per year, one within 30 days after the end of the Legislative session and one by each October 15th. The agenda is to list regulations under review or development or planned for review or development;
2. Require authorizing statutes to be included on the explanatory statement provided to the Attorney General, Secretary of State, and the Executive Board of the Legislature prior to the public hearing;
3. Require the Secretary of State to post the fiscal impact statement for each regulation hearing on its website;
4. Require the Secretary of State to include the semi-annual agendas in the information provided to subscribers; and
5. Prohibit agencies from adopting regulations that were not included on a semi-annual agenda unless the new or amended regulation is in response to a declaration of emergency, a new federal law, the loss of federal funds, or a state or federal court decision.

It is estimated that this bill would have no impact on the General Fund.

It is estimated that there would be no costs to the Department to implement this bill.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>14-15 FTE</u>	<u>15-16 FTE</u>	<u>16-17 FTE</u>	<u>14-15 Expenditures</u>	<u>15-16 Expenditures</u>	<u>16-17 Expenditures</u>
Total							

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

2014

LB⁽¹⁾ 718

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Secretary of State

Prepared by: ⁽³⁾ Suzanne Hinzman

Date Prepared: ⁽⁴⁾ 1/17/2014

Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>31,497</u>	<u> </u>	<u> </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>
TOTAL FUNDS	<u>31,497</u>	<u>0</u>	<u>7,837</u>	<u>0</u>

Explanation of Estimate:

Description of Impact:

Section 1 of the bill requires each agency to prepare a semiannual agenda for rules and regulations under development or review or planned development or review and file a certified copy of the agenda in the office of the Secretary of State. The bill requires the Secretary of State to keep a permanent file of all agendas, to keep the file of agendas updated and current, and to provide the agendas to the public for public inspection during regular business hours. It is estimated that the cost to store and develop a system to receive and permanently keep the semiannual agenda in a format which can be retrieved for public inspection is \$19,285. In addition, we estimate the need for a .25 FTE to process requests from the public for agendas. Total salary and benefit costs are estimated at \$7,837.

Section 2 of the bill requires the fiscal impact statement associated with a proposed rule or regulation to be available on the Secretary of State's website. The estimated cost to modify the Secretary of State's proposed rules and regulations tracking website to include the fiscal impact statement is \$4,375.

Section 3 of the bill requires the Secretary of State to establish and maintain a list of subscribers who wish to receive notice of the filing of an agenda for rules and regulations under development or review. Currently, the Secretary of State's Office charges \$100/year for a monthly subscription for paper copies of hearing notices. We currently have 6 subscribers to the paper copies of hearing notices. It is anticipated that we would maintain the same rate for subscribers to the certified agenda filed with the Secretary of State. We do not have enough information to estimate the number of potential subscribers.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Staff Assistant	<u>.25</u>	<u>.25</u>	<u>7,280</u>	<u>7,280</u>
Benefits.....			<u>557</u>	<u>557</u>
Operating.....			<u>23,660</u>	
Travel.....			<u>31,497</u>	
Capital outlay.....				

Aid.....
Capital improvements.....
TOTAL.....

_____	_____
_____	_____
_____	_____
31,497	7,837

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2014

LB⁽¹⁾ 718

FISCAL
NOTE

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

Prepared by: ⁽³⁾ Bo Botelho Date Prepared: ⁽⁴⁾ 1-13-14 Phone: ⁽⁵⁾ 402-471-0972

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	660.00	_____	671.00	_____
TOTAL FUNDS	<u>660.00</u>	<u>0</u>	<u>671.00</u>	<u>0</u>

Explanation of Estimate: LB718 requires an agency to prepare an agenda semiannually for rules and regulations under development or review or planned development or review and file a certified copy of same with the office of the Secretary of State within 30 days following the end of each regular legislative session and by October 15. The Secretary of State will determine means of preparing the agenda, however, it must at a minimum contain 1) summary of action; 2) relevant legal authority; 3) appropriate deadlines; and 4) contact information for a “knowledgeable agency official.” This bill would prevent any agency from adopting, amending or repealing rules or regulations not previously submitted or identified in an “agenda” except when required by 1) natural disaster or declared emergency; 2) federal law; 3) federal funding requirements; or 4) state or federal court decision.

Creation of this agenda would require additional staff time to research and prepare the required agenda. For the purposes of this fiscal note it is assumed DAS will review rules and regulations semiannually and that this review process will take approximately 5-10 hours per review, thus up to 20 hours annually. The estimated cost of the additional 20 hours to complete the review and prepare the agenda is calculated at \$660 in FY14-15 and \$671 in FY15-16. This estimate is based on 20 hours salary and the corresponding share of benefits for a Paralegal I. It is assumed that this position would be working with agency legal counsel and division administrators to facilitate the reviews and complete the agenda. The total annual cost of benefits includes the cost of the most expensive family health plan.

The calculations for FY14-15 are:

$(20 \text{ hrs.} \times \$19.28 = \$386 + .96\% \text{ of total annual benefits } \{20 \text{ hrs.}/2080 \text{ hrs.} = .96\% \} \text{ of } \$28,527 = \$274) (\$386 + \$274 = \$660)$

The calculations for FY15-16 are:

$(20 \text{ hrs.} \times \$19.76 = \$395 + .96\% \text{ of total annual benefits of } \$28,691 = \$276) (\$395 + \$276 = \$671)$

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2014-15 EXPENDITURES	2015-16 EXPENDITURES
	14-15	15-16		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____