PREPARED BY: Scott Danigole
DATE PREPARED: February 04, 2021
PHONE: 471-0055

LB 290

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	$17,708,887	0	$13,576,191	0
CASH FUNDS	$6,634,907	$117,534,656	$188,727,230	$470,138,662
FEDERAL FUNDS	$1,053,772	0	$2,107,543	0
OTHER FUNDS	$2,567,903	0	$5,200,469	$63,662
TOTAL FUNDS	$27,965,469	$117,534,656	$209,611,433	$470,202,324

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

LB 290 is the Paid Family and Medical Leave Insurance Act.

Section 2 provides definitions for the Act.

Beginning January 1, 2023, covered individuals can take paid family and medical leave for qualifying reasons laid out in section 3 of LB 290.

Section 4 specifies the benefits an individual may receive under the Act.

Section 6 creates the Paid Family and Medical Leave Insurance Fund to be administered by the Department of Labor (DOL). Beginning January 1, 2022, covered employers are required to remit contributions to the fund. Such contributions shall be used to pay benefits under the Act.

Section 6 also requires the State Treasurer to transfer $5,558,000 from the Health Care Cash Fund on October 1, 2021 to the Paid Family and Medical Leave Insurance Fund. The transferred amount shall be repaid to the Nebraska Health Care Cash Fund when the commissioner determines that the Paid Family and Medical Leave Insurance Fund will have sufficient funds to pay all required family and medical leave benefits. In no case shall such repayment be made later than October 1, 2025.

Section 7 allows for covered individuals to take paid family and medical leave on an intermittent basis.

Section 8 allows any covered individual, on return from the leave, to be restored to the position of employment held when the leave commenced; or to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. During any paid family and medical leave taken, the covered employer shall maintain any health benefits the covered individual had prior to taking such leave. The taking of paid family and medical leave shall not result in the loss of any employment benefits accrued before the date on which the leave commenced. A covered employer shall not require a covered individual to exhaust his or her accrued vacation or sick time prior to taking paid family and medical leave.

Section 16 allows the Commissioner of Labor to conduct investigations to determine compliance with the Act. The Commissioner may issue citations and administrative penalties to covered employers who are found to be in violation of the Act.

DOL estimates the need for 69.0 FTE in FY 2021-22 to implement and begin the program. That number increases to 170.0 FTE beginning in FY 2022-23 when the program is fully running and annualized. The estimates provided are based on experiences with similar programs in other locations as well as Nebraska data regarding potential program utilization. There is no basis to disagree with these estimates.

Section 6 provides for a transfer from the Health Care Cash Fund of $5,558,000 to the Paid Family and Medical Leave Insurance Fund on October 1, 2021. This transfer is to be utilized for administrative and start-up costs. DOL estimates first year costs to be in excess of that amount and identifies a General Fund need to cover costs in excess of that amount.

Regarding DOL's estimates of contributions received and benefits paid from the Paid Family and Medical Leave Insurance Fund, there is no basis to disagree with the estimates provided.

CONTINUED

The Nebraska Department of Health and Human Services (DHHS) estimates a cost of $3,236,736 (all fund sources) in FY 2022-23 as the amount of contributions that will need to be made to the Paid Family and Medical Leave Fund. There is no basis to disagree with this estimate, however, the Department of Administrative Services (DAS) provides a statewide accounting for the state's contributions. For this reason, the DHHS contributions are not included in the table at the top of this fiscal note. DHHS did not include information regarding the transfer from the Health Care Cash Fund. That amount IS factored in to the table above as a cash fund revenue decrease of ($5,558,000) in fiscal year 2022.

The DAS estimates the need for 1.0 Personnel Officer to coordinate state personnel activities with DOL. The estimated cost identified is $63,662 beginning in FY 2022-23. This represents start-up costs as well as salary and benefit costs. The salary and benefit amount only reflects 9 months of that fiscal year and will need to be annualized in fiscal year 2024. This estimate appears to be reasonable.

DAS also provides statewide amounts for contributions beginning in fiscal year 2022. Presumably, contributions would be remitted at the individual agency level, not through DAS. Therefore DAS will not need an appropriation for the amount identified below. The appropriation for individual agencies will need to be calculated and appropriated at that level. The DAS contribution estimate is as follows:

Fund Type	Expenditures FY22	Expenditures FY23
General Fund	$2,328,170	$4,656,341
Cash Funds	$1,076,907	$2,153,813
Federal Funds	$747,772	$1,495,543
Trust Funds	$2,407	$4,815
Revolving Funds	$235,496	$470,992
Total	**$4,390,752**	**$8,781,505**

The Secretary of State will be heavily involved in the promulgation of rules and regulations for LB 290's provisions. Their fiscal note estimate of contribution, like DHHS's estimate, is already reflected in the DAS statewide contributions and is, therefore, not reflected in the table at the beginning of this fiscal note.

The University of Nebraska estimates the need for 1.0 additional FTE beginning in FY23. The estimate provided is for 6 months of the year. That amount will need to be annualized for FY24. Additionally, the University provides its anticipated contribution amounts. Unlike other state agencies, the University's contributions are not reflected in the DAS estimates and are, therefore, added to the table at the top of this fiscal note. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 290	AM:	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Neil Sullivan		DATE: 2/4/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Labor assessment of fiscal impact from LB 290 appears reasonable given the updated assumptions.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 290	AM:	AGENCY/POLT. SUB: Department of Health & Human Services	
REVIEWED BY: Neil Sullivan		DATE: 2/3/2021	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Health & Human Services assessment of fiscal impact from LB 290.			

CONTINUED

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 290 AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 1/27/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Administrative Services assessment of agency and enterprise fiscal impact from LB 290 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 290 AM:	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY: Neil Sullivan	DATE: 1/27/2021	PHONE: (402) 471-4179
COMMENTS: The Secretary of State assessment of fiscal impact from LB 290 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 290 AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Neil Sullivan	DATE: 1/25/2021	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the University of Nebraska assessment of fiscal impact from LB 290.		

Please complete ALL (5) blanks in the first three lines. **2021**

LB(1) 290 **FISCAL NOTE**

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

Prepared by: (3) Katie Thurber **Date Prepared:** (4) 2-3-2021 **Phone:** (5) 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	10,992,717			
CASH FUNDS	5,558,000	123,092,656	186,573,417	470,138,622
FEDERAL FUNDS				
TRUST FUNDS				
TOTAL FUNDS	16,550,717	123,092,656	186,573,417	470,138,622

Explanation of Estimate: LB 290 creates the paid family and medical leave program. It is the department's assumption that this will be created as a Cash Fund. Under LB 290, the Nebraska Department of Labor is responsible for the administration of the program. LB 290 covers all individuals employed in covered employment. Individuals in covered employment are potentially eligible for up to 12 weeks of paid leave per benefit year. Of note, LB 290 has an expanded definition of family member to include one person designated by the covered individual as a family member. This person must be designated in a manner prescribed by the Commissioner of Labor.

LB 290 is similar to LB 311(2019). At that time, NDOL solely based its comparisons on Rhode Island. This issue with using Rhode Island is they had a longtime existing paid disability program. The District of Columbia (DC) passed a program like LB 290 in 2016. DC did not previously have a paid family and medical leave program and had to build the entire model. NDOL believes its implementation experience, if passed, will compare better to DC than Rhode Island. The DC paid family and medical leave program provides paid leave to covered individuals at the following limits:

- Up to 8 Weeks to bond with a new child
- Up to 6 weeks to care for a family member with a serious health condition
- Up to 2 weeks to care for you own serious health condition

DC recently implemented the program and began paying benefits in 2020.

DC contracted with two different IT vendors to build their system. A vendor for the tax solution and a vendor for the benefit solution. DC's law was signed on February 17, 2017. The law required DC to begin collecting taxes by July 2019 and accepting applications for paid leave by July 2020. If LB 290 passed as drafted, NDOL would be expected to be collecting taxes by January 1, 2022 and paying benefits by January 1, 2023. This would give NDOL approximately 6 months to implement a new tax system.

DC estimates administrative costs for year 1 at $4,630,000, Year 2 costs at $6,520,000 and Year 3 costs at $12,920,000 for a total 3-year cost of $24,070,000. DC had over 3 years to implement the program. DC completed an RFP for both a tax and benefit system and implementation costs came in at $3,850,000 and $2,170,000 respectively plus annual license fees for a 3- year cost of $7,857,000. As of first quarter 2020, DC had 71 employees onboarded and anticipated 124 full-time employees to administer the program. As Nebraska has a higher population and LB 290 provides approximately 2 years to fully implement, NDOL has no reason to believe they can implement at a lower cost. NDOL estimates administrative costs for the first two years at $24,070,000 included in Operating expenses below.

NDOL notes that this is significantly higher than previous estimates. However, due to the COVID-19 pandemic, NDOL currently has no capacity to absorb any work. All known potential IT vendors are stretched with development of systems for the pandemic response. Because NDOL based its previous models off Rhode Island, it underestimated the impact of starting the program from the ground up. Further, during previous versions of LB 290, NDOL had a lower number of employees so space was not a concern. Currently, increased staffing levels due to the COVID-19 pandemic response mean there is no existing available space for the new NDOL employees required by LB 290. NDOL estimates leased spacing cost and IT infrastructure at $550,000 in year 1 and $850,000 in year 2.

It is estimated that a total of 100 adjudicators will be required. The department will also need 5 labor law specialists, 5 field representatives, 25 claims specialists, 5 program supervisors, 1 benefits administrator, 1 accountant III, 2 accountant II, 2 attorney III, 5 Attorney II, 1 PFMLA Director, 3 Public Information Officers and 1 staff assistant I to handle the workload. Further, the IT build will require 11 IT positions. The IT positions will begin upon LB 290 passage and the Admin positions will begin thereafter. OCIO support will total $145,000 annually. Project may require a more detailed review by OCIO. Costs associated with laptops, phones and cubicles amount to $441,729 in year 1 and $612,271 in year 2.

LB290 provides for an appropriation from the Nebraska Health Care Cash Fund to the Nebraska Paid Family and Medical Leave Fund on October 1, 2021 in the amount of $5,558,000 for initial administrative costs. The Nebraska Health Care Cash Fund transfer is only for upfront administrative costs and must be repaid by October 1, 2025. NDOL believes that because no administrative funds are received until October 1, 2021, it will be impossible to begin collecting employer taxes by January 1, 2022 as required by LB 290. NDOL does not have an existing fund that it can borrow from until the transfer is made, and based upon the DC experience, the amount of the transfer will be inadequate to cover startup costs. DC spent $5 million on IT implementation after completing the RFP process. Year 1 expenses in excess of $5,558,000 will need to utilize General Funds.

Because DC just recently went live with their program, they do not have annual statistics on the number of benefit payments. Rhode Island has a paid family and medical leave program similar to LB 290. Under Rhode Island's law, they provide paid leave at the following limits:

- Up to 30 weeks of paid leave for a person with a non work-related injury or illness;
  - Injury or illness requires 7 days of duration before eligible for paid leave; (LB 290 does not have a minimum duration requirement.)
- Up to 4 weeks of paid leave to bond with a new child; and
- Up to 4 weeks to care for a family member.

To estimate benefits paid under LB 290, the Department closely examined Rhode Island's annual statistics because DC does not yet have annual statistics.

In calendar year 2019, Rhode Island paid out $200.7 million in benefits under their temporary disability insurance program and temporary caregiver insurance program. Approximately $186 million (93%) of the benefits paid out were for non-work-related injury or illness corresponding to the types of leave described in Sec. 3 paragraph (1)(e) of LB 290. Approximately, $14 million (7%) of the benefits paid out were for either bonding with a new child or caring for a family member corresponding to the types of leave described in Sec. 3 paragraph (1)(a) and (1)(b) of LB 290.

In 2019, Rhode Island had a population of approximately 1,059,000; there were 478,000 people in covered employment in 2nd quarter of 2019. Comparatively, Nebraska has a population of approximately 1,934,000 and had 969,000 people in covered employment in 2nd quarter 2019.

In 2019, Rhode Island processed 46,259 claims for paid leave, which equaled approximately 9.7% of their covered employment workforce. Of the claims received approximately 78% were approved. Rhode Island's average number of payments per claim was just over 10 weeks. Assuming these numbers for Nebraska, the Department estimates that it will have 93,993 claims and 73,314 (78%) will be approved. Assuming an average number of 9 payments per claim, Nebraska would pay out approximately 659,831 payments under this program. LB 290 proposes a rather complex benefit amount calculation. Section 4 of the bill requires NDOL to look at wages above and below the average weekly wage. For an individual that earns more than the actual weekly wage, the wages up to the actual average weekly wage are paid at 90% and any wages above that are paid at 50% for an overall cap of 66% of the average weekly wage. The 2020 average weekly wage in Nebraska was $912. Because NDOL does not have existing information on percentages of individuals above and below the average weekly wage, the best readily available source of this data is unemployment. The average weekly benefit amount for a UI claimant in 2020 was approximately $300. This means the average weekly wage for those filing for unemployment was approximately $600. If we assume on average a person filing for PFMLA earns $600 per week then the first $456 of wages would be reimbursed at 90% and the remaining $144 would be reimbursed at $72 for an average benefit payment of $482. The total estimate of benefits paid per year is $318,302,406.86. One-half of this amount has been added to Cash Expenditure year 2 in addition to expenses shown below.

The amount of contributions is capped at one percent of an employer's gross wages paid. In 2019, Nebraska's total gross wages were $47,013,862,208. The maximum amount of contributions the Department could collect is $470,138,622 as shown in year2 revenue. Year 1 revenue is comprised of 1/4th of this amount plus the aforementioned $5,558,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 21-22	22-23	2021-22 EXPENDITURES	2022-23 EXPENDITURES
IT Business System Analyst	10.0	10.0	$565,576	$576,888
IT Supervisor	1.0	1.0	102,318	104,365
Labor Law Specialist	5.0	5.0	107,544	219,389
Field Representative	5.0	5.0	104,499	213,179
Adjudicator	25.0	100.0	452,166	3,689,674
Claims Specialist	5.0	25.0	79,019	805,994
Program Supervisor	5.0	5.0	128,495	262,129
Benefits Administrator	1.0	1.0	38,343	78,219
Accountant II	2.0	2.0	43,213	88,154
Accountant III	1.0	1.0	24,405	49,786
Attorney II	0.0	5.0		294,568
Attorney III	2.0	2.0	75,960	154,958
PFMLA Director	1.0	1.0	46,507	94,875
Public Information Officer	3.0	3.0	79,627	162,439
Staff Assistant I	3.0	4.0	47,418	128,976
Total Salaries	69.0	170.0	$1,895,090	$6,923,593
Benefits....................................			$663,281	$2,423,258
Operating....................................			13,594,616	17,507,093
Travel....................................			30,000	30,000
Capital outlay....................................			367,730	538,270
Aid....................................				
Capital improvements....................................				
TOTAL....................................			$16,550,717	$27,422,214

LB(1) 290 — FISCAL NOTE — 2021

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Michalski   Date Prepared 2-3-2021   Phone: (5) 471-6719

	FY 2021-2022 EXPENDITURES	FY 2021-2022 REVENUE	FY 2022-2023 EXPENDITURES	FY 2022-2023 REVENUE
GENERAL FUNDS			$1,917,444	
CASH FUNDS			$118,785	
FEDERAL FUNDS			$1,200,507	
OTHER FUNDS				
TOTAL FUNDS	$0	$0	$3,236,736	$0

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

Explanation of Estimate:

LB 290 is unclear as to whether or not the employee would remain in paid status during this leave. As written, the bill requires the Department of Health and Human Services (DHHS) to submit payments to the Department of Labor for that agency to make payments to the employee, similar to unemployment benefits. Since the payments are not coming directly from DHHS, it is unclear if the employee would remain in paid status. If the bill intends for this paid leave to equate to service or paid status, then the Agency would be required to contribute share of cost for insurance and retirement. Additionally, the employee's paid leave amount would be reduced by his or her share of cost for insurance and retirement.

If this bill were to pass, there may be times when DHHS is unable to absorb the work from the employee out on leave. In those instances, we may need to bring in a temporary employee to help cover essential job duties and functions. While we are unable to predict the exact fiscal impact, this would result in an increase in costs to the Agency.

DHHS is assuming an estimate of 1% of payroll for employees covered by Section 6 of the introduced bill, “Covered individual means an individual who is employed by a covered employer”, with an estimated implementation date of 01/01/2023. Fund mix based on analysis of PSL object codes for end of FY19.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS 21-22	NUMBER OF POSITIONS 22-23	2021-2022 EXPENDITURES	2022-2023 EXPENDITURES

	2021-2022	2022-2023
Benefits		
Operating		
Travel		
Capital Outlay		
Aid		
Capital Improvements		
TOTAL		$3,236,736

Please complete ALL (5) blanks in the first three lines. **2021**

LB(1) 290 **FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) Department of Administrative Services (DAS) – Director's Office & Enterprise

Prepared by: (3) Ann Martinez **Date Prepared:** (4) 01-14-2021 **Phone:** (5) 402-471-4135

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	**REVENUE**	**EXPENDITURES**	**REVENUE**
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
REVOLVING FUNDS			$63,662	$63,662 (1)
TOTAL FUNDS				$63,662

(1) See below for source of revenue.

Explanation of Estimate:

LB 290 creates a paid family and medical leave program for all employers subject to the Employment Security Law. The State of Nebraska is subject to that law.

LB 290 calls for contributions from the employer to fund the Paid Family Medical Leave Insurance Fund, which would be administered by the Department of Labor (DOL). The commissioner is to annually determine the contribution amounts needed to finance the total amount of the amounts payable for family and medical leave and administrative costs. The commissioner can increase the contributions any time during the year if the contribution amounts are not sufficient.

The contributions would come from the State, increasing payroll related costs. Beginning January 1, 2022, covered employers shall be required to remit contributions, thus there is an estimated six-month fiscal impact in FY21-22 and a full year in FY22-23. A covered individual may take paid family and medical leave beginning in January 1, 2023.

The bill requires that each employee be provided written notice of his or her rights under the Act at the time of hiring and annually thereafter. Notifications must also be made when an individual requests leave under the Act or when the employer acquires knowledge that an employee's leave may qualify for benefits under the Act. DAS would also be required to respond to requests from DOL for compensation data in each instance that an employed individual files a claim.

Under existing parameters DAS-Central Human Resources (HR) and DAS-Central Human Resources (HR)–Shared Services have enough resources to manage the existing FMLA eligible employees. However, due to the potential increase in employees taking FMLA leave, existing resources may not be enough to meet the increased compensation reporting requirements, notification requirements, and ongoing communication requirements with a greater number of employees. Currently FMLA hours taken by an employee are tracked manually. The new position would also need to work with DOL to track the hours/weeks of FMLA used under the new program. <u>A new FTE - Personnel Officer would be required to meet the potential increase in eligible DAS employees and employees in the DAS-Central HR-Shared Service program and the various requirements of the new program.</u>

This additional Personnel Officer would need to be on-boarded in the second quarter (October-December) of FY22-23 to provide the necessary notifications required, etc. as a covered individual may be eligible for paid family and medical leave beginning in January 1, 2023.

The estimated cost to DAS-Central HR/Central HR – Shared Services for this new FTE is $63,662 (9 months) in FY22-23. The first full program year would be in the next biennium. These costs include estimated FY22-23 salary and benefits (health insurance is based on the State's share of the highest cost family plan); and ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge and other supplies); which also includes $2,000 for materials and postage required to make the required written notifications to newly hired and existing employees and annual communication costs. There would also be a one-time cost of $1,500 in FY22-23 for set up costs and the purchase of new non-capitalized equipment (monitor, furniture, etc.)

These additional costs would result in the need for additional revolving fund appropriation and an increase in the already set Director's Office – Central HR Assessment to the Divisions of DAS in FY22-23 and beyond. There would also be increased costs passed on to those agencies participating in the Central HR - Shared Services model.

Any increases to a DAS internal assessment can impact the enterprise due to possible increases in rates charged to other agencies for DAS goods and services.

Future costs would be impacted by higher salary and health insurance costs, as well as increases in operational costs – rent/depreciation surcharge, OCIO expenses, etc.

The bill states the contributions required would not exceed one (1) percent of the gross wages paid to covered individuals by a covered employer. The State in FY19-20 (the most recently completed fiscal year) excluding the University and State Colleges paid more than $878 million in wages. Assuming no increases in salary expenses and a maximum of 1%, the State's contributions could be $4,390,752 in FY21-22 (January-June 2022) and $8,781,505 in FY22-23.

This would require an increase in General, cash, federal and revolving fund appropriation in FY21-22 and FY22-23. There would also be a financial impact to those programs using trust funds to pay wages.

The table below summarizes the estimated impact by fund type of any payroll/benefit increase. The allocation by fund type below is based on an average of Salary expenditures over a four-year period (2017-2020).

Fund Type	Enterprise Expenditures – FY21-22	Enterprise Expenditures – FY22-23
General Fund	$2,328,170	$4,656,341
Cash Fund	$1,076,907	$2,153,813
Federal Fund	$747,772	$1,495,543
Trust Fund	$2,407	$4,815
Revolving Fund	$235,496	$470,992
Total	**$4,390,752**	**$8,781,505**

DAS State Accounting would be required to develop a new leave code in EnterpriseOne/JDE Edwards to track this new leave type across the Enterprise.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 21-22	NUMBER OF POSITIONS 22-23	2021-22 EXPENDITURES	2022-23 EXPENDITURES
DAS Personnel Officer		1		$29,854
(October-June)				
Benefits…………………………………...……				$25,564
Operating…………………………...……….				$8,244
Travel………………………………………..				
Capital outlay…………………...…………..				
Aid…………………………………………...				
Capital improvements……………………...				
TOTAL……………………………….....				$63,662

Please complete ALL (5) blanks in the first three lines. **2021**

LB(1) 290 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Secretary of State

Prepared by: (3) Joan Arnold **Date Prepared: (4)** 1/19/2021 **Phone: (5)** 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	$4,708		$9,605	
CASH FUNDS	$7,470		$15,239	
FEDERAL FUNDS	$207		$423	
OTHER FUNDS	$1,041		$2,124	
TOTAL FUNDS	$13,427		$27,391	

Explanation of Estimate:

LB290 will impact the Secretary of State's office in two ways. First, our office will be involved in the process for the promulgation of Rules and Regulations related to the Paid Family and Medical Leave Insurance Act. We anticipate that we could manage these duties within our existing resources. Second, our office would be included among all other state agencies required to contribute up to 1% of gross wages. The expenditures above represent fiscal year 2021-22 (half year) contributions, as well as the fiscal year 2022-23 (full year) contributions. The amounts were based on fiscal year 2019-20 actual salaries increased by 2% each year to represent cost of living adjustments.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 21-22	NUMBER OF POSITIONS 22-23	2021-22 EXPENDITURES	2022-23 EXPENDITURES
Benefits			$13,427	$27,391
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			$13,427	$27,391

Please complete **ALL** (5) blanks in the first three lines. **2021**

LB(1) 290 **FISCAL NOTE**

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

Prepared by: (3) Michael Justus Date Prepared: (4) Phone: (5) 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	4,388,000		8,919,850	
CASH FUNDS				
FEDERAL FUNDS	306,000		612,000	
OTHER FUNDS	2,330,000		4,661,000	
TOTAL FUNDS	7,024,000		14,192,850	

Explanation of Estimate:

The bill establishes the Paid Family and Medical Leave Insurance Act. The University anticipates two additional HR staff to track the employee eligibility, coordinate pay plans (including leave without pay), provide information on wages to the State, establish and maintain designee records, and to track/coordinate the FLSA (rolling calendar) leave records and to coordinate with the campus departments/colleges. The operating date of the law is January 1, 2023. The HR staff would be for 6 months of the second fiscal year on this note.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 21-22	22-23	2021-22 EXPENDITURES	2022-23 EXPENDITURES
HR Coordinator @ $65,000/yr.6 mon.		1.0		65,000
Benefits			7,024,000	14,067,850
Operating				
Travel				
Capital outlay				60,000
Aid				
Capital improvements				
TOTAL			7,000,000	14,192,850