

Updated to reflect all amendments adopted to date.

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$1,249,878		\$1,249,878	
TOTAL FUNDS	\$1,249,878		\$1,249,878	

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

LB 298 changes provisions of the Employment Security Law.

Section 1 amends section 4-109 to specify that public benefits does not include unemployment benefits provided to the Employment Security Law.

Section 2 stipulates that an individual who qualifies for benefits under 48-625.07(1) shall have his or her employment authorization document verified through the Systematic Alien Verification for Entitlements Program operated by the United States Department of Homeland Security or an equivalent program designated by the United States Department of Homeland Security.

Utilizing 2020 data, the Department of Labor (DOL) identified 316 individuals who were denied unemployment due to citizenship status. Using 300 cases, average payout, and average claim duration, DOL estimates \$1,249,878 in unemployment claims would have been paid in 2020 if the provisions of LB298 were in effect. While DOL believes the number of potential cases is more, they are providing a conservative estimate of payouts for future years.

There is no basis to disagree with DOL's estimates. The source of funds is from Trust Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 298	AM: 251	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Neil Sullivan		DATE: 5/20/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Labor assessment of fiscal impact from LB 298 as amended by AM 251 appears reasonable.			

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

2021

LB⁽¹⁾ 298, AM251

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 5-19-2021 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
TRUST FUNDS	<u>\$1,249,878</u>	_____	<u>\$1,249,878</u>	_____
TOTAL FUNDS	<u><u>\$1,249,878</u></u>	_____	<u><u>\$1,249,878</u></u>	_____

Explanation of Estimate: As proposed, LB 298 expands unemployment insurance benefit eligibility to individuals employed through a work authorization under the Deferred Action for Childhood Arrivals (DACA) program.

In 2020, 316 individuals were denied unemployment insurance benefits because of citizenship status. This number includes more individuals than those authorized to work under DACA. The Nebraska Department of Labor believes additional individuals in Nebraska under DACA may not have applied for unemployment insurance benefits because they knew they would not be eligible. Because the number is unknown, NDOL is estimating an additional 300 people would have received benefits each year going forward. The average weekly benefit amount for 2020 was \$297.59 and the average claim duration was approximately 14 weeks. The Nebraska Department of Labor anticipates it will pay out \$1,249,878 more ($\$297.59 * 14 * 300$) in unemployment insurance benefits each year. NDOL would need to implement business process changes, but does not anticipate any technology costs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____