

PREPARED BY: Scott Danigole  
 DATE PREPARED: January 23, 2014  
 PHONE: 471-0055

**LB 837**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	34,794	34,794	32,989	32,989
<b>TOTAL FUNDS</b>	<b>34,794</b>	<b>34,794</b>	<b>32,989</b>	<b>32,989</b>

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

LB 837 requires agencies with fewer than 7.0 FTE to have preaudits conducted by the accounting bureau or by a state agency authorized by the Director of Administrative Services.

The Department of Administrative Services estimates the need for 0.5 FTE to perform this function. This estimate appears to be reasonable. The costs would be paid with Revolving Funds at DAS. Agencies included under the bill's provisions would pay DAS for this service.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 837	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services	
REVIEWED BY: Gary Bush		DATE: January 23, 2014	PHONE: 471-4161
COMMENTS: No basis to disagree with the agency's estimate of impact.			

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

**2014**

**LB<sup>(1)</sup> 837**

**FISCAL  
NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Administrative Services / State Accounting

Prepared by: <sup>(3)</sup> Hari Kadavath Date Prepared: <sup>(4)</sup> 1/15/2014 Phone: <sup>(5)</sup> 402-471-0600  
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**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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	<u>34,794</u>	<u>34,794</u>	<u>32,989</u>	<u>32,989</u>
<b>TOTAL FUNDS</b>	<u><u>34,794</u></u>	<u><u>34,794</u></u>	<u><u>32,989</u></u>	<u><u>32,989</u></u>

**Explanation of Estimate:**

LB 837 requires State Accounting to perform pre-audit processes for all agencies with fewer than seven employees that do not have a pre-audit arrangement with another agency. At least nine agencies have fewer than seven employees that do not have a pre-audit arrangement with another agency that are not currently supported by State Accounting. (Agency # 36 – Racing Commission, 45 – Board of Barber Examiners, 53 – Real Property Appraiser Bd., 63 – NE St Bd. of Public Accountancy, 66 – Abstractors Examiner Bd., 68 – Latino American Council, 74 – Power Review Bd., 76 – Indian Affairs Commission, and 77 – Industrial Relations Commission.) Current law requires State Accounting to conduct preaudits, but also grants DAS the authority to delegate pre-audit functions. Currently State Accounting delegates pre-audit functions to the respective State agency. This bill would require State Accounting personnel to pre-audit, approve, and post all expenditures for the above State agencies that have fewer than seven employees. These duties will be performed by a half time (.50 FTE / 1,040 hours) Accountant I. For the purposes of this fiscal note it is assumed that these duties will take approximately 735 hrs./yr. to post all expenditures, 153 hrs./yr. for revenue receipts and 152 hrs./yr. for payroll activity for these agencies.

Performing these duties requires an additional .50 position, Accountant I, to be added to State Accounting’s – Internal Control work unit. In addition to the work load this position helps assure that duties are adequately segregated as approve and post activities should not be performed by the same individual. Agency personnel will be requested to enter and classify all expenditure and revenue transactions.

The estimated cost for this .50 FTE is \$34,794 for FY14-15 and \$32,989 for FY15-16. These costs include salary and benefits (health insurance is budgeted using the State’s current share of the highest cost family plan); and ongoing annual operating costs (communication/data processing, printing/publication and supplies). There would also be a onetime cost in FY14-15 for the purchase of new equipment and set up costs of \$2,500.

These additional costs would result in the need for additional revolving appropriation and an increased Accounting Assessment to State Agencies.

The table below summarizes the impact by fund type of the increased statewide Accounting Assessment. The allocation by fund type is based on total FY12-13 operational expenditures.

	FY2014-15	FY2015-16
	Expenditures	Expenditures
General Funds	11,007	10,436
Cash Funds	12,220	11,586
Federal Funds	5,603	5,312
Revolving Funds	5,964	5,655
<b>Total Funds</b>	<b>34,794</b>	<b>32,989</b>

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

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**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>
Accountant I	.50	.50	17,134	17,562
Benefits.....			13,584	13,851
Operating.....			1,576	1,576
Travel.....				
Capital outlay.....			2,500	
Aid.....				
Capital improvements.....				
TOTAL.....			34,794	32,989