

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 573 relates to the Intergovernmental Risk Management Act. The bill changes provisions pertaining to the means of establishing a governing authority for a risk management pool. It also changes required provisions relating to the financial and management plans of risk management pools.

The Department of Insurance indicates changes made by the bill for risk management pools will be regulated by the department, but no increase in staff or resources will be needed to handle these responsibilities.

The bill requires a risk management pool to choose its board of directors in an election voted in by the member public agencies. Such election is not subject to the Election Act. The election of the directors is to be conducted on terms and in a manner approved by the Secretary of State prior to the commencement of operations by a pool.

The Secretary of State estimates there may be six entities establishing new election protocols pursuant to the bill. The agency indicates it would likely have one-time expenses of up to \$15,000 general funds to hire consultants to work with these entities to establish election procedures. If outside expertise is needed to implement the bill, then additional general funds will be necessary to contract for assistance. However, the actual fiscal impact may be less than estimated if the number of entities is smaller than projected and/or if the election protocol is established by the risk management pools and merely approved by the Secretary of State.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 573	AM:	AGENCY/POLT. SUB: Secretary of State
REVIEWED BY: Neil Sullivan	DATE: 2/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Secretary of State assessment of fiscal impact from LB 573.		

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

2019

LB⁽¹⁾ 573

FISCAL NOTE

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

Prepared by: ⁽³⁾ Matt Holman Date Prepared: ⁽⁴⁾ 3/13/19 Phone: ⁽⁵⁾ 402-471-4503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 573 amends the Intergovernmental Risk Management Act. While the bill does make some changes as to how intergovernmental risk pools are regulated by the Department, the Department does not expect any increase in revenue or expenditures. Any changes will be managed by existing staff and resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2019

LB⁽¹⁾ 573 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Secretary of State's Office

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 2/19/2019 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$15,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$15,000</u>			

Explanation of Estimate:

LB 573 requires our office to approve specific election protocol created by the board of directors. These elections are not subject to the Elections Act and are thus outside the current expertise of this office. The options for manner and method seem unlimited, and the provisions needed could be equally vast (e.g., how the election is conducted; candidate qualifications; eligible voter provisions; vacancy provisions; recall provisions). A consultant could help bridge the gaps in expertise relating to elections conducted outside of the Elections Act (e.g., experience with nonprofit board of director elections). Our estimate would be six entities establishing new election protocols with approximately ten hours of consultant work per protocol at a rate of \$250 per hour, or \$15,000. We expect that this would be a one-time expense as presumably, once protocols have been established and approved, changes going forward would be very minor and the role of this office would be more ministerial in nature.

Removing the requirement that the election protocols are approved by the Secretary of State and simply having the election protocols filed with the Secretary of State would eliminate the fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$15,000	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$15,000</u>	