

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,438,216		\$992,228	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,438,216		\$992,228	

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

LB 1077 requires each governmental entity to ensure that any mandatory staff training provided by an employee or contractor does not teach, advocate, encourage, promote, or act upon race or sex scapegoating, race stereotyping, specific defined concepts, or prejudice toward others on the basis of any protected characteristics.

Section 1 provides definitions for the Act.

Section 2 requires governmental entities to prohibit its employees from discriminating against other employees on the basis of any protected characteristic. The Attorney General may bring a civil action to enjoin compliance with this section.

Section 3 extends the provisions of Section 2 to each public postsecondary institution.

Section 4 extends the same provisions to each public school.

The Attorney General estimates no fiscal impact.

The State College System identifies the potential cost of LB 1077 would equal the level of funding withheld under the bill's provisions. Once the oversight agency deemed the violation resolved, funding would be restored. No dollar impact is identified.

The Department of Education estimates the need for two additional FTE: a Legal Counsel, and a Program Specialist II. Additional staffing would be needed to address potential violations. There is no basis to disagree with this estimate.

The University of Nebraska System notes that prohibition of certain content from training and educational activities could put each campus in violation of accreditation at the institutional and program levels. A core component of the Higher Learning Commission accreditation requires that the "institution is committed to academic freedom and freedom of expression in the pursuit of truth in teaching and learning." The potential loss due to this cannot be determined. This concern may be mitigated due to Section 3 (5) of LB 1077 which describes the context of information and ideals that are NOT construed to be violations. These include things such as undermining "a public postsecondary institution's duty to protect intellectual freedom and free expression to the fullest degree."

The University System estimates the need for five additional FTE to address compliance with LB 1077's provisions. In addition, \$450,000 in the first year of enactment is estimated for one-time training costs. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1077	AM:	AGENCY/POLT. SUB: Attorney General	
REVIEWED BY:	Gary Bush	DATE:	1/24/22	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1077	AM:	AGENCY/POLT. SUB: Nebraska State College System
REVIEWED BY:	Gary Bush	DATE:	1/31/22 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1077	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY:	Gary Bush	DATE:	2/14/22 PHONE: (402) 471-4161
COMMENTS: The need for a program specialist in addition to a legal counsel was not clearly articulated and I disagree that both positions would be needed.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1077	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY:	Gary Bush	DATE:	2/1/22 PHONE: (402) 471-4161
COMMENTS: Disagree with University that additional positions would be required to implement the provisions of the bill.			

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

2022

LB⁽¹⁾ 1077

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Josh Shasserre Date Prepared: ⁽⁴⁾ 1-19-22 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2022

LB⁽¹⁾ 1077

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System

Prepared by: ⁽³⁾ Monte R. Kramer Date Prepared: ⁽⁴⁾ 1-20-22 Phone: ⁽⁵⁾ 402-471-2507

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

The potential fiscal impact in the event it was determined any postsecondary institution was in violation of LB1077 would equal the level of funding to be withheld under the terms of the bill. Once the oversight agency deemed the violation was resolved the funding would be restored. If this were to happen at the end of a biennium, the funds could be permanently lost.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2022

LB⁽¹⁾ 1077

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 2.9.22 Phone: ⁽⁵⁾ 4024193012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$213,216		\$217,228	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$213,216</u>		<u>\$217,228</u>	

Explanation of Estimate:

Fiscal implications are incurred if schools violate provisions within the bill. Enforcement and penalties in the K-12 public schools are dictated by the State Department of Education which may withhold funds. In order to properly investigate and determine violations, the NDE would require an additional legal counsel position and program specialist.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Legal Counsel II	1	1	\$63,749	\$65,024
Program Specialist II	1	1	\$53,019	\$53,019
Benefits.....			\$73,332	\$76,259
Operating.....			\$11,086	\$10,536
Travel.....			\$12,030	\$12,390
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$213,216</u>	<u>\$217,228</u>

LB ⁽¹⁾ 1077 Prohibit public schools, public postsecondary institutions, and governmental entities from training or teaching certain concepts relating to race

FISCAL NOTE

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

Prepared by:⁽³⁾ Chris Kabourek Date Prepared:⁽⁴⁾ 01/31/2022 Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	1,225,000.00	0.00	775,000.00	0.00
CASH FUNDS	0.00	0.00	0.00	0.00
FEDERAL FUNDS	0.00	0.00	0.00	0.00
OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL FUNDS	1,225,000.00	0.00	775,000.00	0.00

Explanation of Estimate:

LB1077 prohibits certain content related to race, sex, and other protected classes. The prohibition of certain content from training and educational activities could put each of our four University of Nebraska campuses in violation of accreditation at the institutional and program levels, fundamentally restricting our operation. The Higher Learning Commission accreditation core component requires that the "institution is committed to academic freedom and freedom of expression in the pursuit of truth in teaching and learning." Financial impacts of this are not able to be estimated because continued operation could be jeopardized.

Moreover, if LB1077 were to pass and our institution was found to be in violation, the State Treasurer would be required to withhold state funds from the University of Nebraska until the board or commission is satisfied that the University is no longer in violation of this section. Based on the broad scope of this language and the undetermined amounts that could be withheld, we cannot estimate the fiscal impact of this portion of the bill.

The prohibition on placing interns and other experiential learning students with organizations that are involved in policy advocacy could require re-development of academic programs across our campuses, especially as most of our campuses have some sort of experiential learning requirement.

Assuming that we are able to continue operation under the statute, we anticipate additional resources would need to be added to our compliance and legal teams to perform compliance audits of all student and employee training, and possibly academic programs. In addition it is estimated additional one-time training and course redevelopment costs would be required during the first-year of implementation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Compliance Officers	4	4	380,000.00	380,000.00
Compliance Attorney	1	1	120,000.00	120,000.00
Benefits.....			140,000.00	140,000.00
Operating.....			585,000.00	135,000.00
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			1,225,000.00	775,000.00