



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0329.03: Require employers to use e-verify for employment eligibility

Primary Sponsor: Forrest Mandeville Status: As Amended in House Committee

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$1,226,048	\$1,192,784	\$1,210,676	\$1,228,836
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$1,226,048)</u>	<u>(\$1,192,784)</u>	<u>(\$1,210,676)</u>	<u>(\$1,228,836)</u>
General Fund Balance				

Description of fiscal impact

SB 329 will require employers to E-Verify new employees. There is a fiscal impact to the Department of Justice to implement the requirements of this proposed legislation.

FISCAL ANALYSIS

Assumptions

Department of Administration

1. The Department of Administration (DOA) can implement E-Verify without additional cost. The department can cover the initial setup and coordination of training for agencies as well as the ongoing oversight. However, this will be a manual E-Verify process outside of the department's current SABHRS onboarding process.
2. While not necessary to implement the bill, there will be a cost if the department integrated E-Verify into SABHRS for a more efficient automated process. Based on DOA's experience with integrations, a rough estimate for implementation and storage is approximately \$30,000.

Department of Justice

3. The Department of Justice (DOJ) currently uses E-Verify for employment eligibility, so there is no fiscal impact to the department to implement this section of the bill.
4. Section 5 states that the Attorney General will investigate any alleged violations. The department is unable to estimate the number of violations that would be reported at this time, but anticipates it may be significant.
5. SB 329 also states that the Attorney General will bring action against an employer who does not comply with the order to pay the fine or appeal the assessment. Currently, DOJ does not have an attorney that will be able to cover these cases, so it is assumed that outside counsel will be needed. DOJ assumes \$400,000 will be needed in FY 2026 and FY 2027 to cover any legal costs that may arise as a result of SB 329.
6. If the amount in assumption 5 is not sufficient, the department will seek a supplemental appropriation from the 2027 Legislature.

7. The Attorney General, in consultation with the Department of Labor and Industry will maintain a list of employers assessed fines.
8. Section 9 grants the right of entry to the Attorney General's inspectors, agents, or designees. As such, there is a possibility that the Department of Justice investigators may be called upon to address violations. Not knowing how many complaints may be filed, the Department of Criminal Investigations conservatively estimates the need for two additional criminal investigators. The costs for two FTE are as follows:
 - a. Personnel Costs for 4.00 FTE: Annual salary and benefits of \$386,800 for FY 2026 and FY 2027.
 - b. Operating Costs: \$149,020 for FY 2026 and \$131,516 for FY 2027. This amount includes costs for office and computer set up, travel, training, rent, phone costs, and IT fixed costs.
 - c. An inflationary increase of 1.5% is added to FY 2028 and FY 2029.
9. Costs to the Centralized Services Division include:
 - a. 5.00 FTE HR Specialists: Annual salary and benefits of \$438,010 for FY 2026 and FY 2027.
 - b. Operating Costs: \$52,218 in FY 2026 and \$36,458 in FY 2027/
 - c. An inflationary increase of 1.5% is added to FY 2028 and FY 2029.

Department of Labor and Industry

10. The Department of Labor and Industry (DLI) will work in consultation with the Attorney General (AG) to keep a list of fined employers because of SB 329 requirements. The statute puts the onus on the AG, and DLI will not assume any costs associated with SB 329. DLI will not have a fiscal impact.

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
FTE	9.00	9.00	9.00	9.00
TOTAL Fiscal Impact	9.00	9.00	9.00	9.00
<u>Expenditures</u>				
Personal Services	\$824,810	\$824,810	\$837,182	\$849,740
Operating Expenses	\$401,238	\$367,974	\$373,494	\$379,096
TOTAL Expenditures	\$1,226,048	\$1,192,784	\$1,210,676	\$1,228,836
<u>Funding of Expenditures</u>				
General Fund (01)	\$1,226,048	\$1,192,784	\$1,210,676	\$1,228,836
TOTAL Funding of Expenditures	\$1,226,048	\$1,192,784	\$1,210,676	\$1,228,836
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$1,226,048)	(\$1,192,784)	(\$1,210,676)	(\$1,228,836)

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

4/9



Budget Director's Initials

4/9/2025

Date