

PREPARED BY: Kenneth Boggs
 DATE PREPARED: January 30, 2024
 PHONE: 402-471-0050

LB 919

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
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.

LB919 aims to demolish the Nebraska State Penitentiary, which is to be executed within twelve months after the new multi-custody-level correctional facility is completed.

The construction of the new facility will not be completed in the next two fiscal years, there will be no fiscal impact during that time for the Nebraska Department of Correctional Services (NDCS).

NDCS estimates that the demolition cost for the approximately 482,000 square foot facility will be \$45 million, with additional inflationary adjustments expected until the new facility is completed and demolition begins. This estimate is based on the quickest possible demolition method, acknowledging that the process cannot be completed within a twelve-month timeframe.

The demolition of the facility involves several complex factors that could increase both cost and time. These factors include the need to mitigate asbestos in older parts of the building, the presence of an old cemetery on the site, and the requirement to remove the chapel from the historic building registry. Additionally, an existing energy lease agreement and a city sewer main running through the site present further challenges, requiring careful planning to avoid disrupting utilities. These special circumstances contribute to the complexity and expense of the demolition process.

The agency states that the provided demolition cost estimate does not include the demolition of the Cornhusker State Industries Administration Building or the Central Warehouse. Although these buildings are located on the same campus, they are situated on separate, distinct properties.

There is no basis to disagree with the agency estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 919	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services (046)
REVIEWED BY: Joe Wilcox	DATE: 01/30/2024	PHONE: (402) 471-4178
COMMENTS: While the costs identified in the fiscal note are substantial, there is no basis to disagree with the Nebraska Department of Correctional Services (NDCS) estimate of potential Fiscal Impact to the Agency from LB 919.		

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

2024

LB⁽¹⁾ 919

FISCAL NOTE

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

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/11/2014 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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 919 would require demolition of the Nebraska State Penitentiary within twelve months after the completion of construction of a new multi-custody-level correctional facility.

Since construction of the new facility will not be completed in the next two fiscal years, there will be no fiscal impact during that time.

The department estimates the cost to demolish the approximately 482,000 square foot facility to be \$45 million plus inflationary adjustments between now and such time as the new facility is completed and demolition can begin. Demolition of the facility cannot be completed in a twelve-month period, so this estimate assumes the most expeditious manner possible.

Special circumstances regarding the facility that would increase cost and time for demolition include:

- There is asbestos in the older parts of the facility that would need to be found and mitigated prior to demolition;
- An old cemetery is located on the site;
- The chapel would need to be removed from the historic building registry prior to demolition;
- There is an existing energy lease agreement which would be impacted by demolition of the site; and
- There is a city sewer main going through the site which would need planning to avoid damaging or disrupting utilities.

This estimate does not include demolition of the Cornhusker State Industries Administration Building or the Central Warehouse because while they are housed on the same campus these buildings are on separate, distinct pieces of property.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____

Capital improvements.....

TOTAL.....
