

# Government, Military and Veterans Affairs Committee

## Legislative Resolution 582 Interim Study Report

### Examination of Unfunded and Underfunded Mandates to Counties and their Impact on Property Taxes

Committee Members:  
Senator Bill Avery, Chair  
Senator John Murante, Vice-Chair  
Senator Dave Bloomfield  
Senator Tommy Garrett  
Senator Russ Karpisek  
Senator Scott Lautenbaugh  
Senator Jim Scheer  
Senator Norm Wallman

Senator Sue Crawford, Introducer

December 2014

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## Legislative Resolution 582

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Introduced by Crawford

**PURPOSE:** In 1996 the Legislature passed LB299 which created the Task Force on Unfunded Mandates. The task force was to identify and review all programs and services enacted by the Legislature which resulted or may result in an increase in expenditures of funds by the political subdivisions assigned to perform or provide the programs and services.

The purpose of this resolution is to review the work of the 1996 task force and study the impact of unfunded and underfunded mandates on counties and county governments. This study should include, but not be limited to, an examination of the following issues:

1. Identification of any and all acts by the Legislature which impose current unfunded or underfunded mandated obligations on counties;
2. The reduction in funds available for use by counties as a result of unfunded or underfunded mandates;
3. Any corresponding increase in property taxes by counties to meet the requirements of unfunded or underfunded mandates;
4. Identification of mandated but unfunded or underfunded programs or services which could be changed, eliminated, or repealed; and
5. The impact on county finances of fees set by the state and whether such fees are appropriate.

The study committee shall seek input and any recommendations or proposals from interested individuals, groups, or other entities as the committee deems necessary or appropriate.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, SECOND SESSION:**

1. That the Government, Military and Veterans Affairs Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.

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## Executive Summary

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Senator Sue Crawford introduced LR 582 to examine unfunded and underfunded mandates to Nebraska counties and their impact on property tax rates. The study also looked at the impact of fees, which are set by the state, on county finances and whether such fees were appropriate and adequate.

Research regarding the interim study began with the assistance of Committee legal counsel Christy Abraham, who reviewed statutes and identified responsibilities and tasks that the state assigns to counties. These responsibilities served as a starting place for a series of conference calls held with county officials across the state regarding unfunded and underfunded mandates. These three calls were held with the assistance of the Nebraska Association of County Officials in July 2014. To facilitate discussion, county officials were grouped by title and job responsibilities.

The first conference call, which took place on Tuesday, July 22, 2014, included County Veteran Service Officers, County Clerks, Election Commissioners, Transportation Directors, County Emergency Managers, County Planning and Zoning, County Assessors, and County Treasurers. Other participants included representatives of the Nebraska Association of Transportation Providers and the Nebraska Weed Control Association. The second conference call, which also took place on Tuesday, July 22, 2014, included Health Directors, County Sheriffs, Clerks of the District Court, County Engineers, and County Attorneys. The third and final conference call was held on Wednesday, July 23, 2014. This call included county commissioners from the following ten counties: Banner, Buffalo, Douglas, Hayes, Johnson, Lancaster, Madison, Sarpy, and Sheridan.

A summary of the minutes from these calls can be found in Appendix A. The calls focused on three key questions:

- 1) Which mandates—either unfunded or underfunded—are most burdensome to you as a county official?
- 2) Do you have any suggestions on how to tackle these unfunded or underfunded mandates?
- 3) What is the connection between these unfunded mandates and property taxes?

The discussion from the calls resulted in a listed of possible action items to address unfunded and underfunded mandates and state determined fees.

As part of the interim study, committee legal counsel and the introducing senator's staff met with Legislative Fiscal Office to discuss the fiscal note process as it relates to fiscal impacts of bills on county governments. This meeting confirmed county officials are already able to submit fiscal notes on bills that will have a budgetary impact on counties and that estimates of the fiscal impact of legislation on counties, including unfunded mandates, needs to be driven by counties themselves.

In October 2014, the Government, Military and Veterans Affairs Committee held two public hearings on LR 582, one in Lincoln on Friday, October 24 and the other in South Sioux City on Wednesday, October 29. Invited testimony for the October 24 hearing included commissioners from Douglas, Madison, Lancaster, Lincoln, and Sarpy counties, as well as Election Commissioners from Lancaster and Sarpy Counties, Hall County Attorney, Dodge County Sheriff, and Sarpy County Treasurer. Renee Fry, Executive Director of Open Sky Policy Institute, also testified at the October 24 hearing.

At the October 29 hearing, Senator Crawford invited Cedar County Clerk of the District Court Janet Wiechelman as well as former state senators and now county commissioners Bob Giese and Matt Conneally to testify. Janet provided a summary of filing fees and court costs claimed to counties. More information on this topic is located in Appendix E. Beth Bazyn Ferrell, Legal Counsel for the Nebraska Association of County Officials presented data and testimony at both hearings. Copies of the hearing transcripts are available online.

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## Possible State Action Items

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As a result of the conference calls and public hearings held regarding LR 582, the following list of possible state action items related to unfunded and underfunded mandates and fees were identified. This list should not be considered exhaustive. Some of the mandates addressed impact some counties more than others. These mandates also appear in no particular order.

**Restore .5% monthly commission to counties for motor vehicle sales tax collection for all motor vehicle sales tax collections over \$3,000.** Prior to October 1, 2002, counties received a 2.5% commission on the first \$3000 of motor vehicle sales taxes collected in the county during the previous month, as well as a .5% commission on tax collections over \$3000. This .5% commission was eliminated as part of a larger budget package during the state budget crisis that year.

**Compensate counties for printing of ballots/ballot space for elections to statewide office, constitutional amendments and referendums. Compensate counties to verify signatures for ballot initiatives.** Current state law requires counties to conduct elections at all levels of government. It also allows counties to prorate the costs of elections and bill some of these costs to governmental subdivisions. In 2010, Lancaster County was able to recoup approximately  $\frac{1}{3}$  of its costs of the election from political subdivisions based on a formula that includes ballot space and number of precincts.<sup>i</sup> There is no provision to allow counties to bill the state for constitutional amendments, judicial retention or ballot initiatives. In Sarpy County, state and federal races, for which there is no reimbursement method, cost the county \$54,000 during the 2014 election. This represented 62% of the Sarpy County Election Commissioner's costs for that election cycle.<sup>ii</sup>

**Require Department of Health and Human Services (DHHS), Probation and other state offices to pay for their own office space and maintenance costs.** Section 68-130 of Nebraska Revised Statute states "Counties shall maintain, at no additional cost to the Department of Health and Human Services, office and service facilities used for the administration of the public assistance programs as such facilities existed on April 1, 1983." Legislation passed in 2011 also provides a method for counties to request a review by DHHS to determine if the department is able to reduce or eliminate office and service facilities within the county. Sarpy County recently sent a letter to Kerry Winterer, CEO of the Department, requesting such a review. A copy of the letter and the Department's response can be found in Appendix C. The net value of the space provided to DHHS in Sarpy County is approximately \$1.3 million. Housing DHHS employees in county courthouses also limits the amount of space available for services directly supporting court functions, such as probation officers. This year, Hall County appropriated \$600,000 to purchase an office building to house all Hall County probation officers.<sup>iii</sup>

**Compensate counties for costs associated with housing state prisoners in county jail facilities, including pre-trial detention for defendants who are later convicted of state crimes.**

In 1998, the Nebraska Legislature passed LB 695 as a property tax relief measure. The legislation created the county jail reimbursement fund and appropriated \$6.9 million to reimburse counties for expenditures they incurred while housing state prisoners and defendants who were charged and later found guilty of a state crime. LB 695 also set the reimbursement rate at \$35 a day. At the time, the cost to counties for housing these individuals ranged between \$50-100 per day. Today, these costs would range anywhere from \$90 to \$140 a day. In 2001, the county jail reimbursement fund was fully funded; however, during the 2002 budget special session, this fund was reduced to \$3.9 million in funding each year. County jail reimbursement through this fund ended entirely in 2011. In Sarpy County, this loss of jail reimbursement means a loss of approximately \$200,000 a year. However, because the original jail reimbursement model did not cover the real cost of housing these inmates, the actual loss to the county is in the \$800,000 range.

**Allow counties to waive requirement to pay for filing fees if the judge waives fees for defendant.**

Counties experience a shortfall when defendants fail to pay filing fees in criminal cases. If the defendant is sentenced, the judge can order the defendant to pay fees as part of his or her sentence. If the defendant is unable to pay or refuses to pay the fees, he or she can sit it out in jail, with an approximate cost to the county of \$90-110 a day. However, in situations where judges waive court-related fees, counties are still on the hook for other fees. For juvenile, traffic, and criminal court fees, costs claimed to counties amount to \$17.00 per case. For felony cases, costs claimed to counties amount to \$35.00 per case.

**Require that county courts cannot charge counties for certified copies of convictions.**

Currently, a county court charges a county attorney's office for certified copies of convictions despite the fact that counties currently provide office space, security personnel, and office supplies for county courts.

**Compensate counties for costs related to providing guardians ad litem for state wards.**

By law, counties are required to pay for guardians ad litem for state wards. In Douglas County, the costs to provide this service are over \$1 million a year.<sup>iv</sup> In Lincoln County, costs for guardians ad litem in 3A cases increased to \$74,000 this year.<sup>v</sup>

**Broaden the definition of what qualifies for continuing education requirements for child abuse training so county attorneys can attend these courses in their own community, cutting down on travel time and other travel expenses.**

**Clarify who pays for the maintenance of and compliance with the sex offender registry.**

Under the Sex Offender Registration Act, county sheriffs are required to register sex offenders. Because sex offenders are released from state custody from the Lincoln Regional

Center, a large proportion of them chose to remain in Lancaster County after release rather than return home to their original community. As a result, the Lancaster County Sheriff must devote a deputy solely to register and update the sex offender registry.<sup>vi</sup> In the past four years, the Lancaster County Sheriff's office has seen a 33% increase in the number of registrants.<sup>vii</sup>

**Appropriate money to counties to cover the cost of supervision and transportation of juvenile offenders by law enforcement.** LB 464 (2014) clarified that Probation is responsible for transportation costs of juveniles post adjudication. In rural communities, sheriff deputies must transport juveniles several hours to receive services pre-adjudication. In Lincoln County for example, it is not uncommon for deputies to take juveniles to Gering for services, which is 8 hours round trip. Transportation for the juvenile can run as high as \$600.<sup>viii</sup>

**Require the state of Nebraska, rather than the county, to pay for costs associated with an autopsy and grand jury if a prisoner dies in state custody.** Nebraska statute requires an autopsy and grand jury hearing for anyone who dies in state custody, including state prisoners who die in state correctional facilities in Tecumseh, McCook, Lincoln or York. Since 2002, these costs amounted to \$150,859.97 in Johnson County.

**Clarify who pays for all of the court-appointed attorneys in a case.** One suggestion raised during the conference calls was to allow counties to pay for custodial parent and child named in the case while the state of Nebraska covers the cost of other court-appointed attorneys for non-custodial parents/grandparents/other siblings.

**Increase amount retained by counties for documentary stamp collection.** The documentary stamp tax rate is currently \$2.25 per each \$1,000 of value. County Registers of Deeds collect this tax and retain 50 cents from each \$2.25 collected. The remaining \$1.75 is credited to the Homeless Shelter Assistance Trust Fund (\$1.75), the Affordable Housing Trust Fund (\$1.20) and the Behavioral Health Services Fund (30 cents).

**Raise sheriff's fees and index these fees to inflation to better cover costs to counties to provide services.** Most civil process fees have not changed since 1981. These fees include handgun purchase permits or serving a search warrant, subpoena, or summons. The cost for a handgun purchase permit, currently set at \$5, has not increased since its establishment in 1991. The number of handgun permits, particularly in the last 6 years, have increased, however. In Lancaster County, this number has increased over 108% since 2010.<sup>ix</sup>

**Increase user fees such as marriage licenses, permits and registrations and index these fees for inflation. Allow counties to charge the same amount as the state for a certified copy of a marriage license.** Many of these fees have not been increased for over 20 years. Marriage fees, for example, were last raised in 1995. As a result, these services cost counties more to perform than counties can currently bill for the services. In Lancaster County,

the County Clerk's office issues on average 2,100 marriage licenses a year and 3,000 copies of marriage licenses. The estimate cost for providing this service last year was approximately \$116,028.50, or a cost of approximately \$54.42 per license. Currently, counties can only charge \$15.00 per license per state statute, the lowest in all 50 states according to a recent Lincoln Journal-Star editorial.<sup>x</sup> At the time of its writing, there is a discrepancy between the amount of money counties and the state can charge for certified copies of marriage licenses. Citizens pay \$5 for a certified copy from the county clerk while they will pay \$15 for the same information when the state provides the information.

**Restore state aid to counties.** In 2011, the Nebraska Legislature eliminated state aid to counties, natural resource districts and local governments.

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<sup>i</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Election Commissioner Dave Shively, Lancaster County Election Commissioner).

<sup>ii</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Election Commission Wayne Bena, Sarpy County Election Commissioner).

<sup>iii</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Mark Young, Hall County Attorney).

<sup>iv</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Commissioner Mary Ann Borgeson, Douglas County Commissioner).

<sup>v</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Commissioner Joe Hewgley, Lincoln County Commissioner).

<sup>vi</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Commissioner Larry Hudkins, Lancaster County Commissioner).

<sup>vii</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Sheriff Terry Wagner, Lancaster County Sheriff).

<sup>viii</sup> Commissioner Joe Hewgley statement, 2014.

<sup>ix</sup> LR 582 Hearing Before the Government, Military and Veterans Affairs Committee, Nebraska Legislature, 103<sup>rd</sup> Legislature, Second Session. (2014) (statement of Sheriff Terry Wagner, Lancaster County Sheriff).

<sup>x</sup> The Lincoln Journal Star Editorial Board. "The Route to Property Tax Relief." *The Lincoln Journal-Star*. 11 November 2014.

# Appendix A

## Minutes from Conference Calls on Unfunded Mandates

Exhibit 1: Conference Call with Veteran Service Officers, County Clerks, Election Commissioners, County Assessors, County Treasurers, Registers of Deeds

Exhibit 2: Conference Call with County Sheriffs, County Attorneys, County Clerks of the District Court, and Health Directors

Exhibit 3: Conference Call with County Commissioners

## Exhibit 1: Minutes from Conference Call on Unfunded Mandates

Conference Call

9:00 AM

July 22, 2014

### Attendees:

- Senator Avery
- Senator Crawford
- Christy Abraham, Legal Counsel Government Committee
- Kaitlin Reece, Legislative Aide to Senator Crawford
- Beth Ferrell, NACO
- Larry Dix, NACO
- Elaine Menzel, NACO
- Jeff Baker, Seward County Veteran Service Officer
- Scott Bartels, Nebraska Association of Transportation Providers
- Charles Brooks, Nebraska Weed Control Association
- Tiffany Fougeron, Nebraska Association of Transportation Providers
- Jonnie Kusek, Box Butte Transportation Director
- Joann Fischer, Knox County Clerk and Election Commissioner
- Darrin Lewis, Buffalo County Emergency Manager
- Judy Mignery, Adams County Planning and Zoning
- Jen Myers, Merrick County Planning and Zoning
- Chuck Newman, Adams County Commissioner
- Diane Olmer, Platte County Election Commissioner
- Stacia Quinn, Garfield County Clerk
- Amy Ramos, Scotts Bluff County Assessor
- Janet Reed, Otoe County Register of Deeds
- Dave Shively, Lancaster County Election Commissioner
- Cathy Stark, Knox County Treasurer

Larry Dix welcomed callers to the conference call and asked callers to introduce themselves.

Senator Avery gave an introduction to the interim study. He also laid out the purpose of the conference call to identify the scope and density of the problem of unfunded mandates as well as solutions to the problem.

Senator Crawford outlined 3 topics of the conference call:

- 1.) Which mandates—either unfunded or underfunded—are most burdensome to you as a county official
- 2.) Any suggestions to tackle these unfunded or underfunded mandates
- 3.) Making the connection between unfunded mandates and property taxes

Jen Myers identified two unfunded mandates in her capacity as Planning and Zoning for Merrick County, both as a result of legislation. They are:

- 1.) **LB 140 (Airport Zoning):** Required Planning and Zoning to pick up responsibilities of regulations regarding airport zoning and airport zoning boards. Merrick County must hire a consultant to incorporate policy into rules and regulations with no funding from the state.

- 2.) **LB 997 (2010):** Requires counties' comprehensive plan include an energy element. County must devise rules and regulations to develop comprehensive plan and hire a consultant to write the plan with no funding from the state to pay for such a consultant. Despite the cost, updates can be necessary as some counties have not updated their comprehensive plan since the 1970s.

Dave Shively identified three unfunded mandates in his capacity as Lancaster County Election Commissioner. They are:

- 1.) **Cost of space on ballots for elections to statewide office, constitutional amendments and referendums.** Counties are able to prorate and bill other political subdivisions based on ballot inch for space on the ballot; however, they are unable to bill and do not receive reimbursement from the state for elections to statewide office, constitutional amendments and/or referendums. In addition to the number of statewide offices up for election this fall, there is also a constitutional amendment (LR 41 CA or historic horseracing) and likely a referendum (minimum wage) on the ballot.
  - a. **Retention of judges also takes up considerable space.** In the 2010 cycle, Lancaster County had 16 judges on the ballot for retention. A similar number is expected in 2016.
- 2.) **Maintenance and replacement of election machines.** The Help America Vote Act provided for a federal-state match to help the state provide to the counties electronic election machines, voter registration software and ADA compliant machines. In Nebraska, these machines are in their 8<sup>th</sup> year of use. It is unclear how long these machines will last and whether there will be any state or federal money to help counties replace these machines when they do break down.
- 3.) **Verifying signatures for ballot initiatives.** Lancaster County Election Commissioner's office budgeted approximately \$6000 in costs associated with the minimum wage ballot initiative—to either hire temporary staff or pay for overtime for existing staff members. If there is an election cycle with 3 or 4 petitions—which is not unheard of according to Dave—counties are still required to verify all those signatures in 40 days with no funding from the state to pay for additional staff needed to meet the deadline.

Jeff Baker noted that he does not see many unfunded mandates in his capacity as Veterans Service Officer in Seward County as a majority of their funding has come from the Department of Transportation in the past few years. Jeff did note, however, that there have been issues with Intelluride, the system the Nebraska Department of Health and Human Services (DHHS) uses to provide transportation to people on Medicaid. There have not been any payments since DHHS switched carriers to Intelluride in May 2014. There have also been reports of long wait times for Intelluride assistance, which Jeff said has led to a decrease in ridership and a switch by some patients to private taxis.

Jonnie Kusek raised a concern that the Nebraska Department of Roads (NDOR) Public Transportation Division asked to be a part of the Aging Task Force created by LB 690 (2014) and were told they were not needed.

Joann Fischer discussed documentary stamp tax collection and the totals remitted to the state as well as the totals retained by Buffalo County over the past 3 years.

Joann, Janet Reed, and Kellie John will send data from the last 3 years regarding a) how much documentary stamp tax is collected, b) how much is kept by the county and remitted to the state and c) an estimate of the cost of collecting the documentary stamp tax by their respective county.

There are no unfunded mandates to report for veterans service officers.

Joann Fischer also discussed marriage fees, which are set in state statute. Currently in Nebraska, there is a \$15 fee for a marriage license, compared to \$20-\$50 a license in our surrounding states. **Joann asked that Senator Crawford consider raising marriage fees to bring those more in line with other states and better cover the cost of providing the marriage license.** Joann also discussed allowable charges for certified copies of marriage licenses. **Counties are able to charge \$5 for a certified copy while the state can charge \$15 for the same information.**

Darrin Lewis, Buffalo County Emergency Manager, shared concerns regarding unfunded mandates with Homeland Security grants. These federal grants operate on an 80-20 basis, with 80% of the funding funneled to the local level and 20% to state agencies. States write justification policies that outline supported state functions eligible for grant funding. If projects do not support one of these state functions, local entities such as fire, EMS, and police are unable to utilize grant funding for these projects. In recent years, however, counties have seen a decrease in homeland security grants to Nebraska as well as an increased amount of funds sent back from counties to the state to support state functions. There has also been a narrowing of the scope of justifications, which in turn means less local projects are eligible for this funding. For example, Darrin shared that Buffalo County received \$10,000 less in homeland security grant funding this year even though grant funding in the state overall increased.

Amy Ramos shared some concerns regarding property assessments in her role as Scotts Bluff County Assessor. Currently, counties must review the entire county once every 6 years and review soil every year. Limited staff and access to vehicles means counties make arrangements with NDOR for vehicles. This information needs to be accurate as many people—developers, cities, individual citizens—rely on the information, Amy shared.

Larry brought up previous legislation that required Douglas, Sarpy and Lancaster County to notify homeowners sooner of changes in tax valuation. This was a one year unfunded mandate for these counties which was fairly significant, Larry said. There would be an unfunded mandate/burden to other counties if legislation to expand this change to other counties passed.

Cathy Stark discussed the underfunded mandate of motor vehicle sales tax collection by County Treasurer's offices. Larry asked about collection totals in Knox County before the change in statute in 2002. Cathy will send Larry a report on the collection fees before and after the change in statute. The report shall include findings from other County Treasurer officers as well.

Charlie Brooks, Weeds Superintendent and President of Nebraska Weed Control Association, expressed concern regarding counties' burden to remove invasive weeds and vegetation to increase conveyance in the Republican and Platte rivers. This is needed to meet Nebraska's compact with Kansas. LB 701 (2007) appropriated \$4 million to increase flow conveyance. The Nebraska Department of Agriculture dispersed money to Weed Management areas (which are comprised of 5-

6 counties adjoining sections of a river). Since then, Weed Management areas have received funding from the Nebraska Environmental Trust. The need to remove invasive weeds and vegetation (and costs associated with removal) are ongoing. *This could become a bigger issue for Weed Management areas if the Nebraska Environmental Trust decides not to fund these projects in the future.*

Chuck Newman, Adams County Board member, raised concerns about the cost of housing additional probations staff as a result of LB 561 (2013). The total cost to Adams County for juvenile justice is between \$40-50,000, which correlates to one half-cent of levy authority. Adams County has seen its total property valuations up 15% mostly due to land values of agricultural land. Farmers in Adams County carry 60% of the tax burden, Commissioner Newman shared.

## **Exhibit 2: Minutes from Conference Call on Unfunded Mandates**

Conference Call

10:30 AM

July 22, 2014

### Attendees:

- Senator Avery
- Senator Crawford
- Christy Abraham, Legal Counsel Government Committee
- Jenn Piatt, Judiciary Legal Counsel
- Kaitlin Reece, Legislative Aide to Senator Crawford
- Beth Ferrell, NACO
- Larry Dix, NACO
- Elaine Menzel, NACO
- Teresa Anderson, Central District Health Department
- Bill Brueggeman, Cass County Sheriff
- Steve Hespen, Dodge County Sheriff
- Shawn Hebbert, Grant County Sheriff
- Jerome Kramer, Lincoln County Sheriff
- Dori Kroeger, Colfax County Clerk of the District Court
- Kay Oestmann, Health Director Southeast District Health Department/Friends of Public Health
- Steve Riehle, Hall County Engineer
- Shannon Vander, West Central District Health Department
- Mark Young, Hall County Attorney

Larry Dix welcomed callers to the conference call and asked callers to introduce themselves.

Senator Avery gave an introduction to the interim study. He also laid out the purpose of the conference call to identify the scope and density of the problem of unfunded mandates as well as solutions to the problem.

Senator Crawford outlined 3 topics of the conference call:

- 4.) Which mandates—either unfunded or underfunded—are most burdensome to you as a county official
- 5.) Any suggestions to tackle these unfunded or underfunded mandates
- 6.) Making the connection between unfunded mandates and property taxes

Mark Young, Hall County Attorney, raised concerns about the significant costs associated with implementing LB 561 (2013). Some of these costs are due to the fact many areas do not have the services envisioned under LB 561 available in their community, which has resulted in increased transportation costs for counties to transport juveniles to services, Mark said. Buffalo, Adams and Hall Counties have relied on public safety (Sheriffs' offices) to transport juveniles to a more secure location, sometimes 1.5 hours out of town, without reimbursement from Central Probation. There is a need for additional probation officers, Mark said; however, the timeline required to ramp up additional staff and find additional office space can be challenging.

Mark also raised concerns regarding the lack of a framework or standard for who is eligible for court appointed attorneys based on income. Dori Kroeger expanded on this point, noting that county judges often don't require financial affidavits to justify assigning court appointed attorneys. This practice has resulted in an increase volume of cases and put a squeeze on Public Defenders' offices.

Shawn Hebbert shared that sheriffs' fees present an underfunded mandate for counties. Pay-for-service services, such as handgun permits, background checks and vehicle inspections, cost more to perform than counties can currently bill for the service. Sheriff Hebbert estimates that approximately \$6.5 million is lost statewide per year for pay-for-service programs.

Jerome Kramer, Lincoln County Sheriff, expressed concerns regarding state prisoner reimbursement and the cost of housing prisoners during sentencing. Sheriff Kramer estimated a loss of a quarter of a million dollars per year following the change in state prisoner reimbursement, a loss that is compounded by the fact that counties were not reimbursed properly years before the change. In Lincoln County, sheriff deputies must transport juveniles to Gering which is approximately 8 hours roundtrip, which also takes the deputy out of duty during this time. Additionally, some transports require two deputies depending on the juvenile. For example, if the juvenile is a female, the Sheriff's office must ask a female detention officer to accompany the sheriff's deputy if he is male.

Bill Brueggeman added to this discussion by stating it is Cass County policy to handcuff everyone under the transportation of Cass County, even in the case of a temporary placement when the juvenile did not commit a crime. Sheriff Brueggeman expressed concerns that sheriff's offices are not detention facilities and in many cases, these juveniles are victimized twice. **He would like to see probation hire private transportation with some of the money the Legislature appropriated.**

Sheriff Hebbert added that, although it does not happen frequently, he must hire someone to transport juveniles, usually a private carrier, because he is a one-person office in Grant County.

Jenn Piatt clarified that LB 464 (2014) contained provisions clarifying who was responsible for transportation costs pre and post-adjudication. These provisions clarify that Probation is responsible for transportation costs once a youth has been adjudicated and are just going into effect. *Jenn is interested to hear from counties if Probation is not picking up the costs for juvenile transport post-adjudication.*

**Mark Young explained that there are additional expenses, such as supervision, cost of extra deputies and overtime, which are not addressed by LB 464.** Jenn noted that LB 464 focused on costs of transportation with the understanding that more work needed to be done, including work on supervision costs.

Kay Oestmann shared information regarding the challenges with releasing houses after a Methamphetamine raid. Inhabitants are required to provide proof of mitigation which is expensive and can drag out the process. Cities as well as owners are often anxious for the property to clear, particularly in the case of abandoned or vacant properties. Kay added that a better definition is needed for meth houses. **Teresa suggested the committee look at a bill introduced by Senator Aguilar a few years ago for suggestions.**

Health Departments also have ongoing problems with enforcement of the state smoking ban because the ban has 'no teeth.' Health Departments who receive calls must investigate and work with those involved. Investigations and partner notifications in the case of a positive STD test or TB test also take up considerable time. Larger health departments have fees attached to some services while smaller health departments do not. Many county health departments have begun to develop fee schedules for

reimbursement. Teresa Anderson added that there was funding for home inspections under the Clear Indoor Air Act that has since gone away.

Sheriff Brueggeman also raised concerns about merit commission hearings. Currently, if the sheriff's office fires someone, the former employee is entitled to a hearing with the county paying attorneys' fees for the terminated employee and the commission. Sheriffs, on the other hand, must pay for their own representation.

Mark Young also raised concerns about other juvenile provisions including mental health commitments. He shared that there is a lack of understanding/outreach on fiscal notes and senators might question solutions if they knew the impact on their property tax base. Ultimately, we need to have a frank conversation about what is a state vs. local problem and fund solutions statewide if it is a statewide problem, Mark said.

Sheriff Kramer asked if there are any evaluations on how the changes in LB 561 and 464 are working. Jenn responded, saying LB 464 required an evaluation of the Department of Health and Human Services which goes into full effect in 2015. **Jenn added that additional evaluation, particularly of Probation in light of their additional responsibilities, is needed.**

Sheriff Brueggeman also shared that emergency secure transports in particular, can add up quickly.

Dori does not see costs to the Clerk of the District Court's office around juvenile justice issues. Larry noted that these costs may go directly to County Boards for approval and therefore may not be a line-item for the Clerk of the District Court. The Clerk of the District Court does see costs around expenses for juries and costs associated with refreshing jury pools as well as costs of a bailiff. In the case of Colfax County, they share a bailiff with Saunders and Butler counties.

Clerks of the District Court also experience a shortfall when defendants fail to pay criminal case filing fees. If the defendant is sentenced, the judge can order to pay fees as part of his or her sentence. If the defendant is unable to pay or refuses to pay the fees, he or she can sit it out in jail, with an approximate cost to the county of \$90/day. Counties must also pay the state necessary state fees regardless of whether the defendant pays the fine or sits out the fine in jail. **If the judge waives the fees, the county is still on the hook for other fees to the state, such as judges' retirement fund.**

**Dori also shared that county courts charge counties for certified copies of convictions even though counties pay for office space, security and office supplies for county courts.**

Senator Avery asked Mark Young if county attorneys have had difficulty obtaining child abuse training as part of the continuing education requirements. Mark answered that it is difficult for attorneys to obtain the 8 hours needed without sending someone out of town or out of state, which costs County Attorneys' offices money in terms of travel reimbursement and lost staff time. **There is a need to broaden what qualifies as refresher courses (evidentiary practices for example) to ease this burden.**

Turning to the connection between unfunded mandates and property taxes, Mark suggested the committee contact Clerks of the District Court and sheriffs to find out what line-item costs in the budget cover transportation costs for juveniles.

Sheriff Hebbert noted that property taxes make up for the shortfall for fees paid to taxpayers who utilize services such as handgun permits. As a result, taxpayers as a whole are subsidizing the individuals who apply for these licenses and permits.

### **Exhibit 3: Minutes from Conference Call on Unfunded Mandates**

Conference Call

1:30 PM

July 23, 2014

#### Attendees:

- Senator Avery
- Senator Crawford
- Christy Abraham, Legal Counsel Government Committee
- Kaitlin Reece, Legislative Aide to Senator Crawford
- Beth Ferrell, NACO
- Larry Dix, NACO
- Jack Andersen, Sheridan County Commissioner
- Mary Ann Borgeson, Douglas County Commissioner
- Terry Keebler, Johnson County Commissioner
- Bob Post, Banner County Commissioner
- Lee Klein, Madison County Commissioner
- Leon Kolbet, Hayes County Commissioner
- Sherry Morrow, Buffalo County Commissioner
- Jane Raybould, Lancaster County Commissioner
- Deb Schorr, Lancaster County Commissioner
- Jim Thompson, Sarpy County Commissioner
- Fred Uhe, Sarpy County

Larry Dix welcomed callers to the conference call and asked callers to introduce themselves.

Senator Avery gave an introduction to the interim study. He also laid out the purpose of the conference call to identify the scope and density of the problem of unfunded mandates as well as solutions to the problem.

Senator Crawford outlined 3 topics of the conference call:

- 1.) Which mandates—either unfunded or underfunded—are most burdensome to you as a county official
- 2.) Any suggestions to tackle these unfunded or underfunded mandates
- 3.) Making the connection between unfunded mandates and property taxes

Commissioner Raybould began with the discussion of the elimination of state aid to cities and counties in 2011. Much of the burden of unfunded mandates can be traced back to this decision in 2011. Additional legislation passed in subsequent years pushing additional responsibilities onto counties added to the burden. In Lancaster County, the loss of jail reimbursement for state prisoners has been huge as well.

Larry explained that the decision by the Legislature in 2011 was made to help balance the budget during the Recession without raising taxes. The state looked at the aid as an expenditure while NACO and county boards looked at it as revenue.

Commissioner Borgeson shared that urban counties have different issues—and burdens—than rural counties, which makes answering the question of what policy change will make the biggest impact across counties difficult to answer. Commissioner Borgeson listed several issues specific to Douglas County as examples to illustrate this point: Guardian ad Litem contracts, jail reimbursement issues and court filing costs.

Commissioner Morrow explained that Buffalo County has experienced dramatic increases in transportation costs as a result of LB 561. In 2014, Buffalo County has already spent approximately \$240,000 in transportation costs when they budgeted \$30,000 for those costs. Commissioner Morrow also raised issues surrounding the YRTC in Kearney. According to Sherry, 15% of the young men there are violent enough that they do not belong in an YRTC and end up in adult facilities with no rehabilitation programs. Currently there is not an appropriate place for these violent youth in Nebraska. Buffalo County also experiences costs when a juvenile at the YRTC in Kearney is charged for a crime committed while in the facility.

Commissioner Keebler of Johnson County stated that Johnson County has seen costs associated with the location of the state prison in Tecumseh. It is state law that if an inmate dies in state custody, an autopsy must be conducted and a grand jury must be convened. **There are approximately 1000 prisoners in the state prison in Tecumseh and while they are state prisoners, Johnson County must cover the cost of the grand jury and autopsy.** Johnson County also experiences increased costs for court filings (bailiff costs, staff time for Clerk of the District Court and Sheriff's office) because of the number of filings by these 1000 inmates. Terry noted that Douglas and Lancaster counties probably have similar costs because of the correctional facilities located in their communities; however, their budgets may be more used to these costs because the facilities have been open longer.

Sheridan County Commissioner Andersen said that most of the issues discussed so far on the conference call are not issues in rural Nebraska. The state usually tells counties one of 3 things, he explained. These are things you shall do, these are things you may do and these are things you can't do. In Sheridan County, they spend most of their budget on "shall do" policies with very little leftover for "may do's." Each county has a unique situation, Jack continued. Problems in Scotts Bluff County are different than Box Butte County even though they border each other. In Sheridan County, they have higher law enforcement costs for arrests of violations under state law. They also deal with border issues with South Dakota and South Dakota Indian reservations. He also stated the requirement to reappraise property every 6 years is a huge cost for the county.

Commissioner Raybould raised the issue of costs to election commissioners for elections of statewide candidates and whether this was a burden to Sheridan County as it is for urban counties. Jack replied that the cost is less in Sheridan County because of the lower population (less ballots, signatures to process).

Commissioner Post of Banner County shared that the **state should figure out how to fund all of the courts as a primary state function.**

As a follow-up, **Larry asked how much property counties own and/or pay for to provide office space for the Department of Health and Human Services (DHHS) and Probation.** Sherry replied that Buffalo County had to renovate an entire building for DHHS workers. Larry added that this seems to be an issue that cuts across counties and asked for a report of how much space is taken up by state employees.

Commissioner Schorr added that in Lancaster County, an entire wing of the Courthouse is dedicated to state staff while Commissioner Borgeson shared that Douglas County leases 13 spaces between DHHS, Juvenile and Adult Probation to a cost of approximately \$540,000.

Borgeson also discussed concerns about behavioral health regions and the \$5 million shortfall after \$15 million was pulled with the hope that the Legislature would expand Medicaid, eliminating the need for some of this funding. So far, \$10 million has been returned to the regions.

In Buffalo County, there are also concerns about extension areas, Morrow explained. The university hired employees and the county is responsible for their maintenance. Clarification is needed on who is responsible for what charges.

Commissioner Raybould is similarly concerned about the county-state split for costs for adult probation. Morrow shared this concern.

Larry asked if the costs associated with court-appointed attorneys are issues for counties.

Madison County Commissioner Lee Klein replied that with the bank robberies in Norfolk and their appeals, the county experiences filing costs every year. These costs are based on what the judge proposes. Overall, funding for public protection eats up a large part of the budget, Klein shared.

The county does not know the financial liabilities for public defenders or special prosecutors until the bill shows up, Terry Keebler shared.

In Douglas County, there have been retrials for youth sentenced to life without possibility of parole with at least 13 cases where the youth is represented by a public defender, added Commissioner Borgeson. Douglas County pays for public defenders and county attorneys to retry all of these cases.

The cost of court-appointed attorneys has also increased, Borgeson explained. The cost increased from \$60/hr to \$65/hr.

Commissioner Schorr stated that in Lancaster County, they are seeing more court involvement and more frequent hearings—particularly in child welfare hearings—where multiple court-appointed attorneys represent different parties to the case, such as grandparents, stepparents, and so forth.

In Buffalo County, judges grant attorneys to grandparents who are a party to the case with no oversight or accountability in the process.

Senator Crawford asked if the Legislature could clarify in statute who gets a court-appointed attorney.

Larry shared that he has talked to Sen. Ashford about this issue since the county still pays the cost for each court-appointed attorney even though not all the attorneys involved are crucial to the case at hand.

Commissioner Borgeson explained that she has been told by courts and public defenders that every person is entitled to due process and representation. Also, she believes it would be less costly to have personnel other than sheriff deputies maintain the sex offender registry.

Commissioner Raybould mentioned a ballot referendum in Washington that prohibited any new unfunded mandates.

Commissioner Schorr raised concerns about fees set in statute such as marriage licenses, driver's license and locksmith charges. **She wants the Legislature to consider indexing the fees based on inflation.**

The call then turned to a discussion of the relationship between unfunded mandates and property taxes.

Larry asked Terry Keebler if the Legislature clarified that the state will pay for autopsies of state prisoners, would Johnson County taxpayers see a dollar-for-dollar reduction in property taxes. Terry replied affirmatively, noting that this was not a high ticket item budget-wise, but if the County had lower prison expenses, it would decrease their budget request. Terry also noted that they have been lowering their levy as property valuations have increased.

Larry asked Sherry Morrow if Probation paid for their own office space, would Sheridan County taxpayers see a dollar-for-dollar reduction in property taxes. Sherry also applied affirmatively.

## Appendix B

1996 Report to the Nebraska Legislature by the Task Force on Unfunded Mandates

# **REPORT TO THE NEBRASKA LEGISLATURE**

**by the**

## **TASK FORCE ON UNFUNDED MANDATES**

**As Required by Legislative Bill 299  
Ninety-Fourth Legislature, Second Session 1996**

**December 1, 1996**

### **Committee Members:**

Senator George Coordsen, District 32  
Chairman, Task Force on Unfunded Mandates  
Senator Ardyce Bohlke, District 33  
Senator Jerome Warner, District 25  
Senator C.N. "Bud" Robinson, District 16  
Senator Don Wesely, District 26  
Senator Paul Hartnett, District 45  
Senator Ernie Chambers, District 11  
Senator Janis McKenzie, District 34  
Ms. Lynn Rex, Executive Director, League of Municipalities  
Mr. Jack Mills, Executive Director, Nebraska Association of County Officials  
Mr. James Griess, Executive Director, Nebraska State Education Association  
Mr. John Bonaiuto, Executive Director, Nebraska Association of School Boards  
Mr. Jerry Sellentin, Executive Director, Nebraska Council of School Administrators

## **Introduction**

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In 1996, the Legislature passed LB 299 that created the Task Force on Unfunded Mandates. LB 299 provided that the chairperson of the Executive Board, **Senator George Coordsen**, would be the chairman of the Task Force. Seven additional members of the Legislature were to be appointed by the Executive Board. Those members were: **Senator Ardyce Bohlke**, **Senator Jerome Warner**, **Senator C.N. Robinson**, **Senator Don Wesely**, **Senator Paul Hartnett**, **Senator Ernie Chambers** and **Senator Janis McKenzie**.

Pursuant to LB 299 five representatives of political subdivisions, to include one representative of municipalities, one representative of counties, and three representatives of the education community were to be selected to also serve on the task force. Those members were: **Ms. Lynn Rex**, representative of municipalities; **Mr. Jack Mills**, representative of counties; **Mr. John Bonaiuto**, representative of the education community; **Mr. Jerry Sellentin**, representative of the education community; and **Mr. Jim Griess**, representative of the education community.

Section 7 of LB 299 specifically provided the following:

The task force shall identify and review all programs and services enacted by the Legislature which resulted or may result in an increase in expenditures of funds by the political subdivisions assigned to perform or provide the programs and services. The task force shall provide a written report to the members of the Legislature by December 1, 1996, which may include recommendations for any changes to state law which may either modify or repeal all identified programs and services with the intent of reducing the fiscal impact of the programs and services on the political subdivision or eliminating the programs and services entirely. The task force shall seek recommendations and proposals from groups and individuals.

LB 299, Section 7, further provided that:

The Legislature requests each standing committee of the Legislature to undertake an interim study during 1996 to identify unfunded mandates and to recommend, if desirable, the modification or repeal of unfunded mandates impacting the subject matter jurisdiction of the committee. Each standing committee that undertakes such a study shall report its findings to the task force on Unfunded Mandates on or before November 1, 1996, and the task force shall consider the findings in making its recommendations. The task force terminates on December 31, 1996.

Each of the Task Force members representing political subdivisions and the education community provided a list of mandates. In addition, the Task Force sent a letter to each of the following entities asking them to identify programs and services required by state law that fiscally impact their agency, but which are only partially funded or not funded at all by the Legislature:

Nebraska Association of Resources Districts

Municipal Energy Agency of Nebraska  
Nebraska Rural Electric Association  
Nebraska State Volunteer Firefighters Association  
University of Nebraska  
Nebraska State College System  
Nebraska Community College Association  
Court Administrator's Office  
Omaha Public Power District  
Norris Public Power District  
Nebraska Association of County Extension Boards  
Nebraska Health Care Association  
Nebraska Association of Hospitals & Health Systems  
Nebraska Association of Homes for the Aging  
Nebraska Association of Home and Community Health Agencies  
Nebraska Association of Area Agencies on Aging  
Nebraska Association of Community Mental Health Providers  
Educational Service Units Administrator Association  
Commissioner of Education

These entities were also asked to provide recommendations for possible changes to and/or elimination of programs and services that they identified.

## **Mandates**

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### **List of Mandates**

The following list of items were identified by the Task Force representatives and entities mentioned above. As listed below, they are divided based on standing committee subject matter jurisdiction. These items may fall into the category of either **funded mandates**, **unfunded mandates**, **underfunded mandates** or **mandates that should be funded in another manner**. Several items were identified by more than one entity that submitted information.

#### **Agriculture**

Noxious weed control  
- weed control superintendent  
- weed control program

#### **Business & Labor**

Safety committees  
Orders relating to salaries of public employees

#### **Education:**

Special Education, in general

- Also, Early Intervention
- Also, Level III students 18 years old to 21 years old

Gifted Education

High School Equivalency Program

The Adult Education Act

Parental Involvement

Parental Notification & Judicial Waiver

Health screening

Staff development

Staffing for accreditation such as media specialists, guidance counselors

Student transportation

- Enrollment option transportation

- Driver qualifications & requirements for student transportation

- Operations procedures for student transportation vehicles

- Safety inspection criteria for student transportation vehicles

Alternative education for expelled students

Multicultural education

Enrollment option (choice)

Annual policy review

Three-year follow-up study of graduates

County superintendents and reports currently required by them.

NSAA requirement for certified staff for athletic and activity positions

Grant writing process and other reporting requirements

Requirement for school districts to complete the Employment Certificate from the Department of Labor

Testing outside the current curriculum plan

Asbestos inspection, reinspection and abatement plants

Accessibility issues

District payments for wards to the state

Hiring and training of displaced staff and reduction-in-force notification requirement

Regulations for accreditation of schools

Teacher evaluation policies

Nebraska Equal Opportunity in Education Act

County reorganization committees

Textbook Loan Program

Criminal history background check

Basic skills competency testing for persons receiving a first Nebraska certificate

Human relations training (higher education)

Approval of teacher education programs (higher education)

#### Educational Service Units

Special education (below age five)

Board member elections

1% of property taxes remitted to County Treasurer as a collection fee

#### Government, Military & Veterans Affairs Committee

Cost of office space provided to the State of Nebraska by county government  
Published notice of various meetings, proceedings, statistics, and other legal advertisements  
Continuing education for county attorneys and law enforcement officers in county government  
Motor voter law  
County extension services

- office space
- salaries

County veterans' offices  
Civil defense directors in each county  
Fiscal management mandates, including budget and public record keeping laws

### **Health & Human Services**

National accreditation costs for Douglas County Mental Health Center, as required by the Department of Public Institutions  
Medicaid reimbursements to Douglas County hospitals that do not cover full cost of care  
Medicaid requirements that are more restrictive than federal Medicaid requirements, consequently increasing costs to counties  
Cost and care of medically indigent

### **Judiciary**

Juvenile detention:

- Court-ordered care, education, custody and maintenance of adjudicated juveniles

Criminal Justice system:

- Requirement for counties to pay for court-appointed qualified interpreter services
- Increasing fiscal impact on counties due to increased court-ordered commitments for consecutive sentencing to county correctional centers because of restricted good time laws that are more stringent than state system
- Overcrowding of prison system, and more female commitments, locally
- Indigent defense
- Costs for those incompetent to stand trial and committed to a state hospital
- Costs of persons charged with a crime and being held in a county jail or for those who have been convicted of a crime and sentenced to a county jail
- Transportation costs to a state facility

### **Natural Resources**

Solid waste management

Underground storage tanks

Natural Resources Districts statutory duties:

- Administrative duties
- Program duties

Construction of regional landfill facilities

Standards for cities that provide water and sewer services

### Transportation

One-call notification system

"Road moves" of lines and poles (for public power districts)

### Urban Affairs

Standards for cities that provide water and sewer services

Land use planning and transportation infrastructure standards required to receive state funds

## Mandates Specific to the University of Nebraska and Chadron State College

The University of Nebraska identified several mandates that were specific to its operation, and Chadron State College listed a few of its own. Their responses are listed below separately. Some of these mandates are repeated even though they may have been identified above. These are not divided by subject matter jurisdiction.

### University

Pesticide Applicator Training Program

Conversion of DAS accounting into a revolving fund -- University is charged for redundant services

Safety committees

Requirement that University comply with OSHA

Coordinating Commission for Postsecondary Education

Facilities management:

- State Electrical Board permits
- Backflow preventer legislation
- Asbestos physicals
- Underground storage tank fee
- Underground testing
- CFC refrigeration inventor
- EPA refrigeration certification

Hospital

- Statement of Conditions Survey for JCAHO (to get Medicaid funding)
- Exercise of generators monthly
- Fire alarm testing and record keeping
- Emergency disaster drills twice a year (JCAHO)
- Preventative Maintenance & repair charged back to hospital (JCAHO)
- Emergency Department tracking information on head/spinal injuries
- Infection control reporting

Meyer Rehabilitation Institute:

- Statewide genetics clinics
- Birth defects network

Federal requirements that group health care plans offer the same annual and lifetime coverage

for mental as for physical disorders (Federal requirement, but will have substantial cost for University and probably rest of state government)

### Chadron State College

Worker compensation reform  
Safety committees  
Underground storage tanks

### Suggestions Provided for Improving the Delivery of Services

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The following suggestions were provided by the Task Force members and those who submitted written information or testimony at the hearings. The Task Force did **not** take a position on any of the suggestions, but thought they should be included in this Report.

#### Education:

- ▶ Place all public school employees on the statewide health insurance plan currently provided for state employees.
- ▶ Encourage cooperation between school districts on unique special education services by rewarding this effort through state funding.
- ▶ "Mandate" an administrative/pupil and teacher/pupil ration as part of the state funding mechanism.
- ▶ Develop a core curriculum.

#### In general:

- ▶ Return calculation of tax levy to the county clerk for standardization and reduction in multiple hearings.
- ▶ The Legislature should develop standards and accountability measures to guide local governments. Replace mandates with clear expectations in the form of standards, such as education-orientated standards.
- ▶ Prohibit the enactment of any future unfunded or underfunded mandates. (Constitutional resolution similar to LR 25CA, 1995.) E.g., Legislature should not act to reduce a school district's ability to spend without a concurrent agreement to refrain from imposing additional financial burdens.
- ▶ Send message to each standing committee of the Legislature to carefully analyze all future legislation for any potential impact upon political subdivisions.
- ▶ Assuming all mandates are legitimate, decide how to best provide and fund them.
- ▶ Exempt all direct and indirect costs of mandates from all the budget and levy lids.

- ▶ Transfer cost to the state for mandates, rather than requiring, for example, local governments to pay for them.
- ▶ Systems for providing services in the area of mental health, developmental disabilities and aging should be examined as to the role of property tax for the delivery and provision of those services.
- ▶ Eliminate or amend statutes requiring duplicate tasks, as well as unnecessary tasks.
- ▶ Require state government to charge not more than the actual cost of performing a service.
- ▶ Look at those mandates that cause a disparate impact on a governmental entity based on the levy lid. In other words, determine whether a particular mandate causes difficulty in complying with LB 1114.

## **Committee Actions**

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As noted earlier in the report, LB 299 requested that each standing committee of the Legislature undertake an interim study during 1996 to identify unfunded mandates and to recommend, if desirable, the modification or repeal of unfunded mandates impacting the subject matter jurisdiction of the committee.

The Urban Affairs will be completing a review of unfunded mandates for municipalities in December, 1996. In addition, the General Affairs Committee submitted written information.

## **Resource Material**

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The ***Nebraska Mandate Initiative, Resource Packet*** - this report was published after Governor Nelson's efforts in late-1994 to help small municipal governments better cope with and understand public health and environmental laws and regulations. (December 1994)

***The Proceedings of the Governor's Summit on Education Mandates: Rethinking School Compliance*** - this report provides an overview of the scope and impact of federal and state program mandates and reporting requirements for educators. It was the result of a Summit on Education, convened by Governor Nelson in June of 1994. (June 1995)

## Appendix C

Letter to Kerry Winterer from the Sarpy County Board of Commissioners

Regarding leased office space to the Department of Health and Human Services

# Sarpy County Board of Commissioners

1210 GOLDEN GATE DRIVE  
PAPILLION, NE  
593-4155  
[www.sarpy.com](http://www.sarpy.com)

ADMINISTRATOR Mark Wayne  
DEPUTY ADMINISTRATOR Scott Bovick  
FISCAL ADMIN./PURCHASING AGT. Brian Hanson



<u>COMMISSIONERS</u> Don Kelly District 1 Jim Thompson District 2 Tom Richards District 3 Brenda Carlisle District 4 Jim Warren District 5
---

October 06, 2014

Kerry Winterer, CEO  
Health & Human Services  
301 Centennial Mall South  
PO Box 95026  
Lincoln, NE 68509-5026

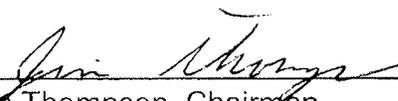
Dear Mr. Winterer:

Sarpy County has been providing space in our Courthouse Annex building for over thirty (30) years to HHS. The amount of space has varied from 6,000 sq. ft. to the current 4,000 sq. ft. Although we have received some reimbursements for indirect costs relating to the office space, the net value of the free space provided to HHS is around \$1.3MM. In addition to the monetary cost, the County has not been able to use the space for County related functions. In the past few years the HHS functions that occupy the space have changed from services directly supporting Court functions to Developmental Disabilities, which have no relationship to the Courthouse. Recently the County has had to lease space for Juvenile Probation because there is no available space at the Courthouse. The County currently has departments which are in need of occupying the space that is currently housing HHS.

As per Revised Statute 68-130, the County may request that HHS review office and service needs provided by the County to determine if the department can reduce or eliminate office space or services in the County. Please consider this letter a request by Sarpy County to HHS to remove the Developmental Disabilities Office from County facilities and to relieve the County from further obligation to pay for or provide space to HHS in the future. The County firmly believes that we have met our obligation to HHS over the years and that we are in dire need of the office space currently occupied by your staff.

We appreciate your consideration of this request and look forward to your response. If you have any questions please feel free to contact Mark Wayne, Sarpy County Administrator at (402)593-2347 or by email [markw@sarpy.com](mailto:markw@sarpy.com).

Sincerely,

  
\_\_\_\_\_  
Jim Thompson, Chairman  
Sarpy County Board of Commissioners

## Appendix D

Cost Estimates of Services Provided to the State of Nebraska by  
Douglas, Hall, Lancaster, Sarpy and Scottsbluff counties

Provided by Kate Gaul, Legislative Research Office

Kate:

Last week I sent you some information on Douglas County. I would like to give you some additional information regarding the cost of the key mandated, but not funded services the County provides. Key areas are:

- 1) Corrections: \$16.8 million general fund expenditure; State prisoner fees have been eliminated.
- 2) Youth Center: \$2.9 million general fund expenditure; State HHS fees were eliminated this year.
- 3) Sheriff: Court Services Bureau( mainly Courthouse Security) \$2.6 million general fund expenditure.
- 4) District Court: \$2.8 million general fund expenditure.
- 5) County Court: \$0.3 million general fund expenditure.
- 6) County Court Probation: \$0.1 million general fund expenditure.
- 7) Juvenile Court: \$4.6 million general fund expenditure.
- 8) Clerk of the District Court: \$1.4 million general fund expenditure.
- 9) County Attorney: \$6.3 million general fund expenditure.
- 10) Public Defender: \$3.9 million general fund expenditure.
- 11) General Assistance: \$7.1 million general fund expenditure.
- 12) Veterans Department: \$0.5 million general fund expenditure.

The cost to Douglas County of the aforementioned mandated but unfunded services is approximately \$50 million in General Fund expenditures. We would request that you factor these significant costs for Douglas County into your analysis. Thank you.

Joseph T Lorenz  
Director of Finance & Budget  
Douglas County Board of Commissioners  
1819 Farnam Street, Suite LC2  
Omaha, Nebraska 68183  
Ph# 402-444-6825  
Fax# 402-444-6559  
Joseph.lorenz@douglascounty-ne.gov

--  
**Kate Gaul**  
Research Analyst  
Legislative Research Office  
Nebraska Legislature  
402.471.0071  
kgaul@leg.ne.gov

## Brian Hanson

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**From:** Mark Wayne  
**Sent:** Tuesday, November 06, 2012 8:32 AM  
**To:** Brian Hanson; Scott Bovick; Fred Uhe  
**Subject:** FW: Mandated Services

FYI.

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**From:** Lorenz, Joseph T. (DC Commissioners) [<mailto:Joseph.Lorenz@douglascounty-ne.gov>]  
**Sent:** Monday, November 05, 2012 5:05 PM  
**To:** [keagan@lancaster.ne.gov](mailto:keagan@lancaster.ne.gov); Mark Wayne  
**Subject:** FW: Mandated Services

Kathy Kelley asked me to forward on to you the emails I sent Kate Gaul regarding the cost of the unreimbursed mandated services provided by Douglas County. We estimated the cost of the services to be approximately \$50 million to which the cost of employee fringe benefits of another \$15 million should be added for an all-in cost of about \$65 million. Let me know if you have any questions.

Joseph T Lorenz  
Director of Finance & Budget  
Douglas County Board of Commissioners  
1819 Farnam Street, Suite LC2  
Omaha, Nebraska 68183  
Ph# 402-444-6825  
Fax# 402-444-6559  
[Joseph.lorenz@douglascounty-ne.gov](mailto:Joseph.lorenz@douglascounty-ne.gov)

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**From:** Lorenz, Joseph T. (DC Commissioners)  
**Sent:** Friday, November 02, 2012 1:27 PM  
**To:** Kate Gaul  
**Subject:** RE: Mandated Services

Kate:

One last item for consideration is that the general fund expenditure numbers I gave you do not include the cost of fringe benefits for county employees, which runs about 33% of payroll expense. Good luck with your project.

Joe Lorenz

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**From:** Kate Gaul [<mailto:kgaul@leg.ne.gov>]  
**Sent:** Monday, October 29, 2012 1:41 PM  
**To:** Lorenz, Joseph T. (DC Commissioners)  
**Subject:** Re: Mandated Services

I will. Thanks so much.

Kate

On Mon, Oct 29, 2012 at 1:35 PM, Lorenz, Joseph T. (DC Commissioners) <[Joseph.Lorenz@douglascounty-ne.gov](mailto:Joseph.Lorenz@douglascounty-ne.gov)> wrote:

# Hall County

## State Aid

- State Aid to Counties was originally put in place by the state for property tax reduction. It was intended to replace the revenue counties lost when tax policy changed in regards to the reduction in the tax base for personal property. The state eliminated this revenue to all counties last year, costing Hall County approximately **\$175,000 annually**.

## County Treasurer

- The County used to receive a percentage of the state sales tax that was collected monthly and remitted to the State. Recently, the state changed the fee to a flat rate of \$75 a month which results in the **loss of several thousand dollars in revenue each month**. The Treasurer's office spends considerable time filling out the state tax forms and verifying information.

## County Attorney

- The County incurs costs of approximately **\$40,000 annually** for payment of overstays on EPC candidates (this can run several thousand dollars a day) and is a direct result of the state closure of the regional centers.
- Juveniles were previously housed at the YRTC's and the counties are now responsible for payment for juvenile detention and costs approximately **\$75,000 annually**.
- The state has required mandatory additional training for County Attorney's in child abuse and coroner duties and costs approximately **\$2000 annually**.
- HHS required counties to take over the cost of the child support computer systems which costs approximately **\$5000 annually**.
- Counties are being asked to prosecute tax fraud and welfare fraud cases that were previously handled by the state. This **increases staffing requirements and takes them away from other county related tasks**.
- The state requires mandatory use of certain computer programs for preparing criminal case filings which has caused the counties to purchase additional programs and costs approximately **\$4000 annually**.

## Highway Department

- The State of Nebraska adopted a policy that the department of roads would contract with consulting engineers to perform fracture critical bridge inspections. The consulting engineers are 80% paid with county federal-aid bridge money and the remaining 20% is to be paid with local funds. Hall County has a fracture critical bridge inspection certified team leader on staff at the **highway department that is fully capable of inspecting the bridges at NO additional cost**.

## Sheriff

- Sex Offenders are required to register with local Sheriff's every time they have an address change, or change of employment etc. We also conduct physical checks on each offender twice

a year to make certain they are in compliance. We are responsible for collecting DNA on all offenders to forward it in to the State for their data base. This was a mandate that came down several years ago with no funding mechanism to offset the cost of approximately **\$20,000 annually**. Currently we have 129 sex offenders who reside in Hall County.

- Currently there is a bill pending in the Legislature requiring County Jails or Sheriff's to go out and find convicted felons for purposes of collecting DNA samples from them and submit them to the State. There is **no funding mechanism to offset the expense** of searching for these individuals.
- By State Statute we are mandated by the State to serve writs issued by the Courts. These can be a variety of different papers from Subpoenas to Protection Orders to Eviction Notices. We can charge fees to help us offset the expense. However, even with the small increase allowed a couple of years ago our local taxpayers are still subsidizing this service for those collection agencies and attorneys who use it. In 2011 we served 9,756 papers with an average income of \$23.48 per writ. Unfortunately the average it costs us is in excess of \$35 per writ to process and serve them. In other words **we pay with local tax dollars approximately \$11.52 per writ or \$112,389.12. We don't need funding from the State, just the ability to charge those using the service.** There is currently a bill (LB 919) which has been introduced in the legislature to increase the fees closer to paying for our expenses. Historically whenever we bring up increasing fees to offset expenses, the lawmakers are reluctant to approve this legislation.
- We are under State mandate to transport all people placed into Emergency Protective Custody from their place of detention back to Hall County for Mental Health hearings. Since the State closed the Hastings Regional Center, we find ourselves traveling to Kearney, Hastings or Lincoln to pick up people. We are driving further distances, to multiple locations tying up more people and requiring more manpower costing an estimated **\$20,000 annually**.
- By State Statute we are responsible to conduct title inspections on all vehicles that are purchased outside the State, then subsequently titled in Hall County. The purpose for this is to make certain that vehicles, or any part of the vehicle are not stolen property. We can charge \$10 per inspection for this service. This price has not increased for at least the last 15 years. In 2011 we performed 3,874 title inspections. Many of these inspections occur off site at local car dealerships. It **costs us considerably more than the money collected** through manpower and ancillary expenses like a vehicle, vehicle gas and other expenses, as well as printing the paperwork necessary to complete the inspections. There is currently a **bill (LB 919) which has been introduced in the legislature to increase the fees to \$20.**
- According to State Statute, every Judge can mandate that we provide up to two Deputies in their Courtroom for any proceeding. We have one full time Deputy placed at the scanner, with one part time civilian security position, which is more cost effective than putting multiple deputies in the numerous courtrooms. However, occasionally when the Judges feel it necessary, we provide Deputies when requested. Just the one full time position at the scanner costs in excess of \$50,000 per year, the part time position in excess of \$30,000. This not to mention the metal detectors, scanners, and other security equipment which is necessary to effectively perform this task. The approximate **annual cost to the county is \$90,000 and there are no dollars generated anywhere to offset these costs.**
- We are required by State Statute to complete accident reports for the State Department of Motor Vehicles. We have been doing this for years and it seems every year or two even more data gathering is required. This is a very cumbersome process, one that takes a considerable

amount of time, both at the accident scene and back in the office online to complete the forms. Any accident that exceeds \$1,000 in damage on any vehicle or property, or when injury of any type has occurred, we are mandated to complete a State report. At a minimum we will spend an hour on scene after we arrive, and another hour to input the data into the computer. We have become a clearing house for collecting data for the State for statistical purposes and for private Insurance Companies. It is a laborious task and we should have the ability to recoup our cost from these private organizations. We can charge only the customary copy rate allowed by statute. No other funding mechanism is in place to help us offset costs of the mandate. In 2011 we charted 373 accidents where a State report was mandated costing the county approximately **\$20,000 annually**.

- Last year we processed 2303 warrants issued by the Courts. We spend a lot of money working warrants. We have one full time support staff position specifically for processing arrest warrants and all of our Deputies work the warrants. In return statutorily we are allowed to charge \$2 for the warrant plus mileage. We **received less than \$6,000 last year, but spent well in excess of \$100,000 a year** on wages to service arrest warrants. Not to mention the other ancillary cost like gas and vehicle maintenance. There is currently a bill (LB919) which has been introduced to the legislature that would increase the fee for misdemeanor warrants to \$25 and felony warrants to \$100.

## Corrections

- We have had 19,874 of billable state inmate days from January of 2011 thru January of 2012. We were paid approximately \$10,000 of this amount by the state before they ran out of funds. If we would use our federal contract rate of \$63.01/day X 19874 days = \$1,252,260.74 for this time frame. If we were to use the state's own daily rate at D&E for housing county safe keepers of \$80.56/day X 19874 days = **\$1,601,049.44** for the same period.
- Corrections is responsible for DNA collection of sex offenders and mailing this information to the state at a cost of approximately **\$1500 annually**.
- State probation is required to perform presentence investigations (PSI's). We in turn have to provide probation with copies of our reports as well as editing the reports so that informants, victims and their personal information is not disclosed to the defendants. The cost of providing this information is approximately **\$4000 annually**.
- Booking information is required to be submitted to the state for uniform crime reporting information. This is difficult to calculate a cost figure to as this involves our officer time, and the use of our technology (JMS system).
- Jail standards requires minimum standards that apply to County facilities from cell space (square footage), artificial lighting regulations, daily newspapers, caloric count per day, to medical services that are required per jail standards and state statutes. Not to mention the inspections that are required (health, fire, boiler, etc.), training for staff (18 hours yearly) and 80 hours for every new hire, the costs can start to add up.
- During the construction of our new corrections facility, we had some constructions costs related to jail standards review and changes to our original plans.

## **Clerk of District Court**

- The State reimburses the county a portion of our costs associated with the collection of Child Support payments. However, we were recently notified that the state will no longer be reimbursing counties for the Clerk of the District Court administrative expenses as an indirect cost.

## **Veterans Services**

- The County Veterans Service Office used to receive copies of all VA correspondence that was created by the VA and sent to the State Service Division of the Nebraska Dept of Veterans Affairs relating to Veterans Claims. They discontinued that over a year ago and no longer provide hard copies to any of the CVSO's. It is the CVSO that has to print the copies of all correspondence that the State Dept of Veterans Affairs e-mails us, thus costing the county more money in copy paper and ink for the copier, and employee time. There was no cost to the State Dept as the VARO provided the hard copy paper to the State Service Division. This change in not providing all copies of VA correspondence has made it more difficult in tracking a veterans case and assisting them with required and requested correspondence that the VARO may need. It also has caused a financial hardship to some veterans.
- Also, the Nebraska Dept of Veterans Affairs just recently implemented a new software program in their department called VETRASPEC. Hall County has had a software program for many years that we have used and works very well for us. It is VETREX and only costs the county \$450 per year. The new program from the Nebraska Dept of Veterans Affairs would cost Hall County \$2394 per year, which is much more that what we currently pay. The State will not provide any funding for this either. The State Dept of Veterans Affairs would like all Counties to use their software for access purposes.

## **Evaluation of cost to contract a bridge vs. county to build a bridge with own forces.**

First, let's assume that the wages and benefits packages of both the county employees and contractor employees are the same and that it takes the same number of employees to build the bridge, so the actual employee costs are the same to the county as the contractor. The major difference is that the contractor is NOT going to have a crew working on a bridge for actual wage cost. The contractor is going to apply a multiplier factor for an employee hourly cost rate that is typically near 3.0, i.e. for each hour an employee works on the project, their hourly wage rate is multiplied by three for billing to the project. The multiplier rate is for profit and overhead, which a county does not have, thus there is no county multiplier.

Second, let's assume the equipment purchased by the county is identical to the equipment purchased by a contractor. Typically we see a government equipment cost reduction as high as 40%. So, if a contractor has purchased a piece of equipment that starts out from the beginning at 40% more expensive and then add profit and overhead on top of that you could expect to see an hourly equipment rate as high as 175% above and beyond that of a county's hourly equipment rate. If we take into account that counties, such as Hall, purchase used state and federal surplus equipment such as our newly purchased used crane that only cost us \$15,000, when identical units are sold to private sector contractors for \$150,000 to \$175,000 for the same unit and upwards of \$500,000 to \$750,000 for new, the equipment hourly rate for that crane would be obviously no comparison.

Lastly, all supplies and materials purchased by the county are purchased without sales tax as governmental entities are tax exempt. Although materials directly purchased by a contractor for the bridge construction can be exempted from tax, not all the supplies and materials purchased by a contractor can be exempted, such as fuel, miscellaneous supplies and tools, and sales tax on equipment.

Hall County typically budgets somewhere around \$150,000 per year to build a bridge of about 70' in length. The employees at Hall County that build the bridge have many other duties to perform and are not employed simply to build a bridge. Their wages are paid whether or not they build a bridge and their employment is absolutely vital to carry out all of the other services that a county road department is required to perform, such as: gravel road maintenance, asphalt road maintenance, ditch cleaning, sign maintenance, regular bridge maintenance, snow and ice removal operations, culvert maintenance, culvert replacements, mowing, road re-construction, pavement markings, tree and brush trimming, just to name a few. If Hall County were to contract the same bridge built, we would need to budget at least \$650,000 and as much as \$900,000 extra for the project.

A neighboring county to Hall County recently was approved for a federal-aid sponsored concrete box culvert construction that is to be a triple 10' by 12' by 40' box that will be around 36' in length and 40' in width and the total estimated cost of the project is just under \$1 million to be built by a contractor. That county's local share of the federal-aid project is 20%, thus the county's share will be nearly \$200,000. This is a perfect example of why a majority of the counties are pulling projects from the federal-aid system, they can build the same structure for much, much less than their 20% share of the federal-aid project built by a contractor. Hall County can build a structure twice as long for \$50,000 less.

This same analysis can be applied to any service the county provides. One perfect example is snow removal. The county is hired by several privately owned subdivisions to perform snow removal services at a rate 75% less than any contractor the subdivisions can find and they receive twice the level of service and a much faster response time. The county's ability to provide top quality snow removal service is the main reason we hear rural subdivisions just outside the city limits of Grand Island fight annexation. Ironically, the City of Grand Island hires contractors to perform snow removal, and we hear many complaints about that issue.

**Lancaster County, Nebraska**  
**Services Provided to the State of Nebraska**

County Treasurer	The Treasurer collects sales tax and remits to the State through the motor vehicles division. Collected \$29,238,776 in FY12 and collections fees kept by the county were \$1,800.	
West O Building	Lancaster County provides 4,075 square feet to the State for Drivers License Examiners. This includes utilities and custodial services. The cost per sq/ft at West O is \$14.88.	\$ 60,636
Motor Vehicle Building	Lancaster County provides 1,651 square feet to the State. This includes utilities and custodial services. The cost per sq/ft is \$7.47.	\$ 12,334
Register of Deeds	The Register of Deeds does all of the work required to file land records yet is required to send a portion of the documentary stamp tax to the state to fund other programs. County keeps 22.22% and the State receives 77.78%. Based on \$2 million collected - state receives \$1,555,000. (76-903)	\$ 1,555,000
Election Commissioner	Billable costs for elections are not allowed to be billed to the state. Costs are passed down to other political subdivisions but not to the state. State costs would range from 50% to 60% of billable costs. Last primary billable costs were \$356,000.	
County Court (BU 6280)	Lancaster County is required to remit certain court costs to the State. If those fees cannot be collected from defendants, the County must pay.	\$ 145,000
County Court	All County Court staff are state employees. Lancaster County pays for operating expenses, computers, and office equipment.	\$ 399,770
	Lancaster County is required to provide for office space and courtrooms. Cost includes custodial services, utilities, security, and parking. 29,195 sq/ft at a cost of \$14.72 per sq/ft. (New Courtroom is under construction)	\$ 469,654
Juvenile Court	Juvenile Court Judges are state employees. The County pays for a Court Administrator, 3 Clerk Typists, and 4 bailiffs. (Personnel Costs)	\$ 519,554

	Lancaster County also pays for Court Appointed Attorneys, Boarding contracts, and other operating expenditures.	\$	1,053,948
	Lancaster County is required to provide for office space and courtrooms. Cost includes custodial services, utilities, security, and parking. 12,632 sq/ft at a cost of \$14.72 per sq/ft.	\$	190,623
District Court	Lancaster County is required to remit certain court costs to the State. If those fees cannot be collected from defendants, the County must pay.	\$	62,250
	District Court Judges are state employees. The County pays for a Court Administrator, 2 Law Clerks, and 8.75 bailiffs. (Personnel Costs)	\$	811,186
	Lancaster County has had a District Court Referee for many years. State Statute states the county and state should pay for the costs. IV D pays for 2/3 of the costs but the state pays zero.		
	Lancaster County also pays for Court Appointed Attorneys, juror fees, and other operating expenditures.	\$	1,110,979
	Lancaster County is required to provide for office space and courtrooms. Cost includes custodial services, utilities, security, and parking. 33,524 sq/ft at a cost of \$14.72 per sq/ft.	\$	499,954
County Sheriff	Special Services Division provides security for the courtrooms. This cost is incorporated into the cost per sq/ft in rent calculations.		
	The Civil Division is responsible for the process of writs and documents. Sheriff does receive revenue but it does not offset the cost of performing the service.		
	Register sex offenders and complete handgun registrations in the Administrative Support Division. 2 employees - does not include supervisor time.	\$	85,000
Corrections	The Jail has provided 859 DNA tests for the State over the last 2.5 years.	\$	4,500

	The Jail has completed 7,175 full sets of fingerprints for the State system (NSP) over the last 2 years.	\$	33,400
	The Jail has completed 22 sex offender registrations over the last 2 years.	\$	1,100
	The Jail has had to answer 138 Ombudsman's request with time spent researching, interviewing, making repeated phone calls, and email contacts with the Ombudsman's office over the last 2 years.	\$	15,000
	The Jail has completed approximately 18,000 warrant checks on offenders before releasing over the last 2 years.	\$	42,000
	Time and staff effort to send inmate medical files to the State of Nebraska over the last 2 years.	\$	1,900
	Jail Reimbursement - housing of prisoners on behalf of the State. The State's rate was only \$35 per day and funding would run out during the fiscal year. Funding ended after FY11.	\$	7,070,523
	Amount billed FY00-FY11		15,696,765
	Amount collected		8,626,242
	Amount unable to be billed because funding ended:	\$	2,478,560
	FY12		1,809,255
	FY13 - 10-31-12		669,305
Juvenile Probation	Juvenile Probation staff are state employees. Lancaster County pays for operating expenses, computers, and office equipment. This also includes contracts with the State Probation Office. The Juvenile Drug Court was funded by the State with grants but the County started funding in FY05.	\$	223,425
	Lancaster County provides space for the department and the juvenile drug court. Cost includes custodial services, utilities, security and parking. 3,736 sq/ft at a cost of \$14.72 per sq/ft.	\$	60,591
Adult Probation	Adult Probation staff are state employees. Lancaster County pays for operating expenses, computers, and office equipment. This also includes a contract with the State Probation Office.	\$	149,303

	Lancaster County provides space at the Jail and office space at Trabert Hall. Cost includes custodial services, utilities, security and parking. 6,323 sq ft at a cost of \$11.75 per sq/ft at the jail and 17,572 sq ft at a cost of \$10 per sq/ft at Trabert Hall.	\$	251,816
Community Corrections	Drug Court - reimbursement for employees. Dollar amount of reimbursement has not changed over 6 years - despite Kim's request. Employee Costs - \$276,156 State Reimb - \$183,839	\$	92,317
Youth Services Center	The state does not reimburse the county for the cost of care for youth detained and/or in an alternative to detention post adjudication and beyond. The requirement is only when the youth is committed to HHS/OJS and should be adjudicated youth in juvenile court. The state should also be responsible for the cost of care for youth who are detained due to a violation of probation pre-adjudication status.	\$	715,000
General Assistance	Lease agreement with Health & Human Services - 41,267 square feet x 13.60 per sq ft. x 51.62% nonfederal share = \$289,707.55 (Included on legislative list)	\$	292,000
County Fees	A number of county statutory fees have not been raised for many years. Fees are not allowed to be increased to cover costs. A few examples: locksmith license marriage license handgun permits motor vehicle inspection fees		
Other Court Related Costs	Clerk of the District Court	\$	1,579,711
	Jury Commissioner	\$	147,694
	Mental Health Board	\$	149,170

## STATE UNFUNDED MANDATES

Ms. Gaul:

You are correct in your statement that the definition of mandates differs from one person to another. Counties are heavily regulated by the state, in fact we are told what and how much we can charge or not charge. One could say that counties are required to perform certain functions and all county functions are "state mandates" and the state is effectively saying that property taxes will be used to pay that obligation. I asked all the department officials to provide me a list of mandates that affect their departments. Most came back with the statement that they are regulated by state statute to provide services at the County's expense, which covers most of the services we provide to county constituents. I have only been here for six years, but it appears that when the State wants to balance its budget it is generally at the expense of the counties. Counties are held to a 45 cent levy, which are its main source of revenue and a restricted funds limit of 2.5% (1% additional if voted by the Board of Commissioners) increase over the prior year. The state has many revenue sources including sales tax.

We have been levying the maximum amount for the last 3 years. This year we had to cut capital expenditures which meant some needed projects, regular expenditures and we had to reduce personnel by eight employees. Next year will be as difficult or worse.

Counties are required to provide departments such as District Judges, County Court, and Probation with office space, supplies and equipment and a portion of the HHS cost. Scotts Bluff County is a relatively poor county with major judicial cost burden on the property tax payer. Scotts Bluff County is the center of District 12 probation and courts I assume because we are the largest county in the panhandle. Our valuation last year was \$2.2 billion and I compared to Lincoln County which has almost the same population, but its valuation last year was \$3.2 billion.

The Clerk of District Court told me that everything her office does is mandated by state statute and the biggest one is the jury expense.

The Treasurer told me that we have to send out Motor Vehicle notifications by statute and pay the postage. We will soon be required to purchase the paper and envelopes at a cost of \$20,000. The state bought 4 new huge printers for Auto Registration and now we have to buy the ink cartridges at a cost of \$4,500 annually which used to be paid by the state. She also stated that we used to get a \$1,400 per month commission and now it is \$75 per month. When the state wanted to cut state aid to counties it cost Scotts Bluff County about \$130,000 annually.

The County Clerk/Election Commissioner are not reimbursed for the ballot printing of amendments, referendums, etc. She also reported that the state controls how much the county can charge other agencies for elections and how much we charge for marriage licenses.

Our Detention Center has taken a big hit over the last few years on reimbursement for state prisoners. When I came here 6 years ago the state would reimburse the County about half of the monies owed each year for state held prisoners and now it is reimbursed zero dollars at a cost of about \$70,000 per year.

Child Support collection reimbursement was reduced but no definitive dollar amount. HHS required the counties to pick up the cost of computer systems at about \$4,000.

Federal Road & Bridge projects have been put on hold and the monies/reimbursement will be "doled" out according to the state's formula.

There many more instances, but no use rehashing it over and over. Thank you for the opportunity.

Jerry Crable, Management Accountant/HR Director  
Scotts Bluff County

# Appendix E

## Filing Fees and Court Costs Claimed to Counties

COUNTY COURTS				
CRIMINAL AND TRAFFIC				
	Category	NRS Reference	Fee	Total
1.	Traffic and Waiverable Criminal docket fee	33-124	18.00	
	Docket Fee/Judges Retirement Fee	33-124	2.00	
	Judges retirement fee	24-703	6.00	★
	Law enforcement improvement fund	81-1429	2.00	
	Legal services fee	33-107.01	5.25	★ 2.00
	Automation fee	33-107.03	8.00	★
	NSC Education fee	33-154	1.00	
	Dispute Resolution fee	33-155	.75	
	Indigent Defense fee	33-156	3.00	
	Uniform Data Analysis fee	47-633	1.00	★
	Civil Legal Services Fund	25-3010	1.00	★ 48.00
				★ 17.00
2.	Non-Waiverable Criminal docket fee	33-124	18.00	
	Docket Fee/Judges Retirement Fee	33-124	2.00	
	Judges retirement fee	24-703	6.00	★
	Law enforcement improvement fund	81-1429	2.00	
	Legal services fee	33-107.01	5.25	★ 2.00
	Automation fee	33-107.03	8.00	★
	NSC Education fee	33-154	1.00	
	Dispute Resolution fee	33-155	.75	
	Indigent Defense fee	33-156	3.00	
	Uniform Data Analysis fee	47-633	1.00	
	Civil Legal Services Fund	25-3010	1.00	★
	Crime Victim Fund	33-157	1.00	★ 49.00
				★ 17.00

★ costs claimed to counties

JUVENILE				
	Category	NRS Reference	Fee	Total
1.	Juvenile docket fee	33-124	18.00	
	Docket Fee/Judges Retirement Fee	33-124	2.00	
	Judges retirement fee	24-703	6.00	★
	Legal services fee	33-107.01	5.25	★ 2.00
	Automation fee	33-107.03	8.00	★
	NSC Education fee	33-154	1.00	
	Dispute Resolution fee	33-155	.75	
	Indigent Defense fee	33-156	3.00	
	Uniform Data Analysis fee	47-633	1.00	45.00 ★ ★ 17.00



CIVIL				
	Category	NRS Reference	Fee	Total
1.	Docket fee/County	33-106	35.00	
	Docket fee/State	33-106.02	5.00	
	Docket Fee/Judges Retirement Fee	33-106.02	2.00	
	Judges retirement fee	24-703	6.00	
	Legal services fee	33-107.01	5.25	
	Automation fee	33-107.03	8.00	
	NSC Education fee	33-154	1.00	
	Dispute Resolution fee	33-155	.75	
	Indigent Defense fee	33-156	3.00	
	Uniform Data Analysis fee	47-633	1.00	
	Complete record fee	33-106	15.00	82.00
	★ 32.00			
2.	Civil appeal from County Court	33-106	35.00	
	and administrative agencies	33-106.02	5.00	
	Docket Fee/Judges Retirement Fee	33-106.02	2.00	
	Judges retirement fee	24-703	6.00	
	Legal services fee	33-107.01	5.25	
	Automation fee	33-107.03	8.00	
	NSC Education fee	33-154	1.00	
	Dispute Resolution fee	33-155	.75	
	Indigent Defense fee	33-156	3.00	
	Uniform Data Analysis fee	47-633	1.00	
	Complete record fee	33-106	15.00	82.00
	★ 107.00			
3.	Dissolution of marriage fee	33-106.03	75.00	
	(In addition to civil docket fee)			157.00

★ costs claimed to county for Informa Pauperis cases

4. Domestic Relations (each proceeding to modify a decree of dissolution or annulment of marriage, a modification of an award of child support, or a modification of child custody or visitation.)			
Legal services fee	33-107.02	15.00	
Parenting Act	33-107.02	50.00	
(County Attorney or authorized attorney shall not be required to pay legal services fee on modification of Title IV-D cases.)			
No automation fee			65.00

★ 65.00