

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB612 appropriates \$4,000,000 from the General Fund for both FY2023-24 and FY2024-25 to the Department of Administrative Services – State Building Division, Program 560. These funds are to be used to pay counties for leased office space on behalf of the Department of Health and Human Services and the Office of Probation Administration. This bill contains an emergency clause.

Expenditures:

The Department of Administrative Services – State Building Division has indicated the cost to administer the above duties would include 1 FTE Administrative Program Officer III, to handle the leases and manage the reimbursement processing, with associated PSL of \$85,106 in FY2023-24 and \$89,080 in FY2024-25. The accompanying operating expenses would be \$4,579 in FY2023-24 and \$3,692 in FY2024-25. The total estimated expenditures for administration would be \$89,685 in FY2023-24 and \$92,772 in FY2024-25.

DAS-SBD Notes:

- 1) The agency has approximated a rough estimate (utilizing only the statewide average of \$22.00 per square foot) for the DHHS’s reimbursement to be at least \$3,740,000. This figure is only an estimate as it would be necessary for DAS-SBD and DHHS to work with each Nebraska county to determine exact amounts.
- 2) The agency is assuming their administrative costs for these duties would be covered with this \$4,000,000 General Fund appropriation. If not, supplementary appropriation would be necessary.
- 3) The agency has determined this bill’s emergency clause would not afford enough time to have leases in place, for reimbursements beginning on July 1, 2023.
- 4) In addition, the agency has declared they currently do not manage office space for the Office of Probation Administration, this is all handled through the Nebraska Judicial Branch. As it is a separate program, the portion of the funding for the Office of Probation Administration should go to the Nebraska Judicial Branch.

The Nebraska Supreme Court has noted, \$4,000,000 appears to be less than the current probation space expense. Presently, the state does not pay for the space that is afforded to it by each county to perform Probation Administration. Consequently, there is no accurate way to estimate the expense from all the counties across Nebraska. The few larger counties that do have an estimated expenditure cost (the county charges the square footage to themselves) is currently valued in excess of \$4,000,000. Hence, the \$4,000,000 appears to be too low an amount to cover even the Probation Administration’s leasing expenses alone.

It is unknown what the appropriation would need to be, in order to reimburse all counties for both the Department of Health and Human Services and the Probation Administration spaces combined, through the DAS-SBD and the Nebraska Judicial Branch. However, we can approximate that need would be higher than \$7,740,000.

The Nebraska Association of County Officials has specified Nebraska counties would likely see a \$4,000,000 revenue increase if this bill were to pass. Reimbursements would vary county by county, depending on the actual space provided, including square footage.

TECHNICAL NOTE: Funding for the Office of Probation Administration cannot go to the Department of Administrative Services – State Building Division. The Office of Probation Administration is under the Judicial Branch; thus, their portion of funding should go to the Nebraska Judicial Branch. To be a valid appropriation, a valid program number within the Nebraska Judicial Branch would need to be specified to receive their share of the funding. As such, a funding split between the Department of Administrative Services – State Building Division and the Nebraska Judicial Branch would need to be addressed in the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 612	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services – State Bldg Division	
REVIEWED BY: Kimberly Burns	DATE: 01/31/2023	PHONE: (402) 471-4171	
COMMENTS: Concur with the Department of Administrative Services' assessment of fiscal impact from LB 612.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 612	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Kimberly Burns	DATE: 03/13/2023	PHONE: (402) 471-4171	
COMMENTS: Concur with the Supreme Court's assessment of no fiscal impact from LB 612 as written.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 612	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Kimberly Burns	DATE: 03/10/2023	PHONE: (402) 471-4171	
COMMENTS: Concur with the Department of Health and Human Services' assessment of no fiscal impact from LB 612.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 612	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Kimberly Burns	DATE: 03/08/2023	PHONE: (402) 471-4171	
COMMENTS: Concur with the Nebraska Association of County Officials' assessment of fiscal impact from LB 612.			

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2023

LB⁽¹⁾ 612

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Building Division (SBD)

Prepared by: ⁽³⁾ Michelle Potts Date Prepared: ⁽⁴⁾ 1/19/2023 Phone: ⁽⁵⁾ 531-207-9029

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$4,000,000		\$4,000,000	
CASH FUNDS				
FEDERAL FUNDS				
REVOLVING FUNDS				
TOTAL FUNDS	<u>\$4,000,000</u>		<u>\$4,000,000</u>	

Explanation of Estimate:

LB 612 would give the Department of Administrative Services – State Building Division (DAS-SBD) four million dollars (\$4M) in General Fund appropriation in FY23-24 and FY24-25 to reimburse counties across the state for the lease of office space to the DHHS and the Office of Probation Administration.

DAS-SBD would request a new position (Administrative Program Officer III) to handle the increase in the number of leases that would be created and to manage the reimbursements processing. The estimated cost for this new FTE is \$89,685 in FY23-24 and \$92,772 in FY24-25. These costs include salary and benefits (health insurance is budgeted using the State’s current share of the highest cost family plan as a base) and ongoing annual operating costs (OCIO expenses including computer leasing costs), printing/publication, and other supplies. There would also be a one-time cost of \$887 in FY23-24 for set up costs and the purchase of new non-capitalized equipment (monitor, chair, etc.).

It is assumed that DAS-SBD would receive an additional FTE and PSL for the new FTE. It is also assumed that the costs for the new FTE would be covered by the General Fund appropriation that the bill provides or added to the final General Fund appropriation.

As introduced, LB612 includes an emergency clause, which makes the bill effective July 1, 2023. With limited time after the passage of the bill and current staff it would be impossible to have leases/agreements in place to begin reimbursement of the counties July 1, 2023.

DAS-SBD also does not manage the Office of Probation Administration’s office space. As it is a separate program, their portion of the funding may be appropriated to the Nebraska Judicial Branch.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Administrative Programs Officer II	1	1	\$49,548	\$52,026
Benefits.....			\$35,558	\$37,054
Operating.....			\$4,579	\$3,692
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$89,685	\$92,772

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2023

LB⁽¹⁾ 612

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 3/11/23 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact since all expenditures would be made by the Department of Administrative Services (DAS). Additional information: based on an informal survey by Probation field management, that does not include all counties, lease of Probation space alone totals more \$4 million.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 3-10-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 612 appropriates funding to the Department of Administrative Services (DAS) State Building Division for reimbursement to counties for lease of office space to the Department of Health and Human Services (DHHS) and Office of Probation Administration.

The department does not anticipate a fiscal impact, but should any cost be passed through DHHS, the department would need the corresponding appropriation.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	23-24	24-25	2023-2024	2024-2025
			EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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2023

LB⁽¹⁾ 612

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 3/10/2023 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	\$4,000,000	_____	\$4,000,000
CASH FUNDS	_____	_____	_____	_____
.	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB612 would appropriate \$4 million from the General Fund for FY2023-24 and FY2024-25 for reimbursement to counties for lease of office space to the Department of Health and Human Services and the Office of Probation Administration. The fiscal impact to counties would be increased by \$4 million the next two fiscal years.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____