

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	321,799	0	0	0	321,799
FY2027-2028	127,913	0	0	0	127,913
FY2028-2029	127,913	0	0	0	127,913
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB 1215 creates the Political Subdivision Contracting Transparency Act.

It requires the following:

- Political subdivisions must pay invoices for contract work within 30 days
- Contractors who receive payment, must pay any subcontractors within 7 days
- Any amount unpaid accrues interest
- Disallows including contract clauses that delay payment
- Political subdivisions must provide a written debrief for unsuccessful bids
- The Department of Administrative Services must establish a procurement calendar for political subdivisions to track any solicitation of \$50,000 or more.
- Political subdivisions must post solicitations for bids in this calendar 14 days before due date.
- Political subdivisions shall report any time they fail to comply with this requirement.
- The Department of Administrative Services shall provide a report to the Urban Affairs Committee.
- The Department of Economic Development shall develop a procurement readiness checklist in consultation with the Urban Affairs committee.
- The Urban affairs committee shall conduct a performance review in 2029

The bill sunsets on July 1, 2030.

This bill will have a fiscal impact.

The Department of Administrative Services estimates a cost of \$200,000 to set up the calendar system with \$20,000 ongoing maintenance cost. They indicate a requirement of an additional FTE to operate the system with an annual cost of \$99,787 in FY 27, and 107,913 in FY28. They also estimate up front equipment costs of \$2,012. There is no basis to disagree with these costs.

The Department of Economic Development estimates the need to hire an Attorney III to meet the requirements of the act. In talking to the agency, this is based on an understanding of the requirement to update and manage the checklist on an ongoing basis. The agency estimates \$172,383 in FY 26-27 and \$165,385 in FY 27-28. The legislation does not include language regarding ongoing management, and there is legal representation on the Urban Affairs committee for consultation. Based on this information the fiscal office does not agree with the estimate from the Department of Economic Development and assume the agency can utilize existing staff within their current appropriation.

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

2026

LB⁽¹⁾ 1215

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Department of Correctional Services

Prepared by: ⁽³⁾ Lisa Stanton

Date Prepared: 01/23/2026
⁽⁴⁾

Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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:

NDCS estimates no fiscal impact as a result of LB1215.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27 EXPENDITURES</u>	<u>2027-28 EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
Benefits.....	_____	_____	_____	_____
... Operating.....	_____	_____	_____	_____
.... Travel.....	_____	_____	_____	_____
. Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
. Capital improvements.....	_____	_____	_____	_____

TOTAL.....

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

2026

LB⁽¹⁾ 1215

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Materiel Division – State Purchasing Bureau (SPB)

Prepared by: ⁽³⁾ Michelle Potts Date Prepared: ⁽⁴⁾ 01/23/2026 Phone: ⁽⁵⁾ 402-432-0121

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$321,799		\$127,913	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$321,799</u>		<u>\$127,913</u>	

Explanation of Estimate:

LB 1215 creates the Political Subdivision Contracting Transparency Act. It would require the Department of Administrative Services to establish a single, public-facing, searchable, online procurement calendar listing each solicitation of fifty thousand dollars or more issued by any contracting agency. The Department of Administrative Services would also be required to create a report for the Urban Affairs Committee for the prior calendar year to include the posted information.

There is a fiscal impact to the Department of Administrative Services. The Department of Administrative Services, Materiel Division – State Purchasing Bureau (DAS-SPB) would need to have a vendor create a database for which political subdivisions would provide data to then feed into the calendar for the public to search. It is estimated this could cost between \$200,000 and \$400,000 with ongoing yearly maintenance costs as well, estimated at \$20,000. DAS-SPB would need to hire at least one additional staff member, an Administrative Programs Officer I, to manage the calendar, provide support to vendors and political subdivisions, as well as help to maintain the calendar/website data.

The estimated cost for an additional FTE plus database operating costs is \$119,787 in FY26-27 and \$127,913 in FY27-28. These costs include salary and benefits (health insurance is budgeted using the State’s share of the highest cost family plan as a basis) and ongoing annual operating costs (communication/data processing, computer leasing, printing/publication, rent/depreciation surcharge, maintenance of the new database and supplies). The total also includes one-time costs of \$202,012 in FY26-27 for employee set-up costs and the cost of new non-capitalized equipment (monitor, furniture, etc. - \$2,012) plus \$200,000 for the development of the new database.

Current funding for DAS-SPB is revolving funds from an annual assessment to the various agencies, boards, and commissions.

These funds are not provided for in the current rates and would, therefore, require General Funds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Administrative Programs Officer I	1	1	\$45,141	\$46,157
Benefits.....			\$49,768	\$56,878
Operating.....			\$226,890	\$24,878
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$321,799	\$127,913

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1215 AM: AGENCY/POLT. SUB: Department of Economic Development (DED)

REVIEWED BY: Ryan Yang DATE: 2/23/2025 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the DED assessment of fiscal impact from LB 1215.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1215 AM: AGENCY/POLT. SUB: Nebraska Department of Corrections (NDCS)

REVIEWED BY: Ryan Yang DATE: 2/23/2025 PHONE: (402) 471-4178

COMMENTS: The NDCS assessment of no fiscal impact from LB 1215 appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1215 AM: AGENCY/POLT. SUB: Department of Administrative Services (DAS)

REVIEWED BY: Ryan Yang DATE: 2/23/2026 PHONE: (402) 471-4178

COMMENTS: The DAS assessment of fiscal impact from LB 1215 appears reasonable.

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

2026

LB⁽¹⁾ 1215

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Department of Economic Development

Prepared by: ⁽³⁾ Kob Kitcharoen

Date Prepared: ⁽⁴⁾ 01/22/25

Phone: ⁽⁵⁾ (402) 471-3741

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$172,383		\$165,385	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$172,383		\$165,385	

Explanation of Estimate:

LB1215 creates the Political Subdivision Contracting Transparency Act (Act) and requires the Department of Administrative Services to create an online procurement calendar where political subdivisions shall provide information related to every solicitation of fifty thousand dollars or more, to be posted fourteen (14) days prior to the bid due date. Political subdivisions shall report failures to post this information on or before December 31 of the same year. Political subdivisions must also provide a written debrief upon the request of any unsuccessful bidder, except when active litigation or security restrictions apply.

Under the Act, political subdivisions must pay contractors no later than thirty (30) days after receiving an invoice. Similarly, the Act requires those contractors to remit payment to their subcontractors no later than seven (7) days after receiving an invoice. Additionally, LB1215 provides any unpaid amounts accrue interest pursuant to Neb. Rev. Stat. § 45-103 and voids contract provisions “[delaying] payment” to subcontractors.

Sec. 6 provides that the Department of Economic Development shall develop a small-business procurement readiness checklist, in consultation with the Urban Affairs Committee. The checklist includes compliance documentation, insurance and bonding requirements, required registrations, bid-submission requirements, project-readiness indicators, and availability of a micro-advance. Based on the number of requirements which need to be researched for each potential contracting agency, and to the extent LB1215 requires the checklist to be updated during the life of the program, DED estimates the need for 1 FTE Attorney III.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Attorney III	1.00	1.00	\$93,550	\$93,550
Benefits.....				
... Operating.....			32,743	32,743
.... Travel.....			28,136	29,270
. Capital outlay.....			9,355	9,823
Aid.....			8,600	
. Capital				

improvements.....

TOTAL.....

\$172,383

\$165,385