

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See below	

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

LB 327 shifts financial responsibility for probation services from counties to the state. Before implementation, counties cover probation office expenses, including office space and general maintenance, and provide facilities for probation officers.

Beginning July 1, 2026, through July 1, 2027, the state will take over all costs, including probation office expenses, salaries and travel for personnel, and IT infrastructure. County officials are required to collaborate with the State Court Administrator to ensure a smooth transition, and the Nebraska Supreme Court is granted authority to establish rules necessary for implementation.

The Supreme Court estimates a \$4.23 million General Fund impact for IT expenses starting July 1, 2026, covering equipment, infrastructure, and staffing for probation offices. The agency states that the cost of probation office space remains uncertain due to inconsistent county budgeting and undefined maintenance expenses. Current data show that counties charging for space report costs between \$4.4 million and \$4.6 million, but a full estimate is unavailable.

The Nebraska Association of County Officials (NACO) estimates the annual cost of providing probation office space at \$2.98 million based on 2022 data. Costs were projected using county population ratios, though some small counties reported little to no expense. The cost of IT services remains unknown due to varying budgeting practices, with some counties having dedicated IT units while others allocate IT costs across all departments.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 327	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY:	Jacob Leaver	DATE:	2/14/2025
		PHONE:	(402) 471-4173
COMMENTS: No basis to dispute the Supreme Court's estimated fiscal impact as a result of LB 327.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 327	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY:	Jacob Leaver	DATE:	1/27/2025
		PHONE:	(402) 471-4173
COMMENTS: The Nebraska Association of County Officials' estimated fiscal impact as a result of LB 327 appears reasonable.			

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

2025

LB⁽¹⁾ 327

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 2/14/2025 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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:

LB516 would eliminate the requirement of the county to pay probation costs, including maintain office space.

We surveyed counties in 2022, and 56 responded:

Adams, Box Butte, Boyd, Brown, Buffalo, Burt, Cherry, Cheyenne, Clay, Colfax, Cuming, Custer, Dakota, Dawes, Dawson, Dixon, Dodge, Douglas, Dundy, Fillmore, Frontier, Gosper, Hall, Hamilton, Holt, Hooker, Jefferson, Johnson, Kearney, Lancaster, Lincoln, Madison, McPherson, Merrick, Nance, Nuckolls, Otoe, Pawnee, Pierce, Richardson, Rock, Saline, Sarpy, Scotts Bluff, Seward, Sherman, Sioux, Stanton, Thayer, Thomas, Valley, Washington, Wayne, Webster, Wheeler, and York

The total reported cost for probation office space was \$2.7 million. Since the information was unreported by some counties and LB327 would transfer costs of more probation costs than just the office space, the savings from eliminating the county requirement to provide probation office space and costs would be higher. Also, approximately 80% of the total cost was born by Douglas, Lancaster, Sarpy, Hall, Buffalo, Dodge, and Scotts Bluff. The data reported are from FY2021-22.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2025

LB⁽¹⁾ 327

FISCAL NOTE

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

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/12/2025 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	See below	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB327 will increase General Fund expenditures by transferring, from counties to the State, responsibility for certain expenses related to operating Probation offices, particularly office space and information technology (IT). The State currently pays for the personal services and travel of all Probation staff. LB327 provides that this transition would occur during FY26-27.

Fiscal impact:

1. IT. General Fund estimate: \$4,230,300, start date 7/1/2026. This includes equipment, infrastructure and staffing to provide services to all probation offices.
2. Probation space and related expenses. No reasonable estimate of the fiscal impact can be determined at this time due to the following:
 - a. Currently, it appears not all counties budget an amount charged against the space used by Probation. It is not known what amount would be charged by all counties and at what rates.
 - b. "Expenses incident to the conduct and maintenance of the principal office" is not defined. A clear definition that can be applied consistently across all county budgets would be necessary to develop an estimate.
 - c. However, to provide some information, from data provided to the Judicial Branch to date, the total for those counties that do charge for space in their budget, is \$4.4 million to \$4.6 million.

Note: this fiscal note may be amended at a later date based on additional information.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26 EXPENDITURES</u>	<u>2026-27 EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____