Scott Danigole February 13, 2014 471-0055

LB 1006

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	14-15	FY 2015-16			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

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

LB 1006 changes provisions related to public contracts.

Section 1 prohibits any state agency as defined in section 73-502 from entering into a contract with a private person or entity that (a) guarantees payment for services not provided, (b) unduly restricts the state agency from taking actions in the public interest, or (c) unfairly places the burden or risk under the contract on taxpayers.

No fiscal impact.

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾	1006					FISCAL NOTE		
State Agency OR Political Subdivision Name: ⁽²⁾ Prepared by: ⁽³⁾ Christina Peters			Nebraska Department of Correctional Services					
			Date Prepared: ⁽⁴⁾	1/29/2014	Phone: (5)	(402) 479-5702		
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION								
FY 20			4-15	FY 2015-16				
		EXPENDITURES	<u>REVENUE</u>	EXPENDITU	<u>RES</u>	<u>REVENUE</u>		
GENER	AL FUNDS	0	0	0		0		
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS		. <u></u>						
TOTAL FUNDS 0		0	0		0			

Explanation of Estimate:

This bill places the certain restrictions on contracts between state agencies and private prisons. A contract with a private prison may not guarantee payment for services not provided, restrict the state from taking actions in the public interest, or unfairly place the burden of risk on the taxpayers.

The following contract provisions are specifically prohibited:

- Guaranteeing a certain occupancy rate
- prohibiting the state from maintaining, improving or building public infrastructure
- Penalizing the state if a contractor loses revenue as the result of natural or manmade emergencies.

There is no fiscal impact on NDCS.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE						
Personal Services:						
	NUMBER OF POSITIONS		2014-15	2015-16		
POSITION TITLE	<u>14-15</u>	<u>15-16</u>	EXPENDITURES	EXPENDITURES		
Benefits						
Operating						
Travel						
Capital outlay						
Aid						
Capital improvements						
TOTAL						

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 1006				FISCAL NOTE	
State Agency OR Political Subdivision Name: ⁽²⁾		Administrative S			
Prepared by: ⁽³⁾ Bo B	otelho	_ Date Prepared: ⁽⁴⁾	1/23/14 Phor	ne: ⁽⁵⁾ 402-471-8351	
	ESTIMATE PROVIDE	D BY STATE AGEN	CY OR POLITICAL SUB	DIVISION	
	FY 20)14-15	FY	FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	0	0	0	0	

Explanation of Estimate: The proposed bill prohibits any state agency from entering into a contract that guarantees payment for services not provided, unduly restricts the state agency from taking action in the public interest, or unfairly places the burden of risk under the contract on taxpayers. It also prohibits contract provisions that guarantee a certain occupancy rate for private prisons or other contracted facility, that prohibit a state agency from maintaining, improving, or building public infrastructure; or that penalize a state agency if a contractor loses revenue as a result of natural or manmade emergencies. The remainder of the bill pertains to the Private Prison Contracts.

The bill has no fiscal impact on Administrative Services.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE					
Personal Services:					
POSITION TITLE	NUMBER OF POSITIONS <u>14-15</u> <u>15-16</u>		2014-15 <u>EXPENDITURES</u>	2015-16 <u>EXPENDITURES</u>	
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					
TOTAL					