

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
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	SEE BELOW	SEE BELOW

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

LB 973 amends statute regarding state employees.

Beginning in FY 2027-28, the bill requires off street parking be provided for all state employees at all sites and facilities owned or leased by the state of Nebraska without cost to such employees.

The Building Division indicates the need for an additional 500 spaces in Lincoln and anticipates the need to construct an additional parking garage, which is estimated to be \$14,000,000 for construction.

There is no basis to disagree with the construction cost. However there are alternatives to construction that may be considered. Additionally, this project may be funded with general funds or through the Nebraska Capital Construction Fund.

If an additional garage is constructed, costs will go up to maintain the additional garage spaces. These costs will be shared across agencies and fund types and the amounts are unknown at this time but would be included in the FY28/29 budget request.

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2026

LB₍₁₎ 973

FISCAL NOTE

State Agency OR Political Subdivision Name: (2)

Department of Administrative Services (DAS) – State Building Division (SBD)

Prepared by: ⁽³⁾ Brent Flachsbart **Date Prepared:** ⁽⁴⁾ 01-15-2026 **Phone:** ⁽⁵⁾ 531-207-9029

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2028-29</u>
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>
GENERAL FUNDS	<u>\$15,030,738</u>	<u></u>	<u>\$1,211,133</u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>
REVOLVING FUNDS	<u></u>	<u></u>	<u></u>
CASH FUND	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$15,030,738</u>	<u>(\$979,560)</u>	<u>\$1,211,133</u>
			<u>(\$1,211,133)</u>

Explanation of Estimate:

LB 973 proposes providing free parking for state employees and changes provisions regarding charges for state buildings and facilities to authorize the Parking Revolving Fund (currently Capitol Buildings Parking Revolving Fund) to be utilized for construction of parking facilities. Beginning July 1, 2028, all state employees at all sites and facilities owned or leased by the State of Nebraska, would be provided with off-street parking at no cost to the employees. Funds necessary for such parking are to be included in the system of charges for state buildings and facilities.

It is estimated that roughly an additional 500 parking stalls are needed in Lincoln, in addition to parking currently available to employees. An exact number is unknown as staffing needs change continually. This would make parking available to all employees currently on the “wait list”, employees waiting for a preferred parking location and not currently in state-owned lots, employees currently paying for parking in other lots, and employees who park on the streets and in Capitol parking (these exact numbers are not known).

Without land available in proximity to the Capitol to meet surface parking needs, a garage would need to be constructed. Parking garage construction costs are currently estimated at \$30,000 per stall for a total estimate of \$13,500,000 to \$15,000,000 to build a parking garage. There are not sufficient revolving Parking funds to construct a new garage. The construction of a new garage would require between \$13,500,000-\$15,000,000 from the General Fund in FY26-27. It is possible that the garage would not be completed by July 1, 2028, depending on when funding was available and the timeline of the project.

Without any user incomes, lot and garage maintenance costs would require new funding. Both the Lincoln lots and garages and the Omaha garage generate revenue from the parking of agency-owned vehicles and for special events. Current operating costs plus anticipated future maintenance costs would require General Funds.

Operational expenses would increase by an estimated 25% once the new garage was completed. DAS – SBD would require additional revolving fund appropriation once the new garage was completed for those additional expenses and to ensure sufficient revolving fund appropriation for capital maintenance costs.

Lincoln parking annual average expenses, less other revenue over the past five years, was \$721,580. With a new garage and 25% increase, this would require an additional \$180,395 for a total operational expense estimated to be \$901,975. Omaha parking annual costs averaged \$51,178.

SBD estimates an annual need for capital maintenance to the garages and surface lots of \$257,980 per year. The capital maintenance includes repair to structures, elevators, grounds, lighting, sprinklers, generators, surfaces, etc.

FY26-27

Estimated costs – Lincoln: \$14,979,560 (\$721,580 +\$257,980 + 14,000,000)

Estimated costs – Omaha: \$51,178

Total: \$15,030,738

FY28-29

Estimated costs – Lincoln: \$1,159,955 (\$901,975 +\$257,980 = \$1,159,955)

Estimated costs – Omaha: \$51,178

Total: \$1,211,133

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Personal Services:				
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 793	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)
REVIEWED BY: Ryan Yang	DATE: 1/28/2025	PHONE: (402) 471-4178
COMMENTS: The DAS assessment of fiscal impact from LB 793 appears reasonable.		