

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	4,059,691	1,126,611	0	0	5,186,302
FY2027-2028	2,992,310	1,509,597	0	0	4,501,907
FY2028-2029	2,996,310	1,509,597	0	0	4,505,907
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	35,062,500	1,650,000	0	0	36,712,500
FY2027-2028	35,062,500	1,980,000	0	0	37,042,500
FY2028-2029	35,062,500	1,980,000	0	0	37,042,500

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

LB879 adopts the Guest Worker Permit Act (the Act), establishing a legal framework for undocumented individuals in Nebraska to obtain permits for work and immediate family residency, ensuring compliance with state regulations while seeking federal authorization. The Act is to begin the sooner of (a) 120 days after the day on which the Governor finds the State has received any necessary federal waivers, exemptions or authorizations, or (b) July 1, 2028. Under the Act, an undocumented individual shall obtain a permit (a) before providing a service to a person in Nebraska under contract for hire or (b) no later than 30 days after the day on which the undocumented individual enters into a contract for hire as described in the Act.

The Act requires that the Nebraska Department of Labor (NDOL) establish an administrative system to issue, track, and enforce the new permits process. In its fiscal note, NDOL explains that it uses data from the Migration Policy Institute and the American Immigration Council to estimate that between 50,000 and 60,000 undocumented individuals currently reside in Nebraska. They use this data as a basis for determining that up to 50,000 applications will be submitted in a two-year period, with a similar number of permit renewal applications in future years.

Under LB 879, undocumented individuals may submit an application for a permit as a guest worker (\$50 each) or as an immediate family member (\$20 each). If a permit is granted, the applicant must also agree to pay a fee of (a) \$2,500 if the applicant came to the United States illegally, or (b) \$1,000 if the applicant came to the United States legally but is now out of compliance with federal immigration law. NDOL estimates that 75% of applicants will comprise group (b) while the remaining 25% will comprise group (a).

Using these assumptions, projected revenue from application fees over the initial two-year period is approximately \$1.375 million. In addition, projected revenue from permit fees is approximately \$68.75 million. Combined, total estimated revenue for the first two years totals approximately \$70.125 million, with similar amounts expected for renewal cycles in subsequent years.

Projected NDOL expenditures are based on the need for IT support to develop and maintain online services and cybersecurity. NDOL will also need to conduct in-person applicant intake and manage applicant traffic, which will require additional physical office space, outfitting new workstations, and hiring front-desk and processing personnel. In addition, NDOL will need multiple labor law specialists to review permit applications and related materials for authenticity and determine eligibility of applications. Denials and revocations of permits are appealable as contested cases under the Administrative Procedures Act and will require the agency to hire additional attorneys and legal support staff and contract hearing officers. NDOL will also require a dedicated accountant to manage billing, reconcile payments, and track delinquencies.

Staffing and operating needs based on the estimate of 50,000 applicants in a two-year period are broken out in the charts below:

Position Title	# of Positions	FY27 Expenditures	FY28 Expenditures
Labor Law Specialist	17.0 each year	\$1,042,185	\$1,073,450
Labor Program Mgr	1.0 each year	89,672	92,362
IT Applications Dev.	0.75 year 1 only	91,350	0
Accountant II	1.0 each year	64,935	66,884
Admin. Tech.	1.0 each year	48,479	49,934
Attorney III	1.0 each year	98,752	101,714
Attorney II	1.0 each year	60,401	62,213
Paralegal I	1.0 each year	60,401	62,213
Total Salaries		\$1,576,447	\$1,529,650
Other Expenses		FY27	FY28
Benefits		\$633,163	\$614,367
Operating		1,093,763	573,093
GRAND TOTAL		\$3,303,373	\$2,717,110

The Act also provides duties for Nebraska's Department of Revenue (Revenue), State Patrol, and Governor.

If the permit holder does not have a social security number, the Department of Revenue (DOR) must provide a method for persons who receive services from the permit holder to withhold an income tax equivalent on compensation paid. Income tax equivalent means the amount determined by DOR to approximate the Nebraska income tax that would apply if the permit holder had a Social Security number. DOR would work with Federal agencies to ensure withholding procedures comply with Federal law.

Under LB 879, DOR will be required to impose a yet-to-be-determined fee on the person who hires the permit holder if the Federal government does not collect or provide for withholding of Federal employment taxes. The fee must equal the Federal employment taxes that would apply if the permit holder had a Social Security number. DOR would determine the assessment and collections method through regulation. DOR estimates that LB 879 will have a positive impact on revenues for fees collected through DOR, but its fiscal note does not project the dollar amount, as the fees are still to be determined. *The chart at the top of the first page does not include estimated DOR revenues.*

The bill will require a one-time programming charge of \$485,058 paid to the OCIO for programming and development, with maintenance costs estimated at \$50,105 for subsequent years. One (1.0) FTE Information Technology Supervisor will also be required. Total projected DOR expenditures are:

	FY27 Expenditures	FY28 Expenditures	FY29 Expenditures
IT Application Supv.	\$99,500	\$102,500	\$105,500
Benefits	32,800	33,800	34,800
Capital Outlay	5,000		
TOTAL	\$622,358	\$186,405	\$190,405

Applicants will also be required to submit two eligible sets of fingerprints to be forwarded to the FBI through the Nebraska State Patrol for a national criminal history record information check, along with the fee for such record check payable to the Patrol (\$55). For projecting its revenues and expenditures, the Patrol used similar estimates and methodology as used by NDOL. The renewal process will mirror the initial process, so applicants will be required to complete a national background check every two years. Fees collected by the State Patrol will go to an existing Cash fund, and are shown in the Cash fund Revenue line in the chart at the top of the first page.

In order to process the expected quantity of applicants, the Patrol estimates that 23 additional employees will be necessary: 1.0 FTE Forensic Scientist and 22 other employees of varying titles who will be involved in the fingerprinting and processing of background checks as required by the bill. Projected expenditures will be paid through Cash funds, except for those incurred by those associated with the Crime Lab, as their work and related costs are not part of the fee structure charged for fingerprinting and background checks. Projected expenditures are summarized in the chart below:

Position Title	# FTEs	FY27 Expenditures	FY28 Expenditures
Admin. Technician	3.0	\$59,171	\$122,188
Office Specialists	13.0	238,520	492,544
NSP Forensic Tech.	4.0	85,484	172,269
NSP Prog. Mgr.	1.0	37,778	78,012
Research Mgr.	1.0	43,616	90,066
Forensic Scientist	1.0	29,599	61,123
Benefits		192,706	396,319
Operating		248,547	185,871
Travel		30,000	
Capital Outlay		295,200	
TOTAL		\$1,260,571	\$1,598,392

Operating costs include cubicles, monthly OCIO charges, computer leases and equipment, office furniture, office supplies, document scanners, and additional rental and janitorial costs. Capital outlays include the cost of 8 Automated Fingerprint Identification System (AFIS) workstations. The travel costs are associated with the training travel that will be required for the new Forensic Scientist in their first year. Additional detail is provided in the fiscal note returned by the State Patrol.

The Fiscal Analyst has no basis to disagree with the projections provided by these agencies.

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

LB: 879	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor
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REVIEWED BY: Ryan Yang	DATE: 2/4/2026	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the NDOL assessment of fiscal impact from LB 879.

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

LB: 879	AM:	AGENCY/POLT. SUB: Department of Revenue
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REVIEWED BY: Ryan Yang	DATE: 2/4/2026	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the NDOR assessment of fiscal impact from LB 879.

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

2026

LB⁽¹⁾ 879

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Department of Labor

Prepared by: Rea Easton
⁽³⁾

Date Prepared: 01/20/2026
⁽⁴⁾

Phone: 402-416-6809
⁽⁵⁾

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	3,303,373	35,062,500	2,717,110	35,062,500
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	3,303,373	35,062,500	2,717,110	35,062,500

Explanation of Estimate: LB879 creates the Guest Worker Permit Act and requires the Nebraska Department of Labor (NDOL) to establish an administrative system to issue, track, and enforce the new permits process. Based on the most recent available data from the United States Department of Homeland Security (DHS), the unauthorized immigrant population for the United States was approximately eleven million individuals. While DHS does not publish data specific to Nebraska, the Migration Policy Institute and the American Immigration Council estimate that between 50,000 to 60,000 undocumented individuals currently reside in Nebraska. Using this data as a basis for determining a fiscal impact for LB 879, NDOL estimates that up to 50,000 applicants will be submitted in a two-year period with a similar number of permit renewal applications in future years.

Under LB 879, undocumented individuals, defined as those individuals entering the United States illegally or those individuals that entered the United States legally but are now out of compliance with federal immigration law, may submit an application for a permit as a guest worker or as an immediate family member. Applications for guest workers must remit \$50 as part of the application process, and applications for immediate family members must remit \$20 as part of the application process. NDOL estimates that 25% of the potential applicants will be submitted as guest workers with the remaining 75% submitted as an immediate family member. If a permit is granted, the applicant must also agree to pay a fee of \$2,500 if the applicant came to the United States illegally or \$1,000 if the applicant came to the United States legally but is now out of compliance with federal immigration law. NDOL estimates that 75% of the applications received will come from individuals that came to the United States legally but are currently out of compliance with federal immigration laws. The remaining 25% of applications are estimated to come from individuals that arrived in the United States illegally.

Based on these assumptions, projected revenue from application fees over the initial two-year period is approximately \$1.375 million, calculated from 12,500 guest worker applications at \$50 each and 37,500 immediate family applications at \$20 each. In addition, projected revenue from permit fees is approximately \$68.75 million, based on 37,500 applicants paying \$1,000 and 12,500 applicants paying \$2,500. Combined, total estimated revenue for the first two years is approximately \$70.125 million, with similar amounts expected for renewal cycles in subsequent years.

Under LB 879, NDOL will need to develop online services for the program which will require IT support for maintenance, and cybersecurity. NDOL will also need to conduct in-person applicant intake and manage applicant traffic which will require additional physical office space as well as outfitting new workstations and staffing front-desk and processing personnel. Additionally, NDOL will need multiple labor law specialists to review permit applications and related materials for authenticity and determine eligibility of applications under program guidelines established through rules and regulations. Denials and revocations of permits are appealable as contested cases under the Administrative Procedures Act and will require the agency to hire additional attorneys and legal support staff and contract hearing

officers. NDOL will also require a dedicated accountant to manage billing, reconcile payments, and track delinquencies.

Based on an estimate of 50,000 applicants in a two-year period, NDOL will require 17 Labor Law Specialists, 1 Labor Program Manager, and 1 Administrative Technician for in-person applicant intake, application review, permit processing. NDOL will also require 1 Attorney II, 1 Attorney III, 1 Paralegal I, and 2 additional contract Hearing Officers for contested cases resulting from the denial and revocation of permits, as well as for drafting program guidelines through rules and regulations. To create and maintain online services, NDOL estimates will need 1 IT Applications Developer. NDOL will require 1 Accountant II to manage the billing, payments, and delinquencies.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	<u>26-27</u>	<u>27-28</u>		
Labor Law Specialist	17.00	17.00	1,042,185	1,073,450
Labor Program Manager	1.00	1.00	89,672	92,362
IT Applications Developer/Lead	0.75	-	91,350	-
Accountant II	1.00	1.00	64,935	66,884
Administrative Technician	1.00	1.00	48,479	49,934
Attorney III	1.00	1.00	98,752	101,714
Attorney II	1.00	1.00	80,673	83,093
Paralegal I	1.00	1.00	60,401	62,213
Total Salaries	23.75	23.00	1,576,447	1,529,650
Benefit			633,163	614,367
Operating				
...			1,093,763	573,093
Travel				
.				
Capital outlay				
Aid				
.				
Capital improvements				
TOTAL			3,303,373	2,717,110

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: James R. Kamm				Date Prepared: 02/04/2026			
				Phone: 471-5896			
	FY 2026-2027			FY 2027-2028			FY 2028-2029
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>
General Funds	\$622,358	Indeterminable		\$186,405	Indeterminable		\$190,405
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$622,358	Indeterminable		\$186,405	Indeterminable		\$190,405

LB 879 adopts the Guest Worker Permit Act. Beginning on the implementation date, an undocumented individual may submit an initial application to the Department of Labor (DOL) for a guest worker permit along with a fee not to exceed \$50 in amount determined by DOL.

For the initial application, the applicant must also pay a fee of:

- 1) \$1,000 if the applicant entered into the U.S. legally but, at the time of paying the fee, is not in compliance with the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) with regard to presence; or
- 2) \$2,500 if the applicant entered into the United States illegally.

If the federal waivers, exemptions, or authorization allows, DOL will also require an application for the initial issuance to either post a \$10,000 bond with DOL or provide written certification from the applicant's country of origin guaranteeing compliance with the Act, in accordance with DOL rules.

An undocumented individual must obtain a permit:

- 1) Before providing to a person in Nebraska under a contract for hire; or
- 2) No later than 30 days after the day on which the undocumented individual enters contract for provided for hire as provided in subsection (3) of this bill.

LB879 also allows immediate family members of a guest worker permit holder to obtain a family member permit for a fee not to exceed \$20, plus the same additional \$1,000 or \$2,500 initial payment.

Any fees collected by DOL are remitted to the General Fund.

If the permit holder does not have a social security number, the Department of Revenue (DOR) must provide a method for persons who receive services from the permit holder to withhold an income tax equivalent on compensation paid. Income tax equivalent means the amount determined by DOR to approximate the Nebraska income tax that would apply if the permit holder had a Social Security number. DOR will work with federal agencies to ensure withholding procedures comply with federal law.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>28-29 FTE</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>	<u>28-29 Expenditures</u>
A07011	Information Technology Applications Supervisor	1.0	1.0	1.0	\$99,500	\$102,500	\$105,500
Benefits.....					\$32,800	\$33,800	\$34,800
Operating Costs.....					\$485,058	\$50,105	\$50,105
Travel.....							
Capital Outlay.....					\$5,000		
Capital Improvements.....							
Total.....					\$622,358	\$186,405	\$190,405

DOR must impose a fee on the person who hires the permit holder if the federal government does not collect or provide for withholding of federal employment taxes. The fee must equal the federal employment taxes that would apply if the permit holder had a Social Security number. DOR will determine the assessment and collection method through regulation.

DOL must develop a system similar to E-Verify for employers to verify the validity of permits. DOL may disclose verification information to:

- 1) DOR for purposes of fee imposition and withholding;
- 2) The Auditor of Public Accounts for audit purposes; and
- 3) To a federal agency pursuant to a waiver, exemption, or authorization under the Act.

DOL may suspend or revoke a permit if the individual violates the act. DOL may also impose a civil penalty of up to \$750 for violations. A person is guilty of a Class II misdemeanor if they submit false or forged information with an application. If DOL finds that a permit has been revoked or expired and the undocumented individual continues to reside in Nebraska, DOL must notify the Attorney General and ICE.

Fiscal Impact

It is estimated that LB 879 will have a positive impact on General Fund revenues. However, DOR is unable to reliably estimate the number of individuals who will apply for the permit because immigrant authorization is determined at the federal level rather than the state level. For reference, the Pew Research Center estimates there are approximately 40,000 undocumented immigrants in Nebraska.

This bill will require a one-time programming charge of \$485,058 paid to the OCIO for programming and development costs. Maintenance costs are estimated at \$50,105 for subsequent years. This bill will also require one FTE at the Information Technology Supervisor level to implement the bill.

The operative date of this bill is the sooner of:

- a) 120 days after the day the Governor finds that state has received any necessary federal waiver, or
- b) July 1, 2028.

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

2026

LB⁽¹⁾ 879

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: 02/03/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$133,960		\$88,795	
CASH FUNDS	\$1,126,611	\$1,650,000	\$1,509,597	\$1,980,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,260,571	\$1,650,000	\$1,598,392	\$1,980,000

Explanation of Estimate:

LB 879 adopts the Guest Worker Permit Act. The act shall be implemented by the Department of Labor beginning the sooner of (a) 120 days after the day on which the Governor finds the State has received any necessary federal waivers, exemptions or authorizations or (b) 7/1/2028. Under the Act an undocumented individual shall obtain a permit (a) before providing a service to a person in this state under contract for hire or (b) no later than 30 days after the day on which an undocumented individual enters into a contract for hire as described in the Act. The permit is obtained by submitting an application to the Department (Dept. of Labor). The applicant must also submit two eligible sets of fingerprints to be forwarded to the FBI through the Nebraska State Patrol for a national criminal history record information check, along with the fee for such record check payable to the Patrol.

For purposes of completing the fiscal note, the Patrol has estimated that the Act will be implemented beginning 1/1/27. Based on information provided to the Patrol by the Nebraska Department of Labor, 60,000 applicants are expected in the first year. The Patrol has estimated that 30,000 of these applicants will occur in the last half of FY 26/27, and that the other 30,000 will be in the first six months of FY 27/28. It also estimates that there will be 6,000 additional applicants (DOL conservative estimate) that will be received for the remaining six months of FY 27/28. It is important to note that the renewal process will mirror the initial process, so every two years applicants will be required to complete a national background check again.

In order to process this volume of applicants, the Patrol estimates that 23 additional employees will be necessary. The majority of these employees (22 total) will be involved in the fingerprinting and the processing of background checks as required by the bill. Additionally, one Forensic Scientist I is needed in the Crime Lab as a Latent Print Examiner. The Crime Lab estimates that for each set of finger-prints entered into AFIS, there will be 1 to 5 potential hits to the latent fingerprint database in AFIS which must be further evaluated by a Forensic Scientist to determine if an actual match has occurred. These employees are projected as beginning employment on 1/1/27 with total salaries and benefits of \$494,118 and \$192,706 in FY 26/27, respectively. Total salaries and benefits for FY 27/28 are projected at \$1,016,202 and \$396,319 in FY 27/28, respectively. Operating expenses include (1) the cost of cubicles, (2) monthly IT costs that will be paid to the OCIO for support, (3) computer leases, (4) the cost of computer monitors, sound bars, and docking stations, (5) office chairs and floor mats, (6) office supplies, (7) document scanners, (8) additional rental and janitorial costs for new SHQ employees, and (9) training and travel costs for a new Forensic Scientist (Latent Print Examiner). Total Operating Expenses and Travel Costs are projected at \$278,547 and \$185,871 for FY 26/27 and FY 27/28, respectively. Capital Outlays include the cost of 8 AFIS workstations in FY 26/27 at a cost of \$295,200.

Additional office space is anticipated being needed, as the Patrol's current SHQ facilities do not include enough space to house 16 additional employees at SHQ. While it is difficult to estimate the cost of additional

space, \$55,680 and \$96,000 for FY 26/27 and FY 27/28, respectively, has been added to the cost estimate. Additionally, janitorial costs totaling \$4,912 and \$8,421 for FY 26/27 and FY 27/28, respectively, have been reflected. These estimates are based upon the current rental and janitorial costs paid by the Patrol at SHQ. Note, this is for an estimated 7 months for FY 27/26 and 12 months for FY 27/28 for these additional costs. For the 6 new FTE's that will be housed in the out-state troop areas, it has been assumed that enough space will exist in each of the specific troop areas to accommodate these new personnel.

Note that the expenses associated with the Crime Lab have been reflected as General Fund costs, as their work and associated costs are not a part of the fee structure charged for the fingerprinting and background checks. The fees charged are intended to offset both fixed and variable costs related to the work performed by the Criminal Identification Division for fingerprinting and background check services, which are reflected as Cash Funds. The fees charged by the State Patrol for FBI national criminal history record checks are \$55.00 per check. Accordingly, revenues are projected at \$1,650,000 for 30,000 applicants in FY 26/27 and \$1,980,000 for 36,000 applicants for FY 27/28. It is important to note that the additional revenue in excess of the direct expenses reflected in this note cover fixed costs that the Agency will incur (such as the periodic required costs to upgrade systems, software, and equipment, and existing ongoing maintenance and facility costs).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	<u>26-27</u>	<u>27-28</u>		
Administrative Technician (S01013)	3	3	\$59,171	\$122,188
Office Specialists (S01012)	13	13	\$238,520	\$492,544
NSP Forensic Technician (M53010)	4	4	\$85,434	\$172,269
NSP Program Manager (V64010)	1	1	\$37,778	\$78,012
Research Manager (V13114)	1	1	\$43,616	\$90,066
Forensic Scientist I (E53012)	1	1	\$29,599	\$61,123
Benefits			\$192,706	\$396,319
...				
Operating			\$248,547	\$185,871
....				
Travel			\$30,000	
.				
Capital outlay			\$295,200	
Aid				
.				
Capital improvements				
TOTAL			\$1,260,571	\$1,598,392