

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 996 aims to allow the Nebraska Department of Correctional Service (NDCS)s to operate county jails. The bill states that the Judiciary Committee will prepare an amendment to harmonize provisions of state law consistent with this act.

**Expenditures:**

NDCS due to the impact of LB 996 would need to complete a general study to evaluate all adult jail facilities to formulate an implementation plan. Key areas for consideration include staffing, physical infrastructure, management, transportation, IT integration, policy standardization, support services, and capital construction. The estimated cost of this study is \$1,000,000.

NDCS anticipates an initial cost of \$185,900,000 to operate county jails. This estimate is based on the U.S. Census Bureau's 2021 Annual Surveys of State and Local Government Finances, adjusted for inflation. The 2021 local government expenditure in Nebraska for corrections was \$168,950,000. The study's completion may reveal additional costs, and a detailed implementation plan and timeline will be developed.

The breakdown of the \$185,900,000 (\$102,245,000 PSL, \$27,885,000 Benefits, \$55,770,000 Operating). NDCS states these estimates are very preliminary. The agency does assume that all county staff would be come state employees. There is no basis to disagree at this time.

The bill mandates that NDCS operates the county jails but leaves the status of real property used for county jails unclear. Consequently, costs related to the state's acquisition of real property for jails are not included in this estimate.

As of December 2023, the average daily prison population exceeded design capacity by 141.94%. The FY23 daily cost per inmate was \$36.67, amounting to \$13,383.33 annually.

The Nebraska Crime Commission has stated that due to unclarity in the bill, the fiscal impact remains undeterminable at this time.

The counties could have cost savings, but the bill at this time doesn't address counties' expenses for jail construction or their bonded debt. Counties remain liable for these costs and for maintaining jail facilities. The bill also doesn't clarify whether the Department of Correctional Services would rent existing jail facilities.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 996</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Department of Correctional Services (046)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/30/2024	PHONE: (402) 471-4178
COMMENTS: While the costs identified in the fiscal note are substantial, I do not disagree with the Nebraska Department of Correctional Services (NDCS) estimate of potential Fiscal Impact to the Agency from LB 996.		

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

**LB: 996**      **AM:**      AGENCY/POLT. SUB: **Nebraska Commission on Law Enforcement and Criminal Justice (078)**

REVIEWED BY: Joe Wilcox      DATE: 01/17/2024      PHONE: (402) 471-4178

COMMENTS: Sections of LB 996 could impact the Jail Standards Board under the Nebraska Commission on Law Enforcement and Criminal Justice (Crime Commission), and its authority with regard to the Nebraska Department of Correctional Services. No basis to dispute the Crime Commission estimate of Indeterminate Fiscal Impact to the Agency from LB 996.

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

**LB: 996**      **AM:**      AGENCY/POLT. SUB: **Nebraska Association of County Officials (NACO)**

REVIEWED BY: Joe Wilcox      DATE: 01/24/2024      PHONE: (402) 471-4178

COMMENTS: Do not disagree with the Nebraska Association of County Officials (NACO) estimate of potential, but Indeterminate Fiscal Impact to Counties from LB 996.

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

**2024**

**LB<sup>(1)</sup> 996**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Correctional Services

Prepared by: <sup>(3)</sup> Lisa Stanton Date Prepared: <sup>(4)</sup> 01/11/2024 Phone: <sup>(5)</sup> (402)479-5702

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$1,000,000</u>	<u>                    </u>	<u>\$185,900,000</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><u>\$1,000,000</u></u>	<u>                    </u>	<u><u>\$185,900,000</u></u>	<u>                    </u>

**Explanation of Estimate:**

LB 996 provides that the Department of Correctional Services shall operate the county jails in the State of Nebraska. The bill would have considerable fiscal impact.

A general study would need to be done to assess all adult jail facilities and develop a strategy for implementation. Considerations include but are not limited to staffing implications, physical plant, management and administration, vehicles and transportation, information technology integration, standardizing policy and procedure, support services, and capital construction needs. The estimated cost of the study is \$1,000,000.

NDCS estimates the initial fiscal impact of operating the county jails to be \$185,900,000. This figure was calculated using the U.S. Census Bureau 2021 Annual Surveys of State and Local Government Finances with a 10.02% cumulative rate of inflation applied. In 2021 the local government amount reported for Nebraska in the Correction category was \$168,950,000 (7.94 CV). Additional costs may be identified when the study is completed, and an implementation plan and time frame is developed.

The breakdown of the \$185,900,000 (\$102,245,000 PSL, \$27,885,000 Benefits, \$55,770,000 Operating) is a very preliminary estimate based on NDCS' 2023 actual percentage of total cost in those categories.

This bill requires department operation of jails, but does not make clear the status of real property if this proposal was enacted. Therefore, this estimate does not include costs if the state were required to purchase, lease, or otherwise obtain real property used for county jails.

As of December 2023, the average daily prison population (ADP) was 141.94% of design capacity. The FY23 per diem cost was \$36.67 for each inmate, or \$13,383.33 per year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>VARIOUS</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>\$102,245,000</u>
<u>Benefits.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>\$27,885,000</u>
<u>Operating.....</u>	<u>                    </u>	<u>                    </u>	<u>\$1,000,000</u>	<u>\$55,770,000</u>
<u>Travel.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Capital outlay.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Aid.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Capital improvements.....	<u>                    </u>	<u>                    </u>
<b>TOTAL</b> .....	<u>    \$1,000,000    </u>	<u>    \$185,900,000    </u>

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

**2024**

**LB<sup>(1)</sup> 996**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/23/2024 Phone: <sup>(5)</sup> 402.434.5660

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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:**

LB 994 would transfer jail administration to the Department of Correctional Services (DOC) but not the county jail buildings or staff. As of July 22, there were 64 counties with an adult detention or holding facility in operation. The detention facilities have capacities for over 5,250 detainees. County jails reported on average, the daily rate for housing state inmates is \$81.

Two-year average cost for county corrections: \$140,282,532. All expenses are Actual Expenditure, not Authorized Expenditure. Jail costs include interlocal payments by counties without jails or with jail overcapacity for the cost of boarding of prisoners in other counties. Jail costs are gross cost (not net cost), because jail costs have not subtracted costs that were later reimbursed either by other counties (interlocal agreements) or by NE DOC (boarding of state prisoners).

Upon its face, LB994 appears to be a significant cost savings over a two-year timeframe and into the future. However, the legislation does not address the costs counties have incurred for building jail facilities or the bonded indebtedness which they are subject to and would still be responsible for such costs associated with maintaining their jail facilities and funding outstanding bonded indebtedness. The legislation also does not contemplate whether DOC would rent the facilities currently in use.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

**2024**

**LB<sup>(1)</sup> 996**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Crime Commission

Prepared by: <sup>(3)</sup> Amanda Limbach Date Prepared: <sup>(4)</sup> 01/13/24 Phone: <sup>(5)</sup> 402-471-8799

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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:**

The Bill does not provide enough clarity or direction to allow the agency to calculate fiscal impact relative to us.

Fiscal impact to NCC is indeterminate at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____