

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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.

LB1190 requires reports be submitted by all State of Nebraska, Douglas County, and City of Omaha agencies, boards, and commissions to the Department of Administrative Services by August 1 of each year containing the following information:

- Name of recipient and dollar amount paid for all professional service contracts awarded.
- Name of recipient and dollar amount paid on professional service contracts awarded to individuals or entities located within an economic redevelopment area.
- A description of efforts made to increase contracts awarded to individuals or entities located within the economic redevelopment area.

The bill requires DAS to submit a summary report to the Governor, Legislative Clerk and Urban Affairs Committee by September 1st of each year.

The bill withholds state aid from those entities who do not comply with the requirements of this bill.

The state agencies surveyed (DHHS, NDCS, DAS, NDOT, and the State Treasurer’s office) estimate the additional costs associated with this bill will be absorbed into their current budget.

The Omaha Police Department anticipates the need to hire an additional staff person to oversee, organize, and maintain the reporting requirements of this bill. We have no basis to disagree with this estimate.

The city of Omaha estimates the reporting element of the bill will take time and coordination, but it is unclear what it will cost.

Douglas county has indicated to LFO that there will be cost associated with the bill, and the fiscal note with their estimate is pending.

No Fiscal Impact for the state agencies.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1190	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services	
REVIEWED BY:	Kimberly Burns	DATE:	01/22/2024
PHONE:	(402) 471-4171		
COMMENTS: Concur with the Nebraska Department of Correctional Services’ estimate of no fiscal impact from LB 1190.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1190	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY:	Kimberly Burns	DATE:	01/25/2024
PHONE:	(402) 471-4171		
COMMENTS: The State Treasurer’s estimate of no fiscal impact from LB 1190 appears reasonable.			

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

LB: **1190** AM: AGENCY/POLT. SUB: **Omaha Police Department**

REVIEWED BY: Kimberly Burns DATE: 01/26/2024 PHONE: (402) 471-4171

COMMENTS: No basis to disagree with the Omaha Police Department's estimate of fiscal impact from LB 1190.

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

LB: **1190** AM: AGENCY/POLT. SUB: **Dept. of Administrative Services, Materiel Division**

REVIEWED BY: Kimberly Burns DATE: 01/26/2024 PHONE: (402) 471-4171

COMMENTS: The Department of Administrative Services, Materiel Division's assessment of no fiscal impact from LB 1190 appears reasonable.

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

LB: **1190** AM: AGENCY/POLT. SUB: **Nebraska Department of Economic Development**

REVIEWED BY: Kimberly Burns DATE: 02/07/2024 PHONE: (402) 471-4171

COMMENTS: The Nebraska Department of Economic Development's assessment of no fiscal impact from LB 1190 appears reasonable.

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

LB: **1190** AM: AGENCY/POLT. SUB: **Department of Health and Human Services**

REVIEWED BY: Kimberly Burns DATE: 02/08/2024 PHONE: (402) 471-4171

COMMENTS: The Department of Health and Human Services' assessment of indeterminate fiscal impact related to workload from LB 1190 seems reasonable based on the bill's provisions.

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

LB: **1190** AM: AGENCY/POLT. SUB: **Nebraska Department of Transportation (NDOT)**

REVIEWED BY: Kimberly Burns DATE: 02/08/2024 PHONE: (402) 471-4171

COMMENTS: The Nebraska Department of Transportation's assessment of no fiscal impact from LB 1190 appears reasonable.

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

LB: **1190** AM: AGENCY/POLT. SUB: **City of Omaha**

REVIEWED BY: Kimberly Burns DATE: 02/09/2024 PHONE: (402) 471-4171

COMMENTS: No basis to disagree with the City of Omaha's assessment of indeterminate fiscal impact from LB 1190.

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

2024

LB⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services, Materiel Division, State Purchasing Bureau (DAS-SPB)

Prepared by: ⁽³⁾ Jennifer Sommars-Link Date Prepared: ⁽⁴⁾ 1/7/2024 Phone: ⁽⁵⁾ 402-471-1405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1190 establishes the Professional Service Contract Reporting Act and provides that on or before August 1, 2024, and on or before August 1 of each year thereafter, each city, county, and state agency shall submit to Materiel Division a report containing information regarding all professional services contracts awarded during the most recently completed fiscal year, as described in the bill.

Materiel Division is to compile the information reported and submit a comprehensive report to the Governor, Clerk of the Legislature, and the Urban Affairs Committee, as well as make the report available on the website of the Department of Administrative Services. Materiel Division is required to notify the governing body and the State Treasurer of any noncompliance, which will result in a suspension of distribution of state aid for a period of six months or until the report is submitted.

If the Materiel Division is only required to send notification for failure to submit the report, then Materiel Division can absorb the costs associated with proposed law using existing funds.

The requirements of the bill can be completed with existing resources. No fiscal impact is anticipated.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2024

LB⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearthmont Date Prepared: ⁽⁴⁾ 2/6/2024 Phone: ⁽⁵⁾ 402-471-3777

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:

LB1190 would create the Professional Service Contract Reporting Act. The act requires an annual report—due August 1, 2024, and each August 1st thereafter—from each city, county, or state agency covered by the act. The report is to contain information on each individual or entity awarded a professional service contract during the previous fiscal year. The information is to be divided between contracts awarded to entities or individuals located inside and outside Economic Redevelopment Areas or Qualified Census Tracts; and a description of any efforts made to increase the number of contracts awarded to entities or individuals located in Economic Redevelopment Areas or Qualified Census Tracts. The Department of Administrative Services, material division will compile the individual reports and submit to the Legislature and the Legislature’s Urban Affairs Committee.

The bill, as drafted would have minimal impact of DED operations. This includes compiling the report for the agency. This activity can be accomplished with current resources.

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⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Correctional Services

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/17/2024 Phone: ⁽⁵⁾ (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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

NDCS estimates no fiscal impact as a result of LB 1190.

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.....	_____	_____	_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 2-8-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB1190 adopts the Professional Service Contract Reporting Act. On or before August 1, 2024, and each year thereafter, each city, county, and state agency, as identified in the bill, must submit a report to the materiel division of the Department of Administrative Services (DAS) identifying various details related to professional service contracts. On or before September 1, 2024, and each year thereafter, DAS shall compile the information and submit a comprehensive report to the Governor, the Legislature, and the Urban Affairs Committee of the Legislature. DAS will make the report available on their website.

The additional time and effort needed for collecting, compiling, and reporting data is unknown at this time. Any cost would be absorbed by the Department of Health and Human Services. Should this additional burden prove substantial, a request will be submitted at that time.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2024-2025	2025-2026
	POSITION TITLE	24-25	25-26	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

2024

LB⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation (NDOT)

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 2/5/2024 Phone: ⁽⁵⁾ 402-479-4691

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 1190 creates the Professional Service Contract Act. As adopted each city, county, and state agency shall submit a report to the Material Division of Department of Administrative Service (DAS) on or before August 1, 2024, and each year thereafter. The report shall contain information specified in Section 3 of the Act related to professional service contracts made during the most recently completed state fiscal year. In addition, on or before September 1, 2024, DAS shall electronically submit a comprehensive report from the compiled information to the Governor, the Clerk of Legislature, and Urban Affairs Committee of the Legislature.

If any city or county fails to submit an annual report, the State Treasurer shall suspend distribution of state aid allocated to the city or county until the reports are submitted. Failure to compile within a six-month period will result in suspended funds being forfeited and redistributed to other recipients of the state aid.

If enacted, NDOT will be able to accommodate the reporting requirements within existing resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2024

LB⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Omaha Police Department

Prepared by: ⁽³⁾ Deputy Chief Steve Cerveny

Date Prepared: ⁽⁴⁾ 1/23/24

Phone: ⁽⁵⁾ 402-689-1018

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>\$125,000</u>	<u> </u>	<u>\$85,000</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>
TOTAL FUNDS	<u>\$125,000</u>	<u>\$0</u>	<u>\$85,000</u>	<u>\$0</u>

Explanation of Estimate:

LB 1190 would potentially impact the Omaha Police Department in the following financial manner:

- 2024:
 Approx. \$85,000 – Hire Police Administrative Section secretary to oversee, organize & maintain reporting requirements (salary & benefits)
- Approx. \$15,000 – Training to fulfill requirements.
- Approx. \$25,000 – Office supplies, materials & equipment to fulfill requirements.

- 2025:
 Approx. \$85,000 – Hire Police Administrative Section secretary to oversee, organize & maintain reporting requirements (salary & benefits)

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2024

LB⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Omaha

Prepared by: ⁽³⁾ Tyler Leimer Date Prepared: ⁽⁴⁾ 2/8/2024 Phone: ⁽⁵⁾ 402-444-4514

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>SEE BELOW</u>	_____	<u>SEE BELOW</u>	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

Expenses for this bill are hard to estimate. The report mentioned in LB 1190 would take considerable time and effort across multiple departments using one or multiple parties to create. In addition to the report, these parties would also need to provide a description of efforts of the City to increase contracts to individuals and entities in economic redevelopment areas, taking additional time and resources. All resources spent on this project would be redundant as the City of Omaha already regulates how contracts are chosen/awarded.

This type of reporting is redundant to what the City already utilizes in order to choose professional service contracts. In order to best serve the City, the City of Omaha uses many different methods to choose a contract for professional services, regardless of where those individuals or entities lie within the City. One of those measures is the bidding system, in which contractors bid on professional services within the City and the best one is chosen for the work based on how well they are able to fulfill the requirements needed by the City, not whether they live within an economical redevelopment area.

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⁽¹⁾ 1190

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ Jan. 22, 2024 Phone: ⁽⁵⁾ 402-471-2793

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 State Treasurer's Office doesn't expect any fiscal impact from LB 1190 to the office.

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.....	_____	_____	_____	_____