

To update for 2024

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	See below		See below	

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

LB 194 would prohibit any agency or employee of the State of Nebraska or any political subdivision from participating in the enforcement of any federal directive regarding a firearm, firearm accessory or ammunition that does not exist under state law.

LB 194 is identical to LB 188 (2021). The fiscal note for LB 188 (2021) referenced a negative fiscal impact in Federal funding to the Nebraska State Patrol (NSP) that would result from the loss of Federal grant funds if they were to not be able to comply with the Gun Control Act of 1968 and the Fix NICS Act of 2018. According to the Fiscal Note prepared by the former analyst, the NSP stated that it would lose federal funds in the amount of \$732,037 per year for six employees, benefits, and related costs. In the fiscal note response for LB 194 (2023), the NSP updated the impact to the Federal award, which grew to \$1,099,271 and funded 8 FTEs.

In its fiscal note reply updated for 2024, the Nebraska State Patrol explains that the loss of federal fund revenues becomes \$1,698,186 for both FY23-24 and FY24-25 (Agency 64, Prog. 205). Those revenues would cover the expenses for six FTEs and their associated travel, training, and operational expenses. Subawards and procurement contracts are also supported with the federal grant that would be lost. The activities supported by the federal grant would discontinue, thereby jeopardizing public safety. The NSP asserts that the resulting loss of FTEs would raise the chances of firearms getting into the hands of people not legally allowed to possess them. Some of the costs would result in increased General Funds to offset loss of federal funds to continue certain activities. The agency does not assume any salary or benefits increases for FY25-26 for the additional personnel needed pursuant to this bill's provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

In its fiscal note for LB 194 (2023), the City of Omaha explains that the Omaha Police Department (OPD) currently has officers, vehicles, and other assets or operational activities that are assigned to federal agency task forces (such as the Alcohol, Tobacco, and Firearms (ATF) Bureau, and its FBI task force). The fiscal note commentary asserts that expenditures could be incurred by the OPD in the event that certain tools, training, and reimbursed overtime payments were outlawed. A request for more information revealed that the actual fiscal impact would be a loss of federal reimbursement for the ATF- and FBI-related activities, similar to that described by the NSP. The additional expenditures referenced in the fiscal note submitted by the OPD refer to the local expenses that would be incurred to replace lost federal funding. The City of Omaha's updated fiscal note reply does not materially change from 2023.

The Lincoln Police Department (LPD) also expresses concern about the potential loss of federal funds, based on their similar work with federal partners. However, LPD cannot accurately calculate with the potential fiscal impact may be (for neither the 2023 nor the 2024 response).

The Lancaster County Sheriff's Office reports no known impact to revenues or expenditures.

While loss of federal funding by any of these agencies is possible, it remains uncertain at this time the extent to which they could be impacted.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 194	AM:	AGENCY/POLT. SUB: Department of Administrative Services (065)
REVIEWED BY: Joe Wilcox	DATE: 12/13/2023	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Department of Administrative Services (DAS) estimate of No Fiscal Impact to the Agency from LB 194.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 194	AM:	AGENCY/POLT. SUB: Lancaster County Sheriff's Office
REVIEWED BY: Joe Wilcox	DATE: 12/13/2023	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Lancaster County Sheriff's Office estimate of No Fiscal Impact to the Agency from LB 194.		

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

2024

LB⁽¹⁾ 194

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ann Martinez Date Prepared: ⁽⁴⁾ 12/04/2023 Phone: ⁽⁵⁾ 402-471-4135

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	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 194 prohibits any agency or employee of the state of Nebraska or of any political subdivision from participating in the enforcement of any federal directive regarding a firearm, firearm accessory or ammunition that does not exist under state law.

As introduced, the Department of Administrative Services estimates no fiscal impact.

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⁾ 194

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

402

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 12/18/2023 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$430,925</u>	<u> </u>	<u>\$430,925</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u>(\$1,698,186)</u>	<u>(\$1,698,186)</u>	<u>(\$1,698,186)</u>	<u>(\$1,698,186)</u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>(\$1,267,261)</u>	<u>(\$1,698,186)</u>	<u>(\$1,267,261)</u>	<u>(\$1,698,186)</u>

Explanation of Estimate:

LB 194 requires that no agency or political subdivision of this state or employee of an agency or political subdivision of the state acting in such employee’s official capacity shall knowingly and willingly participate in any way in the enforcement of any federal act, law, order, rule, or regulation regarding a firearm, a firearm accessory, or ammunition if the act, law, order, rule, or regulation does not exist under the laws of the state.

The passing of this bill would result in the loss of federal funding to the Agency due to federal mandates and grant requirements the Agency would be unable to comply with as a result of the passing of this legislation. The continued implementation of the Gun Control Act of 1968 and associated federal NICS Act Record Improvement Program (NARIP) grant funding would become criminalized to continue. This in-turn would jeopardize public safety as federal firearms prohibitors would not be properly entered into the appropriate databases to ensure firearms do not end up in the possession of individuals who are not legally entitled to possess such weapons. The loss of federal NARIP funding, and resulting loss of FTEs, would unquestionably raise the chances of firearms ending up in the hands of felons, the mentally ill, perpetrators of domestic violence, or those prohibited by protection orders from possessing such firearms. Accordingly, the fiscal note shows a shift in the FTE’s from Federal Funds to General Funds so these employees may be retained.

The award for the federal NARIP grant totals \$1,698,186. A reduction in federal funds gross revenues would result from the loss of this grant award. The budget for the NARIP grant award consists of the following supported expenditures:

- (1) The funding of 6 FTEs, plus overtime hours – Salaries totaling \$360,434, and benefits totaling \$70,491;
- (2) Travel for Training Purposes - \$9,417;
- (3) Subawards (maintenance for the Protection Order Portal and related costs, and the upgrade of the mental health reporting system) - \$759,710;
- (4) Procurement Contracts (development and maintenance costs for the Misdemeanor Crime of Domestic Violence & Felony Automated Reporting Projects) - \$401,460;
- (5) Other (Laptop leases and MiFi Hotspot fees for training presentation purposes) - \$8,964;
- (6) Indirect Costs (administrative overhead) - \$87,589.

The NARIP grant currently funds 6 FTEs. Accordingly, the Agency would require additional General Funds in order to fund 6 FTEs needed to ensure our state’s firearm prohibiting information is available nationwide for firearms background checks. It is also possible that other federal grant awards received by the Patrol’s Criminal Identification Division could be impacted by this bill.

It is important to note that the federal funds from this award are not a part of the Agency’s regular annual budget appropriations. The funds are administratively added to the Agency’s appropriations by the State Budget Office at the time the award is received, as provided for in the biennial budget bills. Therefore, they have not been included in the breakdown provided in the table below.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
NICS Crime Analyst	2	2	\$106,582	\$106,582
CPO Crime Analyst	2	2	\$120,367	\$120,367
NICS Program Manager	1	1	\$67,409	\$67,409
CPO Program Manager	1	1	\$66,076	\$66,076
Benefits			\$70,491	\$70,491
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$430,925	\$430,925

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

2024

LB⁽¹⁾ LB 194

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Sheriff's Office

Prepared by: ⁽³⁾ Ben T. Houchin Date Prepared: ⁽⁴⁾ 12/12/23 Phone: ⁽⁵⁾ 402-441-6500

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	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	0	0	0	0

Explanation of Estimate:

This bill would not cost the Sheriff's Office any funds or bring in any revenue

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>
None				
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2024

LB⁽¹⁾ 194

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jeff Roh Date Prepared: ⁽⁴⁾ 12-13-23 Phone: ⁽⁵⁾ 402-444-5451

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	\$250,000		\$250,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The exact fiscal impact is hard to quantify. OPD currently has officers, vehicles, and other costs assigned to federal agency task forces. If these tools, training and reimbursed overtime monies were to be outlawed, there could be a fiscal responsibility that OPD would incur in excess of \$250,000 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>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				