

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

To include new agency responses.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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) references 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. For the current LB 194, the NSP provided details for the updated Federal award, which now totals \$1,099,271 and now funds 8 FTEs.

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 FBE- 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 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.

While loss of federal funding by any of these agencies is possible, it is 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: Nebraska State Patrol (064)
REVIEWED BY: Joe Wilcox	DATE: 02/01/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska State Patrol estimate of Potential 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: City of Omaha
REVIEWED BY: Joe Wilcox	DATE: 01/19/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the City of Omaha estimate of potential, but Indeterminate Fiscal Impact to the City from LB 194.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 194	AM:	AGENCY/POLT. SUB: City of Lincoln Police Department
REVIEWED BY: Joe Wilcox	DATE: 02/01/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the City of Lincoln Police Department estimate of Potential, but Indeterminate Fiscal Impact to the City 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: 01/13/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Lancaster County Sheriff's Office estimate of No Fiscal Impact to the Department from LB 194.		

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

2023

LB⁽¹⁾ 194

FISCAL NOTE

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

402

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 2/1/2023 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$524,921		\$524,921	
CASH FUNDS				
FEDERAL FUNDS	(\$1,099,271)	(\$1,099,271)	(\$1,099,271)	(\$1,099,271)
OTHER FUNDS				
TOTAL FUNDS	<u>(\$574,350)</u>	<u>(\$1,099,271)</u>	<u>(\$574,350)</u>	<u>(\$1,099,271)</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 considerably slow the Agency's issuance of concealed handgun permits well below the time period permitted by state statute for issuance of such permits. The resulting loss of FTEs funded by NARIP sources 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 that these employees may be retained.

The award for the federal NARIP grant totals \$1,099,271. 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 8 FTEs, plus overtime hours – Salaries totaling \$418,583, and benefits totaling \$106,338;
- (2) Travel for Training Purposes - \$8,551;
- (3) Subawards (maintenance for the Protection Order Portal and related costs) - \$215,315;
- (4) Procurement Contracts (development and maintenance costs for the Misdemeanor Crime of Domestic Violence & Felony Automated Reporting Projects and the upgrade of the mental health reporting system - \$257,920;
- (5) Other (Laptop leases and MiFi Hotspot fees for training presentation purposes) - \$8,424;
- (6) Indirect Costs (administrative overhead) - \$84,140.

The NARIP grant currently funds 8 FTEs. Accordingly, the Agency would require additional General Funds in order to fund 8 FTEs needed to comply with statutory mandates. 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:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Office Specialist	2	2	\$82,439	\$82,439
NICS Crime Analyst	2	2	\$100,584	\$100,584
CPO Crime Analyst	2	2	\$112,641	\$112,641
NICS Program Manager	1	1	\$62,078	\$62,078
CPO Program Manager	1	1	\$60,841	\$60,841
Benefits.....			\$106,338	\$106,338
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$524,921	\$524,921

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2023

LB⁽¹⁾ 194

FISCAL NOTE

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

Prepared by: ⁽³⁾ Capt. Todd Kocian #940 Date Prepared: ⁽⁴⁾ 2-1-23 Phone: ⁽⁵⁾ 402-441-1871

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

At this time, we cannot accurately calculate what the potential fiscal impact of this bills passage would be. Currently the Lincoln Police Department has representatives on the Lincoln-Lancaster County Fugitive Task Force. The task force works with federal partners in not only apprehending dangerous individuals, but also the enforcement of firearms offenses. As a member of the task force, we acknowledge we will enforce federal, state and local laws. The inability to enforce federal laws would jeopardize our membership in the task force and could put members of our community at risk. We also receive federal grant funding for projects, special details and equipment. This funding would also be in jeopardy as the funding is granted with the understanding we are to comply with federal laws, rules and regulations. Without the ability to enforce federal laws, we would not be in compliance with the grant requirements thus funding wouldn't be available. This lack of potential funding would impact our ability to help keep the community safe and potentially inhibit assistance from our federal partners when needed. At this time we cannot accurately calculate what the fiscal impact would be, however we can tell you it could be substantial both financially and in community safety. Thank you.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2023

LB⁽¹⁾ 194

FISCAL NOTE

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

Prepared by: ⁽³⁾ Chief Deputy Ben Houchin Date Prepared: ⁽⁴⁾ 01/13/23 Phone: ⁽⁵⁾ 402-441-6500

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact on the Lancaster County Sheriff's Office

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____