

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	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.

This bill states legislative intent to make changes in the juvenile justice system. The bill states intent to do the following: 1) dissolve the Office of Juvenile Services within the Department of Health and Human Services and close the youth rehabilitation and treatment centers (YRTC) by January 1, 2015; 2) develop a transition plan to be presented to the Legislature by January 1, 2014; create the Office of Juvenile Assistance within the judiciary; create the Community-Based Juvenile Services Aid Program to replace the County Juvenile Services Aid Program; transfer the Office of Violence Prevention to the new Office of Juvenile Assistance; requires the review of evidence-based services currently in use, the cost of those services and the implementation of the most effective strategies; expand the Nebraska Juvenile Service Delivery Project statewide; appropriate \$10 million to the Community-Based Juvenile Services Aid Program and allow social impact projects to qualify under the New Markets Job Growth Investment Act.

As the bill states legislative intent, this fiscal note only identifies potential costs with one exception -- hiring the director of the new Office of Juvenile Assistance. The director of the new Office of Juvenile Assistance is to assist with development of the transition plan due by January 1, 2014, so this position would need to be funded. The Court Administrator's Office estimates the cost of hiring a director to be \$135,362 for salary, benefits and operations in FY 14 and FY 15.

Current state programs in the Nebraska Commission on Law Enforcement and Criminal Justice would be transferred to the new Office of Juvenile Assistance. The Juvenile County Aid Program would be eliminated and replaced by the Community-Based Juvenile Services Aid Program and the Office of Violence Prevention would be transferred. The Juvenile County Aid Program has an appropriation of \$1,477,575. The Office of Violence Prevention's appropriation is \$113,345 for operations and \$350,000 for aid.

In the Department of Health and Human Services (HHS), the closure of the YRTCs would reduce the costs to HHS by \$13,880,104 (\$12,981,002 GF, \$542,690 CF and \$356,415 FF) for a half year in FY 15. These savings are net of costs needed to close the facility, such as payments of accrued leave benefits, retirement and unemployment claims. Revenue would be reduced by \$145,196. Expanding the Nebraska Juvenile Justice Service Delivery Project statewide would move \$9.4 million from HHS to the Office of Juvenile Assistance.

The Department of Education would incur additional costs for the development of an electronic data collection system. The system would be comparable to the Special Education Student Information System. Additionally, the Department of Education monitors the schools at the two YRTCs as special purpose schools. The department would need an additional quarter-time education specialist if the students are served by multiple sites at interim programs. The combined cost for the data system and education specialist would be \$132,065 the first year and \$97,963 on an ongoing basis.

The bill states the intent to appropriate \$10 million to the Community-Based Juvenile Services Aid Program.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: LB 561	AM:	AGENCY/POLT. SUB: Department of Education (013)	
REVIEWED BY: Joe Wilcox		DATE: March 1 st , 2013	PHONE: (402) 471-4178
COMMENTS: The Department of Education estimate of fiscal impact presumes affected students at Kearney West and Geneva North schools would be shifted out of these Special Purpose Schools and monitoring of their educational needs would require additional staffing as the students would be scattered throughout the state. LB 561 addresses juvenile needs in a broad context and there is no evidence to suggest any specific course of action will be taken relative to the juveniles' education situation. There is no basis to determine whether the assumptions under which the Department of Education fiscal note is derived, would occur.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: LB 561	AM:	AGENCY/POLT. SUB: Dept. of Health and Human Services (025)	
REVIEWED BY: Joe Wilcox		DATE: March 4 th , 2013	PHONE: (402) 471-4178
COMMENTS: The Department of Health and Human Services estimate of fiscal impact from LB 561 includes personnel payout costs related to eliminating 286.6 FTE, but also the savings from shifting responsibilities and costs for the Office of Juvenile Services out of DHHS. The agency estimates of net cost reductions appear reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: LB 561	AM:	AGENCY/POLT. SUB: Supreme Court (005)	
REVIEWED BY: Joe Wilcox		DATE: March 4 th , 2013	PHONE: (402) 471-4178
COMMENTS: The Supreme Court estimate of fiscal impact from LB 561 includes creating a new position of Administrator of the Office of Juvenile Assistance. The agency estimate appears reasonable.			

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

2013

LB⁽¹⁾ 561 FISCAL NOTE

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

Prepared by: (3) Freida Lange Date Prepared: (4) 2/8/2013 Phone: (5) 402-471-2444

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>132,065.00</u>	<u>0.00</u>	<u>97963.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>132,065.00</u>	<u>0.00</u>	<u>97,963.00</u>	<u>0.00</u>

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

Explanation of Estimate:

Fiscal Impact on NDE:

Currently, the two schools involved, Kearney West and Geneva North, are monitored by NDE staff as Special Purpose Schools. This involves review of accreditation materials, personnel and student academic requirements, and annual visits to the two schools – these activities would no longer occur on the two sites; instead, review of the educational programs would expand to multiple sites if students were attending school in interim programs. Until it is known where students are located, the fiscal impact is difficult to determine, although at least a .25 time allowance for an education specialist would be critical for the review and support of the educational issues affecting the students.

Development, interfacing and management of an electronic system to collect and track information relevant to the specified students would involve the time and expertise of staff at both NDE and HHS. This would be an on-going expenditure, comparable to the development and implementation of the Special Education Student Information System (S.E.S.I.S), which is an annual expense for LEAs, based on student numbers.

Fiscal Impact on LEAs:

Unable to be determined until specific schools, students, and programs were identified. However, if students remain in home schools (located throughout the state), faculty and resources necessary to meet the educational needs could easily fluctuate from month to month, creating erratic budgetary needs that result in difficult staffing situations and redundancy of services across the state rather than focused in two schools.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014</u>	<u>2014-2015</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Data Base Analyst/Developer	<u>1</u>	<u>.5</u>	<u>47,918.00</u>	<u>24,498.00</u>
Education Specialist IV	<u>.25</u>	<u>.25</u>	<u>11,880.00</u>	<u>12,249.00</u>
Benefits.....			<u>46,034.00</u>	<u>49,742.00</u>
Operating.....			<u>8,249.00</u>	<u>6,820.00</u>
Travel.....			<u>4,654.00</u>	<u>4,654.00</u>
Capital outlay.....			<u>13,330.00</u>	<u>0.00</u>
Aid.....				
Capital improvements.....				
TOTAL.....			<u>132,065.00</u>	<u>97,963.00</u>

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 3-4-13

Phone: (5) 471-8072

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			(\$12,981,002)	(\$3,736)
CASH FUNDS			(\$542,690)	(\$6,724)
FEDERAL FUNDS			(\$356,412)	(\$138,096)
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	(\$13,880,104)	(\$145,196)

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

Explanation of Estimate: Program 250

LB 561 would eliminate the Office of Juvenile Services within the Department of Health and Human Services (DHHS) on January 1, 2015.

Currently OJS has a budget for 286.6 FTE. With the elimination of OJS, DHHS would be responsible for unemployment claims, salaries, FICA, and vacation, sick leave, comp time, and retirement benefits. In FY2012 OJS paid \$970,351 in vacation, sick leave, and comp time. It is estimated that \$485,176 (\$970,351 divided by 2) in vacation, sick leave, and comp time would be paid plus retirement and FICA of \$72,776 (\$485,176 x 15%). Assuming that 1/4 of the work force (286.5 x 25% = 72) could not find employment it would cost OJS \$677,664 (72 x maximum of \$362 per week for 26 weeks) in unemployment insurance. The sum of these is \$1,235,616.

Of the \$15,115,720 budget remaining on January 1, 2015, DHHS estimates it will need \$1,235,616. It is also anticipated that DHHS will initiate the necessary process to VBEL the property transitioning the two YRTC's to the Department of Administrative Services Building Division on 01/01/15.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2013-2014	2014-2015
	POSITION TITLE	13-14	14-15	EXPENDITURES
				EXPENDITURES
				(\$5,236,880)
Benefits.....				(\$2,199,653)
Operating.....				(\$6,381,765)
Travel.....				
Capital Outlay.....				(\$13,166)
Aid.....				(\$48,640)
Capital Improvements.....				
TOTAL.....			\$0	(\$13,880,104)

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LB⁽¹⁾ 561 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 3/4/13 Phone: ⁽⁵⁾ 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>135,889</u>	<u> </u>	<u>133,362</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>135,889</u>	<u> </u>	<u>133,362</u>	<u> </u>

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

Explanation of Estimate:

LB 561, as introduced, intends to create a transition plan related to juvenile justice. The fiscal impact of developing the plan would be minimal. However, it is assumed that the position of administrator of the Office of Juvenile Assistance must be created since the position is named as one of the persons responsible for developing the plan. It is estimated that General Fund expenditures will increase as shown below. The estimate assumes this position will start July 1, 2013, will be at a level comparable to a Deputy Probation Administrator and a 2.25% salary increase each year.

No other impact is included in this fiscal note since the bill requires only a plan be developed and clarification is needed on when various actions, such as the creation of the Office of Juvenile Assistance will take place.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Administrator, Office of Juv. Assist.	<u>1.0</u>	<u>1.0</u>	<u>95,472</u>	<u>97,620</u>
Benefits.....			<u>35,417</u>	<u>35,742</u>
Operating.....				
Travel.....				
Capital outlay.....			<u>5,000</u>	
Aid.....				
Capital improvements.....				
TOTAL.....			<u>135,889</u>	<u>133,362</u>

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

2013

LB⁽¹⁾ 561 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Comm on Law Enforcement and Criminal Justice

Prepared by: ⁽³⁾ Bruce Ayers Date Prepared: ⁽⁴⁾ 3-1-2013 Phone: ⁽⁵⁾ 471-0359

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>-1,730,420</u>	<u> </u>	<u>-1,730,420</u>	<u> </u>
CASH FUNDS	<u>-210,500</u>	<u> </u>	<u>-210,500</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>-1,940,920</u>	<u> </u>	<u>-1,940,920</u>	<u> </u>

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

Explanation of Estimate: Section 2(c) and 2(d) transfer the Juvenile County Aid program and the Office of Violence Prevention from the Crime Commission to the Office of Juvenile Diversion Programs and Detention Alternatives.

The current appropriation for the Juvenile County Aid program is \$0 Operations and \$1,477,575 Aid. The current appropriation for the Office of Violence Prevention is \$113,345 Operations with 1.0 FTE and \$350,000 Aid.

MAJOR OBJECTS OF EXPENDITURE

<u>PERSONAL SERVICES:</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Office of Violence Prevention Director	<u>1.0</u>	<u>1.0</u>	<u>-51,000</u>	<u>-51,000</u>
Benefits.....			<u>-15,774</u>	<u>-15,774</u>
Operating.....			<u>-36,571</u>	<u>-36,571</u>
Travel.....			<u>-10,000</u>	<u>-10,000</u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u>-1,827,575</u>	<u>-1,827,575</u>
TOTAL.....			<u>-1,940,920</u>	<u>-1,940,920</u>

