

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to clarify the estimate of the Department of Health and Human Services.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	65,614,117		214,345,737	
CASH FUNDS	100,000	100,000	100,000	100,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	65,714,117		214,445,737	

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

This bill would change provisions relating to corrections and parole and mentally ill offenders.

The costs to the various agencies are summarized in the following table:

Total Additional Costs	FY2015-16	FY2016-17
Attorney General	31,378	31,910
Parole Board (only new costs)	584,906	584,906
HHS	73,586,473	222,351,761
DCS	(8,488,640)	(8,522,840)
TOTAL	65,714,117	214,445,737
By Fund Source:		
GENERAL FUNDS	65,614,117	214,345,737
CASH FUNDS	100,000	100,000
TOTAL FUNDS	65,714,117	214,445,737

The individual agency's impact is summarized below and the attached agency's response contains details of how each agency arrived at its estimated cost impact.

The Attorney General estimates the following impact:

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
Assistant Attorney General	0.25	0.25	12,500	12,781
Legal Assistant	0.25	0.25	8,000	8,180
Benefits			10,878	10,949
TOTAL	0.50	0.50	31,378	31,910

See their attached response for details.

The Board of Parole shows approximately \$10 million in expenditures on their response. Most of these expenditures will be transferred from the Department of Correctional Services (DCS). The Board of Parole does note that they will have new expenditures of \$584,906 for additional staff and associated costs. They list the new staff as an Assistant Director of the Bureau of Community-Centered Services, Administrative Assistant II, Research Manager, Training Coordinator, and 4 more Parole Officers.

The following table summarizes the estimated impact to the Department of Health and Human Services:

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
DHHS Program Specialist	4.00	4.00	177,166	177,166
Accountant II	1.00	1.00	39,599	39,599
Statistical Analyst II	1.00	1.00	40,296	40,296
Benefits			67,402	67,402
Operating (includes treatment services)			73,259,010	72,599,010
Travel			3,000	3,000
New Treatment Facility at Lincoln Regional Center site			0	149,425,288
TOTAL	6.00	6.00	73,586,473	222,351,761

The attached response of HHS details the costs summarized in the above-table.

The Legislative Fiscal Office (LFO) notes that this bill does not create an entitlement for individuals with only a personality disorder who would seek community-based services, but are not civilly committed. Therefore, the estimated costs for services and personnel is what HHS estimates it could cost to serve those individuals. But if funding is not available, then these individuals would not be able to be treated. However, for persons civilly committed, this would be considered an entitlement. Because the Lincoln Regional Center is at full capacity and has a waiting list, in order to treat persons civilly committed, this new facility could be required.

The following table summarizes the estimated impact to the Department of Correctional Services (DCS):

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
Unit Manager	1.00	1.00	44,206	44,206
Research Manager & AA II	2.00	2.00	97,822	97,822
Psychologist/Licensed	4.00	4.00	303,389	303,389
Mental Health Staff	5.00	5.00	190,860	190,860
Parole and Reentry Staff	(84.00)	(84.00)	(3,696,076)	(3,696,076)
Benefits			(917,940)	(917,940)
Operating			(905,101)	(905,101)
Travel			(140,000)	(140,000)
Capital Outlay			34,200	0
Aid			(3,500,000)	(3,500,000)
TOTAL	(72.00)	(72.00)	(8,488,640)	(8,522,840)

DCS notes that the additional mental health staff and related costs is \$824,476. The attached response of DCS details the costs summarized in the above-table.

The Nebraska State Patrol estimates no fiscal impact from this bill.

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

2015

LB⁽¹⁾ 592

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ John Freudenberg Date Prepared: ⁽⁴⁾ 1-28-15 Phone: ⁽⁵⁾ 471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>31,378.</u>	<u> </u>	<u>31,910.</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>31,378.</u>	<u> </u>	<u>31,910.</u>	<u> </u>

Explanation of Estimate:

It appears the bill currently places notification requirements upon our office regarding mentally ill inmates who are approaching release from state incarceration facilities. It further appears that some of the language is copied from the Sex Offender Commitment Act. If our duties only involve the receiving and sending of notification similar to what we do under the Sex Offender Commitment Act, then the additional responsibilities will require the equivalent to an additional .25 employee in the form of an administrative assistant. However, if our duties under the bill are expanded to also require our office to prosecute commitment matters before mental health boards, we will need an additional .25 attorney to handle the matters in addition to the .25 administrative assistant position.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>Assistant Attorney General</u>	<u>.25</u>	<u>.25</u>	<u>12,500.</u>	<u>12,781.</u>
<u>Legal Assistant</u>	<u>.25</u>	<u>.25</u>	<u>8,000.</u>	<u>8,180.</u>
<u>Benefits.....</u>			<u>10,878.</u>	<u>10,949.</u>
<u>Operating.....</u>			<u> </u>	<u> </u>
<u>Travel.....</u>			<u> </u>	<u> </u>
<u>Capital outlay.....</u>			<u> </u>	<u> </u>
<u>Aid.....</u>			<u> </u>	<u> </u>
<u>Capital improvements.....</u>			<u> </u>	<u> </u>
<u>TOTAL.....</u>			<u>31,378.</u>	<u>31,910.</u>

LB⁽¹⁾ 592

FISCAL NOTE

State Agency OR Political Subdivision Name: Nebraska Department of Corrections

Prepared by: ⁽³⁾ Chris Peters Date Prepared: ⁽⁴⁾ 2/16/2015 Phone: ⁽⁵⁾ (402) 479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>(8,388,640)</u>	<u></u>	<u>(8,422,840)</u>	<u></u>
CASH FUNDS	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>(8,488,640)</u>	<u>(100,000)</u>	<u>(8,522,840)</u>	<u>(100,000)</u>

Explanation of Estimate:

LB 592 has several distinct components which have a fiscal impact on the Department.

1. LB 592 proposes to relocate the Office of Parole Administration under the Board of Parole and provides that the Vocational and Life Skills Program would be administered by the Office of Parole Administration. The FY2015 annualized expenditures for the Adult Parole Administration is estimated at \$4.4M, including approx. \$100,000 in Cash Funds from parolee fees. The bill does not specify that staff and equipment currently used by APA would transfer to the Board of Parole. The Vocational and Life Skills Program is budgeted \$5.0M, \$3.5M of which is to be awarded as grants for programming and services for current inmates, inmates within 18 months of release, parolees and probationers. A new Unit Manager would be needed to supervise the Reentry officers who currently report to the Reentry Program Administrator or their staff.

2. LB 592 also contains language requiring the Department to maintain complete and accurate electronic records on all inmates including programming recommendations, program completion and time spent in segregation. NDCS currently uses a computer system based on a mainframe architecture from the late 70's which has been supplemented with standalone databases and an internally built web-based system. LB 592 is one of several proposed Legislative Bills that require specific reporting capabilities that the current system is unable to produce. NDCS and the Governor have included \$100,000 in the current budget for an analysis of the computer system by an outside consultant to determine the cost to update the system to meet the requirements of LB 592 and other Department needs. It is not possible to identify a specific cost for updating the system until after this analysis is complete, but similar comprehensive systems in other states have cost up to \$20 Million.

3. LB 592 amends the definition of mental illness to include personality disorders, requires all inmates be screened for mental illness within 14 days of admission, requires the Department to provide adequate mental health care to all mentally ill inmates with evidence based therapy models and evaluate the effectiveness of therapy provided by the Department. These additional mental health screening, treatment, evaluation and reporting requirements necessitate the addition of appropriate staff (listed below), with PSL, benefits, operating costs and capital outlay totaling \$824,476.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Unit Manager	<u>1</u>	<u>1</u>	<u>44,206</u>	<u>44,206</u>
Research Manager & AA III	<u>2</u>	<u>2</u>	<u>97,822</u>	<u>97,822</u>
Psychologist / Licensed	<u>4</u>	<u>4</u>	<u>303,389</u>	<u>303,389</u>
3 MHP II & 2 MHSS II	<u>5</u>	<u>5</u>	<u>190,860</u>	<u>190,860</u>
APA & Reentry Staff	<u>(84)</u>	<u>(84)</u>	<u>(3,696,076)</u>	<u>(3,696,076)</u>
Benefits.....			<u>(917,940)</u>	<u>(917,940)</u>
Operating.....			<u>(905,101)</u>	<u>(905,101)</u>
Travel.....			<u>(140,000)</u>	<u>(140,000)</u>
Capital outlay.....			<u>34,200</u>	<u></u>
Aid.....			<u>(3,500,000)</u>	<u>(3,500,000)</u>
Capital improvements.....			<u></u>	<u></u>

TOTAL.....

(8,488,640)

(8,522,840)

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

2015

LB⁽¹⁾ 592

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: ⁽⁴⁾ 1/30/2015

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$0</u>	<u>\$0</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) Mike Mason

Date Prepared:(4) 2-18-15

Phone: (5) 471-0676

	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$73,586,473	\$0	\$222,351,761	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$73,586,473	\$0	\$222,351,761	\$0

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

Explanation of Estimate:

LB 592 proposes to expand the statutory definition of mental illness to include individuals with personality disorders (PD). Current definition limits mental illness to serious mental illness (SMI). The statutory definition defines the population eligible for services funded through the DHHS Division of Behavioral Health.

It is currently estimated that 4.4%¹ of the adult population in Nebraska (18 and over) have a SMI, while 14.79%² of this population have a personality disorder. This equates to 61,758 persons with a SMI and 207,592 persons with a personality disorder in Nebraska.

In FY14, DBH funded Non-Residential Services for 13,769 persons with an SMI. These services accounted for approximately 46% of the total funds expended for mental health services. These 13,769 persons represent 22.3% of the total population of Nebraska with an SMI, and costs on average \$1,565 per person per year to serve (non-residential services only).

While it is not known the exact number of individuals with a personality disorder who may be civilly committed under the broadened definition or the number of individuals with only a personality disorder who would seek community based services, if a proportional number of individuals in Nebraska with a personality disorder sought services, up to an additional 46,284 persons could seek services through community based services in non-residential services. At \$1,565 per person per year, this would require up to an additional \$72,448,784 per year in state funds would be needed in Program 038 to serve them (FY16 \$72,448,784; FY17 \$72,448,784).

This estimate does not include any costs that may be associated with emergency protective custody, crisis intervention services, residential treatment, or hospitalization that may occur in the course of or following a mental health board commitment.

To manage the additional contracts that would be necessary to serve this additional population and ensure there is adequate contract monitoring, reporting, and management, six (6) additional permanent FTE's would be required within the Division of Behavioral Health Community Based Services (Program 268). In addition, funds for Mental Health Board training related to the act, staff computers and travel for auditing, contract management, as well as funds for data base changes that would be needed for the contractors to report services, diagnoses and demographic information for reporting purposes. (FY16 \$1,159,041, FY17 \$499,909)

To estimate the number of individuals who may be civilly committed to the Lincoln Regional Center, the Unicameral in LB 999 has already been provided a program Statement to provide a 200 Behavioral Health Treatment Center for the Department of Corrections at Hastings. The 200 bed proposal would be built to meet standards that are used for the Department of Corrections.

That cost breakdown from the LB 999 Program Statement is as follows:

Facility Construction costs:	\$43,661,270
Construction Cost per bed	\$218,306
Additional FTE's	283
Annual Staffing Impact	\$13,412,634
Annual Cost per Bed	\$73,638
* Anticipated Start Date	July 2015
Anticipated Completion Date	February 2019

The Lincoln Regional Center is at its full licensed capacity of 200 hospital beds and has a waiting list of approximately 16 patients. Using the 200 bed estimate from above, there would be a significant fiscal impact to the Lincoln Regional Center if required to take on addition patients civilly committed due to the passage of LB 592. Since these patients would be considered higher risk they would be housed in a secure building similar to the Forensic. The current budgeted annual cost per patient for the Lincoln Regional Center's Forensic Unit is \$190,895. In order to take on any significant transfer of patients from Correctional Services a new facility would need built to service those patients at the Lincoln Regional Center site. The facility would need to be built to meet Hospital standards as required by DHHS. The estimated cost to build a facility similar to the proposed LB 999 facility at the Lincoln Regional Center site is as follow:

# Facility Construction costs:	\$149,425,288
Construction Cost per bed	\$747,126
Annual Operation Cost Impact	\$38,179,000
Annual Cost per Bed	\$190,895
* Anticipated Start Date	July 2015
Anticipated Completion Date	February 2019

* - assumes legislative approval

- based on published cost of Oregon State Hospital at Junction City, OR.

¹ Prevalence of SMI from Substance Abuse and Mental Health Services Administration, *Results from the 2013 National Survey on Drug Use and Health: Summary of National Findings*, NSDUH Series H-48, HHS Publication No. (SMA) 14-4863. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2014.

² Prevalence of Personality Disorder from Prevalence, Correlates, and Disability of Personality Disorders in the United States: Results From the National Epidemiologic Survey on Alcohol and Related Conditions. Grant, Bridget F.; Hasin, Deborah S.; Stinson, Frederick S.; Dawson, Deborah A.; Chou, S. Patricia; Ruan, W. June; Pickering, Roger P. *Journal of Clinical Psychiatry*, Vol 65(7), Jul 2004, 948-958. <http://dx.doi.org/10.4088/JCP.v65n0711>

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2015-2016	2016-2017
	15-16	16-17	EXPENDITURES	EXPENDITURES
DHHS Program Specialist	4	4	\$177,166	\$177,166
Accountant II	1	1	\$39,599	\$39,599
Statistical Anayst II	1	1	\$40,296	\$40,296
Benefits.....			\$67,402	\$67,402
Operating.....			\$73,259,010	\$72,599,010
Travel.....			\$3,000	\$3,000
Capital Outlay.....				
Aid.....				
Capital Improvements.....			\$0	\$149,425,288
TOTAL.....			\$73,586,473	\$222,351,761

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

2015

LB⁽¹⁾ 592

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Board of Parole Agency #15

Prepared by: ⁽³⁾ Rosalyn Cotton - Chair Date Prepared: ⁽⁴⁾ 2-17-15 Phone: ⁽⁵⁾ (402) 479-5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>6,440,562</u>	<u></u>	<u>6,384,906</u>	<u></u>
CASH FUNDS	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u>3,500,000</u>	<u></u>	<u>3,500,000</u>	<u></u>
TOTAL FUNDS	<u>10,040,562</u>	<u>100,000</u>	<u>9,984,906</u>	<u>100,000</u>

Explanation of Estimate:

LB 592 proposes to relocate the Office of Parole Administration under the Board of Parole. Additionally, it proposes that the Vocational and Life Skills Program would be administered by the Office of Parole Administration.

The FY2015 annualized expenditures for the Adult Parole Administration under the Nebraska Department of Correctional Services (NDCS) is estimated at \$4.4M, including approx. \$100,000 in Cash Funds from parolee fees. The bill does not specify that staff and equipment currently used by APA under the Nebraska Department of Correctional Services would transfer to the Board of Parole, which would require an additional amount for vehicles and other capital outlay purchases not included with this estimate.

The Vocational and Life Skills Program is budgeted \$5.0M, \$3.5 of which is to be awarded as grants for programming and services for current inmates, inmates within 18 months of release, parolees and probationers.

Section 14 gives the Board of Parole Chairperson authority to appoint an assistant director of the Bureau of Community-Centered Services. In addition to this position, additional staff is needed to manage the new responsibilities of the Board including an AA II, Research Manager, Training Coordinator and 4 additional Parole Officers. It is estimated that \$584,906 in PSL, benefits and operating expenses will be needed.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
Office of Parole Administration staff	<u>63</u>	<u>63</u>	<u>2,584,445</u>	<u>2,584,445</u>
Vocational & Life Skills staff	<u>21</u>	<u>21</u>	<u>1,111,631</u>	<u>1,111,631</u>
Asst. Director and additional staff	<u>8</u>	<u>8</u>	<u>411,466</u>	<u>411,466</u>
Benefits.....			<u>1,232,263</u>	<u>1,232,263</u>
Operating.....			<u>1,005,101</u>	<u>1,005,101</u>
Travel.....			<u>140,000</u>	<u>140,000</u>
Capital outlay.....			<u>55,656</u>	
Aid.....			<u>3,500,000</u>	<u>3,500,000</u>
Capital improvements.....				
TOTAL.....			<u>10,040,562</u>	<u>9,984,906</u>