

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated for amendments adopted through April 14, 2015.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,412,597		1,641,734	
CASH FUNDS	0	0	455,873	100,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,412,597	0	2,097,607	100,000

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

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

The following table summarizes the General Fund impact:

Costs Summarized	FY2015-16	FY2016-17
Ombudsman	86,468	85,831
Parole Board	690,666	5,496,115
Corrections	635,463	(3,940,212)
Total General Fund Impact	1,412,597	1,641,734

The fiscal impact to the Nebraska Public Counsel/Ombudsman is summarized in the following table:

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
Inspector General - Corrections	1.00	1.00	66,114	67,701
Benefits			16,579	17,130
Operating			1,375	0
Travel			2,400	1,000
TOTAL	1.00	1.00	86,468	85,831

The Ombudsman notes that the bill states that the new Inspector General is required to take training and to obtain certification. More than \$2,500 of the Operating and Travel items in FY 2015-16 are for membership fees, training, and travel for this purpose. See the Ombudsman's response for additional details.

The Department of Health and Human Services sent an email to the Legislative Fiscal Office (LFO) estimating no fiscal impact from this bill as amended by AM928.

The Secretary of State, Attorney General, and Nebraska State Patrol all estimate no fiscal impact from this bill.

The following table summarizes the impact to the Board of Parole and the Department of Correctional Services (DCS):

	FY2015-16	FY2016-17	FY2015-16	FY2016-17
ITEMS	Number of Positions		Expenditures	
Parole Board Impact:				
Move Office of Parole Administration to Parole Board:				
Staff	63.00	63.00	215,370	2,584,445
Benefits			64,612	775,333
Operating			66,685	1,400,031
Travel			11,667	140,000
Subtotal: Office of Parole Administration	63.00	63.00	358,334	4,899,809
Additional Staff:				
Legal Counsel and additional staff	4.00	8.00	223,794	411,466
Benefits			67,138	123,440
Operating			30,000	50,000
Capital Outlay			11,400	11,400
Subtotal: Additional Staff	4.00	8.00	332,332	596,306
Total Impact to Parole Board	67.00	71.00	690,666	5,496,115
Dept of Correctional Services Impact:				
Move Office of Parole Administration to Parole Board	(63.00)	(63.00)	(358,334)	(4,899,809)
Additional Staff:				
Additional Mental Health & Other Staff	12.00	12.00	627,109	627,109
Benefits			219,488	219,488
Operating Expenses			50,000	50,000
Assessment & Development Costs			63,000	63,000
Capital Outlay			34,200	-
Subtotal: Additional Staff	12.00	12.00	993,797	959,597
Total Impact to DCS	(51.00)	(51.00)	635,463	(3,940,212)

Table Notes:

The Office of Parole Administration moves from the Department of Correctional Services (DCS) to the Board of Parole on June 1, 2016, so the impact in FY2016 is for one month only. This item shows as an increase in expenditures for the Board of Parole and a decrease in expenditures for DCS making it a net zero General Fund impact.

The additional staff for the Board of Parole are specified in the bill. The Board of Parole also includes 4 additional parole officers in FY2017.

The Parole Program Cash Fund and budget program would also transfer from DCS to the Board of Parole. The current cash fund appropriation from the Parole Community Corrections budget program is \$455,873 in both FY2016 and FY2017. Because the transfer in FY2016 is for only one month, no cash fund expenditures are shown in the boxes at the top of this fiscal note for FY2016. The revenue from the parolee fees is estimated at \$100,000 per year. Because the transfer from DCS to the Board of Parole is for only one month in FY2016, no revenue is shown in the boxes at the top of this fiscal note for FY2016.

Assessment & Development Costs from the above-table: DCS estimates that they will incur \$3,000 per year with granting access to their computer systems and creating view only roles. DCS estimates \$60,000 per year to validate their risk assessment instrument and to develop training materials for staff performing assessments.

DCS notes that funds are included in the budget bill for an analysis of the computer system by an outside consultant to determine the cost to update the system as specified in the bill. DCS notes that this has cost as much as \$20 million in other states. No amount is included for updating the computer system in the above-table. This item could have a significant future General Fund impact.

The bill requires that parole officers be compensated substantially equal to other state employees who have similar responsibilities. Any amount related to this requirement is not included in the above-table, and it could have a significant future General Fund impact.

Please see the attached responses of the Board of Parole and the Department of Correctional Services for additional details.

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

2015

LB⁽¹⁾ LB598 AM928

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Counsel/Ombudsman

Prepared by: ⁽³⁾ Marshall Lux Date Prepared: ⁽⁴⁾ March 31, 2015 Phone: ⁽⁵⁾ 402-471-2035

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>86,468</u>	<u> </u>	<u>85,831</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>86,468</u>	<u> </u>	<u>85,831</u>	<u> </u>

Explanation of Estimate:

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>
Inspector General - Corrections	<u>1</u>	<u>1</u>	<u>66,114</u>	<u>67,701</u>
Benefits.....			<u>16,579</u>	<u>17,130</u>
Operating.....			<u>1,375</u>	<u> </u>
Travel.....			<u>2,400</u>	<u>1,000</u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>86,468</u>	<u>85,831</u>

Sections 1 through 21 of AM928 of LB598 create the office of the Inspector General of the Nebraska Correctional System. The fiscal impact of this language is primarily the salary and benefits of the individual who will be appointed to serve as the Inspector General. According to Section 4(2) of AM928, a new Inspector General is required to take training and to obtain certification as an inspector general through the Association of Inspectors General. More than \$2,500 of the Operating and Travel items in FY 2015-16 are for membership fees, training, and travel for this purpose.

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

2015

LB⁽¹⁾ 598 AM 928

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Secretary of State

Prepared by: ⁽³⁾ Suzanne Hinzman

Date Prepared: ⁽⁴⁾ 3/30/2015

Phone: ⁽⁵⁾ 402-471-2384

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:

This bill has no fiscal impact for the Secretary of State.

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.....	_____	_____	_____	_____

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2015

LB⁽¹⁾ 598, AM928

FISCAL NOTE

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

Prepared by: ⁽³⁾ John Freudenberg Date Prepared: ⁽⁴⁾ 3-31-15 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact.

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BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2015-16	2016-17
	15-16	16-17	EXPENDITURES	EXPENDITURES
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

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LB⁽¹⁾ 598, AM928

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: ⁽⁴⁾ 4/2/2015

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>

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

2015

LB⁽¹⁾ 598 AM 928

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Board of Parole Agency #15

Prepared by: ⁽³⁾

Date Prepared: ⁽⁴⁾ 4/1/2015

Phone: ⁽⁵⁾

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	690,666	0	4,846,305	0
CASH FUNDS	0	0	599,810	370,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	690,666	0	5,446,115	370,00

Explanation of Estimate:

LB 598 as amended by 928 proposes to relocate the Office of Parole Administration under the Board of Parole effective June 1, 2016. One-twelfth of the FY2015 Parole budget is included in FY16 expenditures.

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 Parole Program Cash Fund (NDCS Program #367) would also transfer. The bill does not specify that staff and equipment currently used by APA under the NDCS transfer to the Parole Board, which would require an additional request for vehicles and other capital outlay purchases not included with this estimate.

The amendment requires addition of several positions to the Board of Parole: Legal Counsel; Fiscal, Policy or Data Analyst; and a staff person responsible for training. In addition to these positions, an AA III is needed to manage the new responsibilities of the Board. These staff would start in FY16. Four additional Parole Officers are requested for FY17.

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>
Office of Parole Administration staff	63*	63	215,370*	2,584,445
Legal Counsel and additional staff	4	8	223,794	411,466
Benefits.....			131,750	898,773
Operating.....			96,685	1,400,031
Travel.....			11,667*	140,000
Capital outlay.....			11,400	11,400
Aid.....				
Capital improvements.....				
TOTAL.....			690,666	5,446,115

*for one month only

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

2015

LB⁽¹⁾ 598 AM 928

FISCAL NOTE

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

Prepared by: ⁽³⁾ Chris Peters Date Prepared: ⁽⁴⁾ 3/31/2015 Phone: ⁽⁵⁾ (402) 479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	635,464	0	(3,340,403)	
CASH FUNDS			(599,810)	(370,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	635,464	0	(3,940,213)	(370,000)

Explanation of Estimate:

LB 598 as amended by 928 contains several proposals. The first creates the Office of Inspector General of the Nebraska Correctional System within the office of Public Counsel. The second proposes to relocate the Office of Parole Administration under the Board of Parole and requires parole officers to be compensated similarly to other state employees with similar responsibilities. The third requires NDCS to ensure that complete up to date records are maintained on all inmates, contains several provisions regarding the use of segregation within NDCS, and requires additional reporting from the Director of NDCS to the Governor and Legislature. The fourth amends the Correctional System Overcrowding Emergency Act to require declaration of an overcrowding emergency whenever the inmate population is over 140% of design capacity beginning in 2020.

NDCS estimates minimal fiscal impact from the adoption of the Inspector General for Corrections Act. The Department currently cooperates with investigations from the office of public counsel and would continue to do so with the inspector general. There will be development costs, estimated at \$3,000, associated with granting access to all of the Department's computer systems and creating view only roles for some databases.

The FY2015 annualized expenditures for the Adult Parole Administration is estimated at \$4.4M, including approx. \$100,000 in Cash Funds from parolee fees. One-twelfth of this amount has been deducted from the General Fund for FY16, and then completely removed from NDCS for FY17. The bill does not specify that staff and equipment currently used by APA would transfer to the Board of Parole. Parole Program Cash Fund (Program #367) would also transfer to the Board of Parole. The salary equalization language would require a salary study and the amount of adjustment to salaries is unknown at this time. Any salary adjustment would not occur until after the transfer to the parole board in June of 2016.

LB 598 contains several provisions regarding the use of segregation within NDCS, and requires additional reporting from the Director of NDCS to the Governor and Legislature. Section 24 83-180 (4) would require NDCS to adopt and promulgate rules which establish a structured risk assessment process within the Department to be performed by individuals with training in the area of risk assessment. Quality assurance and outcome assessment of the risk assessment process is also required. It is estimated that contracting with an outside researcher for the validation of the Department's risk assessment instrument and development of training materials for staff performing assessments will cost \$60,000.

LB 598 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. This bill requires 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 this requirement 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.

LB 598 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 \$930,797.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS	2015-16	2016-17
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	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Research Mgr, AA III & Staff Asst II	3	3	132,860	132,860
Psychologist / Licensed	4	4	303,389	303,389
3 MHP II & 2 MHSS II	5	5	190,860	190,860
APA Staff	(63)*	(63)	(215,370)*	(2,584,445)
Benefits.....			154,877	(555,846)
Operating.....			46,315	(1,287,031)
Travel.....			(11,667)*	(140,000)
Capital outlay.....			34,200	0
Aid.....				
Capital improvements.....				
TOTAL.....			635,464	(3,940,213)

***June 2016 ONLY**