

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Updated to include an agency response.

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**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 certain minimum sentences. The bill reestablishes that a minimum term not to exceed one-third of the maximum term for sentencing of certain Class felonies, unless a mandatory minimum sentence is required by statute. This change could allow offenders to become parole-eligible sooner.

The Board of Parole estimates the following costs associated with this bill:

	FY2018-19	FY2019-20	FY2018-19	FY2019-20
ITEMS	Number of Positions		Expenditures	
Specialized Officer - Salary & Benefits	6.00	6.00	264,960	264,960
Senior Parole Officer - Salary & Benefits	9.00	9.00	345,600	345,600
Supervisor - Salary & Benefits	2.00	2.00	123,474	123,474
Clerical Staff - Salary & Benefits	5.00	5.00	188,685	188,685
Operating			1,286,571	1,286,571
TOTAL	22.00	22.00	2,209,290	2,209,290

The Department of Correctional Services (NDCS) states that this bill will have an indeterminate fiscal impact. See the Board of Parole's and NDCS's response attached for additional details not included in this fiscal note.

Although NDCS estimated an indeterminate fiscal impact from this bill and stated a portion of the bill will not impact parole eligibility for at least 10 years, the Board of Parole estimated an additional 660 inmates being released from prison and placed on parole in FY19 and FY20. Based on the Board of Parole's estimate, this could result in per diem savings to NDCS because there would be fewer inmates than under current law. For every inmate, NDCS incurs per diem costs. This is the cost for food, medical care, inmate wages, clothing, cleaning supplies, food service supplies, cell and dorm supplies, other inmate related supplies, laundry, inmate property, miscellaneous contractual services, and inmate transportation. The FY17 per diem cost for an individual inmate was \$8,649 per year, which includes NDCS inmates in county jails. Using the Board of Parole's estimate of 660 additional inmates being released from prison and placed on parole, this could result in per diem savings to NDCS of approximately \$5.7 million.

Additionally, fewer people in prison could reduce the prison population. As of July-September 2017, the state inmate prison population was 155.70% of design capacity. Additionally, the Department of Correctional Services contracts with some counties to temporarily house prison inmates. If those inmates are included in the state prison population numbers, then the inmate prison population would be 158% of design capacity. Using the Board of Parole's estimate of 660 less inmates in prison and the NDCS January 4, 2018, inmate population of 5,243, this bill could reduce the state inmate prison population to 136% of design capacity. The Legislative Fiscal Office (LFO) fiscal analyst does not know if the NDCS January 4, 2018, inmate population includes NDCS inmates housed in county jails.

For informational purposes, the Department of Correctional Services (NDCS) estimates the cost per offender (All facilities including Parole) at \$31,271 for FY16. This cost represents an average cost of all General, Cash, and Federal expenditures excluding aid, depreciation, and Capital Construction expenditures.

The Supreme Court estimates a minimal fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 842</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Board of Parole (015)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/16/2018	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: It appears the fiscal note initially submitted by the Board of Parole for LB 842 is erroneously the same fiscal note as that submitted for LB 675.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 842</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Correctional Services (046)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/31/2018	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: No basis to dispute the Nebraska Department of Correctional Services estimate of Indeterminate Fiscal Impact to the Agency from LB 842.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 842</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Supreme Court (005)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/30/2018	PHONE: <a href="tel:4024714178">(402) 471-4178</a>
COMMENTS: No basis to dispute the Nebraska Supreme Court estimate of "Minimal" Fiscal Impact to the Agency from LB842.		

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

**2018**

**LB<sup>(1)</sup> 842**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Board of Parole

Prepared by: <sup>(3)</sup> Rosalyn Cotton Date Prepared: <sup>(4)</sup> 1/9/18 Phone: <sup>(5)</sup> 402-479-5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>2,209,290</u>	<u>                    </u>	<u>2,209,290</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>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Explanation of Estimate:

This estimate is a base of 660 inmates being released and place on Parole per year. The cost per parolee per year is \$3,347.41. This includes staffing formulas, costs of parole salaries, services (anger management, Intensive Outpatient substance abuse treatment etc. and miscellaneous expenses.

\* If Residential Substance Abuse Treatment is needed then an additional \$7,500 per client is needed for a total of \$10,847.41 (Not included in estimate at this point)

For every 50 moderate risk parolee's released one parole officer is needed. For every 35 high risk parolee's releases one officer is needed.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Specialized Officer/Senior Parole Officer	<u>6/9</u>	<u>6/9</u>	<u>264,960 /345,600</u>	<u>264,960/ 345,600</u>
Supervisor/Clerical Staff	<u>2/5</u>	<u>2/5</u>	<u>123,474/ 188,685</u>	<u>123,474/ 188,685</u>
Benefits.....			<u>Included above</u>	<u>Included above</u>
Operating.....			<u>1,286,571</u>	<u>1,286.571</u>
Travel.....			<u>                    </u>	<u>                    </u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
TOTAL.....			<u>2,209,290</u>	<u>2,209,290</u>

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

**2018**

**LB<sup>(1)</sup> 842**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Correctional Services

Prepared by: <sup>(3)</sup> Jeff Beaty Date Prepared: <sup>(4)</sup> 1/26/18 Phone: <sup>(5)</sup> 4024795767

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 842 amends section 29-2204 to require that the minimum term for indeterminate criminal sentences is to be no more than one-third the maximum term and eliminates the option for life as the minimum sentence for class IB felonies. This change will affect future admissions for all felony classes other than Class 3, 3A and 4, which are determinate sentences with mandatory post release supervision.

Judges have two options to meet the requirement in LB 842 that the minimum term be no more than one third the maximum term: reduce the minimum term to less than one third the maximum or increase the maximum term to three times the minimum. Reducing the minimum term will result in individuals becoming parole eligible earlier in their sentence and increase the amount of potential time on parole. Increasing the maximum term will increase the overall sentence length and also increase the potential time spent on parole. Due to the required minimum sentence of at least 3 years for Class IA, IB, IC, ID felonies the changes proposed by LB 842 will not impact parole eligibility of future admissions for these felony classes until 2021 at the earliest.

Eliminating the option of life imprisonment as the minimum sentence for class IB felonies will ensure that all individuals will have an opportunity for parole after serving one half of the minimum term imposed by the court. [This change will create the potential for parole for all 1B felonies, but will not affect the prison population for at least the next 10 years due to the required 20 year minimum sentence for 1B felonies.](#)

[The estimate fiscal impact of LB 842 on NDCS over the next biennium is indeterminable as it is unknown how judges will change future sentences in order to comply with the one third rule requirement in LB 842 and the 20 year minimum term for class IB felonies will delay any impact on parole eligibility for at least 10 years.](#)

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19 EXPENDITURES	2019-20 EXPENDITURES
	18-19	19-20		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____

Capital outlay.....  
Aid.....  
Capital improvements.....  
TOTAL.....

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**2018**

**LB<sup>(1)</sup> 842**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 1/28/18 Phone: <sup>(5)</sup> 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</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:

Minimal fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____