

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated on February 20, 2020.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	100,000		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	100,000			

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

This bill would make committed offenders automatically eligible for parole within two years of their mandatory discharge date, unless their sentence provides for an earlier parole eligibility date.

This bill could reduce the number of persons in prison because they could be paroled earlier than under current law. This could save the Department of Correctional Services (DCS) per diem costs and help with reducing prison overcrowding.

The Board of Parole is estimating approximately 400 additional people on parole per year. The agency estimates this could cost \$2,905,768 in FY22 for up to five Specialized or Senior Parole Officers, benefits, treatment and transitional housing costs.

DCS estimates that this bill is not expected to produce measurable effects on the prison population in the next two fiscal years.

As of February 2020, the prison population was 5,610 inmate (includes inmates in county jails), and this is 159% of design capacity. If 400 additional inmates are paroled in FY22, then the prison population could be reduced to 5,210 or 147% of design capacity. For purposes of this fiscal note, the prison population is assumed to remain flat, which probably will not happen.

Therefore, this bill will either have no impact because no additional inmates will be paroled, which appears to be what DCS is estimating. Or this bill could result in 400 additional people being paroled in FY22. If 400 additional people are paroled in FY22, the following table shows an estimated General Fund impact:

	FY22
Board of Parole costs (Specialized or Senior Parole Officers, benefits, treatment & transitional housing costs)	2,905,768
Per Diem Savings at DCS*	3,763,200
Net General Fund Impact	(857,432)

*The FY19 per diem cost for an individual inmate was \$9,408 per year multiplied by 400 inmates.

DCS is estimating a one-time cost of \$100,000 for programming changes to the sentence calculation application in FY21. At this time, there is no basis to disagree with this portion of the DCS estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1004	AM:	AGENCY/POLT. SUB: Nebraska Board of Parole (015)
REVIEWED BY: Joe Wilcox	DATE: 01/27/2020	PHONE: (402) 471-4178
<p>COMMENTS: No basis to disagree with the number of additional staff and corresponding Salary costs estimated by the Nebraska Board of Parole as a result of LB 1004, however, the estimate of \$200,000 for Benefits appears to be excessive given the total number of FTE's and salary costs estimated. A more reasonable figure for Benefits might be closer to \$130,000. Also, the fiscal note narrative identifies LB 1004 could result in a potential increase of 400 more inmates on Parole per year, at an average annual operating cost of \$3,347.41 per Parolee. This would result in additional annual operating costs of \$1,338,964 yet the fiscal note estimates this cost to be \$2,336,464, which is \$997,500 higher than the narrative would indicate.</p>		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1004	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services (046)
REVIEWED BY: Joe Wilcox	DATE: 1/27/2020	PHONE: (402) 471-4178
<p>COMMENTS: No basis to dispute the Nebraska Department of Correctional Services (NDCS) estimate of potential Fiscal impact to the Agency from LB 1004, although the estimate for application programming changes appears high.</p>		

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

2020

LB⁽¹⁾ 1004

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rosalyn Cotton Date Prepared: ⁽⁴⁾ 1-23-2020 Phone: ⁽⁵⁾ 402-479-5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	2,905,768.00	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Estimation of approximately an additional four hundred people on parole per year (133 high risk clients and 267 moderate risk clients):

The cost per parolee per year is \$3,347.41. This includes operating expenses, treatment (domestic violence groups, intensive outpatient substance abuse treatment, trauma recovery groups etc.) transitional housing stipends and miscellaneous expenses.

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

For every fifty moderate risk parole clients released one parole officer is needed. For every thirty high risk parole clients released one officer is needed.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
Specialized Officer/Senior Parole Officer	_____	4/5	_____	177,304/ 192,000
Benefits.....	_____	_____	_____	200,000
Operating.....	_____	_____	_____	2,336, 464 .00
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____

Capital improvements.....

TOTAL.....

2,905,768.00

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

2020

LB⁽¹⁾ 1004

FISCAL NOTE

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

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/23/2020 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>100,000</u>	<u> </u>	<u> </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>100,000</u></u>	<u><u> </u></u>	<u><u>0</u></u>	<u><u> </u></u>

Explanation of Estimate:

LB 1004 changes provisions relating to eligibility for parole. This bill could reduce the number of persons in prison, however, given that the average minimum sentence for inmates admitted in FY2019 was 7.13 years it is not expected to produce measurable effects on the NDCS population in the next two fiscal years.

Of note are 282 admissions in 2019 with maximum sentences of less than 4 years who will likely serve a maximum of two years in NDCS custody. The proposed legislation would make these individuals eligible for parole on the day they enter NDCS custody.

NDCS estimates programming changes to the sentence calculation application in the electronic inmate file to cost \$100,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
<u>Benefits.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Operating.....</u>	<u> </u>	<u> </u>	<u>100,000</u>	<u> </u>
<u>Travel.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Capital outlay.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Aid.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Capital improvements.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>100,000</u>	<u>0</u>