

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Updated for amendments adopted through May 21, 2019.

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
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, as amended by AM1902, would change provisions relating to post-release supervision, competency to stand trial, restrictive housing, and the long-term restrictive housing work group, create a criminal offense relating to electronic communication devices in correctional facilities, and provide for deferred judgments by courts. AM1902 delays the provisions relating to mental competency to stand trial until July 1, 2021.

The Legislative Council estimates no fiscal impact from this bill, as amended by AM1902.

The Supreme Court states that this bill, as amended by AM1902, related to deferred judgments will require modifications to both the court and Probation case management systems. This will be a Cash Fund expense that could be covered by the estimated Cash Fund spending authority that is included in the mainline budget bill. The Court notes that this may require an appropriation base adjustment in the next biennium.

The Board of Parole estimates no significant impact from this bill, as amended by AM1902.

This bill, as amended by AM1902, changes provisions related to determining the competency of an individual to stand trial. Currently, after a hearing when a judge determines that a defendant is mentally incompetent to stand trial, the judge can order a person to be treated at a state hospital for the mentally ill or appropriate state-owned or state-operated facility until the disability is removed. The bill expands the allowable settings for such treatment to include a contract facility or provider pursuant to an alternative treatment plan proposed by the department and approved by the court. The Department of Health and Human Services (HHS) is to file a report with the court seeking approval to treat the individual in one of these types of settings.

Under AM1902, the expansion of competency restoration would become operative July 1, 2021, so there is no fiscal impact in the July 1, 2019 to June 30, 2021 biennium.

Competency Restoration: The fiscal note prepared by HHS appears reasonable. The department will require additional funds to conduct the restoration of competency to stand trial for individuals in the settings allowed by the bill that are outside of the Lincoln Regional Center. HHS estimates it will hire 4.5 staff (Psychologist, Master Social Worker, Mental Health Practitioner, Staff Assistant, and 0.5 Nurse Practitioner) to provide treatment services for individuals in the eastern part of the state in other facilities or in outpatient settings. Increased General Fund expenditures will be \$531,202 per year.

The department will contract to provide treatment for individuals in the middle and western parts of the state. HHS estimates there may be six individuals each year from these parts of the state who would need competency restoration. The estimated General Fund cost to contract for treatment is \$111,712 per year.

Future Potential Savings: There is currently a waiting list of 39 persons for court-ordered placements at the regional center. The provision of competency restoration for some persons in an alternative setting, rather than the regional center, may reduce General Fund expenditures at some point in the future when there are no longer any waiting lists at the regional center.

AM1902 provides that the Director of the Department of Correctional Services can make exceptions to allow cellular telephones within correctional facilities, and this provision will not have a fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 686</b>	<b>AM: 1902</b>	AGENCY/POLT. SUB: <b>Nebraska Legislative Council (003)</b>
REVIEWED BY: Joe Wilcox	DATE: 05/20/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Legislative Council estimate of No Fiscal Impact to the Agency from LB686, as amended by Senator Lathrop's AM 1902.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 686</b>	<b>AM: 1902</b>	AGENCY/POLT. SUB: <b>Nebraska Board of Parole (015)</b>
REVIEWED BY: Joe Wilcox	DATE: 05/22/2019	PHONE: (402) 471-4178
COMMENTS: The Nebraska Board of Parole fiscal note on LB 686 estimates no significant Fiscal Impact to the Agency from LB 686, as amended by AM 1902. No Basis to dispute the Board of Parole estimate.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 686</b>	<b>AM: 1902</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Health and Human Services (025)</b>
REVIEWED BY: Joe Wilcox	DATE: 05/22/2019	PHONE: (402) 471-4178
COMMENTS: Concur with the Nebraska Department of Health and Human Services (DHHS) conclusion that the provisions of AM 1902 to LB 686 move the fiscal impact of the bill beyond FY 2020-21. With the effective operative date of the provisions impacting DHHS changed to July 1, 2021, the potential fiscal impact to the agency is shifted to FY 2021-22 and beyond.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 686</b>	<b>AM: 1902</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Correctional Services (046)</b>
REVIEWED BY: Joe Wilcox	DATE: 05/21/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Correctional Services estimate of No Fiscal Impact to the Agency from LB 686, as amended by Senator Lathrop's AM 1902.		

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

**2019**

**LB<sup>(1)</sup> 686, AM1902**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 03 LEGISLATIVE COUNCIL

Prepared by: <sup>(3)</sup> DIANE NICKOLITE Date Prepared: <sup>(4)</sup> 5/21/2019 Phone: <sup>(5)</sup> 402-471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2019**

**LB<sup>(1)</sup> 686, AM1902 REVISED**

**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> 5/21/19 Phone: <sup>(5)</sup> 1-4138

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

The provisions of LB686, as amended by AM1902, related to deferred judgment will require modifications to JUSTICE, the court case management system and, to a lesser extent, the Probation case management system. This will be a Cash Fund expense that, given the passage of LB294, 2019, the mainline budget bill and its current language, could be covered by the estimated Cash Fund spending authority primarily under Program 570, Court Automation. This may require an appropriation base adjustment in the next biennium.

As amended, LB686 also retains the indeterminate impact of the provisions related to deferred judgment and post-release supervision

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

**2019**

**LB<sup>(1)</sup> 686 AM 1902**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Rosalyn Cotton Date Prepared: <sup>(4)</sup> May 21, 2019 Phone: <sup>(5)</sup> 402 479-5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

No significant impact on budget related to LB 686 AM 1902

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</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 Michalski

Date Prepared 5-21-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	See Below		See Below	

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

**Explanation of Estimate:**

LB 686, as amended, includes provisions that the Department of Health and Human Services (DHHS) may expand provisions and potentially conduct competency restoration of individuals (defendants). This would expand the competency restoration that is being conducted at the Lincoln Regional Center to areas outside of the facility. The expansion of competency restoration would become operative July 1, 2021. Due to this provision, there is no fiscal impact in the July 1, 2019 to June 30, 2021 biennium. DHHS will begin to expand the network in phases in the SFY20-21 biennium to be ready to provide competency restoration. Once bill becomes operative in the following biennium and the Department is prepared to fully implement the expansion, DHHS may need to hire additional staff or contract for restoration services.

It is estimated that each competency restoration case would cost approximately \$47,491 per case. It is estimated that there will be 20 new cases per year. If DHHS would contract the entire amount out, the estimated costs would be \$949,829 in general funds (GF).

In the alternative to contracting out the entire restoration network, DHHS may implement a hybrid system. DHHS would contract out for restoration services in central and western Nebraska. DHHS estimates six individuals each year from these parts of the state who would need competency restoration. The estimated cost to contract for the six treatments are \$111,712 in GF per year.

In eastern Nebraska, DHHS would hire staff to conduct restoration services. DHHS would hire 4.5 staff (Psychologist, Master Social Worker, Mental Health Practitioner, Staff Assistant, .5 Nurse Practitioner) at an estimated GF cost of \$531,202 per year.

DHHS will continue to expand provider networks to determine the most impactful and cost effective competency restoration for any individuals that are committed to DHHS care by a judge.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
		19-20	20-21	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					

Capital Outlay.....

Aid.....

Capital Improvements.....

**TOTAL**.....

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2019

LB<sup>(1)</sup> 686 am 1902

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Robin Spindler Date Prepared: <sup>(4)</sup> 5/21/2019 Phone: <sup>(5)</sup> 402-479-5711

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

Amendment 1902 to LB 686 provides that the NDCS Director can make exceptions to allow cellular telephones within the agency's facilities.

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	0	0
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	0	0