

Updated to include agency responses.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 25 is the Prison Population Reduction and Property Tax Relief Act.

The act outlines several findings and objectives identified by the Legislature.

The bill lists findings that high incarceration rates in Nebraska significantly strain the state's finances, diverting resources that could otherwise be used to lessen property taxes. Programs aimed at early parole and second chance relief for long-term inmates are identified as effective means to reduce incarceration rates without necessitating substantial initial state investments. The savings generated from these reductions are intended to be reallocated towards property tax relief.

The bill looks to reduce the prison population through cost-effective programs such as the use of alternative sentencing options such as probation, community service, and house arrest over imprisonment, where appropriate, to further decrease incarceration rates.

The Nebraska Department of Correctional Services (NDCS) will produce annual reports on the cost savings achieved through the early parole discharge and second chance relief programs, starting by July 1, 2026. Additionally, the Reentry Continuity Advisory Board will oversee the implementation and effectiveness of these programs, providing annual reports and recommendations to the Legislature.

Beginning in the fiscal year 2026-27, the Legislature intends to annually transfer the equivalent of the identified savings from the General Fund to the Property Tax Credit Cash Fund, ensuring ongoing support for property tax relief.

The Early Parole Discharge Program specifies criteria for eligible parolees, including successful completion of a specified period in a community corrections facility and on parole, attainment of a high school diploma or equivalent, maintenance of steady employment or stable living conditions, and an absence of major disciplinary violations. The Department of Correctional Services will screen eligible offenders, and the Board of Parole will review and make recommendations. The Board of Pardons will then consider these recommendations and provide feedback for denied cases, outlining steps for improvement.

The Second Chance Relief Program targets individuals serving long-term or life sentences, providing an opportunity for sentence commutation if they demonstrate rehabilitation and readiness for safe release. Offenders under 26 at the time of their offense can apply after 25 years, and those 26 and older can apply after 30 years. The Department of Correctional Services will identify and list eligible offenders for the Board of Parole, which will assess rehabilitation and risk, incorporating community leaders to address public safety concerns. The Board of Pardons will review commutation recommendations and provide guidance for denied applications.

For individuals granted a sentence reduction, detailed reentry plans will be developed, including job placement, housing support, mental health services, mentorship, and community support. Restorative justice programs will facilitate opportunities for offenders to reconcile with victims and the community, while regular check-ins and continuous monitoring will ensure compliance with parole conditions.

The Supreme Court states that there is no fiscal impact. The agency mentions that the number of community service organizations is limited in some areas of Nebraska.

The Department of Revenue states that there is no fiscal impact.

Nebraska Board of Parole states that LB 25 will necessitate additional personnel, potentially including more Board members, to handle the growing number of individuals evaluated by the Nebraska Board of Parole. The cost is indeterminate at this time. The Nebraska Department of Corrections (NDCS) will not have any fiscal impact. The agency will also recognize some cost savings but is unable to calculate at this time. For more information see the NDCS fiscal note.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 25	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY:	Jacob Leaver	DATE: 7/29/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Supreme Court's estimate of no fiscal impact to the agency as a result of LB 25.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 25	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services	
REVIEWED BY:	Jacob Leaver	DATE: 7/30/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Nebraska Department of Correctional Services' indeterminable fiscal impact as a result of LB 25.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 25	AM:	AGENCY/POLT. SUB: Nebraska Board of Parole	
REVIEWED BY:	Jacob Leaver	DATE: 7/30/2024	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Board of Parole's indeterminable fiscal impact as a result of LB 25.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 25	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY:	Jacob Leaver	DATE: 7/31/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Revenue's estimate of no fiscal impact to the agency as a result of LB 25.			

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

2024

LB⁽¹⁾ 25

FISCAL NOTE

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

Prepared by: ⁽³⁾ Chairperson Rosalyn Cotton Date Prepared: ⁽⁴⁾ July 30, 2024 Phone: ⁽⁵⁾ 402 479-5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

LB 25- This bill adds duties to the Board of Parole regarding recommendations for early discharge from parole, recommendations for commutation to allow for earlier parole, developing reentry plans, offering restorative justice programs, and implementing a system of ongoing evaluations.

This increased workload will require additional Board members, and personnel including potentially additional Board members/Personnel, in order to meet the demands of increased number of individuals being evaluated by the Board of Parole ; however, the additional costs are not able to be projected at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 25

FISCAL NOTE

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

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 07/29/2024 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

LB 25 adopts the Prison Population Reduction and Property Tax Relief Act and provides for early discharge from parole and recommendations for commutations of certain sentences.

LB 25 provides criteria under which NDCS shall provide a list of individuals who qualify for consideration of a commutation resulting in early release from parole. Based on the criteria provided in Section 6, NDCS identified 606 individuals out of the current 1,176 on parole who spent at least six months in a community corrections facility prior to parole. Of those, the table below identifies the number of individuals who meet each criteria:

Of the 606 who served at last six months in a community corrections facility:					
Has successfully completed at least 90 days on parole	Holds a high school diploma or equivalent	Maintained steady employment...	No major (Class I or II) disciplinary violations at community corrections	No more than five minor (Class III) disciplinary violations in the last two years	Successfully participated in programming deemed necessary (or had no recommendations)
460	456	503	311	507	565
Total who meet ALL criteria: 150					

The total number of individuals who meet all criteria listed is 150. Using July 29, 2024, as the date the sentences would be reduced, these individuals could serve a combined 114,299 fewer days on parole (average 828 days per person). This does not include 12 individuals whose parole sentence is based on their natural life, for which the number of fewer days is indeterminable. Currently, there is no established cost per parolee identified prior to the merger with NDCS. As such, the cost savings for these days cannot be calculated.

Section 7 requires NDCS to identify individuals who could be referred to the Board of Parole for consideration of commutation. As of July 29, 2024, there are 95 individuals who were 25 years old or younger upon admission who have served at least 25 years of their sentence. Additionally, there are 43 individuals who were 26 years old or older upon admission who have served at least 30 years of their sentence. Assuming the commutation is to a term of years, to include a sentence of parole supervision, the total savings of incarceration per diem would be offset, in part, by the parole supervision per diem. Based on the unknown nature of the commutation, the actual reduction in the population and/or terms of supervision are indeterminable.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFO:

Approved by: James R. Kamm

Date Prepared: 07/30/2024

Phone: 471-5896

	FY 2024-2025		FY 2025-2026		FY 2026-2027	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 25 creates the Prison Population Reduction and Property Tax Relief Act. LB 25 provides early parole discharge and second chance relief for qualified individuals. The Department of Correctional Services, Reentry Continuity Advisory Board, Division of Parole Supervision, Board of Parole, and Board of Pardons all have responsibility in implementing and maintaining the new programs.

LB 25 requires the Department of Correctional Services to annually submit an electronic report to the Legislature and the Department of Revenue detailing cost savings to the state as a result of the early parole discharge program and the second chance relief program created by LB 25. The Legislature and the Department of Revenue are to use the report to determine the amount of savings that may be used for property tax relief.

The operative date for LB 25 is three months after adjournment.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

Major Objects of Expenditure

Class Code	Classification Title	24-25	25-26	26-27	24-25	25-26	26-27
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
	Benefits.....						
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	Total.....						

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2024

LB⁽¹⁾ 25, Special Session

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 7/26/2024 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

No direct fiscal impact from Section 5 regarding documentation.

Note: The number of community service organizations is limited in some areas of Nebraska.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____