

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$17,103,000		\$21,451,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$17,103,000		\$21,451,000	

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

LB 998 requires the Division of Behavioral Health (DBH) in the Department of Health and Human Services (HHS) to take responsibility for persons taken into emergency protective custody (EPC) by law enforcement officers. Current law requires counties to pay for and to make arrangements with appropriate medical facilities, jails or the Department of Correctional Services for persons placed into emergency protective custody.

The bill provides for the legal and physical transfer of custody to the DBH to take place within one hour after notification by law enforcement. DBH may contract with law enforcement for the transport, placement and admission to an appropriate placement. Violations of these requirements by the DBH after being informed that a person is taken into emergency protective custody will result in the Director of the DBH or his or her designee being guilty of a Class IV misdemeanor.

The bill also requires DBH to establish five emergency community crisis centers across the state. The centers are to provide: medical and psychological examinations within 36 hours after admission; short term intensive treatment to stabilize persons taken into EPC; and connections with community-based services to serve persons upon discharge. Two centers shall be established in FY2016-17 and an additional center is to be established in each of the next three years. Counties or groups of counties may apply to have emergency community crisis centers located in their area. If approved by DBH, the centers must be established within 18 months.

DBH is also required to establish a regional outreach center providing a statewide toll-free hotline. The hotline may be operated by DBH or contracted out. It is to provide information relating to access to inpatient beds for behavioral health services.

Emergency Protective Custody: The bill will have a significant fiscal impact for the DBH in HHS to take physical custody and place persons in appropriate settings for EPC purposes. It is difficult to estimate the staffing required to implement the bill. It is possible the shift from having counties responsible for EPC's to requiring the state to take responsibility may have some impact on the number of EPC's. The fiscal note prepared by HHS appears reasonable.

Permanent Staff: The department projects the need for an additional 76 FTE throughout the state to respond to requests by law enforcement for EPC placements. HHS employees or contracted staff will need to be available anywhere in the state to take physical custody within one hour of notification. The estimated annual cost for the salaries and benefits of added staff is about \$3.7 million of general funds beginning in FY2016-17. This fiscal note estimates related operating costs, travel and vehicle lease costs to be about \$1.3 million per year. One-time capital outlay expenses for computers and cell phones are estimated to total \$152,000 in FY17.

On-call 24/7 Staff: HHS anticipates hiring contractual employees to be on-call in the evening and overnight. The estimated cost for the service will be about \$1,126,000 per year.

Hotline: A hotline would be established for law enforcement to communicate with the DBH. Estimated annual costs will be \$1.5 million for the 24/7 service. The estimate is based upon other such services run or contracted for by HHS.

Emergency Community Crisis Centers: DBH will have increased expenditures for emergency community crisis centers beginning in FY2016-17. It is assumed DBH will contract with counties or groups of counties that will operate the centers pursuant to interlocal cooperative agreements as authorized by the bill. Two centers must be established in FY17 and an additional center is to be added in each of the next three years.

Region V currently operates a crisis center in Lincoln at a cost of about \$2.6 million per year. The crisis center does not have all of the medical components of care as required by the bill. Based on the cost of this service, HHS estimates the cost of an emergency community crisis center to be about \$3 million per year. Assuming the centers will be operational for only six months in the initial year

that service is provided, the fiscal impact will be \$3 million of general funds for two centers in FY17 and \$7.5 million of general funds for three centers in FY18. Total funding for the five centers will be \$15 million in the fifth year when all the centers are operational for an entire year.

Transportation: LB 998 authorizes HHS to contract with law enforcement to transport individuals to EPC's. HHS estimates transportation expenses of \$2,325,000 per year.

County EPC Costs Shifted to the State: Counties currently pay the costs for persons placed in emergency protective custody. The state provided about \$9.6 million (\$9 million general/cash funds; \$620,000 federal funds) to the behavioral health regions in FY2014-15 for emergency services. It is assumed this funding will continue for services but the share of costs currently paid by counties will shift to the state. HHS estimates approximately \$4 million of expenses paid by counties for EPC's will shift to the state on an annual basis.

Fines: If the Director of DBH or his or her designee is found to be guilty of violating the provisions of the bill, then a fine of up to \$500 may be assessed for each violation. It is assumed there will be few violations so little revenue is projected fines. Fine revenue accrues to the county where the fine is imposed to be used for public schools.

In summary, the following table shows the estimated general fund fiscal impact of the bill as phased-in over a five year period.

	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATIONS:					
Staff and Benefits (76 FTE)	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
On-Call Cost 24/7 Staff	1,126,000	1,126,000	1,126,000	1,126,000	1,126,000
Hotline	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Operating Expenses	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000
Travel	88,000	88,000	88,000	88,000	88,000
Capital Outlay	<u>152,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operations	7,778,000	7,626,000	7,626,000	7,626,000	7,626,000
AID:					
EPC Costs Shifted to State from Counties	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Contracted Transp. - Law Enforcement	2,325,000	2,325,000	2,325,000	2,325,000	2,325,000
Emergency Community Crisis Centers*	<u>3,000,000</u>	<u>7,500,000</u>	<u>10,500,000</u>	<u>13,500,000</u>	<u>15,000,000</u>
Total Aid	9,325,000	13,825,000	16,825,000	19,825,000	21,325,000
Total Estimated Fiscal Impact	\$17,103,000	\$21,451,000	\$24,451,000	\$27,451,000	\$28,951,000

*2 centers in FY17; 3 in FY18; 4 in FY19; 5 in FY20

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 998	AM:	AGENCY/POLT. SUB: HHS
REVIEWED BY: Elton Larson	DATE: 2/22/16	PHONE: 471-4173
<p>COMMENTS: As provided in Section 6 of LB 998, the HHS fiscal note treats the crisis centers as county run facilities with state payment for services through state aid. If the crisis centers are to be state run facilities as provided in Section 4 of LB998, the fiscal note would need to be adjusted for PSL to allow hiring of state employees necessary to operate the centers. The HHS fiscal note also uses the timeline for establishing the centers as contained in Section 4, not the 27 month schedule for establishing the crisis centers as contained in Section 6. No basis to disagree with HHS analysis with respect to costs of one-hour response time or operation of toll-free hotline.</p>		

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

2016

LB⁽¹⁾ 998

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: ⁽⁴⁾ 1-26-2016

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</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>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$0</u>	<u>\$0</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) Pat Weber

Date Prepared:(4) 1-22-16

Phone: (5) 471-6351

	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$17,591,465	\$0	\$21,939,565	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$17,591,465	\$0	\$21,939,565	\$0

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

Explanation of Estimate:

LB998 would require the Department of Health and Human Services to establish five emergency community crisis centers across the state. This bill stipulates that two centers must be established in the first year following the effective date of this bill and an additional crisis center per year over the next three years.

LB998 also shifts the responsibility of individuals who are placed in emergency protective custody from local law enforcement to the Department of Health and Human Services or their designee. This bill stipulates that the individual that is being placed in emergency protective custody be transferred to the custody of the Department of Health and Human Services or their designee within 1 hour of being notified by law enforcement.

In order to comply with this bill, DHHS would need an additional 76 FTE's. For front line staff approximately 70 Child and Family Service Specialist level employees would be needed. In addition, there would need to be a minimum of 5 managerial staff to supervise the front line staff, and 1 administrator for each one of the regions. In order to have 24/7 coverage and respond overnight if needed, and additional \$1,125,870 will be needed to facilitate on-call employees. In addition to the typical operating expenses for these employees, initial capital outlays would be required for computers and cell phones to perform their job duties. This would result in an additional \$152,000 for FY17. Staffing estimates are based on the current number of emergency protective custody cases occurring in the state during past year. Legislative changes proposed in the bill could significantly increase the number of EPCs and necessitate additional staff requirements.

In order for the Department of Health and Human Services to accept custody as required by the bill, staff must travel to the facility and therefore the agency would need to lease approximately 30 vehicles. With a vehicle lease price of \$234 per month and a mileage charge of 31 cents per mile, if the vehicles travel an average of 15,000 per year, the fiscal impact will be \$88,890 per fiscal year.

DHHS would contract with local Law Enforcement Agencies to provide transportation. The average estimated contract amount would be \$25,000. In order to meet the one hour time frame, it would be necessary to contract with agencies in all 93 Nebraska Counties. The estimated fiscal impact for the contracted transportation would be \$2,325,000 each fiscal year 2016-17 and 2017-18.

LB998 removes financial responsibility from the counties and places the costs for emergency protective care to the State of Nebraska. Based on existing information, it is estimated that a minimum, an additional \$4,000,000 for each fiscal year 2016-17 and 2017-18 would be required in Program 038 to cover these increased costs.

Using the Lancaster County Crisis Center as an example, the additional cost to fund the five new crisis centers would be \$2,000,000 per crisis center per year. Also, the bill would require the crisis centers to provide certain medical services such as a medical exams or laboratory tests which are not currently offered at the Lancaster

County Crisis Center. The additional costs to provide these services would an additional \$1,000,000 per crisis center per year. As crisis centers become functional across the state, DBH staffing can be evaluated as some anticipated staff functions may be able to be contracted in the future through the centers. No capital construction costs are not included in the agency estimates.

LB998 would also require that the Department of Health and Human Services establish a toll-free hotline that would provide information relating to access to inpatient beds for behavioral health services is Nebraska. The hotline would cost approximately \$1,500,000 per year to operate.

Given that the first crisis centers would need to be established the first year following the effective date of LB998, the fiscal impact to the Department of Health and Human Services would be \$17,591,465 in FY2016-17 and \$21,939,565 in FY2017-18.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2016-2017	2017-2018
	16-17	17--18	EXPENDITURES	EXPENDITURES
Child and Family Services Specialist	70	70	\$2,542,176	\$2,542,176
Child and Family Services Specialist Supervisor	5	5	\$232,388	\$232,388
DHHS Administrator I	1	1	\$59,035	\$59,035
On Call Costs			\$1,125,870	\$1,125,870
Benefits.....			\$859,770	\$859,770
Operating.....			\$3,206,336	\$3,206,366
Travel.....			\$88,890	\$88,990
Capital Outlay.....			\$152,000	
Aid.....			\$9,325,000	\$13,825,000
Capital Improvements.....				
TOTAL.....			\$17,591,465	\$21,939,565

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

2016

LB⁽¹⁾ 998

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County

Prepared by: ⁽³⁾ Scott Etherton

Date Prepared: ⁽⁴⁾ 1/26/16

Phone: ⁽⁵⁾ 402-441-6329

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</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:

This bill appears to have taken in its entirety the language from LB780 and incorporated it into this bill, which additionally, would establish Emergency Community Crisis Centers across the state. This bill continues to transfer the responsibility to the state for the taking custody of the person and appears to also place the cost of the Crisis Centers on the state. Lancaster County currently operates the Crisis Center for Region V so it would shift that cost. The notes below are from my LB 780 submission which detail the difficulty in predicting cost but list current funding.

It would appear that the main part of this bill is to transfer the custody of EPC persons from the responsibility of law enforcement and therefore the county where the person is placed into custody, over to the State DHHS or an entity with whom they contract.

This could significantly change the responsibility of Lancaster County to pay costs of persons placed into custody. Last FY Lancaster County contributed about \$400,000 in addition to functionally operating the facility for EPCs in Region V. Lancaster County also received \$155,363 from other contracts with Region V counties to provide EPC custody and evaluation. Lancaster County received \$1,252,342 in funds contracted through Region V, passed down from the state, which could be considered "contracting with the division" to take custody of these persons, which is language in this bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____