

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,194,891		2,198,630	
CASH FUNDS	0		0	
FEDERAL FUNDS	335,231		673,149	
OTHER FUNDS	0		0	
TOTAL FUNDS	1,530,122		2,871,779	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill will provide for eligibility for certain federal programs upon release from incarceration.

STATE IMPACT: The Department of Correctional Services (DCS) estimates the following costs:

ITEMS	FY2007-2008	FY2008-2009	FY2007-2008	FY2008-2009
	Number of Positions		Expenditures	
Parole Officer	3.00	3.00	94,737	94,737
Benefits			33,158	33,158
Operating (supplies, postage, etc. @ \$2,000 each per year)			6,000	6,000
Travel			3,000	3,000
Capital Outlay (furniture, phones, computers @ \$2,500 each)			7,500	0
TOTAL	3.00	3.00	144,395	136,895

DCS estimates that between 3% and 6% of inmates would fall under the definition of psychiatric disabilities (between 132 and 264 inmates). They estimate they would need three Parole Officers: One each in Omaha, Lincoln, and York. There would also be some travel to other facilities to work with inmates discharging directly from those facilities, and this is estimated at \$3,000 per year. DCS states that the costs in the above table do not include medications. Currently, DCS provides a two week supply of medications upon discharge. The agency is unable to separate out the cost of the psychiatric medications provided on discharge, but for comparison purposes, DCS spent a total of \$2,418,840 on drugs in FY06. The estimated expenditures for DCS are General Funds.

The Department of Health and Human Services (HHS) estimates the following impact:

HHS	FY2007-2008	FY2008-2009	FY2007-2008	FY2008-2009
	Number of Positions		Expenditures	
Social Services Worker	2.00	2.00	31,480	64,220
Office Clerk II	1.00	1.00	8,909	18,174
Case Manager	5.00	5.00	78,700	160,547
Benefits			36,917	75,310
Operating			16,260	29,400
Travel			14,550	29,100
Capital Outlay			41,760	0
Aid			426,643	853,287
TOTAL	8.00	8.00	655,219	1,230,038

By Fund Source (HHS):				
General			617,886	1,170,558
Cash				
Federal			37,333	59,480
Revolving				
TOTAL			655,219	1,230,038

Following is a summary of the assumptions used by HHS for the cost estimated in the above table:

- The additional staff are needed to handle eligibility for the population stated in the bill:
 - Social Services Workers (2): review applications for Medicaid, qualify individuals for temporary medical assistance, temporary income support, move temporary support clients to Medicaid or terminate eligibility depending on determinations by SSI, and all work normally handled by a Medicaid case worker;
 - Office Clerk II (1): associated clerical work;
 - Case Managers (5): serve 20 clients, assistance in locating shelter, obtaining mental health services, and accessing federal benefit programs upon release.
- Aid: The average daily population of inmates with psychiatric disabilities that reside in juvenile facilities and jails is estimated at 67 juveniles and 14 adults. Using information from the state behavioral health system, the information in the above table shows the estimated cost of providing mental health services to these juveniles and adults.
- FY08 costs are approximately one-half of FY09 costs based on an assumed implementation date of January 1, 2008.

The Department of Health and Human Services Finance and Support (HHS F&S) estimates the following impact:

HHS Finance and Support	FY2007-2008	FY2008-2009
	Expenditures	
Additional Medicaid & temporary medical services	610,182	1,256,975
Temporary income support	58,126	119,739
Psychiatric Medications	62,200	128,132
TOTAL	730,508	1,504,846
By Fund Source:		
General	432,610	891,177
Cash		
Federal	297,898	613,669
Revolving		
TOTAL	730,508	1,504,846

Following are a summary of the assumptions used by HHS F&S for the cost estimated in the above table:

- That 622 individuals with psychiatric disabilities are released each year: 253 from jails, 140 from juvenile facilities, and 230 from prison.
- Additional Medicaid & temporary medical services and Temporary income support:
 - That 90% of these individuals will be eligible for Medicaid and SSI;
 - Individuals denied SSI and Medicaid will receive 3 months of state-only funded services prior to being found ineligible.
- Psychiatric Medications:
 - HHS F&S provides a 30 day supply of medications;
 - Claim federal Medicaid funds for eligible individuals;
 - People receive an average of 2 different medications each costing \$100 for a 30 day supply;
 - That 90% of these prescriptions will be claimable as Medicaid.
- FY08 costs are approximately one-half of FY09 costs based on an assumed implementation date of January 1, 2008. The Legislative Fiscal Office analyst (LFO) calculated FY08 costs based on this assumption.

For more details on the estimated costs of HHS and HHS F&S, please see the agency's responses.

IMPACT ON POLITICAL SUBDIVISIONS: This bill could have a fiscal impact on political subdivisions. This impact, if any, is not known at this time.