

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Updated for amendments adopted through May 12, 2015.

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,032,555		1,114,999	
CASH FUNDS	See Below	See Below		
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>1,032,555</b>		<b>1,114,999</b>	

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

This bill, as amended, would change provisions relating to corrections and parole and mentally ill offenders. The bill would move the Office of Parole Administration from Department of Correctional Services (DCS) to the Parole Board.

The following table summarizes the fiscal impact of this bill:

Costs Summarized	FY2015-16	FY2016-17
Ombudsman	86,468	85,831
Parole Board	463,522	5,956,848
Corrections	482,565	(4,927,680)
<b>Total Impact</b>	<b>1,032,555</b>	<b>1,114,999</b>

The bill would create the Office of Inspector General of the Nebraska Correctional System within the Office of Public Counsel (Ombudsman's office). The cost to the Ombudsman is summarized in the following table:

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
Inspector General - Corrections	1.00	1.00	66,114	67,701
Benefits			16,579	17,130
Operating			1,375	0
Travel			2,400	1,000
<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>86,468</b>	<b>85,831</b>

The Ombudsman notes that the bill states that the new Inspector General is required to take training and to obtain certification. More than \$2,500 of the Operating and Travel items in FY 2015-16 are for membership fees, training, and travel for this purpose. See the Ombudsman's response for additional details.

The following agencies had previously estimated no fiscal impact from this bill: the Department of Health and Human Services, Attorney General, and Nebraska State Patrol. This fiscal note will be updated if any agency changes their previous estimate.

The bill would move the Office of Parole Administration from Department of Correctional Services (DCS) to the Parole Board. The bill requires certain positions be added to the Parole Board. The Parole Board also included four additional parole officers in FY2016-17. The following table summarizes the impact to the Parole Board:

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
Parole Board Impact:				
Move Office of Parole Administration to Parole Board:				
Staff	-	63.00		2,584,445
Benefits				782,501
Operating				1,400,031
Travel				140,000
Capital Outlay			-	491,868
Subtotal: Move Office of Parole Administration to Parole Board	-	63.00	-	5,398,845
Additional Staff:				
Legal Counsel and additional staff	4.00	8.00	223,794	373,163
Transition Staff			100,000	-
Benefits			78,328	123,440
Operating			50,000	50,000
Capital Outlay			11,400	11,400
Subtotal: Additional Staff	4.00	8.00	463,522	558,003
Total Impact to Parole Board	4.00	71.00	463,522	5,956,848
By Fund Source:				
GENERAL FUNDS			463,522	5,500,975
CASH FUNDS			-	455,873
TOTAL FUNDS			463,522	5,956,848

Table Notes:

The Office of Parole Administration moves from the Department of Correctional Services (DCS) to the Parole Board on July 1, 2016. This item shows as an increase in expenditures for the Parole Board (above-table) and a decrease in expenditures for DCS (following table).

In FY2015-16, the above-table is \$100,000 higher than the Parole Board's response. This amount is for transition staff. These funds shall be used by the Parole Board to develop and implement a strategic plan to transition the supervision of the Office of Parole Administration from the Department of Correctional Services to the Parole Board. For the purposes of developing such a plan, the Parole Board shall, on or before January 1, 2016, hire a transition plan director and any staff as allowed under subsection (2) of section 83-188 to assist such director in the transition.

The Parole Program Cash Fund and budget program would also transfer from DCS to the Parole Board. The current cash fund appropriation from the Parole Community Corrections budget program is \$455,873. This cash fund appropriation differs from the agency's response.

The General Fund amount was calculated as follows: Total appropriation amount minus cash fund appropriation amount equals General Fund appropriation amount. Because the cash fund appropriation in this fiscal note differs from the agency, the General Fund amount in the above-table differs from the agency.

The revenue from the parolee fees is estimated at \$260,000 per year in the budget request for DCS. The parolee fee revenues are transferred from DCS to the Parole Board so there are no additional revenues and that is why they are not shown in the boxes at the top of this fiscal note.

The bill requires that parole officers be compensated substantially equal to other state employees who have similar responsibilities. Any amount related to this requirement is not included in the above-table, and it could have a significant future General Fund impact.

Please see the attached response of the Parole Board for additional details.

The bill would move the Office of Parole Administration from Department of Correctional Services (DCS) to the Parole Board. The bill requires additional mental health screening, treatment, evaluation, and reporting requirements which will require additional staffing. The following table summarizes the impact to DCS:

ITEMS	FY2015-16	FY2016-17	FY2015-16	FY2016-17
	Number of Positions		Expenditures	
Department of Correctional Services Impact:				
Move Office of Parole Administration to Parole Board	-	(63.00)	-	(5,398,845)
Additional Staff:				
Psychologist / Licensed (3 FTE)	3.00	3.00	227,542	227,542
Research Manager	1.00	1.00	52,567	52,567
Benefits			111,389	111,389
Operating Expenses			16,667	16,667
Assessment & Development Costs			63,000	63,000
Capital Outlay			11,400	-
Subtotal: Additional Staff	4.00	4.00	482,565	471,165
Total Impact to DCS	4.00	(59.00)	482,565	(4,927,680)
By Fund Source:				
GENERAL FUNDS			482,565	(4,471,807)
CASH FUNDS			-	(455,873)
TOTAL FUNDS			482,565	(4,927,680)

Assessment & Development Costs: DCS estimates that they will incur \$3,000 per year with granting access to their computer systems and creating view only roles. DCS estimates \$60,000 per year to validate their risk assessment instrument and to develop training materials for staff performing assessments.

DCS included additional positions in their fiscal note due to provisions in the bill requiring additional mental health screening, treatment, evaluation and reporting requirements. Funds were previously included in the budget bill providing DCS with additional mental health staff. Therefore, LFO reduced the staff and related costs in the above-table.

The Parole Program Cash Fund and budget program would also transfer from DCS to the Parole Board. The current cash fund appropriation from the Parole Community Corrections budget program is \$455,873. This cash fund appropriation differs from the agency's response.

The General Fund amount was calculated as follows: Total appropriation amount minus cash fund appropriation amount equals General Fund appropriation amount.

DCS notes that funds were previously included in the budget bill for an analysis of the computer system by an outside consultant to determine the cost to update the system as specified in the bill. DCS notes that this has cost as much as \$20 million in other states. No amount is included for updating the computer system in the above-table. This item could have a significant future General Fund impact.

The bill would change the re-entry pilot program (Parenting Program) into a permanent program. This impact is not shown in the above-table because funds were previously included in the budget bill.

Please see the attached response of the Department of Correctional Services for additional details.

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

**2015**

**LB<sup>(1)</sup>** LB598 AM928

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Counsel/Ombudsman

Prepared by: <sup>(3)</sup> Marshall Lux Date Prepared: <sup>(4)</sup> March 31, 2015 Phone: <sup>(5)</sup> 402-471-2035

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

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>86,468</u>	<u>                    </u>	<u>85,831</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>
<b>TOTAL FUNDS</b>	<u><b>86,468</b></u>	<u><b>                    </b></u>	<u><b>85,831</b></u>	<u><b>                    </b></u>

Explanation of Estimate:

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Inspector General - Corrections	<u>1</u>	<u>1</u>	<u>66,114</u>	<u>67,701</u>
Benefits.....			<u>16,579</u>	<u>17,130</u>
Operating.....			<u>1,375</u>	<u>                    </u>
Travel.....			<u>2,400</u>	<u>1,000</u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><b>86,468</b></u>	<u><b>85,831</b></u>

Sections 1 through 21 of AM928 of LB598 create the office of the Inspector General of the Nebraska Correctional System. The fiscal impact of this language is primarily the salary and benefits of the individual who will be appointed to serve as the Inspector General. According to Section 4(2) of AM928, a new Inspector General is required to take training and to obtain certification as an inspector general through the Association of Inspectors General. More than \$2,500 of the Operating and Travel items in FY 2015-16 are for membership fees, training, and travel for this purpose.

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

**2015**

**LB<sup>(1)</sup> 598 AM 1587**

**FISCAL NOTE**

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

Board of Parole Agency #15

Prepared by: <sup>(3)</sup> Christina Peters

Date Prepared: <sup>(4)</sup> 5/13/2015

Phone: <sup>(5)</sup> (402) 479-5702

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

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>363,522</u>	<u>0</u>	<u>5,357,038</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>599,810</u>	<u>370,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u><u>363,522</u></u>	<u><u>0</u></u>	<u><u>5,956,848</u></u>	<u><u>370,00</u></u>

**Explanation of Estimate:**

LB 598 as amended by 1587 proposes to relocate the Office of Parole Administration under the Board of Parole effective July 1, 2016.

The FY2015 annualized expenditures for the Adult Parole Administration under the Nebraska Department of Correctional Services (NDCS) is estimated at \$4.4M, including approx. \$100,000 in Cash Funds from parolee fees. The Parole Program Cash Fund (NDCS Program #367) would also transfer. The bill does not specify that equipment currently used by APA under the NDCS transfer to the Parole Board, which would require purchases of vehicles and other capital outlay equipment (office furnishings, body armor, computers, etc.) estimated at approx. \$491,868.

The bill requires addition of several positions to the Board of Parole: Legal Counsel; Fiscal, Policy or Data Analyst; and a staff person responsible for training. In addition to these positions, an AA III is needed to manage the new responsibilities of the Board. These staff would start in FY16. Four additional Parole Officers are requested for FY17.

This fiscal note replaces any previous version submitted by the Board of Parole.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Office of Parole Administration staff	<u>0</u>	<u>63</u>	<u>0</u>	<u>2,584,445</u>
Legal Counsel and additional staff	<u>4</u>	<u>8</u>	<u>223,794</u>	<u>373,163</u>
Benefits.....			<u>78,328</u>	<u>905,941</u>
Operating.....			<u>50,000</u>	<u>1,450,031</u>
Travel.....			<u>0</u>	<u>140,000</u>
Capital outlay.....			<u>11,400</u>	<u>503,268</u>
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<u><u>363,522</u></u>	<u><u>5,956,848</u></u>

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

**2015**

**LB<sup>(1)</sup> 598 AM 1587**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Corrections

Prepared by: <sup>(3)</sup> Chris Peters Date Prepared: <sup>(4)</sup> 5/13/2015 Phone: <sup>(5)</sup> (402) 479-5702

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

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>993,797</u>	<u>0</u>	<u>(3,340,403)</u>	
CASH FUNDS			<u>(599,810)</u>	<u>(370,000)</u>
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u><b>993,797</b></u>	<u><b>0</b></u>	<u><b>(3,940,213)</b></u>	<u><b>(370,000)</b></u>

**Explanation of Estimate:**

LB 598 as amended by 928 and 1587 contains several proposals. The first creates the Office of Inspector General of the Nebraska Correctional System within the office of Public Counsel. The second proposes to relocate the Office of Parole Administration under the Board of Parole and requires parole officers to be compensated similarly to other state employees with similar responsibilities. The third requires NDCS to ensure that complete up to date records are maintained on all inmates, contains several provisions regarding the use of segregation within NDCS, and requires additional reporting from the Director of NDCS to the Governor and Legislature. The fourth amends the Correctional System Overcrowding Emergency Act to require declaration of an overcrowding emergency whenever the inmate population is over 140% of design capacity beginning in 2020.

NDCS estimates minimal fiscal impact from the adoption of the Inspector General for Corrections Act. The Department currently cooperates with investigations from the office of public counsel and would continue to do so with the inspector general. There will be development costs, estimated at \$3,000, associated with granting access to all of the Department's computer systems and creating view only roles for some databases.

The FY2015 annualized expenditures for the Adult Parole Administration is estimated at \$4.4M, including approx. \$100,000 in Cash Funds from parolee fees. The bill does not specify that staff and equipment currently used by APA would transfer to the Board of Parole. Parole Program Cash Fund (Program #367) would also transfer to the Board of Parole. The salary equalization language would require a salary study and the amount of adjustment to salaries is unknown at this time. Any salary adjustment would not occur until after the transfer to the parole board in July of 2016.

LB 598 contains several provisions regarding the use of segregation within NDCS, and requires additional reporting from the Director of NDCS to the Governor and Legislature. Section 24 83-180 (4) would require NDCS to adopt and promulgate rules which establish a structured risk assessment process within the Department to be performed by individuals with training in the area of risk assessment. Quality assurance and outcome assessment of the risk assessment process is also required. It is estimated that contracting with an outside researcher for the validation of the Department's risk assessment instrument and development of training materials for staff performing assessments will cost \$60,000.

LB 598 also contains language requiring the Department to maintain complete and accurate electronic records on all inmates including programming recommendations, program completion and time spent in segregation. NDCS currently uses a computer system based on a mainframe architecture from the late 70's which has been supplemented with standalone databases and an internally built web-based system. This bill requires specific reporting capabilities that the current system is unable to produce. NDCS and the Governor have included \$100,000 in the current budget for an analysis of the computer system by an outside consultant to determine the cost to update the system to meet this requirement and other Department needs. It is not possible to identify a specific cost for updating the system until after this analysis is complete, but similar comprehensive systems in other states have cost up to \$20 Million.

LB 598 requires all inmates be screened for mental illness within 14 days of admission, requires the Department to provide adequate mental health care to all mentally ill inmates with evidence based therapy models and evaluate the effectiveness of therapy provided by the Department. These additional mental health screening, treatment, evaluation and reporting requirements necessitate the addition of appropriate staff (listed below), with PSL, benefits, operating costs and capital outlay totaling \$930,797.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>

Research Mgr, AA III & Staff Asst II	3	3	132,860	132,860
Psychologist / Licensed	4	4	303,389	303,389
3 MHP II & 2 MHSS II	5	5	190,860	190,860
APA Staff	0	(63)	0	(2,584,445)
Benefits.....			219,488	(555,846)
Operating.....			113,000	(1,287,031)
Travel.....			0	(140,000)
Capital outlay.....			34,200	0
Aid.....				
Capital improvements.....				
TOTAL.....			993,797	(3,940,213)