

Updated to include amendments adopted through March 27, 2006,  
 and for another agency response.

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2006-07</b>		<b>FY 2007-08</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	6,197,078		7,244,948	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>6,197,078</b>		<b>7,244,948</b>	

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

This bill, as amended, revises sections relating to sex crimes, sex offenders, and civil commitment. It Creates the Sex Offender Commitment Act. It creates lifetime supervision after release from prison or civil commitment for certain sex offenders.

STATE IMPACT: The Department of Correctional Services (DCS) estimates the following impact from this bill. The notes following this table explain the expenditure items in more detail:

Line	Item	Positions		Expenditures	
		FY06-07	FY07-08	FY06-07	FY07-08
	<b>Parole and Mental Health DCS Positions</b>				
1	Parole Officer (midpoint)	2.00	5.00	77,314	193,285
1	Parole Supervisor (midpoint)	1.00	1.00	44,711	44,711
2	Clinical Psychologists (midpoint)	2.00	2.00	128,382	128,382
2	Interpreter (Administrative Assistant II)	1.00	1.00	33,163	33,163
2	Staff Assistant	1.00	1.00	22,216	22,216
3	Benefits			111,424	164,592
	<b>Parole Operating Costs:</b>				
4	Space rental costs			28,000	28,000
5	Ongoing office costs			6,600	13,200
6	Specialized training			3,000	6,000
7	Yearly review of each offender			16,000	32,000
8	Travel			9,000	18,000
	<b>Mental Health DCS Operating Costs:</b>				
9	Initial evaluation			104,000	104,000
10	Yearly evaluation			20,000	20,000
11	Specialized initial training			25,000	0
11	Yearly training			15,000	15,000
12	Office supplies			8,000	8,000
13	Travel			2,500	2,500
	<b>Other Costs for Parole and Mental Health DCS:</b>				
14	Purchase of pool vehicles			29,600	44,400
15	On-going lease costs for vehicles			6,000	9,000
16	One time capital outlay for staff			14,000	6,000
	<b>TOTAL</b>	<b>7.00</b>	<b>10.00</b>	<b>703,910</b>	<b>892,448</b>

NOTES (*Line numbers match up with the Item from the above table*):

**Parole and Mental Health DCS Positions**

1. Parole Officer & Supervisor: It is estimated that 60-80 individuals per year would be required to be under lifetime parole supervision. The recommended caseload for high-risk sex offenders is 25. An additional 3 FTE (2 officers & 1 supervisor) would be required in FY07. In FY08, with an additional 60-80 individuals being added to lifetime parole supervision, an additional 3 officers would be required. In FY09, an additional 2 officers & a 2nd supervisor would need to be added. It is also assumed that there will be 1 support staff added for every 7 officers & 1 supervisor. This would require a Secretary II in FY09 for support. An additional FTE would be required each year, as new offenders entered the parole system. These staff would need to be experienced parole officers, since they would be working with sex offenders.

2. Two Clinical Psychologists, Staff Assistant, & Interpreter: These positions would be required to fulfill the requirements of the evaluation. The Psychologists would provide the primary testimony at the hearings. If the individual was not English speaking, the interpreter would need to attend the hearings. DCS would contract with interpreters for languages other than Spanish.

3. Benefits: The overall percent for all positions is 36% in FY07 & 39% in FY08.

**Parole Operating Costs:**

4. Space rental costs: Additional space to house the parole officers may be required. It is estimated that the cost would be \$14.00 per square foot per year for a 1,000 square feet in 2 locations (\$14,000 per location per year).

5. Ongoing office costs: These are estimated at \$2,200 per Parole Officer & Supervisor (3 FTE in FY07 & 6 FTE in FY08).

6. Specialized training: This is estimated at \$1,000 per person for community parole officers & supervisors (3 FTE in FY07 & 6 FTE in FY08).

7. Yearly review of each offender: The Parole Administration shall review the conditions of community supervision on an annual basis. This review in most cases is assumed to be a formal assessment rather than an extensive re-evaluation. In most cases it would not involve a polygraph or other instrument except where & when determined necessary. The cost of such yearly assessment is estimated at an average of \$200 per individual: \$16,000 in FY07 (80 individuals), \$32,000 in FY08 (160 individuals), \$48,000 in FY09 (240 individuals), & so forth.

8. Travel: This is estimated at \$3,000 per year per officer & supervisor (3 FTE in FY07 & 6 FTE in FY08).

**Mental Health DCS Operating Costs:**

9. Initial evaluation: The initial testing of the inmates would include the following components: risk assessment, clinical interviews, testing, review of all records, & polygraph administration. This is estimated to cost \$1,300 per offender (80 offenders per year).

10. Yearly evaluation: There would be an estimated 80 inmates per year that require an evaluation at estimated cost of \$250 per offender. Each evaluation would take between 8 & 12 hours. The evaluation would include an in-depth interview, testing, & evaluation using a wide range of instruments, outside interviews, review of case files, etc.

11. Specialized initial training & Yearly training: Specialized initial & on-going training would be required for both the Clinical Psychologists, & certain treatment/case management staff at the facilities. This is required so that treatment staff would be familiar with the characteristics, parameters, treatment & reporting/case files needs of this group of inmates. Initial specialized training & then yearly ongoing training is estimated for the 2 psychologists (new FTE) & 3 treatment staff (current FTE) for a total of 5 FTE. Specialized initial training is estimated to cost \$5,000 per FTE, & on-going training (conferences) is estimated to cost \$3,000 per FTE.

12. Office supplies: The ongoing operating costs are estimated at \$2,000 per FTE (4 FTE in both FY07 & FY08). These costs would include the cost for the evaluation instruments (usage or copyright costs for materials), office supplies, etc.

13. Travel: These would include motel rooms, meals, etc., estimated at \$100/trip & 25 trips per year.

**Other Costs for Parole and Mental Health DCS:**

14. Purchase of pool vehicles (2, then 3): Parole Administration would need to purchase additional pool vehicles (1 the first year, 2 the second year). Additionally, Mental Health DCS would need another vehicle each year. This is a total of 2 vehicles in FY07 & 3 in FY08. The estimated cost per vehicle is \$14,800 each.

15. On-going lease costs for vehicles: Once the pool vehicles are purchased, monthly lease payments would be required. This is estimated at \$250 per month (lease cost of \$174/month, plus the rate per mile).

16. One time capital outlay for staff: One time capital outlay for computer, desks, etc., is estimated at \$2,000 per person (7 FTE in FY07 & 3 additional FTE in FY08).

Substantial additional expenditures would begin in FY2009 because of the increased penalties provided by this bill. The following tables use data to summarize the fiscal impact estimated by the Department of Health and Human Services (HHS):

Cost of inpatient treatment @ Lincoln Regional Center	\$ 110,000
Additional civil commitments estimated:	
Mentally ill & dangerous sex offenders	8
Personality disorders with 2 or more convictions for sexual offenses	25
Total additional civil commitments estimated per year	33

FY2006-07 estimated costs	Amount	Population
New admissions @ 50%	\$ 1,815,000	17
FY2006-07 TOTAL	\$ 1,815,000	17
FY2007-08 estimated costs	Amount	Population
New admissions @ 75%	\$ 2,722,500	25
Plus entire population from FY2006-07	\$ 3,630,000	33
FY2007-08 TOTAL	\$ 6,352,500	58

Following is a summary from the HHS fiscal note response of the reasons for the estimated expenditures in the above tables:

Additional civil commitments estimated – a total of 33 and this is composed of the following 2 populations:

Mentally ill & dangerous sex offenders – These are persons with a conviction for a sexual offense and are primarily persons diagnosed with pedophilia. DCS recommended civil commitments for 40 persons, and based on this, HHS estimates 8 additional civil commitments per year.

Personality disorders with 2 or more convictions for sexual offenses – These are persons convicted primarily of rape. The 5 year average of these persons who are released from prison is approximately 27, but usually 1 or 2 are civilly committed, leaving 25 additional civil commitments per year.

FY2006-07 estimated costs: New admissions @ 50% - The new population would not be committed at the start of the first year so HHS reduced the total estimated new population by 50%.

FY2007-08 estimated costs: New admissions @ 75% – The statutory scheme would be in place before the start of the year, so civil commitments would be in progress before the start of the year, so HHS multiplied new admissions by 75% to reflect admissions over the length of the year. This adjustment would continue for every year forward, too.

Plus entire population from FY2006-07 – This is the entire population from the first year since they do not go away but are added to the new admissions. This amount would continue for every year forward, too.

HHS anticipates that costs could continue to compound annually until after the fourth year because HHS estimates the average length of stay in the inpatient treatment program to last 4 years based on current commitments of sex offenders released from prison. Costs could then stabilize because sex offenders will be completing the treatment program and getting discharged. Based on this information, and using data from HHS, the Legislative Fiscal Office analyst (LFO) estimates the following costs for the 3<sup>rd</sup> and 4<sup>th</sup> year:

FY2008-09 estimated costs	Amount	Population
New admissions @ 75%	\$ 2,722,500	25
Plus entire population from FY2006-07	\$ 3,630,000	33
Plus entire population from FY2007-08	\$ 3,630,000	33
FY2008-09 TOTAL	\$ 9,982,500	91
FY2009-10 estimated costs	Amount	Population
New admissions @ 75%	\$ 2,722,500	25
Plus entire population from FY2006-07	\$ 3,630,000	33
Plus entire population from FY2007-08	\$ 3,630,000	33
Plus entire population from FY2008-09	\$ 3,630,000	33
FY2009-10 TOTAL	\$ 13,612,500	124

Therefore, costs could stabilize in the 4<sup>th</sup> year (FY2009-10) at \$13.6 million per year. The DCS projects that civil commitments could begin to fall by the 8<sup>th</sup> year (FY2013-14) due to longer prison sentences. The transition to sex offender treatment at the Norfolk Regional Center is estimated at \$3.666 million in FY2006-07.

HHS Regulation and Licensure state that the amended bill requires a working group to study sex offender treatment and management on a state level to determine future action. This group would submit a report by December 1, 2006. The agency estimates that the working group would consist of two persons from each of the 11 groups noted in the bill, and that 12 of these members would be volunteer non-governmental representatives eligible for travel expenses estimated as follows: 12 persons \* \$169 per person per meeting \* 6 meetings = \$12,168 in FY2006-07.

The Attorney General and the State Patrol estimate no fiscal impact. The Supreme Court estimates an indeterminate fiscal impact.