

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			2,689,999	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			2,689,999	

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

This bill will adopt the Office of Probation and Parole Administration, and it is generally operative on July 1, 2008.

The existing appropriations to Department of Correctional Services (DCS) - Parole Administration and The Nebraska Supreme Court (NSC) - Probation Administration (Probation Administration) would be combined into one appropriation for the new office. The budgets for FY2007-08 and FY2008-09 will not be completed and final until June 2007. For informational purposes, the FY2006-07 appropriation by agency and budget program is displayed in the following table:

	FY2006-07 Appropriation		
	General	Cash	Total
Nebraska Supreme Court			
Program 67 - Probation Services	18,344,356	652,417	18,996,773
Program 235 - State Probation Contractual Services	0	827,899	827,899
Program 435 - Probation Community Corrections	773,036	7,227,902	8,000,938
DCS Program 389 Adult Parole Administration	2,125,968	0	2,125,968
TOTAL	21,243,360	8,708,218	29,951,578

The amounts in the above table may differ from the amounts noted by any of the responding agencies. Additionally, DCS shows Program 420 State Specialized Court Operations as being transferred. The Legislative Fiscal Office analyst (LFO) is unclear if this budget program would transfer entirely, if only the probation officers would transfer, or another outcome, such as it does not transfer but the probation officers titles are changed.

Additionally, all cash funds in Probation and Parole Administration would transfer to the new agency.

The estimated cost of implementing this bill provided by DCS and Probation Administration is summarized in the following table:

	FY2008-09	FY2009-10
	Expenditures	
DCS	502,696	502,696
Probation Administration	2,187,303	743,166
Total	2,689,999	1,245,862

As noted below and more fully stated on the agency responses, there could be additional costs for such items as salary equalization and electronic monitoring.

The expenditure details of each agency are summarized below. More complete information is detailed in each agency response attached to this fiscal note.

The Department of Correctional Services (DCS) notes the following additional costs:

ITEMS	FY2008-09	FY2009-10	FY2008-09	FY2009-10
	Number of Positions		Expenditures	
Human Resources staff: Manager & 2 HR Assistants	3.00	3.00	119,455	119,455
Purchasing Staff: 2 buyers & Assistant	3.00	3.00	115,254	115,254
Accounting: Account II & 2 Accounting Clerk II	3.00	3.00	107,106	107,106
Training Staff: Training Specialist & Secretary II	2.00	2.00	73,722	73,722
IT- 2 Analysts, 2 Techs & 1 SA1	5.00	5.00	221,631	221,631
Operating Expenses (phones, computer lines, office supplies, etc) \$800/person			12,800	12,800
Rent (paid as set out in Section 13 of the bill)			(147,272)	(147,272)
TOTAL	16.00	16.00	502,696	502,696

DCS notes that these staff would be required to provide accounting, purchasing, human resources, and information technology support.

The bill states that electronic monitoring and drug testing are to be paid by the Office of Probation and Parole Administration (OPPA). Currently, DCS parolees pay the cost of electronic monitoring directly. This cost is approximately \$8 per day, or \$2,920 per year for each offender. OPPA would incur the cost of electronic monitoring for all offenders that are subject to electronic monitoring.

The following table uses information from Probation Administration, and the items in the table are projected costs above the existing appropriations. Probation Administration shows the costs in their response as occurring in FY2007-08 and FY2008-09, but they have stated to LFO that the costs occur in FY2008-09 and FY2009-10, because the operative date of the bill is July 1, 2008:

ITEMS	FY2008-09	FY2009-10
	Expenditures	
Certification	150,000	15,000
Probation Officer Training	924,600	92,460
Probation Staff Training	369,840	36,984
Parole Officer Training	116,580	11,658
Parole Staff Training	22,110	2,212
Office Space Lease	155,520	155,520
Computer Equipment	47,859	4,785
Education Funding	62,310	62,310
Interpreter Funding	237,531	261,284
Subtotal	2,086,350	642,213
Pay Discrepancy: Parole and Probation Officers - Subtotal	100,953	100,953
TOTAL	2,187,303	743,166

The following comments come from the response of Probation Administration and relate to the costs in the above table:

Certification: The bill would require the new office's (OPPA) appointed administrator to "submit probation and parole officer candidates to the Supreme Court for statewide certification." The estimate for all probation and parole officers to be certified is \$150,000 or about \$500 per officer. The \$150,000 would be a one-time initial expenditure for all current officers and the \$500 would be a continuing expenditure for each new officer hired.

Probation Officer Training: The bill would also require the newly-appointed administrator to "organize and conduct training programs for the district probation and parole officers and other employees...." All DCS employees are required to attend DCS training. Probation officers would be required to attend five weeks of training at a cost of \$924,600.

Probation Staff Training: Probation support staff would be required to attend three weeks of training at a cost of \$369,840.

Parole Officer Training: Parole officers would need basic probation officer training at a cost of \$116,580.

Parole Staff Training: Parole staff would need to be trained on the Nebraska Probation Management Information System (NPMIS) at a total cost of \$22,110.

Office Space Lease: Beginning July 1, 2008, DCS would need office space for the Office of Probation and Parole Administration (OPPA). Rental costs in Lincoln average \$12 per square foot. It is estimated that 12,960 square feet of office space will be required at an annual cost of \$155,520.

Computer Equipment: The bill states "all furniture, equipment, books, files and records belonging to the Office of Probation Administration... shall be transferred and delivered to the Office of Probation and Parole Administration." The computers and printers used by the administrative office do not belong to the Office of Probation Administration or the Supreme Court. They are part of a lease held by the Supreme Court and the equipment would have to be turned in on the operational date of the act. The new administrative office would require a minimum of 27 desktop computers loaded with the appropriate software at an estimated cost of \$31,683.

In addition, two black and white laser jet printers, two color laser jet printers and two color fax/copy/printers would need to be purchased at a cost of \$16,176." Total cost of these 2 items = \$47,859.

Education Funding: Although the bill would require the State Treasurer to credit ten cents of each dollar collected for the Supreme Court's education fund to the Probation and Parole Administration education fund, this would not be equivalent to the current support Probation receives. An additional \$62,310 would be required to match the current education fund support Probation Administration receives.

Interpreter Funding: Probation Administration currently does not pay for interpreters through their budget program (paid through the Court's operations budget). It is estimated that \$237,531 will be necessary to cover interpreters for probationers in the first year of operation with costs likely to increase by 10% each year based on the Court's experience in paying for interpreters. This figure does not include any interpreter services for parolees.

Pay Discrepancy: Parole and Probation Officers – Subtotal: Probation Administration notes that the issue of pay discrepancy exists between parole and probation officers. In 2004, an informal salary survey determined an average parole officer is paid \$4,041 less per year than an average probation officer. Adjusting these figures for raises given to both sets of employees since the original survey, this gap has likely now grown to \$4,384. The estimated cost of bringing all parole officers up to the probation officers' level of pay is \$100,953 per year.

DCS notes that salary equalization would be required for the numerous categories of support staff. No estimate of support staff salary equalization can be provided at this time by DCS.

Probation Administration has noted some additional fiscal concerns on their response. Their concerns are that currently Probation Administration is housed, at no additional charge to the State, in county courts and other county offices across the state. In addition, the counties presently supply all of the information technology (IT) equipment and support that is used in these offices. Most, if not all, executive branch agencies located within county offices are required to lease space from the counties and pay for their own operations. The bill states that the existing relationship with the counties will continue once probation is absorbed into an executive branch agency. However, Probation Administration does see the potential for counties to eventually require the State to take over the operational costs of these sites.

If this happens, Probation Administration estimates an additional annual expenditure of \$3,190,468 for operations, lease and IT staffing costs, plus a one-time cost of \$419,500 for IT equipment. The LFO notes that section 13 of the bill appears to require counties to continue paying for the same items as they are currently paying for Probation Administration.

The Board of Pardons and Parole estimates no fiscal impact.