

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2022-23 | | FY 2023-24 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | See Below | | See Below | |

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

This bill incorporates recommendations contained in the Criminal Justice Reinvestment Report released in December 2021. This bill directs the State Court Administrator or the probation administrator to create three pilot programs. A report is due for each of the pilot programs to the Judiciary Committee on or before June 1, 2023. The bill directs General Funds to be used to fund the pilots. The pilot programs the State Court Administrator is to create are: 1) a pilot that utilizes physical space and technology resources for virtual behavioral health for court-involved individuals, 2) additional assistant probation officers to assist probation officers with high-risk caseloads and 3) a probation incentive program to provide gift cards, vouchers and other tangible rewards for probationers succeeding in probation. The Division of Parole Supervision is required to create a technical violation pilot program to provide residential housing within one or more Department of Corrections facilities for individuals who have committed technical violations of parole. A report is due on or before June 1, 2023, to the Judiciary Committee. The pilot is to be funded with General Funds. The Department of Corrections and the Department of Health and Human Services would have a new reporting requirement for inmates whose Medicaid eligibility was suspended. The bill also creates the Justice Reinvestment Oversight Task Force. The task force members are the chairperson of the Judiciary Committee, two members of the Legislature, four members appointed by the Governor and three appointed by the Chief Justice. The task force is to submit an annual report on September 1, 2023, and each year thereafter. Psychiatrists are added as an eligible profession under the Rural Health Systems and Professional Incentives. Additionally psychiatrists, psychologists and mental health professionals who practice for at least five years and a majority of their practice consists of treatment to members of the community supervision community would be entitled to their educational debt paid in full.
 Supreme Court

The bill requires each judicial district to establish a problem-solving court. Problem-solving courts include drug, veterans, mental health, driving under the influence, reentry, young adult or other problem-solving courts. The cost would be \$4.41 million GF in FY 2023 and \$4.32 million GF in FY 2024.

For the assistance probation officer pilot the estimated impact is \$1.6 million in FY 2023 and \$1.55 million in FY 2024. . The probation incentive program is estimated to cost \$38,450 GF in FY 2023 and FY 2024.

The pilot program that requires the State Court Administrator to provide space and technological resources for virtual behavioral health delivery has an unknown impact. Space is provided to Probation by the counties and would dependent on the situation in the selected judicial district for the pilot.

The changes in penalties will impact post-release supervision increasing the caseload of probation. The impact cannot be determined at this time.

Department of Corrections

The changes to certain penalties will reduce the number of persons sentenced to prison, but the extent of the reduction cannot be determined. The savings would be the daily per diem which is \$31.65 or \$11,551 annually for each person who would otherwise be in prison. The Department of Corrections indicates the cost to change programming for sentence calculations would be \$102,400 in FY 2023.

The Division of Parole and the Department of Corrections is to establish a pilot residential housing program for parolees who commit technical violations. The housing is to be located within one or more facilities as designated by the Director of Corrections. There would be costs to convert existing space in the chosen facility and staff and programming costs. Those projected costs are not available at this time.

Department of Health and Human Services

The bill amends the Rural Health Systems and Professional Incentive Act. The Department of Health and Human Services estimates there would be 10 new loan repayment contracts for psychiatrists, psychologists and mental health professionals at a cost of \$50,000 a year for each practitioner. The current provisions of the Rural Health Systems and Professional Incentive Act require an agreement with a local entity. The local entity is responsible for one-half of the loan repayment. As written the impact for the Department of Health and Human Services is \$250,000 GF and \$250,000 GF for the Department of Corrections. The department indicates the need for a .5 program manager and .5 administrative specialist. Further information is needed on the workload to determine if additional staff are needed.

The new reporting requirement would cost approximately \$18,000 (\$9,000 GF and FF) in FY 2023 which can be absorbed within existing agency resources.

Technical Note: It is unclear which agency would be responsible for organizing and conducting the work of the Justice Reinvestment Oversight Committee. It is assumed the work would be handled by existing staff of the responsible agency.

| | | |
|---|------------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
| LB: 920 | AM: | AGENCY/POLT. SUB: Office of the Governor (07) |
| REVIEWED BY: Joe Wilcox | DATE: 01/20/2022 | PHONE: (402) 471-4178 |
| COMMENTS: Concur with the Office of the Governor estimate of No Fiscal Impact to the Governor's Office from LB 920. | | |

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

2022

LB⁽¹⁾ 920

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Correctional Services

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/18/2022 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2022-23</u> | | <u>FY 2023-24</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | \$102,400 | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | <u>\$102,400</u> | | | |

Explanation of Estimate:

LB 920 reduces potential penalties for some drug and burglary offenses; limits offenses that can be used for certain sentence enhancements; limits minimum terms for certain felonies; limits when courts may impose consecutive sentences; provides for geriatric parole, a streamlined parole process, and earlier parole eligibility for some inmates; and creates a residential housing program for parolees who commit technical violations. The bill could reduce the number of persons in prison. The specific amount of impact is indeterminable.

As of December 2021, the average daily prison population (ADP) was 153% of design capacity. The FY21 per diem cost was \$31.65 for each inmate, or \$11,551 per year.

NDCS estimates the cost of programming changes required to the sentence calculation system (development, testing and implementation) to be \$102,400.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2022-23 EXPENDITURES</u> | <u>2023-24 EXPENDITURES</u> |
|---------------------------|----------------------------|--------------|---------------------------------|---------------------------------|
| | <u>22-23</u> | <u>23-24</u> | | |
| Benefits..... | | | | |
| Operating..... | | | \$102,400 | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | <u>\$102,400</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) John Meals

Date Prepared 1-21-2022

Phone: (5) 471-6719

| | <u>FY 2022-2023</u> | | <u>FY 2023-2024</u> | |
|----------------------|---------------------|-----------|---------------------|-----------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$329,229 | | \$330,464 | |
| CASH FUNDS | \$250,000 | \$250,000 | \$250,000 | \$250,000 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$579,229 | \$250,000 | \$580,464 | \$250,000 |

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

Explanation of Estimate:

LB 920 would require the Department of Health and Human Services (DHHS) to update their system to correlate with reporting requirements needed for the bill. In order to implement the system updates and the changes described above, an estimated 80 Business Analyst hours would be needed for analysis, design, coding, and testing at a cost of \$5,200. An estimated 92 Batch Team Technical Analyst hours would be needed for analysis, design, coding, and testing at an estimated cost of \$8,280. An estimated 60 Gen Team Technical Analyst hours would be needed for analysis, design, coding, and testing at an estimated cost of \$5,400. The total estimated cost for system updates and changes is \$18,880.

LB 920 would also allow loan repayment for people who practice as psychiatrists through the Rural Health Systems and Professional Incentive Act. The payment will be for the total loan amount for a doctorate-level mental health student or master's level mental health student who practices psychiatry, psychology, or mental health practice. If fully implemented, a 0.5 FTE Program Manager I and a 0.5 FTE Administrative Specialist would be needed.

The student loan repayment contracts are an agreement between the state of Nebraska, the health provider, and the entity that provides the matching funds for the contract. It is estimated that there will be ten new loan repayment contracts each year. The estimated cost for each contract would be \$50,000 a year, for a total of \$500,000 a year for all ten contracts. The \$500,000 would be split evenly with the facility or organization employing the loan repayment recipient as a 50% cash match is required.

MAJOR OBJECTS OF EXPENDITURE

| PERSONAL SERVICES: | NUMBER OF POSITIONS | | 2022-2023 | 2023-2024 | |
|--------------------|----------------------------------|-------|-----------|--------------|--------------|
| | POSITION TITLE | 22-23 | 23-24 | EXPENDITURES | EXPENDITURES |
| | G78791 DHHS Program Manager I | .4 | .5 | \$20,803 | \$27,737 |
| | V01014 Administrative Specialist | .4 | .5 | \$14,103 | \$18,804 |
| | Benefits..... | | | \$11,949 | \$15,931 |
| | Operating..... | | | \$32,374 | \$17,992 |
| | Travel..... | | | | |
| | Capital Outlay..... | | | | |
| | Aid..... | | | \$500,000 | \$500,000 |
| | Capital Improvements..... | | | | |
| | TOTAL..... | | | \$579,229 | \$580,464 |

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2022

LB⁽¹⁾ 920

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Office of the Governor – Agency 07

Prepared by: ⁽³⁾ Lauren Kintner Date Prepared: ⁽⁴⁾ January 19, 2022 Phone: ⁽⁵⁾ 402-471-2414

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2022-23</u> | | <u>FY 2023-24</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:

Section 23 of LB 920 creates a ten member Justice Reinvestment Oversight Task Force. The Governor is required to appoint four of the ten members no later than October 1, 2022. There is no fiscal impact to Agency 07.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2022-23</u> | <u>2023-24</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>22-23</u> | <u>23-24</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |

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

2022

LB⁽¹⁾ 920

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 1/23/2022 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2022-23</u> | | <u>FY 2023-24</u> | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | <u>See below</u> | _____ | <u>See below</u> | _____ |

Explanation of Estimate:

Preliminary estimates and comments are given below for LB920 sections that impact the Judicial Branch.

Section 1: Problem-solving courts

To provide the type and capacity of problem-solving courts that the Judicial Branch estimates would be appropriate in each judicial district, the estimated impact is FY23 is \$4.41 million, FY24 \$4.32 million. This includes the following: 1 new adult drug court, 1 new veteran’s treatment court, 1 new young adult court, 3 new reentry courts and expansion of 3 existing problem-solving courts

Section 2: Virtual behavioral health pilot

Indeterminate fiscal impact at this time. Use of physical space and other resources in courthouses is a county responsibility. The impact this pilot will be highly dependent on what each county provides.

Section 8 and others: Penalty changes

Penalty provisions may increase the number of individuals on post-release supervision which in turn may increase Probation staff workload and expenditures for services. Estimated impact is unknown at this time.

Section 18: APO pilot

Estimated impact: FY23 \$1.60 million, FY24 \$1.55 million

Section 19: Incentive pilot

Estimated impact: FY23 \$38,430, FY24 \$38,430

Section 20: Restitution

No fiscal impact at this time. However, clarification is needed since this provision may conflict with other statutes.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | <u>2022-23</u> | <u>2023-24</u> |
|-----------------------|----------------------------|----------------|----------------|
|-----------------------|----------------------------|----------------|----------------|

| | <u>22-23</u> | <u>23-24</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
|-----------------------------------|--------------|--------------|---------------------|---------------------|
| | | | | |
| | | | | |
| Benefits | | | | |
| Operating | | | | |
| Travel | | | | |
| Capital outlay | | | | |
| Aid | | | | |
| Capital improvements | | | | |
| TOTAL | | | | |