PREPARED BY: DATE PREPARED: PHONE: Kenneth Boggs January 30, 2024 402-418-0382

LB 1145

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 2024-25		FY 2025-26		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	See Below		See Below		
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.

LB 1145 would transfer the Division of Parole Supervision to the Nebraska Department of Correctional Services (NDCS). This would change provisions relating to releases of certain committed persons.

## Expenditures:

LB 1145 impacts the Board of Parole by shifting the Division of Parole Supervision from the Board of Parole to the Department of Correctional Services. This will entail the reallocation of 73 full-time employees (FTEs) with varying salaries. The Board of Parole will maintain its current structure, keeping 5 Board Members and 5 FTE staff members. These staff members, under the guidance of the Chair, are essential for the operational and administrative functions of the Board. The 5 FTEs retained for this purpose include a Legal Counsel, a Services and Research Director, and three administrative staff, totaling an approximate annual cost of \$1,100,000.

In line with the precedent set by 2015 LB 598, which previously shifted parole administration responsibilities, the hiring of a consultant is necessary to oversee the transition process. This includes managing the impact on federal grants awarded to the Board of Parole. The estimated one-time cost for this consultancy is \$150,000.

The Board of Paroles essential contracts, including community behavioral health treatments, programming, and electronic monitoring, have an annual budget of \$5,500,000. The Department of Correctional Services will now be responsible for managing the parole program fees, which had an end-of-year balance of \$90,000 in 2023.

The Board of Parole will transfer \$5,075,632 in appropriated PSL to the Department of Correctional Services for staff roles not retained. Although the exact amount of other operating expenses being transferred is currently unknown, the Board's projected annual operating costs, including separate office space, are estimated at \$300,000.

NDCS assumes that the existing budget for the Division of Parole Supervision will be reallocated to it upon the implementation of the change. This funding, amounting to \$9,711,424 for the fiscal year 2024-25, will be utilized by NDCS for parole services in both facilities and community settings. This figure doesn't account for any potential carryover from FY 2023-24 to FY 2024-25, as that amount will only be determinable at the end of FY 2024.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1145	AM:	AGENCY/POLT. SUB: Nebraska Department o	GENCY/POLT. SUB: Nebraska Department of Correctional Services (046)			
REVIEWED I	BY: Joe W	ilcox DATE: 01/30/2024	PHONE: (402) 471-4178			
COMMENTS: Agree with the Nebraska Department of Correctional Services (NDCS) estimate of potential Fiscal Impact to the Agency from LB 1145.						

## ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1145 AM: AGENCY/POLT. SUB: Nebraska Board of Parole (015)

REVIEWED BY: Joe Wilcox DATE: 01/22/2024 PHONE: (402) 471-4178

COMMENTS: It is my understanding, the Board of Parole fiscal note for LB 1145 is being revised. I do not agree with the current Board of Parole estimate of Fiscal Impact to the Agency from LB 1145. The bill transfers the Division of Parole Supervision to the Department of Correctional Services (NDCS). The Board of Parole fiscal note reflects only a one-time reduction of \$5,075,632 General Fund appropriation in FY 2024-25. Any fiscal impact from transferring the functions of Parole Administration would be ongoing and should be reflected in both FY 2024-25 and FY 2025-26 in the fiscal note. The narrative identifies this amount as the Personal Service Limitation (PSL) for the remaining staffing in Parole Administration to be transferred to NDCS. Per LB 814 (2023), the currently-budgeted General Fund appropriation for the Board of Parole's Parole Administration program (Program 358) for FY 2024-25 is \$9,043,269, which includes PSL of \$5,317,359. The Board of Parole estimates it would need to retain approximately \$1,100,000 General Fund appropriations to continue provisions for the 5 Parole Board members and 5 operations and administrative staff for the work of the Board itself. While this estimate is not unreasonable, those costs should not include any contract services for Parole as these kinds of expenditures would shift to NDCS with the Parole Supervision functions.

LB <sup>(1)</sup> 1145					FISCAL NOTE
State Agency OR Political Subdivision Name:	<sub>(2)</sub> Board	of Parole			
Prepared by: (3) Rosalyn Cotton	Date	e Prepared: <sup>(4)</sup>	1-19-2024	Phone:	402-479-5731
ESTIMATE PRO	OVIDED BY	STATE AGEN	CY OR POLIT	CAL SUBDIV	ISION
<u>EXPENDITUR</u>	EY 2024-25 EES	REVENUE	EXPEND	FY 209 SITURES	2 <u>5-26</u> <u>REVENUE</u>
GENERAL FUNDS (5,075,632)			<u> </u>		
CASH FUNDS			<u></u>		
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimate: The move of the Division of Parole Supervisio transfer of 73 FTEs at varying salaries. Along to carry out the operations and administration unanimously, the need for Board independent comprised of 1 Legal Counsel, 1 Services and approximately \$1,100,000 annually.	with the 5 Bo of the Board ce is apparent	pard Members, 5 as directed by th t. The 5 FTE pos	FTE staff position e Chair. As was to sitions retained to	ns will be retaine rue when 2015 insure Board in	ed by the Board of Parole LB 598 passed dependence will be
The contracts for services currently in place we community, programming, and electronic monimplemented to give the Board its highest posequipped to succeed. The estimated cost of services are the contract of the services are the contract of the contract	itoring, will ne sible confider	eed to be maintaince that parole cl	ined as these are lients released into	imperative publother the community	ic safety components
As with 2015 LB 598, which transferred parole logistics of the transition, including the impact cost of \$150,000					
Parole program fees will be transferred to the	Department of	of Correctional S	ervices. The bala	nce at end of ye	ear in 2023 was \$90,000.
Transfer of \$5,075,632 in appropriated PSL to independent agency. Transfer of operating expenses other than corbe calculated at this time, but projected opera estimated at \$300,000 annually.	ntracts for ser	vices specified a	bove to Departme	ent of Correction	nal Services is not able to
BREAKDO Personal Services:	OWN BY M.	AJOR OBJECT	S OF EXPEND	<u>ITURE</u>	
POSITION TITLE	NUMBER ( <u>24-25</u>	OF POSITIONS <u>25-26</u>	S 202- EXPENI	4-25 DITURES	2025-26 EXPENDITURES
Benefits					
Operating					
Travel					
Aid					
Capital improvements					<del></del>
TOTAL					

LB <sup>(1)</sup> 1145				FISCAL NOTE		
State Agency OR Political Subdivision Name: (2)  Prepared by: (3) Lisa Stanton		Nebraska Department of Correctional Services				
		Date Prepared: (4) 01/18/2024		(5) (402)479-5702		
]	ESTIMATE PROVI	DED BY STATE AGEN	NCY OR POLITICAL SUBDI	VISION		
	FY		FY 20	FY 2025-26		
	EXPENDITURES		EXPENDITURES	REVENUE		
GENERAL FUNDS	\$9,255,551		\$9,255,551			
CASH FUNDS	\$455,873		\$455,873			
FEDERAL FUNDS						
OTHER FUNDS			<u> </u>			
TOTAL FUNDS	\$9,711,424		\$9,711,424			
<b>Explanation of Estimate:</b>						

LB 1145 transfers the Division of Parole Supervision to the Department of Correctional Services.

NDCS assumes existing appropriation of the Division of Parole Supervision would be transferred to the department on the effective date of the change. Those funds would be used by the NDCS in the administering of parole services in facilities and in the community. The FY 2024-25 appropriations for the Division of Parole Supervision totaling \$9,711,424 has been used for the purposes of this fiscal note. That does not include any FY 2023-24 carryover into FY 2024-25 that would transfer as that amount would not be known until the end of FY 2024.

BREAKI	OOWN BY MAJ	OR OBJECTS O	F EXPENDITURE	<del></del>
Personal Services:				
	NUMBER OF POSITIONS		2024-25	2025-26
POSITION TITLE	<u>24-25</u>	<u>25-26</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
Various current positions-Agency 15		78.0	\$4,500,000	\$4,500,000
Benefits			\$681,750	\$681,750
Operating			\$4,529,674	\$4,529,674
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$9,711,424	\$9,711,424