

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below			
CASH FUNDS		See Below		
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 338 seeks to require open court hours in certain counties, change provisions relating to mandatory minimum sentences, penalties and warrants for failure to appear, and use of electronic or global-positioning monitoring or home confinement during pretrial release. This bill also looks to require sentencing credit for time monitored or under home confinement, to provide for non-imprisonment sentences for caregivers as prescribed and to automatically suspend child support obligations for defendants sentenced to one or more years of imprisonment. LB 338 will change provisions relating to probation sanctions and revocations, suspension of operator’s licenses under the License Suspension Act, and parole sanctions and revocations.

The Supreme Court states revenue related to electronic monitoring could be reduced. LB 338 could increase the judicial, court staff and probation workload due to following reasons:

1. Additional time given for failure to appear.
2. Electronic monitoring fees
3. Safety relief valve determination
4. Primary caregiver determination
5. Change in standard from “reasonable cause” to “probable cause”

The Supreme courts case management system (JUSTICE) would require modifications to implement the process of suspending and resuming child support obligations. This would have an estimated one-time General Fund impact of \$150,000.

The Department of Motor Vehicles states that an estimated 10,800 reinstatements would be issue without a \$50 fee collected and result in a \$540,000 loss in revenue.

The Nebraska Board of Parole states that the fiscal impact from LB 338 is for services provided in the community such as behavior health treatment, electronic monitoring, PREP participation. The cost per parolee per year is \$3,514.78 (\$10/per day), which includes operating expenses, treatments and transitional housing stipends and miscellaneous expenses.

LB 338 would suspend child support obligations for individuals incarcerated for one or more years and interest would not accrue until the defendant is no longer serving their sentence.

The Department of Health and Human Services (DHHS) states that due to the requirements of this bill it would have to make modifications to their child support automated system, Children Have a Right to Support (CHARTS).

CHARTS modifications would include adding the ability to stop all automated enforcement actions when receiving suspension of the child support obligation and would need to be programmed to stop interest accruals on child support obligations and resume interest accruals 30 days after a defendant’s sentence. Additionally, there would be changes for the License Suspension process.

DHHS states that it would require additional hours to update CHARTS to comply with the suspension of child support ordering and changes to license suspension processing. The total estimate for all updates would be estimated at \$235,600.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 338	AM:	AGENCY/POLT. SUB: Nebraska Supreme Court (005)
REVIEWED BY: Joe Wilcox	DATE: 03/13/2023	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Supreme Court estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 338.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 338	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles (024)
REVIEWED BY: Joe Wilcox	DATE: 01/26/2023	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Nebraska Department of Motor Vehicles (DMV) estimate of potential Cash Fund Revenue Loss to the Agency from LB 338.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 338	AM:	AGENCY/POLT. SUB: Nebraska Board of Parole (015)
REVIEWED BY: Joe Wilcox	DATE: 01/26/2023	PHONE: (402) 471-4178
COMMENTS: No Basis to Disagree with the Nebraska Board of Parole estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 338.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 338	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services (025)
REVIEWED BY: Joe Wilcox	DATE: 03/14/2023	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services (DHHS) estimate of Potential Fiscal Impact to the Agency from LB 338.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 338	AM:	AGENCY/POLT. SUB: Nebraska Commission on Law Enforcement and Criminal Justice (078)
REVIEWED BY: Joe Wilcox	DATE: 01/20/2023	PHONE: (402) 471-4178
COMMENTS: Concur with the Nebraska Commission on Law Enforcement and Criminal Justice (Crime Commission) estimate of No Fiscal Impact to the Agency from LB 338.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 338	AM:	AGENCY/POLT. SUB: Nebraska State Patrol (064)
REVIEWED BY: Joe Wilcox	DATE: 01/25/2023	PHONE: (402) 471-4178
COMMENTS: Agree with the Nebraska State Patrol estimate of No Fiscal Impact to the Agency from LB 338.		

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

2023

LB⁽¹⁾ 338

FISCAL NOTE

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

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 3/10/2023 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

See below for the primary fiscal impact of LB338:

1. Judicial, court staff and Probation workload will increase as a result of the following sections. The extent of the increase cannot be reasonably determined at this time, but the total impact is estimated to be significant. Revenue related to electronic monitoring may also be reduced.
 - a. Sections 2 & 5: additional time given for failure to appear.
 - b. Section 4: electronic monitoring, fees.
 - c. Section 7: safety relief valve determination.
 - d. Section 8: primary caregiver determination.
 - e. Section 12 & others: change in standard from “reasonable cause” to “probable cause”.
2. Section 9. JUSTICE, the court case management system, would require modification to implement the process of suspending and resuming child support obligations. Estimated one-time minimum General Fund impact to maintain the Automation Cash Fund, FY23-24: \$150,000.

Note. This fiscal note may be amended at a later date based on further information regarding the intent of LB338.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 338

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 24, 2023 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(540,000)	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(540,000)	=====	=====

Explanation of Estimate:

The current number of suspended licenses due to child support is 17,000. It is estimated that an additional 1,900 suspensions due to child support would take place prior to the effective date of this legislation. It is also estimated that 900 would pay the current \$50 reinstatement fee prior to the effective date. Of the 18,000 remaining suspended licenses, the department estimates that 60% will complete the requirements of this legislation and obtain their license.

This would be 10,800 reinstatements issued without a \$50 fee collected or a loss of revenue of \$540,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 338

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Board of Parole

Prepared by: ⁽³⁾ Rosalyn Cotton Date Prepared: ⁽⁴⁾ 1/19/2023 Phone: ⁽⁵⁾ 402.479.5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

LB 338 - Change provisions relating to pretrial release, sentencing, failure to appear, revocation and sanctions under probation and parole, and suspension of licenses under the License Suspension Act
 •Prohibits parole revocation for technical and substance abuse violations;

Fiscal impact is likely more services to be provided in the community (behavior health treatment, electronic monitoring, PREP participation).

Cost per Parolee per Year:

The cost per parolee per year is \$3,514.78 or approximately \$10.00/day. This includes operating expenses, treatment (domestic violence groups, intensive outpatient substance abuse treatment, trauma recovery groups etc.) transitional housing stipends (up to ninety days) and miscellaneous expenses.

* If Residential Substance Abuse Treatment is needed an additional \$7,500 per client is needed for a total of \$11,014.78 per year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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 3-13-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$235,600			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$235,600		\$0	

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

Explanation of Estimate:

LB 338 would suspend child support obligations when a defendant is incarcerated for one or more years, and interest will not accrue until the defendant is no longer serving a sentence. During the time of the suspension and for 30 days thereafter, no action can be taken to collect any past due obligations or interest. The bill would also amend the License Suspension Act to include a provision to allow a person to retain an operator's license, without payment of any reinstatement or renewal fee, if they provide the Department of Health and Human Services (DHHS) with specified information every 3 months. Additionally, it would require that a person whose operator's license was revoked before the effective date of the Act have their license reinstated if they provide CSE with the specified information.

The bill would require changes to the child support automated system, Children Have a Right to Support (CHARTS), require a change in Child Support Guidelines, and require staff training. Additionally, the bill conflicts with Neb. Rev. Stat. § 42-358.02 which addresses interest accrual on child support cases. This bill would result in a loss of accrued interest for the state and payees of child support orders during the period of incarceration. It would amend Neb. Rev. Stat. § 43-3318 which addresses certification relevant to licensing authorities and the order that is required to certify a license (license types in the order of Operators, then Recreational, then Professional).

Changes to the CHARTS system include adding a trigger to stop all automated enforcement actions upon notification from the Court of the suspension of the child support obligation. CHARTS would need to be programmed to stop interest accruals on child support obligations and resume interest accruals 30 days after the sentence is no longer being served. The impact on collection would be minimal. These automated interface records would need to be coordinated with the Courts and the Department of Corrections.

Additionally, it requires specific changes to the current automation in CHARTS for the License Suspension process. This would include the development of a form and notification to parties at certain points through the License Suspension process and recurring every 3 months. The CHARTS automation change would be required to notify persons whose operator's license was revoked before the effective date of the act that their license will be reinstated on the effective date of the Act if they complete the form to provide the required information. DHHS would incur postage costs related to mailing the new form.

CHARTS will need to be updated to comply with the suspension of a child support order during the stated period of incarceration proposed on page 15 of the bill. The following estimated additional hours will be required to make the updates: 3 Technical Analysts (Batch) Team 200 hours at \$100.00/hour = \$60,000, 1 Technical Analyst (Online) Team 80 hours at \$100.00/hour = \$8,000, 2 Business Analysts 200 hours at \$80.00/hour = \$32,000. The total cost for the updates = \$100,000.

CHARTS will also need to be updated to comply with changes to license suspension processing proposed on pages 30, 32, and 35 of LB 338. The following estimated additional hours will be required to make the updates

1 Technical Analyst (Batch) Team 540 hours at \$100.00/hour = \$54,000, 2 Technical Analysts (Online) Team 160 hours at \$100.00/hour = \$32,000, 1 Technical Analyst (Online) Team 80 hours at \$100.00/hour = \$8,000, 1 Business Analyst Team 520 hours at \$80.00/hour = \$41,600. The cost for the updates = \$135,600.

The total CHARTS estimate for tasks relating to LB338 is \$235,600.

DHHS Child Support Enforcement (CSE) would incur postage costs to mail approximately 7,159 notifications to operator license holders when LB 338 is implemented. CSE would continue to incur ongoing postage costs when notifications are mailed to operator license holders every 3 months as required by the bill. The estimated total cost for mailing is 7,159 notifications x 4 mailings/year x 63¢ = \$18,040. Child Support notifications would be paid at 66% Federal and 34% General Funds. The Department will absorb these costs.

Training would need to be developed for child support staff. Existing staff would support this. Training total increases would be minimal. Children and Family Services will need until March 2024 to implement LB 338 due to the computer system enhancements required.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2023-2024 EXPENDITURES	2024-2025 EXPENDITURES
	23-24	24-25		
Benefits.....				
Operating.....			\$235,600	
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$235,600	\$0

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

2023

LB⁽¹⁾ 338

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Crime Commission

Prepared by: ⁽³⁾ Amanda Limbach Date Prepared: ⁽⁴⁾ 1/19/23 Phone: ⁽⁵⁾ 402-471-8799

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

No fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 338

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 01-23-2023 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____