

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 of Correctional Services (046)
REVIEWED BY: Joe Wilcox	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.

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2024

LB⁽¹⁾ 1145

FISCAL NOTE

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

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/18/2024 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$9,255,551		\$9,255,551	
CASH FUNDS	\$455,873		\$455,873	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$9,711,424</u>		<u>\$9,711,424</u>	

Explanation of Estimate:

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.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
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.....			<u>\$9,711,424</u>	<u>\$9,711,424</u>