

Revised based on amendments adopted through 3-10-20

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	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 requires the Department of Health and Human Services (DHHS) to hire a superintendent of schools to administer the education programs at the youth rehabilitation and treatment centers (YRTC) on or before August 1, 2020. The bill also requires that the educational services provided to youth committed to the Office of Juvenile Services meet the requirements for an interim-program school, an approved school or an accredited school.

DHHS intends to hire a superintendent of schools for the YRTC within their current appropriation. Section 2 requires the YRTC schools by August 1, 2021, to meet one of the following: interim-program school, an approved school or an accredited school. The schools at the YRTC are accredited under Rule 10 which would comply with this section.

As amended, the bill assigns the responsibility for administration of buildings at YRTC, including daily maintenance, minor repairs, custodial duties and operations of the properties. The Department of Administrative Services (DAS) would be responsible for structural integrity, major repairs, capital improvements and procurement of contractors and materials. Currently DHHS pays DAS for the activities being reassigned to DHHS in this bill. The personal service limit will need to be decreased in DAS by \$425,453 and increased by the same amount in DHHS.

This bill requires the Office of Juvenile Services (OJS) within the Department of Health and Human Services to utilize evidence-based and validated risk and needs assessments and evidence-based services at the YRTC. The agency has indicated they are in compliance with these provisions, so these requirements do not have a fiscal impact.

Beginning on July 1, 2021, the bill as amended requires that as long as the agency operates either 1) the YRTC- Kearney, it will be used for the treatment of boys or 2) the YRTC – Geneva, it will be used for treatment of girls. An exception is made in the event of an emergency. Currently the YRTC – Kearney has boys and girls residing on the campus. Last August girls from the YRTC – Geneva were moved to the YRTC – Kearney.

The agency announced a new plan on July 15, 2020. In October 2020, under the new plan, the YRTC – Geneva would close. Girls would be placed in a newly renovated 24-bed space at the Hastings Regional Center that was intended to serve boys with high needs who had been committed to the YRTC – Kearney. A state-owned facility in Lincoln at Whitehall will house the boys originally to be served in Hastings. The agency’s fiscal note states a new facility with a capacity of 40 would need to be built on the Geneva campus. Since the agency’s plan is to close the YRTC – Geneva and would no longer be operating the space as a youth rehabilitation and treatment center, there is no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1188	AM: 2736,2769	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 7-15-20	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' estimate of fiscal impact. No construction could occur without following the established statutory process for construction projects, including the preparation and approval of a program statement.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1188 AM: 2736 & 2769	AGENCY/POLT. SUB: Administrative Services (DAS)	
REVIEWED BY: Elton Larson	DATE: 5/15/2020	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with DAS estimate of expenditure and revenue impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1188 AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Elton Larson	DATE: 1/30/2020	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with Department of Education analysis and estimate of no fiscal impact to Department of Education.		

LB⁽¹⁾ 1188 AM2736 & 2769 FISCAL NOTE

2020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 7-14-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

Explanation of Estimate: LB 1188 as amended by AM2736 and AM2769 requires that before August 1, 2020, OJS shall establish the position of superintendent of schools to administer education services at the YRTC. On or before August 1, 2021 education services for any juvenile committed to OJS shall be provided by a school or program meeting the requirements for an interim-program school, approved school or accredited school as provided in Chapter 79.

LB 1188 would require the Department to hire 1 FTE Superintendent to administer education at the YRTC's. The Department, as part of its current business plan, intends to hire this position as soon as possible using its current appropriation.

AM2736 also provides that the Department of Health and Human Services (DHHS) will be responsible for administration of any building where a juvenile is committed to the Office of Juvenile Services for placement at a YRTC, including all maintenance, minor repairs, custodial duties, and operations of such properties.

Maintenance staff moved from DHHS to DAS as of July 1, 2019. This included approximately 13 staff from the YRTC's. The Department's appropriation was not decreased for this move because the lease rates for the YTRC's was increased to offset this staff transfer. This fiscal note assumes the lease rate would be reduced to offset the cost of any transfer back to DHHS. The Department's Personal Services Limitation was reduced by \$425,453 for the July 1, 2019 transfer, and would need to be restored to Program 250.

Based on the above assumptions, this portion of AM2736 would have no impact to the Department of Health and Human Services.

AM2736 requires that the Department use evidence-based practices, policies, procedures and services. The Department already does this, and does not limit family visits except for safety and security reasons, and this is very rare. Therefore, these requirements would have no fiscal impact for the Department.

AM2769 calls for the YRTC-Geneva facility be for girls only and YRTC-Kearney be for boys only by July 2021 and any other facility used by the Department ensure safe and appropriate gender separation.

Geneva only has the LaFlesche building in operation to accommodate female youth transitioning out of the program. This building could accommodate up to 20 girls. However, the current female population exceeds that number and the female population has been in the 40's within the last year. To bring the rest of the Geneva campus to an operational level will require a physical structure build. Based on construction costs for buildings similar to LaFlesche, DHHS estimates the cost to bring the Geneva facility to full capacity to be \$12,000,000. This would add up to 40 additional beds to the Geneva campus.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2020-2021	2021-2022
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL				See Above

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

2020

LB⁽¹⁾ 1188 AM 2736 AM 2769

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) - State Building Division

Prepared by: ⁽³⁾ John Heacock Date Prepared: ⁽⁴⁾ March 24, 2020 Phone: ⁽⁵⁾ 402-471-0428

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	_____	_____
			(\$797,270)	(\$797,270)
			(\$797,270)	(\$797,270)

Explanation of Estimate:

LB 1188 AM 2736 AM provisions include that the Department of Health and Human Services (DHHS) shall be responsible for administration of any public building where a juvenile committed to the Office of Juvenile Services for placement at a youth rehabilitation and treatment center resides, to include all daily maintenance, minor repairs, custodial duties, and operations of such properties.

The Department of Administrative Services (DAS) will be responsible for the structural integrity, major repairs, capital improvements, and necessary procurement of contractors and materials to carry out such responsibilities at the youth rehabilitation and treatment centers. DAS will also be responsible for all other facility maintenance functions which are not the responsibility of the DHHS.

The bill also clarifies DHHS shall have oversight and general control of Youth Rehabilitation and Treatment Center-Geneva (YRTC-Geneva), the Youth Rehabilitation and Treatment Center-Kearney (YRTC-Kearney), and any other facility operated and utilized as a youth rehabilitation and treatment center under state law.

AM 2769 provides beginning July 1, 2021, YRTC-Kearney shall be used for the treatment of boys only; and YRTC-Geneva shall be used for the treatment of girls only. For any other facility utilized for the same purpose, DHHS is to ensure safe and appropriate gender separation. In the case of an emergency (fire, flood, tornado, natural disaster, or damage to institution that renders it uninhabitable) either institution may be used for the treatment of both genders for up to seven days.

Maintenance staff at the Kearney and Geneva YRTC's was transferred from DHHS to the DAS – State Building Division effective July 1, 2019. Returning the administration duties to DHHS would requires those thirteen (13) FTE's to be transferred back to DHHS, reducing SBD's appropriation, including Personal Service Limitations (PSL) and the cost of benefits. There would also be a corresponding decrease in the rental amount billed to DHHS for the YRTC facilities.

Based on the budget request for FY21-22, when the maintenance staff was moved over to DAS – State Building Division, the salaries and benefits for those thirteen (13) employees would equal approximately \$797,270 in FY21-22. This included salary and benefit increases.

Rental income from DHHS to DAS – State Building Division will continue to cover the costs of operations for those facilities thereby assuring that the rent surcharge will continue for funding 309 Task Force Projects.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
		(13)		(\$490,554)
Benefits.....				(\$306,716)
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				(\$797,270)

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

2020

LB⁽¹⁾ 1188

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Brad Dirksen Date Prepared: ⁽⁴⁾ 01/28/2020 Phone: ⁽⁵⁾ 402-471-2405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

Requires the Office of Juvenile Services to create a position of superintendent for the Youth Rehabilitation and Treatment Center-Kearney and the Youth Rehabilitation and Treatment Center – Geneva. Office of Juvenile Services would be required to hire an individual meeting the qualifications of superintendent as outlined in NDE Rule 21 and 24 and fill the position whenever a vacancy occurs.

No financial impact on the Nebraska Department of Education. Unknown costs for the Office of Juvenile Services depending upon implementation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____