

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4108-01
Bill No.: HB 1506
Subject: Boards, Commissions, Committees, Councils; Probation and Parole; Fees
Type: Original
Date: January 12, 2016

Bill Summary: This proposal repeals the provision allowing the Board of Probation and Parole to charge an offender an intervention fee.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Inmate Revolving	(\$8,002,603)	(\$9,603,124)	(\$9,603,124)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$8,002,603)	(\$9,603,124)	(\$9,603,124)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state the proposed legislation would remove the ability of Probation and Parole to charge supervision fees. It also adjusts references to various numbered sections of the legislation to account for the removal of one section.

During FY15, the Department of Corrections collected \$9,603,124 in supervision fees. These fees are used to pay for a variety of supervision programs, including electronic monitoring of certain offenders and residential facilities. These funds also pay for some mental health treatment of offenders under supervision in conjunction with the Department of Mental Health.

In FY15 3,610 offenders participated in electronic monitoring. For this time period, 70% of offenders completed their electronic monitoring successfully; these offenders are generally those for whom traditional supervision strategies were not successful. Similarly, for FY15, 705 clients were served by residential facilities. These offenders often do not have any acceptable home plans outside of the residential facility. Both of these programs are paid for by the supervision fees collected, and access to both programs would be eliminated without additional funds should the legislation be passed.

Under the proposed legislation, the Department of Corrections would lose the ability to charge supervision fees and lose an estimated \$9,603,124 per fiscal year. Additionally, the elimination of programs supported by these fees could potentially cause offenders to spend more time in prison or increase recidivism to the detriment of both the offenders themselves and to public safety.

Oversight notes that according to the Intervention Fee FAQ (2015) report issued by the Department of Corrections, the total amount collected from April 2006 (inception of the fee) - June 2015 was \$120,871,166 with the total amount billed in that time of \$192,184,667. The fees are processed by the Department of Corrections Offender Financial Services Unit and deposited on a daily basis in the Inmate Revolving Fund.

ASSUMPTION (continued)

Per the report, below are the intervention fee amounts billed and collected over the last five years.

FY	Billed	Collected	Collection Rate
FY 2011	\$21,039,885	\$13,456,212	64%
FY 2012	\$21,729,420	\$11,578,457	53%
FY 2013	\$21,475,110	\$10,819,449	50%
FY 2014	\$20,082,200	\$10,350,596	52%
FY 2015	\$18,720,420	\$10,029,176	54%

Source: Department of Corrections

DOC states that the above numbers are simply payment information and doesn't include any refunds or returns. DOC stated the \$9,603,124 estimate is more accurate.

Oversight assumes the proposal removes the DOC's ability to charge and collect intervention fees from all probationers and parolees (currently DOC can charge up to \$60 per month but charges \$30). Therefore, Oversight will show an annual loss to the Inmate Revolving Fund of \$9,603,124, the estimated amount provided by DOC. Oversight further assumes having the General Revenue Fund make up the loss to the Inmate Revolving Fund would be a budgetary decision, and has not reflected that possibility in this fiscal note. Oversight will reflect ten months of impact in FY 2017.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
INMATE REVOLVING FUND			
Loss - Intervention fees no longer collected from parolees	<u>(\$8,002,603)</u>	<u>(\$9,603,124)</u>	<u>(\$9,603,124)</u>
ESTIMATED NET EFFECT TO THE INMATE REVOLVING FUND	<u>(\$8,002,603)</u>	<u>(\$9,603,124)</u>	<u>(\$9,603,124)</u>

FISCAL IMPACT - Local Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

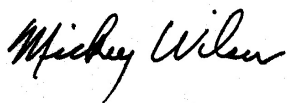
FISCAL DESCRIPTION

This bill repeals the provisions allowing the Board of Probation and Parole within the Department of Corrections to require an offender to pay a monthly intervention fee as a condition of probation, parole, or conditional release.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections



Mickey Wilson, CPA
Director
January 12, 2016

Ross Strobe
Assistant Director
January 12, 2016