

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0313-01  
Bill No.: HB 508  
Subject: Prisons and Jails; Department of Corrections  
Type: Original  
Date: March 15, 2017

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Bill Summary: This proposal requires the Department of Corrections to perform actions to improve the ability of working inmates to obtain employment upon release from incarceration.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	Up to (\$946,095)	Up to (\$946,095)	Up to (\$946,095)
<b>Total Estimated Net Effect on General Revenue</b>	<b>Up to (\$946,095)</b>	<b>Up to (\$946,095)</b>	<b>Up to (\$946,095)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Up to 16 FTE</b>	<b>Up to 16 FTE</b>	<b>Up to 16 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Corrections (DOC)** state this bill requires DOC to perform specified actions to improve the ability of working inmates to obtain employment upon release from incarceration. This includes a requirement for the DOC to, subject to appropriation, participate in the Federal Bonding Program so that all inmates are bonded prior to release. It also requires the DOC to review the types of jobs available for inmates while incarcerated to determine which are eligible for certification and ensure inmates receive certification. It also requires the DOC to issue a worker certificate for any inmate who worked in one or more jobs while incarcerated which were the type of jobs that are not eligible for certification. The certificate shall indicate the number of hours the inmate worked or training the inmate has received in each job which the inmate held.

The Federal Bonding Program has the potential to positively impact the ability of offenders to find employment upon release. However, under the current terms of the program, offenders may not be bonded while in prison. Bonding can only be accomplished upon release, when an employer who hires an ex-offender may request to participate in the program and receive free bonding in the amount of \$5,000 for six months/180 days. Participation in the federal bonding program is currently administered through the Missouri Department of Economic Development (DED). Upon expiration of the initial six-months of bonding, the bond issued free-of-charge to the employer can be renewed by the purchasing organization (covering the same worker at the same employer).

Because it is not possible to bond inmates prior to release, the DOC assumes that the Department of Economic Development would remain the bonding agent after offenders are released from the DOC and would incur any additional costs of purchasing the bonds. Therefore, we assume this provision of the statute would have \$0 impact on the DOC. The bonding process requires the release of the offender and an offer of a job prior to enrollment in the program. Therefore, not every offender being released from prison would be eligible to enroll in the program.

Currently, the DOC offers career and technical programs in which offenders can participate prior to release for which they receive certification for their work and training. Many of the certificates offenders receive are nationally accredited and recognized. The Division of Offender Rehabilitative Services (DORS) consistently studies the job market and job availability to ensure training programs provided to offenders will be useful in helping them to obtain employment.

ASSUMPTION (continued)

The DOC releases approximately 18,000 offenders annually. Providing certificates for institutional jobs not currently eligible for certification for many of these offenders will result in an increased workload for the minimum security institutions as they experience the most releases. To accommodate this workload increase, the Division of Adult Institutions would need to employ an additional 16 Corrections Case Managers each at \$36,709 annually. Additional funding to cover these costs would be needed at 16 prison locations in the State.

PS and E&E costs for the additional Corrections Case Managers (CCM) positions would be (\$994,095) in Year 1, (\$987,482) in Year 2, and (\$996,497) in Year 3.

**Oversight** assumes, based on DOC's response, that they already provide some aspects outlined in the proposal. Therefore, Oversight assumes DOC will be able to absorb some of the provisions within the proposal and will reflect the cost of the proposal as "Up to" the estimated costs provided by DOC.

Officials from the **Department of Labor and Industrial Relations** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Department of Corrections</u>	Up to...	Up to....	Up to...
Personal Service (16 FTE)	(\$489,453)	(\$593,217)	(\$599,150)
Fringe Benefits	(\$283,199)	(\$341,588)	(\$343,355)
Expense and Equipment	<u>(\$173,443)</u>	<u>(\$52,677)</u>	<u>(\$53,992)</u>
	Up to	Up to	Up to
<u>Total Costs - DOC</u>	(\$946,095)	(\$987,482)	(\$996,497)
FTE Change - DOC	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>Up to <u>(\$946,095)</u></b>	<b>Up to <u>(\$987,482)</u></b>	<b>Up to <u>(\$996,497)</u></b>
Estimated Net FTE Change for General Revenue	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE

FISCAL IMPACT - Local Government

FY 2018  
(10 Mo.)

FY 2019

FY 2020

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

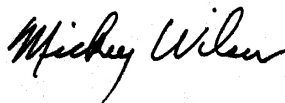
FISCAL DESCRIPTION

This bill requires, subject to appropriation, the Department of Corrections to participate in the Federal Bonding Program so that all working inmates are bonded prior to release, review the types of jobs available for inmates while incarcerated to determine which jobs would be eligible for certification and ensure that any inmate who has completed the necessary requirements for certification in a particular field does receive certification, and issue a worker certificate to any inmate who has worked in one or more types of jobs that are not eligible for certification containing information regarding each job and a list of the skills acquired or demonstrated.

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  
Department of Labor and Industrial Relations



Mickey Wilson, CPA  
Director  
March 15, 2017

Ross Strobe  
Assistant Director  
March 15, 2017