

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0454-01
Bill No.: HB 241
Subject: Probation and Parole
Type: Original
Date: March 25, 2013

Bill Summary: This proposal removes the provision allowing the Board of Probation and Parole to charge an offender an intervention fee as a condition of parole.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Inmate Revolving	(\$4,000,000)	(\$4,800,000)	(\$4,800,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$4,000,000)	(\$4,800,000)	(\$4,800,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state passage of this proposal would eliminate the collection of intervention fees from parolees. The amount collected per offender is not to exceed \$60 per month (or \$720 per annum); however the DOC only charges \$30 per month, totaling \$360 per year. Currently there are between approximately 18,000 and 19,000 parolees and although the collection rate is less than 100%, the potential exists for a substantial negative fiscal impact should this bill pass into law.

Parole intervention fees are currently paid into the Inmate Revolving Fund (IRF). The IRF is used to benefit offenders in the community by paying for the Electronic Monitoring Program, Residential Facilities and Substance Abuse Treatment, etc. Passage of this proposed legislation has the potential to require General Revenue fund expenditures to cover the loss of the IRF for these critical areas.

In summary, the potential fiscal impact for the DOC's IRF is unknown but substantial and expected to exceed \$100,000 per each fiscal year. Any General Revenue effect would begin in the year following passage of this proposal due to the appropriation process's time line.

According to the Intervention Fee FAQ (4/6/2012) report issued by the Department of Corrections, the total amount collected from April 2006 (inception of the fee) - June 2011 was \$78,093,489 (average of \$14.8 million per year) with the total amount billed in that time of \$110,177,517 (71% collection rate). The fees are processed the Department of Corrections Offender Financial Services Unit and deposited on a daily basis in the Inmate Revolving Fund.

Oversight assumes the proposal eliminates the intervention fees from parolees and **not** from probationers.

Oversight will utilize DOC's estimate of approximately 19,000 parolees. If each parolee pays \$30 per month, this proposal would result in a loss of approximately \$4.8 million (19,000 x \$30 x 12 months x 71% collection rate) per year to the state's Inmate Revolving Fund. Oversight assumes the General Revenue Fund making 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 2014.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
INMATE REVOLVING FUND			
<u>Loss - Intervention fees no longer collected from parolees</u>	<u>(\$4,000,000)</u>	<u>(\$4,800,000)</u>	<u>(\$4,800,000)</u>
ESTIMATED NET EFFECT TO THE INMATE REVOLVING FUND	<u>(\$4,000,000)</u>	<u>(\$4,800,000)</u>	<u>(\$4,800,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 authority of 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 parole.

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

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SOURCES OF INFORMATION

Department of Corrections

A handwritten signature in black ink, appearing to read "Ross Strope".

Ross Strope
Acting Director
March 25, 2013

RS:LR:OD