

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4540-02
Bill No.: HB 1402
Subject: Prisons and Jails; Corrections Department
Type: Original
Date: February 28, 2014

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** and the **Department of Labor and Industrial Relations** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Corrections (DOC)** state participating in the federal bonding program may positively impact the ability of offenders to find employment upon release. However, contact with the Missouri Department of Economic Development revealed that, while any state agency can be a bonding agency, it is not possible for inmates to be bonded while in prison. Upon release, an employer who hires an ex-offender may request to participate in the federal bonding program and receive free bonding in the amount of \$5,000 for 180 days. Participation in the federal bonding program is subject to federal reporting and is currently conducted through the Missouri Department of Economic Development. Should the Department of Corrections become a bonding agency, we would not be able to implement the bond program until offenders leave prison and the employer who hires the ex-offender requests bonding for that employee. Should something change in regard to this requirement, additional bonds would have to be purchased, but the fiscal amount is unknown.

The DOC currently offers career and technical programs in which offenders can participate prior to release where 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.

The DOC releases approximately 18,000 offenders annually. Providing certification for each of these offenders is likely to result in an increased workload for the minimum security institutions as they experience the most releases. Addition funding would be necessary to cover these costs.

In summary, passage of this proposal would have an unknown fiscal impact for the DOC per each year.

Oversight assumes, based on DOC's response, that they already provide many aspects outlined in the proposal. Therefore, Oversight assumes the provisions of the proposal would be able to be absorbed by the Department of Corrections.

The State Bonding Coordinator for the Federal Bonding Program is the Department of Economic Development - Division of Workforce Development.

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<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

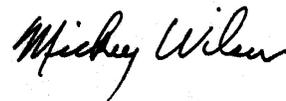
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Department of Economic Development



Mickey Wilson, CPA
Director
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Ross Strobe
Assistant Director
February 28, 2014

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