

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0902-01
Bill No.: HB 446
Subject: Department of Corrections
Type: Original
Date: March 8, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Treasurer's Office** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator (CTS)** assume the proposed legislation would establish the Work for Restitution Program within the Department of Corrections. Courts would be required to order nonviolent offenders to pay restitution to their crime victims as a condition of probation. Probation and Parole must order restitution as a part of any early release.

CTS is unable to provide any estimate of costs to the courts. CTS would anticipate an increase in court time because of revocations for failure to pay, but CTS has no way of quantifying that increase.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume the proposal would give the Department of Corrections the authority to adopt rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 8 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$492 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Corrections (DOC)** assume the estimated cost for this bill is Unknown but expected to exceed \$100,000 annually due to many aspects of the bill that pose questions for the department. The proposal does not specify where the offenders supposed to work when it is DOC who pays them. Many staff people would be required to administer, directly supervise and monitor this extensive program. The accounting aspect alone would be massive – an account (and corresponding computer support) would be required for each non-violent offender pursuant to this proposal. DOC feels that many offenders would simply opt for incarceration rather than participation in the program when no time would be left for them for family interaction. Current supervisions have a maximum time – DOC questions how restitution could be paid in full within this time frame. Last year the DOC incarcerated 761 technical parole violators and 5,048 technical probation violators for a total of 5,809 offenders. Even if this rate increased by .5% due to passage of this bill, it would result in an additional 29 offenders incarcerated.

The DOC cannot predict the number of additional commitments which may result from the passage of this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

ASSUMPTION (continued)

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY04 average of \$38.37 per inmate per day, or an annual cost of \$14,005 per inmate) or through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender per day, or an annual cost of \$1,150 per offender).

In summary, supervision by the DOC through incarceration or probation would result in additional costs and although the exact fiscal impact is unknown, it is estimated that potential costs will be in excess of \$100,000 per year.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Costs – Office of State Courts</u>			
Administrator			
Increased revocation hearings	(Unknown)	(Unknown)	(Unknown)
<u>Costs – Department of Corrections</u>			
Incarceration/Probation and			
Administrative costs	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)	(More than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<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.

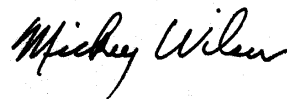
DESCRIPTION

The proposed legislation would establish the Work for Restitution Program within the Department of Corrections. Courts would be required to order nonviolent offenders to pay restitution to their crime victims as a condition of probation. In addition, the Board of Probation and Parole would be required to order restitution as part of any early release. After paying full restitution to each crime victim, the offender would then be required to pay an equal amount to each victim as a rehabilitation fee. Offenders must work 12 hours per day, seven days per week, until all fees have been paid. No offender can be released from supervision until all fees have been paid. Wages paid in the program cannot exceed the federal minimum wage, and offenders in the program will not be considered employees. The department must provide annual reports on the effectiveness and financial impact of the program.

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

Office of State Courts Administrator
Department of Corrections
Office of the Secretary of State
State Treasurer's Office



Mickey Wilson, CPA
Director

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