

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4529-02  
Bill No.: HB 1395  
Subject: Probation and Parole  
Type: Original  
Date: March 31, 2014

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

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Inmate Revolving	(\$10,702,000)	(\$12,843,000)	(\$12,843,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$10,702,000)</b>	<b>(\$12,843,000)</b>	<b>(\$12,843,000)</b>

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
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Corrections (DOC)** state passage of this proposal would eliminate the collection of intervention fees from parolees, probationers and individuals on conditional release. 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 67,000 and 68,000 supervised offenders 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 GR 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 (9/26/2013) report issued by the Department of Corrections, the total amount collected from April 2006 (inception of the fee) - June 2013 was \$100,491,394 with the total amount billed in that time of \$153,382,047 (65.5% collection rate). The fees are processed by the Department of Corrections Offender Financial Services Unit and deposited on a daily basis in the Inmate Revolving Fund.

Below are the intervention fee amounts billed and collected over the last five years.

FY	Billed	Collected	Collection Rate
FY 2009	\$20,638,766	\$14,783,158	77%
FY 2010	\$20,046,245	\$13,576,830	68%
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%

Source: Department of Corrections

ASSUMPTION (continued)

**Oversight** assumes the proposal removes the DOC's ability to charge and collect intervention fees from all probationers and parolees. Therefore, Oversight will show a loss to the Inmate Revolving Fund of \$12,843,000, the average amount collected over fiscal years 2009 - 2013. 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 2015.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**INMATE REVOLVING FUND**

Loss - Intervention fees no longer collected from parolees	<u>(\$10,702,000)</u>	<u>(\$12,843,000)</u>	<u>(\$12,843,000)</u>
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<b>ESTIMATED NET EFFECT TO THE INMATE REVOLVING FUND</b>	<b><u>(\$10,702,000)</u></b>	<b><u>(\$12,843,000)</u></b>	<b><u>(\$12,843,000)</u></b>
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<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

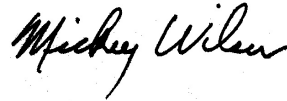
This proposal repeals the authority of the Board of Probation and Parole within the Department of Corrections to require an offender to pay a monthly intervention fee as a condition of probation, parole, or conditional release.

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

RAS:LR:OD

SOURCES OF INFORMATION

Department of Corrections

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 31, 2014

Ross Strobe  
Assistant Director  
March 31, 2014