

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0581-01
Bill No.: HB 74
Subject: Prisons and Jails; Corrections Department
Type: Original
Date: February 17, 2015

Bill Summary: This proposal requires the Department of Corrections to perform specific 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 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state Section 217.870 of the 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.

There could be additional costs to DED as the DOC releases approximately 18,000 offenders per year. However, 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.

The Department of Economic Development, which currently operates the program in Missouri, has issued no more than 50 bonds annually to employers who request them.

ASSUMPTION (continued)

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.

The DOC releases approximately 18,000 offenders annually. Providing certification for each of these offenders will result in an increased workload for the minimum security institutions as they experience the most releases. Additional funding to cover these costs would be needed at 16 prison locations in the State. If one additional Corrections Case Manager were required to track certification paperwork and issue certificates at each location, it would result in an additional cost of \$64,438 per year per institution.

The total impact on DOC for 16 prisons would be (\$880,249) for the first year, (\$914,377) for the second year, and (\$924,361) for the third year.

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

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

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

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2016
(10 Mo.)

FY 2017

FY 2018

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

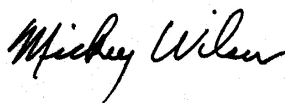
FISCAL DESCRIPTION

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
February 17, 2015

Ross Strobe
Assistant Director
February 17, 2015