

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5609-01
Bill No.: HB 1986
Subject: Department of Corrections; Prisons and Jails
Type: Original
Date: March 22, 2018

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 2019	FY 2020	FY 2021
General Revenue	Up to (\$926,177)	Up to (\$966,029)	Up to (\$974,851)
Total Estimated Net Effect on General Revenue	Up to (\$926,177)	Up to (\$966,029)	Up to (\$974,851)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE
Total Estimated Net Effect on FTE	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE

☒ 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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state this legislation will be impactful to the department as it requires us to issue a worker certificate to any offender who has worked one or more jobs while incarcerated that does not meet Department of Labor certification. Providing offenders certificates for institutional jobs which are not currently eligible for certification will result in a substantial increase in workload for staff. In order to accommodate this workload increase, DOC would need to employ an additional 16 Corrections Case Manager I/II's (each at \$35,640 annually). In addition, the division would need to be provided one-time and annual on-going E&E funding for these additional staff.

This legislation also states DOC may participate in the Federal Bonding Program. Federal bonding for offenders prior to release is not possible, as in order to become bonded an offender must obtain employment and his/her employer must be willing to participate in the program before bonding can occur.

It is assumed that when this legislation states "jobs eligible for certification" it means Department of Labor certification. The DOC currently provides offenders Department of Labor certificates for 50 different positions within Missouri Vocational Enterprises (MVE) qualifying for US Department of Labor apprenticeships. There have been over 1,432 offenders receive these certificates to date in FY17. In addition, offenders working for MVE that don't qualify for the US DOL certificate are provided a certificate of work from MVE. Additional certificates can be earned for some of the vocational programs such ServSafe, Certiport, National Center for Construction Education Research (NCCER), Certified Nursing Assistant (CNA) and Cosmetology license.

PS and E&E costs for the additional Corrections Case Managers (CCM) positions would be (\$926,177) in Year 1, (\$966,029) in Year 2, and (\$974,851) in Year 3.

Oversight assumes, based on DOC's response, that they already provide some aspects outlined in the proposal. Therefore, Oversight assumes DOC will be able to absorb some of the provisions within the proposal and will reflect the cost of the proposal as "Up to" the estimated costs provided by DOC.

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

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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GENERAL REVENUE FUND

<u>Cost</u> - Department of Corrections	Up to...	Up to...	Up to...
Personal Service (16 FTE)	(\$475,200)	(\$575,942)	(\$581,702)
Fringe Benefits	(\$278,574)	(\$335,983)	(\$337,693)
Expense and Equipment	<u>(\$172,403)</u>	<u>(\$54,104)</u>	<u>(\$55,456)</u>
	Up to	Up to	Up to
<u>Total Costs</u> - DOC	(\$926,177)	(\$966,029)	(\$974,851)
FTE Change - DOC	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE

ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	Up to <u>(\$926,177)</u>	Up to <u>(\$966,029)</u>	Up to <u>(\$974,851)</u>
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Estimated Net FTE Change for General Revenue	Up to 16 FTE	Up to 16 FTE	Up to 16 FTE
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<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill requires, subject to appropriation, the Department of Corrections to participate in the Federal Bonding Program so that all working inmates are bonded prior to release, review the types of jobs available for inmates while incarcerated to determine which jobs would be eligible for certification and ensure that any inmate who has completed the necessary requirements for certification in a particular field does receive certification, and issue a worker certificate to any inmate who has worked in one or more types of jobs that are not eligible for certification containing information regarding each job and a list of the skills acquired or demonstrated.

FISCAL DESCRIPTION (continued)

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 Economic Development
Department of Labor and Industrial Relations

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized, cursive script.

Acting Director
March 22, 2018