

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4783H.011
 Bill No.: HB 2079
 Subject: Prisons and Jails; Law Enforcement Officers and Agencies; Crimes and Punishment
 Type: Original
 Date: January 12, 2024

Bill Summary: This proposal increases the prisoner reimbursement amount that the state is required to pay to counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0	\$0 to (\$87,303,375)	\$0 to (\$87,303,375)
Total Estimated Net Effect on General Revenue	\$0	\$0 to (\$87,303,375)	\$0 to (\$87,303,375)

*Oversight notes the current statutory daily maximum rate for reimbursement is \$37.50 per prisoner. The current actual appropriation level is set at \$22.58 per prisoner per day. This proposal raises the statutory daily maximum from \$37.50 to \$60 per day starting on July 1, 2025 (FY 2026). As the statute states the rate is ‘not to exceed’ the daily rate, Oversight notes the General Assembly may decide not to appropriate above the current statutory ceiling (\$37.50); however, if the state moved from the current \$22.58 per day to \$60 per day, **this would result in an additional \$87.3 million per year in annual General Revenue expenditures** paid to local political subdivisions.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0 to \$87,303,375	\$0 to \$87,303,375

FISCAL ANALYSIS

ASSUMPTION

§221.105 – DOC reimbursements to counties

Officials from the **Department of Corrections (DOC)** state section 221.105 currently authorizes a daily rate of up to \$37 per day per offender. However, through the appropriation process the legislature has established the daily rate at \$22.58 per day per offender. Should the legislature establishes a rate of higher than \$22.58 per day per offender, there will be a fiscal impact on the department.

DOC states monies were appropriated by the General Assembly to cover arrearages owed to counties and the City of St. Louis.

Oversight notes, according to DOC's FY 2025 Budget Request (HB 9), program expenditures have totaled:

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Actual expenditures	\$50,518,325	\$40,837,093	\$52,680,658

Additionally, the DOC stated in FY 2021, a one-time amount of \$8,000,000 was appropriated to cover arrearages; and in FY 2022 and FY 2023, arrearages were paid in full.

For FY 2024 and FY 2025, the DOC requested \$50,627,544 for criminal case reimbursement.

Oversight notes if the per diem rate is increased from the current daily rate of \$22.58 per day to \$60 per day, this would equate to approximately an **additional \$87,303,375 per year** ($\$52,680,658 / \$22.58 \times \$60 - \$52,680,658 = \$87,303,375$).

Oversight assumes, if this legislation is passed, the General Assembly may or may not appropriate differently. Therefore, Oversight will reflect a ranged fiscal impact from \$0 to a cost difference from \$22.58 to \$60 per day. This would be a revenue increase to counties and the City of St. Louis.

Officials from the **Phelps County Sheriff's Department** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other counties, St. Louis City, and sheriff's departments were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs</u> – DOC (§221.105) Potential increase in payments to counties and the City of St. Louis – If payment/appropriation rate is increased from current \$22.58 per day per prisoner to the proposed \$60 per day cap	\$0	\$0 to (\$87,303,375)	\$0 to (\$87,303,375)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0	\$0 to (\$87,303,375)	\$0 to (\$87,303,375)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
COUNTIES AND CITY OF ST. LOUIS			
<u>Revenue Increase</u> – DOC (§221.105) Potential increase in payments to counties and the City of St. Louis – If payment/appropriation rate is increased from current \$22.58 per day per prisoner to the proposed \$60 per day cap	\$0	\$0 to \$87,303,375	\$0 to \$87,303,375
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0	\$0 to \$87,303,375	\$0 to \$87,303,375

FISCAL IMPACT – Small Business

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

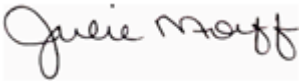
FISCAL DESCRIPTION

The proposed legislation proposes to increase the prisoner reimbursement amount that the state is required to pay to counties.

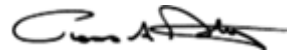
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections
Phelps County Sheriff's Department



Julie Morff
Director
January 12, 2024



Ross Strobe
Assistant Director
January 12, 2024