

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4783H.02C
 Bill No.: HCS for HB 2079
 Subject: Prisons and Jails; Law Enforcement Officers and Agencies; Crimes and Punishment
 Type: Original
 Date: February 11, 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 could exceed (\$40,642,031)	\$0 to could exceed (\$40,642,031)
Total Estimated Net Effect on General Revenue	\$0	\$0 to could exceed (\$40,642,031)	\$0 to could exceed (\$40,642,031)

*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 a minimum of \$40 starting on July 1, 2025 (FY 2026). If the state moved from the current \$22.58 per day to a minimum of \$40 per day, **this would result in an impact of at least \$40,642,031 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</u> State Funds	\$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 could exceed \$40,642,031	\$0 to could exceed \$40,642,031

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 a minimum of \$40 per day, this would equate to an impact of at least **\$40,642,031 per year** ($\$52,680,658 / \$22.58 \times \$40 - \$52,680,658 = \$40,642,031$).

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 \$40 per day. This would be a revenue increase to counties and the City of St. Louis.

Officials from the **St. Louis Budget Division** state according to the Corrections Commissioner for the City of St. Louis, the passage of this legislation would result in increased revenue to the City. The exact amount cannot be determined at this time because the number of prisoners at the time the reimbursement rate change goes into effect is unknown.

In response to a previous version, officials from **Jackson County** stated passage of this proposed legislation would have a significant positive impact in Jackson County. Jackson County currently spends almost \$40 million dollars annually on housing of detainees awaiting trial on state charges. Approximately 70% of these detainees eventually serve time in state prisons upon

conviction. Jackson County is also currently spending \$301 million to build a new 1,000 bed detention center which will open in 2026. An increase in rate to \$60/day and full funding of that new rate could mean up to \$1.8 million in additional state resources to offset that annual \$40 million cost.

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 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 minimum of \$40 per day	\$0	\$0 to could exceed (\$40,642,031)	\$0 to could exceed (\$40,642,031)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 to could exceed</u> <u>(\$40,642,031)</u>	<u>\$0 to could exceed</u> <u>(\$40,642,031)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
COUNTIES AND CITY OF ST. LOUIS			
<u>Revenue Increase</u> – (\$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 minimum of \$40 per day	\$0	\$0 to could exceed \$40,642,031	\$0 to could exceed \$40,642,031
ESTIMATED NET EFFECT ON COUNTIES AND CITY OF ST. LOUIS	\$0	\$0 to could exceed \$40,642,031	\$0 to could exceed \$40,642,031

FISCAL IMPACT – Small Business

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

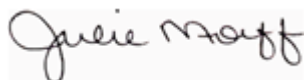
FISCAL DESCRIPTION

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
 St. Louis Budget Division
 Jackson County
 Phelps County Sheriff's Department



Julie Morff
 Director
 February 11, 2024



Ross Strobe
 Assistant Director
 February 11, 2024