

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6470H.011
 Bill No.: HB 2695
 Subject: Department of Corrections; Prisons and Jails; Crimes and Punishment; Criminal Procedure
 Type: Original
 Date: January 25, 2026

Bill Summary: This proposal modifies provisions relating to credit earned by offenders committed to the Department of Corrections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(Unknown, could exceed \$250,000)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)
Total Estimated Net Effect on General Revenue	(Unknown, could exceed \$250,000)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

*Reflects a potential cost for the IT system development that could occur in FY 2027 or a potential unknown cost for FTE to handle the calculations. Potential savings in subsequent years reflect a potential reduction in the prisoner population. Oversight notes, in response to other legislation this year, DOC has used a per-inmate cost of \$11,123 to the General Revenue Fund per year.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§558.041 – Earned Credits

Officials from the **Department of Corrections (DOC)** state this proposal modifies provisions relating to credit earned by offenders committed to the Department of Corrections.

Section 558.041 is modified to stipulate offenders “shall” receive additional credit, and modifies the requirements for such time, to include obtaining a high school diploma or equivalent, completion of a substance use treatment program, and other programs.

Currently, the department does not have an automated system that could track and calculate the earned credits that are described in the legislation. At this time, the department is unsure if an automated system can be created because of the different criteria it takes to calculate earned credit. This is a labor-intensive calculation done by hand by our Records Officer staff. It is unknown to the department how many additional staff may be needed in order to comply with this legislation.

As such, the department is unable to project the impact to the prison population. However, it is assumed the legislation would decrease the number of individuals incarcerated.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect a potential cost for the IT system development that could occur in FY 2027 or a potential unknown cost for FTE to handle the calculations. Additionally, as this new program may decrease populations for DOC, Oversight will reflect a potential savings (\$0 or Unknown) in FY 2028 and FY 2029. Oversight notes, in response to other legislation this year, DOC has used a per-inmate cost of \$11,123 to the General Revenue Fund per year.

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Savings</u> - DOC (§558.041) Potential decrease in the population relating to good time credit p.3	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – DOC (§558.041) Calculation of good-time credits p.3	(Unknown, could exceed \$250,000)	(Unknown)	(Unknown)
<u>Cost</u> – OSCA (§558.041) Potential cost relating to good time credit p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown, could exceed \$250,000)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

CREDIT EARNED BY OFFENDERS (Section 558.041)

Currently, offenders in the Department of Corrections may earn time credited off the end of their sentences for serving their sentences in an orderly and peaceable manner and taking advantage of the available rehabilitation programs.

This bill requires the Director of the Department to issue a policy for good time credit and, separately, earned time credit.

Any major conduct violation of institutional rules, violation of law, parole revocation, or the accumulation of six or more minor conduct violations in a calendar year will result in the loss of all prior credit earned by the offender.

Good time credit will be awarded to offenders who serve their sentences in a peaceable manner and display exemplary compliance with institutional disciplinary regulations. An offender can receive up to 54 days of good time credit toward the service of a sentence per year.

Earned time credit will be awarded to offenders who participate in qualifying rehabilitation programs and productive activities. For every 30 days of successful participation in rehabilitative programs or productive activities during an offender's term of imprisonment, the offender will earn 10 days of credit toward a sentence. The bill specifies types of programs or activities for which credit can be earned. The Department will specify in its policies which programs will qualify for earned time credit, the criteria for awarding credit, and the criteria for determining completion of the programs.

Beginning January 1, 2027, eligible offenders may petition the Department to receive earned time credit for any qualifying programs or activities completed after January 1, 2010. The Department will notify the incarcerated population of the petition process through posted signage, electronic notification, and through staff in all facilities and will provide petition forms to offenders.

Good time credit and earned time credit are not available to offenders sentenced to death or sentenced to life without probation or parole, or offenders serving a sentence of less than one year.

Nothing in this bill should be construed to remove the parole board's discretion in awarding good time credit or earned time credit. The Department will prepare and submit an annual report to the General Assembly on good time credit and earned time credit.

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
Office of the State Courts Administrator



Julie Morff
Director
January 25, 2026



Jessica Harris
Assistant Director
January 25, 2026