

Department of Planning and Budget

2009 Fiscal Impact Statement

1. Bill Number SB 1496

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Ticer

3. Committee Rehabilitation and Social Services

4. Title Earned sentence credits

5. Summary/Purpose:

Current law allows inmates to earn a maximum of four and one-half sentence credits for each 30 days served, contingent, in part, on good behavior. The proposed legislation would increase the maximum number of sentence credits that could be earned to seven and one-half for each 30 days served.

6. Fiscal Impact: Preliminary. See Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications:

DOC has projected that the proposed legislation would result in prison bed savings as shown in the following table:

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Annual bed impact	(608)	(1,204)	(1,221)	(1,245)	(1,278)	(1,313)

The fiscal implications of the proposed legislation are significant. The immediate effects would be additional costs for the Department of Corrections (DOC) that would be largely offset by savings in per diem payments to localities for housing state responsible offenders in local and regional jails. For the longer term, there would be significant savings in future projected costs.

The most immediate cost would be that needed to reprogram DOC's automated time calculation system. DOC would also need additional probation and parole officers to handle the increase in offenders being released on probation. However, with the freeing up of these beds in prison, DOC could reduce the number of "out-of-compliance" state offenders that would otherwise be housed in local and regional jails. Because the state reimburses localities

\$14 per day to house these offenders, there would be savings in these costs. It is estimated that the additional costs for DOC would be largely offset by savings in per diem payments.

The prison bed savings shown in the previous table would not result in the closing of any prison or any reduction in the cost of operating existing prisons. Based on the current forecast, even with the reduction in bed space needs resulting from the proposed legislation, DOC will not have enough bed space to house the offenders for which it would be responsible.

The proposed legislation could, however, significantly alter the need for new prisons. Based on the current inmate population forecast, it is anticipated that the state will need to open a new 1,500-2,000 bed prison in 2013 and at least a 1,000-bed facility in 2014 or 2015. The current estimated construction costs of these facilities range from \$125-175 million each and the annual operating costs would be approximately \$25 million each. The proposed legislation could result in delaying the need to build a new prison beyond 2013.

9. Specific agency or political subdivisions affected:

Department of Corrections
Compensation Board
Local and regional jails

10. Technical amendment necessary:

The proposed legislation does not specify whether the change in earned sentence credits is to be applied retroactively or beginning with the effective date of the bill. To avoid confusion and possible litigation, the legislation should be amended to make its intent clear. Furthermore, it will not be feasible for DOC to implement this legislation on July 1, 2009, when it would ordinarily become effective, if enacted. The agency will need to reprogram its automated time calculation system to incorporate the change in earned sentence credits. Such reprogramming and testing will take approximately six months. Therefore, if this legislation is enacted, it is recommended that it be made effective January 1, 2010 and that it also be amended to specify whether the change in maximum earned sentence credits is to be applied retroactively to time already served or only on time to be served after the effective date of the bill.

11. Other comments:

The projected impact on prison bed space shown in Item 8 were based on the assumptions that the effective date of the bill would be January 1, 2010, and that the increase in earned sentence credits would not be applied retroactively. If the bill were amended to specify that the change was effective retroactively, the prison bed space savings would increase.

Date: {2/4/2009} rwh

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