

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4363-01
Bill No.: SB 583
Subject: Crimes and Punishment
Type: Original
Date: January 9, 2018

Bill Summary: This proposal modifies provisions relating to the boarding of prisoners.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| General Revenue | (\$16,700,000) | (\$20,000,000) | (\$20,000,000) |
| Total Estimated Net Effect on General Revenue | (\$16,700,000) | (\$20,000,000) | (\$20,000,000) |

| 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 6 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 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

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 | \$16,700,000 | \$20,000,000 | \$20,000,000 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (B&P)** state this proposed legislation will not impact B&P; however, it will lead to increased costs in the Department of Corrections' budget. B&P defers to the Department of Corrections for a fiscal impact estimate.

Officials from the **Department of Corrections (DOC)** state Senate Bill 583 proposes to raise the daily rate of reimbursements paid to counties for the cost of incarcerating state prisoners from the current rate of \$22.58 per day to a new rate:

“On and after July 1, 1997, up to thirty-seven dollars and fifty cents per day per prisoner, subject to appropriations, but not less than [the amount appropriated in the previous fiscal year] ninety percent of thirty-seven dollars and fifty cents per day, per prisoner.”

The cost per day of 90% of \$37.50 would calculate out to \$33.75 per day per offender or an increase of \$11.17 per day.

The current budget is built on a projected number of bed days (1,750,676 days). However, in FY17, the DOC received requests for reimbursement for 1,847,016 days.

Therefore, the amount of additional funding would fall somewhere in the range between these two calculations based on the number of bed days.

| | |
|------------------------------------|------------------|
| Previous bed days for calculation: | 1,750,676 |
| Rate Increase | <u>x \$11,17</u> |
| Additional Need | \$19,555,051 |

| | |
|-----------------------|------------------|
| FY 17 Actual bed days | 1,847,1016 |
| Rate Increase | <u>x \$11,17</u> |
| Additional Need | \$20,631,169 |

Officials from the **St. Louis County Government** state the state currently pays the St. Louis County Department of Justice Services a daily rate of \$22.58 to board a prisoner. Whereas the proposed legislation currently does not have fiscal impact on St. Louis County, at some point, when the rate reaches the cap, the 10% reduction from a daily rate of \$37.50 to \$33.75 would result in an annual loss of \$700,000 to St. Louis County.

ASSUMPTION (continued)

Officials from St. Louis City, Maries County, Monroe County, and Pulaski County did not respond to **Oversight's** request for fiscal impact.

According to DOC budget papers, the state has reimbursed the City of St. Louis and county governments the following amounts for state prisoners over the past three years:

| | |
|---------|--|
| FY 2017 | \$39,473,811 (reimbursement rate of \$22.58) |
| FY 2016 | \$39,817,000 |
| FY 2015 | \$43,330,142 |

$$\$39,473,811 / \$22.58 \times (\$33.75 - \$22.58) = \$19,527,124.$$

Oversight will use an average of DOC's estimates (\$20,000,000) for the fiscal note impact. Oversight will show a corresponding increase in reimbursement to counties (and the City of St. Louis).

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|------------------------------|------------------------------|------------------------------|
| GENERAL REVENUE | | | |
| <u>Costs</u> - DOC - Increase in the daily rate for reimbursements paid to counties for the cost of incarcerating state prisoners from \$22.58 to \$33.75 | <u>(\$16,700,000)</u> | <u>(\$20,000,000)</u> | <u>(\$20,000,000)</u> |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | <u>(\$16,700,000)</u> | <u>(\$20,000,000)</u> | <u>(\$20,000,000)</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|--|----------------------------|----------------------------|----------------------------|
| COUNTIES AND CITY OF ST. LOUIS | | | |
| <u>Income</u> - Increase in the daily rate for reimbursements paid to counties for the cost of incarcerating state prisoners from \$22.58 to \$33.75 | <u>\$16,700,000</u> | <u>\$20,000,000</u> | <u>\$20,000,000</u> |
| ESTIMATED NET EFFECT TO COUNTIES AND CITY OF ST. LOUIS | <u>\$16,700,000</u> | <u>\$20,000,000</u> | <u>\$20,000,000</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under current law, costs chargeable to the state by counties and the City of St. Louis for the boarding of certain prisoners are limited to the actual cost of incarceration, not to exceed, on and after July 1, 1997, up to \$37.50 per prisoner, per day, subject to appropriations, but not less than the amount appropriated in the previous year.

This act repeals the provision that the amount be not less than the amount appropriated in the previous year, and replaces it with the provision that the amount be not less than 90% of the maximum of \$37.50 per person, per day.

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

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SOURCES OF INFORMATION

Department of Corrections
Office of Administration - Budget and Planning
St. Louis County

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
January 9, 2018