

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1113S.01P
Bill No.: Perfected SB 128
Subject: Corrections, Department of; Treasurer, State; Prisons and Jails
Type: Original
Date: March 9, 2021

Bill Summary: This proposal modifies provisions relating to the inmate canteen fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue Fund*	(\$30,565)	(\$30,565)	(\$30,565)
Total Estimated Net Effect on General Revenue	(\$30,565)	(\$30,565)	(\$30,565)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Inmate Canteen Fund*	\$30,565	\$30,565	\$30,565
Total Estimated Net Effect on <u>Other</u> State Funds	\$30,565	\$30,565	\$30,565

*This proposal specifies that interest proceeds will be credited to the Inmate Canteen Fund instead of the General Revenue Fund.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§217.195 – Prison canteen funds

Officials from the **Office of the State Treasurer (STO)** state §217.195.3(3) requires interest and moneys earned on such investments currently credited to the General Revenue Fund to be credited to the Inmate Canteen Fund.

Listed below are the average daily balances for the months of July through December 2020:

July	\$6,588,940
August	\$6,669,476
September	\$6,158,167
October	\$5,914,689
November	\$5,771,371
December	<u>\$5,575,394</u>
Total	\$36,678,037

The estimated average daily balance is \$6,113,006 ($\$36,678,037 / 6$). The STO's effective rate of return for FY 2021 is 0.5%. The estimated yield on state funds is 0.50 percent. If interest rates increase, the STO could increase its rate of return and the fiscal note would increase. Therefore, the estimated loss of interest to General Revenue is approximately \$25,471 for FY 2022 (10 months) and \$30,565 for FY 2023 and FY 2024 ($\$6,113,006 * 0.005$)

Officials from the **Department of Corrections (DOC)** did not expect a fiscal impact from this legislation since the Inmate Canteen Fund is currently operating within the proposed statutory guidelines. The addition of reentry services as an allowable expenditure will be subject to appropriation from the legislature.

Oversight notes any unexpended balance in the pre-August 28, 2021, inmate canteen fund shall be transferred to the post-August 28, 2021, inmate canteen fund established under subsection 3 of §217.195. The balance in this fund at December 31, 2020, was \$5,779,967. This will allow for the DOC to include some additional allowable expenditures to this fund. For purposes of this fiscal note, Oversight will show a one-time transfer in and out of this fund of \$5.8 million in FY 2022.

Senate Amendment (SA) 1:

§§217.199 and 221.065 – Hygienic products to offenders

In response to similar legislation from 2021 (HB 318), officials from the **Department of Corrections (DOC)** assumed the proposal will have no fiscal impact on their organization. In FY20, the DOC was appropriated additional funding to support these costs.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight contacted the DOC to determine the amount of funding appropriated to them for feminine hygiene products. From a new decision item beginning in FY 2020, the DOC was appropriated \$113,574 in General Revenue funds. This amount, combined with the \$114,774 in funding already within DOC's budget, brings the total department appropriations for feminine hygiene products to \$228,348 for FY 2020, FY 2021, and FY 2022 as no changes were made to the appropriation in FY 2021 or requested in FY 2022.

Officials from the **St. Joseph Police Department** and **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation from 2021 (HB 318), officials from the **Boone County Sheriff's Department** stated these items are currently supplied to detainees at no cost and as needed or requested.

In response to similar legislation from 2021 (HB 318), officials from the **Cape Girardeau County Sheriff's Department** and the **Clay County Sheriff's Department** responded but did not provide a fiscal impact.

In response to similar legislation from 2021 (HB 318), officials from the **Lewis County Sheriff's Department** stated feminine products are provided at no cost to the inmate.

In response to similar legislation from 2021 (HB 318), officials from the **Ellisville Police Department** stated this will have a very minor impact but both reasonable and appropriate.

In response to similar legislation from 2021 (HB 318), officials from the **Crestwood Police Department** stated no discernible fiscal impact. The Crestwood Police Department already supplies these items when necessary.

In response to similar legislation from 2021 (HB 318), officials from **Clinton County**, the **Ellington Police Department**, the **Kansas City Police Department**, the **Kimberling City Police Department**, and the **St. John Police Department** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes there may be some county or city jails that do not provide both tampons and napkins for free. Therefore, the impact to local governments will be presented as \$0 or (Unknown).

This section of the bill contains an emergency clause.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Loss - STO</u> (§217.195) Reduction in interest revenue (now retained by the new Inmate Canteen Fund)	<u>(\$30,565)</u>	<u>(\$30,565)</u>	<u>(\$30,565)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$30,565)</u>	<u>(\$30,565)</u>	<u>(\$30,565)</u>
INMATE CANTEEN FUND			
<u>Income - STO</u> (§217.195) Interest Earned to fund instead of General Revenue Fund	\$30,565	\$30,565	\$30,565
<u>Transfer-In to New - DOC</u> (§217.195) Transfer-in from Canteen Fund post-August 28, 2021	\$5,800,000	\$0	\$0

<u>FISCAL IMPACT – State Government</u> (continued)	FY 2022	FY 2023	FY 2024
INMATE CANTEEN FUND (continued)			
<u>Transfer-Out from Old - DOC (\$217.195) Transfer-out from Canteen Fund pre- August 28, 2021</u>	<u>(\$5,800,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE INMATE CANTEEN FUND	<u>\$30,565</u>	<u>\$30,565</u>	<u>\$30,565</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023	FY 2024
LOCAL GOVERNMENT - COUNTY OR CITY JAILS			
<u>Costs - (\$221.065) Healthcare products expense</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT - COUNTY OR CITY JAILS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

OPERATION OF CANTEENS AND COMMISSARIES BY DOC (Section 217.195)

Under current law, the chief administrative officer of a correctional center may operate a canteen or commissary for the use and benefit of the offenders with the approval of the Division Director. Each correctional center keeps revenues received from the canteen or commissary to purchase the goods sold and other operating expenses.

Under this act, the Director of the Department of Corrections must approve the creation and operation of any canteen or commissary. This act also creates the "Inmate Canteen Fund" in the state treasury which shall consist of funds received from the inmate canteens. Any proceeds generated from this fund shall be expended solely for the purpose of improving inmate recreational, religious, educational, and reentry services.

This act repeals the current "Inmate Canteen Fund", which receives the remaining funds from sales of the canteen or commissary.

HYGIENIC PRODUCTS TO OFFENDERS (Sections 217.199 and 221.065)

This bill specifies that the Director of the Department of Corrections must ensure that tampons and sanitary napkins are available for free to offenders while they are confined in any of the Department's correctional centers. The Director must ensure that the products conform with applicable industry standards. Additionally, every sheriff and jailer who holds a person in custody pursuant to a writ or process for a criminal offense must ensure that tampons and sanitary napkins are available for free to such person in custody, in a quantity that is appropriate for the health care needs of the person. The sheriff or jailer must ensure that the products conform with applicable industry standards. The General Assembly may appropriate funds to assist the Director or sheriffs and jailers in fulfilling their duties.

This section of the bill contains an emergency clause.

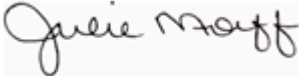
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION


Department of Corrections
Office of the State Treasurer
Clinton County
Ellisville Police Department
Crestwood Police Department

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Ellington Police Department
Kansas City Police Department
Kimberling City Police Department
St. John Police Department
St. Joseph Police Department
St. Louis County Police Department
Boone County Sheriff's Department
Lewis County Sheriff's Department
Clay County Sheriff's Department
Cape Girardeau County Sheriff's Department



Julie Morff
Director
March 9, 2021



Ross Strope
Assistant Director
March 9, 2021