

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2782-01
BILL NO.: SB 530
SUBJECT: Forensic Clients in Corrections Facility Remain Under Control of Mental Health
TYPE: Original
DATE: January 10, 2000

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|--|------------------|------------------|------------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| General Revenue | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds* | (Unknown) | (Unknown) | (Unknown) |

* Unknown costs expected to significantly exceed \$10 million.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| None | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| Local Government | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume that this proposal will not fiscally affect their agency.

Officials from the **Department of Corrections (DOC)** stated the language in the proposal authorizes DMH to enter into an inter-agency agreement with the DOC to house persons committed to DMH for forensic purposes. At this time, the DOC is unable to determine the number of people that could be housed under the provisions of this bill to estimate the potential need for additional capital improvements. Estimates would depend upon the inter-agency agreement entered into with DMH as per specified in this bill. DMH standards for per-patient living, treatment and confined bed space exceed the standard used by DOC for confined inmates. DMH standards are based on single-occupancy rooms while DOC double-bunks virtually all segregation and general population inmates. This bill requires segregation from DOC inmates. Estimated construction cost for one new inmate bed that may possibly meet DMH standards would exceed \$100,000. Utilizing this per-bed cost provides for a conservative estimate by the DOC, as entire facilities and/or housing units would have to be constructed to cover the cost of these commitments. The DOC provided an unknown cost estimate.

Officials from the **Department of Mental Health (DMH)** stated that they assume, from the wording of the proposal, that forensic clients of the DMH could stay within DMH facilities, because the DMH facilities currently meet the standards of security in the proposed legislation.

The DMH officials went on to respond that if; however, the intent is to transfer all DMH forensic clients to secure facilities within the Department of Corrections, then additional minimum expenses as described below would result.

Under the assumption that the clients of the DMH will be transferred to a correctional setting, the DMH also assumes that such clients will be housed in buildings attached to the correctional facilities located in St. Joseph, Fulton, Farmington, and the St. Louis area. If such assumption is not valid and the Department of Corrections located these clients elsewhere, the DMH would transfer current employees or seek new employees, and hire additional administrative and support staff for each forensic ward, and operate facility functions as dietary and pharmacy operations, which will duplicate such Department of Corrections facility functions.

Additionally, a pay differential from level 7 for current psychiatric aides to level 15 for workers in a correctional setting will need to be paid (including increased fringe benefits).

ASSUMPTION (continued)

These pay differential increases for DMH personnel now working in a correctional setting would be \$3,905,928 in salaries, and \$1,201,073 in fringe benefits for Comprehensive Psychiatric Services (CPS) personnel and \$489,838 in salaries and \$150,625 in fringe benefits for Mental Retardation and Developmental Disabilities (MRDD) personnel. MRDD costs do not include the treatment, administration, and other support staff which would need to be hired if only MRDD clients are moved to a Department of Corrections setting.

Since CPS forensic clients will no longer be in a hospital setting, their costs are no longer eligible for reimbursement through uncompensated care payments, creating a loss to the General Revenue Fund of between \$31,400,000 and \$39,400,000 each year.

The DMH officials stated other potential fiscal impacts of this bill, which cannot be determined at this time, include:

- Potential impact on local economies;
- Future use of vacated Department of Mental Health bed and program space;
- Costs associated with transportation of clients to courts of original jurisdiction for conditional release hearings etc.

Oversight cannot predict the fiscal impact of this proposal. It seems reasonable to assume that current DMH clients would transfer to DOC facilities. Such relocation would likely precipitate capital improvement costs at DOC locations. If the proposal requires new bed space for the current DMH forensic client population (639 patients), the construction costs (\$100,000 per bed per DOC estimates) would likely exceed \$60,000,000.

| <u>FISCAL IMPACT - State Government</u> | FY 2001 | FY 2002 | FY 2003 |
|---|-------------------------|-------------------------|-------------------------|
| | (10 Mo.) | | |
| GENERAL REVENUE FUND | | | |
| <u>Costs - Department of Corrections</u> | | | |
| New Prison Space or Renovating Costs for Mental Health Patients* | (Unknown) | (Unknown) | (Unknown) |
| TOTAL ESTIMATED EFFECT ON GENERAL REVENUE FUND* | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |

* Unknown costs expected to significantly exceed \$10,000,000.

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| <u>FISCAL IMPACT - Local Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|---------|---------|
| | \$0 | \$0 | \$0 |

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal requires the placement of all forensic clients in a Department of Corrections facility but the custody of the clients are to remain with the Department of Mental Health. The proposal also changes the definition of what type of facility can be used to house the clients.

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

SOURCES OF INFORMATION

Department of Mental Health
Department of Corrections
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director
January 10, 2000