

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2927-01
BILL NO. SB 618 with HCA 1 & 2
SUBJECT: Inmate Telephone Service
TYPE: Original
DATE: April 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$1,473,681 to (\$5,226,319)	\$469,257 to (\$6,730,743)	\$480,945 to (\$7,219,055)
Total Estimated Net Effect on <u>All</u> State Funds*	\$1,473,681 to (\$5,226,319)	\$469,257 to (\$6,730,743)	\$480,945 to (\$7,219,055)

* Does not include unknown cost of Women Offender Program services and probation supervision - assumed to be more than \$100,000

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	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 8 pages.

FISCAL ANALYSIS

ASSUMPTION

INMATE TELEPHONE SERVICE

Officials from the **Office of Administration (OA) – Division of Purchasing and Materials Management** assume the proposed legislation would require contracts for collect call telephone service for correction institutions to be awarded to the lowest and best bidder based on the costs to recipients of the calls. In addition, it would allow the Division of Purchasing to renegotiate existing contracts for collect call telephone service for these institutions. This proposal would eliminate the revenues generated by the state for collect call telephone service for correctional institutions.

The state has received approximately \$47,000,000 from July 1995 through November 1999 for prison inmate telephone services contracts. The existing contracts generate revenue for the state since the contractor pays the state a certain percentage of the cost of each collect telephone call made. OA assumes that if these contracts are awarded based on call costs to called parties, bidders would have no incentive to offer a percentage commission to the state for these calls. In order to offer the lowest call cost, bidders would no longer offer a commission to the state, but instead would offer the lowest cost per call since that would be the sole factor in evaluating the lowest bid.

Under current contracts, the rates charged for collect calls are limited and the revenues received by the state are capped at \$10,500,000 for FY2000. The current contracts expire on June 15, 2000.

OA further stated that the total minutes of collect calls for correctional institutions has been growing at a rate of 9% for the past four years and the number of calls has grown at a rate of 3.8%. If the contracts were awarded with commissions offered to the state considered in evaluating the lowest and best bid, OA estimates that the commission to the state would be approximately 25%. Using the growth rates above and an estimated commission of 25%, the fiscal impact of this proposal would be a loss of \$6,700,000 for FY2001; a loss of \$7,200,000 for FY2002; and a loss of \$7,700,000 for FY2003.

Officials from the **Office of the Attorney General** assume this proposal would have no fiscal impact on their agency.

Officials from the **Department of Corrections (DOC)** assume this proposal may provide a

ASSUMPTION (continued)

savings for DOC. The contract may require that the contractor pay the state an amount for wiring, equipment, and call-monitoring staff for inmate telephones that DOC currently pays for.

The costs for monitoring of inmate calls at the institutional facilities can be estimated at 850.5 hours per week according to DOC. In order to cover a 40-hour week, salary reimbursement for twenty-two Correctional Officer I's would be necessary. It is unknown whether fringe benefits would be covered. To cover salaries only for an annual period, DOC estimates that \$559,680 would be saved. This is a minimum amount, as new facilities are scheduled to come on-line in the near future and new equipment may be added to existing facilities. DOC stated the expense reimbursement for wiring and equipment is unknown.

Oversight assumes that any prison inmate telephone services contract could contain provisions requiring that the state retain a certain percentage for the cost of each telephone call so as to minimize the loss of revenue to the state. SCA 1 allows the state to require that the contractor pay the state for costs associated with wiring and equipment and staff salaries for call-monitoring. This would result in a cost savings and an offset to the lost revenue. Oversight has ranged the fiscal impact from \$0 to the identified loss of revenue per fiscal year.

WOMEN OFFENDER PROGRAM

Officials from the **Department of Health** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Corrections (DOC)** assume they would require that a Women Offender Program Specialist be hired to direct this program, as well as a Clerk IV to perform as a support staff person. Also included are the related janitorial (\$160) and utility (\$320) expenses per each FTE. The advisory committee expenses are estimated to be approximately \$100 per meeting per each of the six board members, or \$600 per meeting, and it is anticipated that meetings would be held quarterly. Program-related expense and equipment necessary to provide the various programs would also be necessary, but those costs are unknown at this time and are not included in this estimate. The total fiscal impact as it relates to the DOC is unknown, but estimated to be significant, or in excess of \$100,000 per year. The unknown costs that may result due to passage of this legislation would be requested through normal budgetary request procedures for the time periods affected by passage of this legislation.

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INSPECTION OF CORRECTIONAL FACILITIES

Officials from the **House of Representatives, Senate, Department of Social Services, and Department of Corrections** stated that the proposal would not have fiscal impact on their agencies.

OFFENDER INFORMATION

Officials from the **Department of Mental Health, Department of Health, and the Department of Social Services** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of Cole County Sheriff** assume the proposal would require them to gather and make copies of medical and mental histories for each offender transported to the Department of Corrections (DOC). These added duties would require 300 hours per year of jailer time at \$10.00 per hour plus \$25.00 per year in copy costs.

Officials from the **Office of Boone County Sheriff** assume their jurisdiction transports approximately ten inmates per week to the DOC. This proposal would require two hours per inmate to properly organize and summarize the various files, obtain the necessary release forms, and prepare the enclosures for DOC. Therefore, .50 FTE Medical Service Aide would be required at a cost of approximately \$15,000 per year.

HOUSE ARREST PROGRAM

Officials from the **Department of Social Services** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Corrections (DOC)** assume the proposed legislation authorizes DOC to permit certain class A and B felons (other than those sentenced as dangerous and sex predators) to be released on inmate status to the Electronic Monitoring Program (EMP) for up to one year prior to their parole date. This will increase the number of inmates eligible for "house arrest" and earlier release from confinement.

To estimate the potential positive impact of this change, DOC compared the percentage of sentences served by class C felons that were placed on EMP to those class C felons who remained confined until released on their parole date in 1999. The comparison showed that those placed on EMP served 5% less than those released to parole. DOC also determined that 24% of

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all class C felons released in 1999 were placed on EMP.

DOC reviewed the number of class A and B felons with a presumptive release date in 2000 (819) and 2001(666) who would be considered eligible under provisions of this proposal. However, since additional inmates meeting the criteria will receive release dates during the year, these figures may understate the potential totals for each year. To compensate for this potential, DOC used the actual number of eligible class A and B felons released in 1999 (1,080) as the basis for the estimate, assuming this figure will remain relatively constant over time.

Based on the analysis of releases in 1999, DOC estimated the average duration of successful releases to EMP to be 3.74 months for class C felons. Accounting for the longer sentence length for class A and B felons, DOC applied an averaged 4.5 month's reduction to the average time served for those 1,080 inmates.

The estimated impact is equivalent to a reduction of 93 inmates during the course of a calendar year ($\$1,208,628 = \$12,996$ per inmate x 93 inmates) offset by an increased period under community supervision ($\$100,440 = \$1,080$ per month for EMP x 93 inmates). As the reduction in confinement period is less than one year for each inmate, the fiscal impact is not cumulative but constant over time.

It should be noted that the impact will be affected by the actual number of eligible class A and B felons that can be considered each year and the actual number released to EMP.

PROBATION FOR CRIMINAL NON-SUPPORT

Officials from the **Office of State Courts Administrator**, **Office of Prosecution Services**, **Office of State Public Defender**, and the **Department of Social Services** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Corrections (DOC)** assume they cannot predict the number of new supervision cases which may result from the creation of the language in this proposal, but assume it to be a small percentage. Passage of this bill would require Probation and Parole (P&P) to supervise non-support misdemeanor cases. P&P currently supervises over 900 felony child support cases. The Division of Child Support Enforcement advises that over 300 child support cases were filed in 1999. An increase in supervision depends on the actual provisions imposed by the court. If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational costs through supervision provided by the Board of Probation and Parole (average of \$2.47 per

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ASSUMPTION (continued)

offender, per day). However, it is assumed that providing one year of supervision for those offenders as misdemeanors will impact the number that are consequently elevated to felony status each year.

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed that the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Oversight assumes, based on information obtained from the Office of State Courts Administrator, that there were 1,770 misdemeanor non-support charges disposed with a guilty outcome during FY 1998. It should be noted that this number represents charges, not cases or defendants; therefore, there may be more than one charge per case. Oversight assumes that a fraction of these charges would result in a defendant being placed on supervised probation. Costs would likely be less than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

GENERAL REVENUE

Department of Corrections

INMATE TELEPHONE SERVICE

<u>Lost Revenue - Prison inmate</u>	\$0 to	\$0 to	\$0 to
telephone service contracts	(\$6,700,000)	(\$7,200,000)	(\$7,700,000)

<u>Cost Savings - Reimbursement</u>			
from phone companies	\$466,400	\$573,672	\$588,014

WOMEN OFFENDER PROGRAM

Cost

Personal Service (2 FTE)	(\$59,563)	(\$73,292)	(\$75,124)
Fringe Benefits	(18,316)	(22,537)	(23,101)
Expense and Equipment	<u>(23,028)</u>	<u>(8,586)</u>	<u>(8,844)</u>
Total Cost	<u>(\$100,907)</u>	<u>(\$104,415)</u>	<u>(\$107,069)</u>

<u>Cost - Program Services</u>	(Unknown)	(Unknown)	(Unknown)
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DESCRIPTION (continued)

The proposed legislation requires the sheriff or other officer charged with the delivery of offenders to the Department of Corrections to provide, upon delivery, any information regarding the offender's physical and mental condition, including currently prescribed medication and any attempts at suicide. Copies of all medical and mental health records in the possession of jail personnel must also be delivered.

The proposed legislation prohibits any person serving a sentence for a dangerous felony or identified as a predatory sexual offender from participating in the house arrest program.

The proposed legislation requires the State Board of Probation and Parole to provide probation services for offenders convicted for criminal nonsupport when charged as a class A misdemeanor. Currently, the board only provides probation services for criminal nonsupport offenders when charged with class D felonies.

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

Office of the Attorney General
Department of Corrections
Office of Administration – Division of Purchasing and Materials Management
Senate
House of Representatives
Department of Social Services
Department of Mental Health
Department of Health
Office of the Cole County Sheriff
Office of the Boone County Sheriff
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender



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Director
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