

FISCAL NOTE TRANSMITTAL FORM

BILL NUMBER: H 1549

SHORT TITLE: Increase Public Safety/Remove Cap

SPONSOR(S): Representative Peggy Wilson

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House
Chief Sponsor, Senate
Fiscal Note Requested By

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.

President Pro Tempore, Henson Barnes

Chairman of the House Base Budget Appropriations Committee

Representative David Diamont

Chairman of the House Expansion Budget Appropriations Committee

Representative Martin Nesbitt

Chairman of the Senate Appropriations Committee

Senator Marc Basnight

Chairman of the Senate Ways and Means Committee

Senator Kenneth C. Royall, Jr.

Chairman of the Senate Base Budget Committee

Senator Aaron W. Plyler

House Principal Clerks Office

Senate Principal Clerks Office

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

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FISCAL IMPACT: Expenditures: Increase (X) Decrease ()
Revenues: Increase () Decrease ()
No Impact ()
No Estimate Available ()

FUNDS AFFECTED: General Fund (x) Highway Fund () Local Fund ()
Other Fund ()

BILL SUMMARY: (From Institute of Government Summary)

Amends GS 148-4.1 to delete subsections (d), (e), (f), and (g) (which impose limit on number of inmates allowed in prison system and creates special emergency parole rules when number is exceeded). Rewrites subsection (c) to provide for parole of persons sentenced under Fair Sentencing Act six months prior to discharge date (now, nine months) and three months prior to automatic parole under GS 15A-1380.2 (now, six). Allows parole at nine months before discharge date if Secretary of Correction certifies that person poses no threat to society. Repeals SL 1991, CH. 437, Sec. 11 to delete requirement that Secretary report to legislature on progress of prison construction. Repeals SL 1991, Ch. 933, Sec. 14 (no such chapter exists).

EFFECTIVE DATE: Upon ratification.

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Correction, Division of Prisons

FISCAL IMPACT

	<u>FY</u> 92-93	<u>FY</u> 93-94	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97
EXPENDITURES					
RECURRING *	\$144,022,000	\$33,978,000	\$18,411,000	\$25,632,000	\$18,512,000

NON-RECURRING	\$282,722,640		66,702,360	36,142,780	50,317,200
36,340,200					

REVENUES/RECEIPTS
RECURRING
NON-RECURRING

POSITIONS:	4,108	969	526	731	528
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* The recurring expenditures are shown each year as expansion needs beyond the current operating budget of the Department of Correction. The total expansion needs, in response to this proposed bill, by the end of FY 1997 is \$240,555,000 which would be added to the current budget of approximately \$500,000,000. The capital costs are nonrecurring and would total \$472,225,180 for the five (5) years.

ASSUMPTIONS AND METHODOLOGY:

The following two projections are based on the Sentencing and Policy Advisory Commission's correctional population simulation model. The model uses a 1990 sentencing database which was constructed by the Commission from automated records maintained by the Administrative Office of the Courts, the Department of Correction, and the SBI's Division of Criminal Information.

These projections could be potentially affected by changes in sentence lengths, in the awarding of good time, in the awarding of earned time, in the rate of probation revocations, in the rate of parole revocations, in the crime rate, and in the conviction rate.

Two separate five-year projections from the staff of the Commission are presented. The first projection assumes the volume of felony and misdemeanor convictions will grow at an annual compounded rate of 10% for the next five years (1993 through 1997). The second projection assumes the volume of felony and misdemeanor convictions will grow at a graduated annual compounded rate of 6% for the next five years. This second projection assumes the rate of growth will start out high in the first year and will gradually decline over the next four years (9% for 1993, 8% for 1994, 6% for 1995, 4% for 1996, and 3% for 1997). The graduated growth rate is based on the consensus of the Forecasting Advisory Group which was formed by the Commission to help predict future growth in convictions. (The group included Dr. LeAnn Wallace, Thomas Havener, Richard Little, and Patrick Tamer from the Administrative Office of the Courts; Kenneth Parker and Thomas Sutton from the Department of Correction; Dr. Joel Rosch from the State Bureau of Investigation; and David Jones from the Governor's Crime Commission.)

Both of the first two projections include the following assumptions:

Offenders will serve, on average, 40% of their sentences before being paroled. This was the average served in 1986 prior to the cap.

There will be no change in either the rate of probation revocations or in the rate of parole revocations.

PROJECTED PRISON POPULATIONS FOLLOWING REMOVAL OF PRISON CAP

<u>End of Year</u>	<u>10% Annual Growth*</u>	<u>6% Annual Growth**</u>
1993	33,912	33,749
1994	38,864	38,252
1995	41,502	39,871
1996	44,878	41,380
1997	47,811	41,927

* Volume of felony convictions will grow at a compounded rate of 10% for the next five years.

** Volume of felony and misdemeanor convictions will grow at a compounded rate of 9% the first year, 8% the second year, 6% the third year, 4% the fourth year, and 3% the fifth year.

The Department of Correction has also made projections and provided the following information on 1) projected prison population if the cap is lifted, 2) the prison capacity, 3) number of beds needed based upon their projections, 4) costs for constructing appropriated beds and operating them, and 5) distribution of beds by custody level.

	FY 92-93	FY 93-94	FY 94-95	FY 95-96	FY 96-97
Projected Misdemeanant					
Population at Year End	4,800	5,200	5,500	5,700	5,900
Projected Felon Population at Year End	27,600	30,300	32,400	34,000	35,100
Projected Total Population at Year End	32,400	35,500	37,900	39,700	41,000
Projected Capacity at Year End (with additional \$87 million)	22,286	23,000	24,107	24,107	24,107
Capacity Shortfall - Cumulative	10,114	12,500	13,793	15,593	16,893
Capacity Needs - Annual (assuming each years' capacity shortfalls are met)	10,114	2,386	1,293	1,800	1,300

Note:

Available capacity is based upon current construction plans, estimates of completion dates, and continued adherence to existing court imposed consent agreements.

The projections from the Commission (based on 6% annual growth) and from the Department of Correction are similar.

Based upon the projections by the Department, the costs shown on page 1 were calculated according to the cost calculation summary (Attachment 1) which was provided by the Department of Correction. An example of the calculation for FY 1992-93 is as follows:

Capacity Needs:	=	10,114 beds total
Maximum/Close	=	10,114 x 30% = 3,034 beds
Medium	=	10,114 x 36% = 3,641 beds
Minimum	=	10,114 x 34% = 3,439 beds

Capital Costs:		
Maximum/Close	=	3,034 beds x \$38,500 = \$116,809,000
Medium	=	3,641 beds x \$27,100 = \$ 98,671,100
Minimum	=	3,439 beds x \$19,500 = <u>\$ 67,060,500</u>
Total Capital Costs	FY 1992-93	<u>\$282,540,600</u>

Operating Costs:		
Maximum/Close	=	3,034 inmates x \$17,000 = \$ 51,578,000
Medium	=	3,641 inmates x \$15,000 = \$ 54,615,000
Minimum	=	3,439 inmates x \$11,000 = <u>\$ 37,829,000</u>
Total Operating Costs	FY 1992-93	<u>\$144,022,000</u>

Positions:		
Maximum/Close	3,034 -:	2.1 (ratio) = 1,445
Medium	3,641 -:	2.4 (ratio) = 1,517
Minimum	3,439 -:	3.0 (ratio) = <u>1,146</u>
Total Positions	FY 1992-93	<u>4,108</u>

No inflationary rates or salary increase projections were included in the costs shown on page 1.

SOURCES OF DATA: Sentencing and Policy Advisory Commission
Department of Correction

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Carolyn Wyland

APPROVED BY: Tom Covington **TOMC**

DATE: June 15, 1992

Cost Calculation Summary

Bed Distribution: 30% Maximum/Close
 36% Medium
 34% Minimum

Based upon percentage of distribution proposed after completion of \$200 million bond program.

Capital Costs Per Bed: \$38,500 - Maximum/Close
(non-recurring) \$27,100 - Medium
 \$19,500 - Minimum

Costs are average of facilities constructed under \$200 million bond program.

Operating Costs Per Bed: \$17,000 - Maximum/Close
(recurring) \$15,000 - Medium
 \$11,000 - Minimum

Costs are average of projected annual operating costs (staff and inmates) for facilities constructed under \$200 million bond program.

Positions - Based upon the following staff to inmate ratio:

2.1 inmates to staff - Maximum/Close
2.4 inmates to staff - Medium
3.0 inmates to staff - Minimum

Notes:

Capital and operating budget estimates are based upon the most recent costs associated with the approved prison bond program.

