

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 11**

January 15, 2021

**SUMMARY OF BILL:** Requires the Department of Correction (DOC) to pay a qualifying county an additional \$5 per day recidivism-reduction discount per eligible felon if certain criteria are met. Authorizes Tennessee community colleges and Tennessee's colleges of applied technology to assist county governments in the development of programs and contract and partner with local government to provide programming. Effective January 1, 2022.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$394,000/FY21-22  
\$627,600/FY22-23 and Subsequent Years**

**Increase Local Revenue – \$228,100/FY21-22  
\$456,600/FY22-23 and Subsequent Years**

**Increase Local Expenditures –  
\$228,100/FY21-22/Permissive  
\$456,600/FY22-23 and Subsequent Years/Permissive**

**Other Fiscal Impact - In future fiscal years, there will be a decrease in state incarceration expenditures resulting from programs provided at local jails to felons reducing recidivism. The timing and amount of any decrease is dependent upon multiple unknown factors and cannot be quantified with reasonable certainty.**

Assumptions:

*Program and Analysis Parameters*

- The proposed legislation applies to counties with a population less than 336,000 according to the 2010 federal census, that pursuant to a state contract house convicted felons in county jail facilities or houses convicted felons awaiting transfer to a state facility and provide DOC approved evidence-based programs to reduce recidivism rates among convicted felons.
- According to data from the 2010 federal census, counties exceeding 336,000 in population are:
  - Davidson
  - Hamilton
  - Knox
  - Shelby

- The proposed legislation requires the stipend be set at \$5 per day per inmate participating in a qualifying program, and requires DOC to compensate the county for each program in which the felon is enrolled.
- In order to maintain such stipend, the proposed legislation requires eligible counties to provide documentation that at least 70 percent of felons who enroll in such programs go on to complete them in a timely manner as determined by DOC.
- The proposed legislation requires the DOC to review recidivism rates of programs after a period of three years. If the program does not reduce recidivism by at least 25 percent, the program is disqualified from stipend eligibility.
- The proposed legislation is effective January 1, 2022 which is approximately 50 percent of FY21-22. As such, this analysis estimates 50 percent of the fiscal year impact will occur in FY21-22 and 100 percent will occur in FY22-23 and subsequent fiscal years.

#### *Program Participation*

- Any action taken by a county to contract with the state to house state convicted felons and participate in offering such programs is considered permissive.
- Based on information provided by the DOC, in FY20-21 an average of 5,847 convicted felons were housed in local jails in counties with a population of less than 300,000.
- Based on information provided by the Tennessee County Services Association, there are approximately 10 counties (not including the four counties exempt from this legislation) which currently have re-entry programs, with an average of 25 participants in each program at any given time.
- As creating, introducing, and maintaining such programs is costly, this analysis assumes a similar number will complete the provisions outlined in this legislation to qualify for the stipend.
- It is estimated that each inmate residing in a participating county will take one eligible year-long program each year.
- This analysis assumes such programs will comply with all DOC requirements.
- As FY21-22 is not a leap year, the total one-time increase in state expenditures in FY21-22 resulting from the proposed legislation is estimated to be at least \$228,125  $\{[(10 \times 25) \times \$5 \times 365] \times 50\%$  }.
- The recurring increase in state expenditures in FY22-23 and subsequent fiscal years resulting from the proposed legislation is estimated to be at least \$456,563  $[(10 \times 25) \times \$5 \times 365.25]$ .
- The proposed legislation will result in a corresponding one-time increase in local revenue in FY21-22 estimated to be \$228,125 and a recurring increase of local revenue in FY22-23 and subsequent fiscal years estimated to be \$456,563.
- Some counties may be incentivized to establish such programs, while counties with existing programs may choose to invest additional funds into such programs. The exact extent to which local revenue will be invested into such programs is unknown; however, the permissive one-time increase in local expenditures in FY21-22 estimated to be at least \$228,125 and a permissive recurring increase in local expenditures in FY22-23 and subsequent fiscal years estimated to be at least \$456,563 to provide materials, training, and staff necessary to offer such programming and ensure DOC compliance.

### *DOC Oversight*

- The proposed legislation requires the DOC to determine the eligibility of programs that are evidence-based and matched to the risk needs of enrolled offenders and to ensure at least 70 percent of enrollees in such programs go on to complete them in a timely manner.
- In order to accomplish the required oversight, DOC will require additional personnel.
- The DOC will require two Correctional Counselor 1 positions for quality assurance of programs.
- The recurring salary and benefits for each of the two positions is estimated to be \$46,571 (\$34,152 salary + \$12,419 benefits).
- The DOC will require one Correction Program Manager 1 positions for program oversight.
- The recurring salary and benefits for that position is estimated to be \$58,661 (\$44,520 salary + \$14,141 benefits).
- Additionally, the three positions will require recurring funding for travel, supplies, user licenses, training, etc., estimated to be \$6,400 per year.
- The one-time increase in state expenditures in FY21-22 for of the three positions is estimated to be \$80,400 [(\$1,800 computer + \$25,000 vehicle) x 3].

### *State Impact*

- The total increase in state expenditures in FY21-22 resulting from the proposed legislation is estimated to be \$394,027 ( $\$228,125 + \{[(\$46,571 \times 2) + \$58,661 + (\$6,400 \times 3)] \times 50\% \} + \$80,400$ ).
- The total increase in state expenditures in FY22-23 and subsequent fiscal years resulting from the proposed legislation is estimated to be \$627,566 [ $\$456,563 + (\$46,571 \times 2) + \$58,661 + (\$6,400 \times 3)$ ].
- This analysis assumes the DOC will select and approve evidence-based programs that will result in a reduction in recidivism rates among convicted felons.
- The proposed legislation is effective January 1, 2022; therefore, any felon participating in programs outlined in the proposed legislation will complete them at least one year from that time and be released from the local facility sometime after completing such programs.
- This analysis assumes the proposed legislation will reduce recidivism and result in a decrease in state incarceration expenditures in future fiscal years; however, due to multiple unknown factors, including: the timing of any release of any participating felon, the program offerings, and the timing of any offense and sentence avoided through participation in programs, such decrease cannot be quantified with reasonable certainty.
- Based on information provided by the Tennessee Board of Regents, any impact to community colleges or colleges of applied technology resulting from assisting county governments in the development of such programs will be accomplished utilizing existing resources. Any fiscal impact is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' at the beginning.

Bojan Savic, Interim Executive Director

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