

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 163** SLS 17RS 358  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action: **w/ HSE COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

|   |                                   |
|---|-----------------------------------|
| <b>Date:</b> June 2, 2017 10:10 AM                                | <b>Author:</b> MIZELL             |
| <b>Dept./Agy.:</b> Corrections - Prison Enterprise                | <b>Analyst:</b> Monique Appeaning |
| <b>Subject:</b> Exemption from the requirement that state prisons |                                   |

CORRECTIONAL FACILITIES EG1 SEE FISC NOTE GF EX See Note Page 1 of 1

Provides an exemption from the requirement that state prisons purchase goods from Prison Enterprises, if the goods can be purchased for less in the parish in which the facility is located. (gov sig)

Proposed law is relative to the purchase of goods by state prisons. It authorizes the purchase of goods and services in the parish in which a state prison is located if the purchase price is lower than central purchasing or prison enterprises, provides for an effective date and related matters.

Effective upon signature of the governor or lapse of time for gubernatorial action. (Amends R.S. 15:1157(A))

| EXPENDITURES        | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| Agy. Self-Gen.      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| Ded./Other          | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <b><u>\$0</u></b>    |
| <b>Annual Total</b> |                |                |                |                |                |                      |

| REVENUES            | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| Ded./Other          | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <b><u>\$0</u></b>    |
| <b>Annual Total</b> |                |                |                |                |                |                      |

**EXPENDITURE EXPLANATION**

Proposed law may result in an indeterminable decrease in SGF expenditures paid to Prison Enterprises by state prisons, a budget unit within the ancillary appropriation bill, if state prison purchases from local vendors exceed current levels provided by prison enterprises.

Present law provides for prison enterprises to be given priority in order to utilize the resources of the department in the production of food, fiber, and other necessary items used by inmates in order to lower the cost of incarcerating the inmates per R.S. 15:1153. The operation also provides products and services to state agencies and agencies of parishes, municipalities, other political subdivisions, and public employees, and provides work opportunities for inmates.

DPSC reports that state prisons are currently required to go through prison enterprises for canteen, meat, correctional officer uniforms, etc. If state prisons find products of similar quality that are cheaper than what prison enterprises offers, they are required to submit a request to Corrections Headquarters for approval of a waiver to buy the product(s) outside of prison enterprises. DPSC states that allowing the state prisons to openly order products outside of prison enterprise would impact its ability to sustain certain operations as well as fulfill its mission of providing savings to the department.

To the degree that proposed law may result in a loss of demand for products produced by prison enterprises, that ancillary budget unit may realize a corresponding loss of sales volume resulting in a decrease in IAT and SGR expenditures associated with lower production.

**REVENUE EXPLANATION**

To the degree that proposed law may result in a loss of demand for products produced by prison enterprises, that ancillary budget until may realize a corresponding loss of sales volume resulting in a decrease in IAT and SGR revenues.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**