LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 542** HLS 23RS 667
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 19, 2023 1:43 PM **Author:** HUGHES
Dept./Agy.: Public Safety and Corrections; LCTCS
Subject: Criminal Justice Reinvestment Savings Allocations **Analyst:** Daniel Druilhet

BUDGETARY PROCEDURES RE SEE FISC NOTE GF EX See Note
Provides relative to criminal justice reinvestment savings

Current law requires the Department of Public Safety & Corrections (DPS&C) to calculate annual savings realized from criminal justice reinvestment (CJR) legislation enacted in the 2017 RS. Current law directs DPS&C to allocate savings from CJR legislation at the end of each fiscal year as follows - 15% to DPS&C for incentive grants to parishes, judicial districts, and nonprofit organizations, 10% to the Louisiana Commission on Law Enforcement (LCLE) for competitive grants, and 45% to the Louisiana Community and Technical College System (LCTCS) for educational and vocational training and recidivism reduction. Proposed law directs the DPS&C, beginning FY 25 (at the beginning of each fiscal year) to transfer $5 M of CJR recurring savings allocated to DPS&C for targeted investment (in reentry services, community supervision, educational and vocational programming, transitional work programs, and contracts with parish jails and other local facilities that house state inmates for recidivism reduction) to the Board of Supervisors of LCTCS for deposit into the Reinvestment in Offender Education Fund. Proposed law creates the Reinvestment in Offender Education Fund and repeals the current law allocation of CJR savings to DPS&C (45%), which directs transfer to the LCTCS at the end of each fiscal year for targeted investments in educational and vocational training aimed a recidivism reduction for adult and juvenile offenders.

EXPENDITURES	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**$0**
Agy. Self-Gen.	SEE BELOW	$0	$0	$0	$0	**$0**
Ded./Other	$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

Proposed law creates the statutorily dedicated Reinvestment in Offender Education Fund and directs the DPS&C to transfer $5M of CJR savings into the fund at the beginning of each fiscal year. All unexpended and unencumbered monies in the fund are required to remain in the fund at the end of the fiscal year and any interest earned credited to the fund.

Department of Public Safety & Corrections - Corrections Services

The Department of Public Safety & Corrections - Corrections Services (DPS&C-CS) reports that the proposed law will decrease SGF expenditures in the DPS&C-CS. Proposed law changes the provisions relative to the continuous and recurring allocation of savings recognized in prior fiscal years allocated to the DPS&C-CS for targeted investments (in reentry services, community supervision, educational, and vocational programming, transitional work programs, and contracts with parish jails and other local facilities that house state inmates) by directing DPS&C to transfer $5 M of savings realized each year from CJR legislation to the Reinvestment in Offender Education Fund at the beginning (rather than at the end) of each year, beginning FY 25.

DPS&C-CS states that under current law, it receives $10.675 M of Criminal Justice Reinvestment (CJR) dollars realized through savings, of which $4.87 M would remain with the sheriff. The proposed legislation would require that DPS&C-CS reallocate $5M to LCTCS for recidivism reduction programs. Thus, $5M would be lost by DPS&C-CS under proposed law and transferred to a Statutory Dedication under LCTCS. Since passage of CJR legislation (Act 748 of the 2022 RS), DPS&C-CS has not transferred any funding to LCTCS in accordance with current law. Thus, the LFO cannot corroborate any loss of revenue to DPS&C-CS with proposed law's enactment.

Louisiana Community and Technical College System

Proposed law will likely result in an increase in Statutory Dedication expenditures in the Louisiana Community and Technical College System (LCTCS), to the extent that this measure mandates that DPS&C deposit into the Reinvestment in Offender

Continued on Page 2

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Interim Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:

[CONTINUED FROM PAGE 1 - EXPENDITURES]

Education Fund $5 M at the beginning of each fiscal year, beginning FY 25. The proposed law directs the LCTCS to utilize the funding for post-secondary education and vocational training aimed at recidivism reduction for adult and juvenile offenders. Any fiscal impact to the LCTCS is contingent on allocations made by the DPS&C through the proposed law's establishment of the Reinvestment in Offender Education Fund, and LCTCS expending those funds on recidivism reduction through vocational and educational training.

Treasury

Proposed law creates the statutorily dedicated Reinvestment in Offender Education Fund. Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 436 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates it will be required to add one T.O. position at a total personnel services cost of approximately $78,000, plus approximately $2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGR in this fiscal note.

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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