

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 139** SLS 17RS 290
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 19, 2017 10:32 AM	Author: MARTINY
Dept./Agy.: Corrections	Analyst: Monique Appeaning
Subject: Release and Community Supervision of Individuals	

CRIMINAL JUSTICE RE DECREASE GF EX See Note Page 1 of 2
 Provides relative to criminal justice. (7/1/17)

Proposed law provides certain changes that include but are not limited to discharge credits for probation and parole, administrative sanctions for technical violations, substance abuse probation program, diminution of sentence, parole eligibility, medical parole and medical treatment furlough.

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

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable decrease in SGF expenditures in the Department of Public Safety and Corrections - Corrections Services (DPSC) as a result of certain changes to certain parts of the Code of Criminal Procedures and other portions of present law that impact offenders. The changes include but are not limited to discharge credits for probation and parole, administrative sanctions for technical violations, substance abuse probation program, diminution of sentence, parole eligibility, medical parole and medical treatment furlough. To the extent individuals are released and placed on parole, the per offender savings will likely result in \$21.76 (\$24.39 per day - \$2.63 parole supervision per day) per day or \$7,942.40 annually per offender in local facilities. To the extent that offenders are released from state facilities, the savings per day per offender is \$49.27 (\$51.90 per day - \$2.63 parole supervision per day) or \$17,983.55 annually. Currently, the DPSC houses approximately 50% of state offenders at the local level and 50% at the state level.

Proposed law will result in an indeterminable decrease in SGF (via the Louisiana Public Defender Fund) expenditures to Louisiana Public Defender Board (LPDB) for the district offices as a result of certain changes regarding the discharge credits for probation (Art. 895.6) and changes regarding administrative sanctions for technical violations (Art. 899.1). LPDB reports that the changes to the discharge credits for probation will likely shorten many probation periods and cause a decrease in the number of revocation hearings, wherein defendants are represented by public defenders. The changes to the administrative sanctions for technical violations will likely allow the probation agency to use administrative sanctions to address technical violations to probation, thus avoiding probation revocation hearings, altogether. This will likely result in a decrease in the number of revocation hearings, wherein defendants are represented by the public defenders.

Proposed law may result in an indeterminable increase in SGF and federal expenditures in the La. Department of Health (LDH) for individuals who are released from prison on medical parole or treatment furlough and are medicaid eligible. The FY 18 federal match rate is 63.34%. In other words, for every dollar expended for qualified medical expenditures, the state is responsible for \$0.3666. LDH reports that to the extent released offenders qualify and are enrolled under Medicaid managed care on a medical treatment furlough, increased reimbursements are anticipated in the Medical Vendor Payments Program. Offenders who are released may qualify for LDH programs such as community based waivers, nursing homes and/or managed care services.

LFO is not able to determine the number of individuals who will qualify for Medicaid. However, to the extent individuals qualify for Medicaid and continue the same level of service that was provided to them while in the state's custody, it is likely the state will realize an overall net savings as the cost of care will fall under Medicaid and allow federal match.

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REVENUE EXPLANATION

Proposed law may likely result in an indeterminable increase in self-generated revenue as a result of offenders being released into parole supervision. For each offender that is released to parole at an earlier date, the DPSC could collect up to \$63 per month from each offender under parole supervision. The maximum amount paid per month is \$63. It is based on the offender's ability to pay and determined by the committee on parole. While the number of individuals under parole supervision is likely to increase in the short term, the Louisiana Justice

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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
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Staff Director

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CONTINUED EXPLANATION from page one:

Expenditure Explanation Continued from Page One

Note: The Louisiana Justice Reinvestment Task Force Report dated March 26, 2017, recommends establishing a temporary furlough policy for inmates with serious medical needs. "The task force found that a small number of Louisiana prisoners with serious medical needs were costing Corrections millions of dollars each year. The report pointed out that Medicaid eligibility is suspended during periods of incarceration under federal law, costly treatment for prisoners with cancer, heart disease, and other chronic or urgent medical conditions is paid for entirely with tax dollars."

Revenue Explanation Continued from Page One

Reinvestment Task Force Report estimates material reductions by 2027 which predicts a decrease in revenues at some unspecified point in the future. To the extent offenders are released from prison on medical parole or treatment furlough and qualify for Medicaid, for every dollar expended for qualified medical expenditures, the state is responsible for \$0.3666 and the federal government provides federal funds for \$0.3666. This represents an increase in federal revenues for qualified medical expenditures under Medicaid.

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}

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