

Fiscal Note

BILL # HB 2163

TITLE: prisoners; discharge; transition program

SPONSOR: Blackman

STATUS: House Engrossed

PREPARED BY: Geoffrey Paulsen

Description

The bill would require the Arizona Department of Corrections (ADC) to release at least 3,500 inmates per year to the Transition Program beginning in FY 2022. If 3,500 inmates are not eligible for the program, ADC would be required to release as many inmates as are eligible.

Estimated Impact

The fiscal impact of the bill will depend on how many additional inmates ADC releases to the transition program. ADC currently releases about 1,500 inmates per year to the transition program. According to ADC, statutory changes are required to expand the program. If ADC increased releases to the program to 3,500 per year, we estimate ADC would incur \$1.8 million to \$2.3 million in new program costs annually. These costs would be offset by at least the marginal savings from not housing these inmates. We estimate these savings at \$(887,900) annually. The savings would be greater if ADC chose to close an entire prison unit.

ADC estimates expansion to 3,500 releases would require the release of 2,400 inmates annually at a cost of \$2.8 million. ADC estimates this cost would be offset by \$(3.7) million in savings based on the required statutory transfer of \$17 per bed day saved by the program. However, ADC acknowledges that the actual savings would equal the marginal cost of housing these inmates. Using that marginal cost, ADC's costs would actually be offset by savings of \$(1.1) million.

Analysis

ADC's Transition Program allows inmates meeting the conditions outlined in statute and by the department to be released from prison 90 days prior to their release date. Participants are located in homes or half-way houses across the state, and receive counseling through a vendor which includes substance abuse counseling and case management services.

The bill would require that ADC release at least 3,500 inmates to the program per year, unless the department determines that 3,500 inmates are not eligible for the program in a year. The bill does not change the statutory eligibility requirements or require ADC to change department standards. ADC reports that based on the current inmate population, statutory changes are the only way to increase program eligibility to 3,500 per year.

Over the past three years, ADC has released on average 1,491 inmates to the Transition Program. If ADC expanded releases to at least 3,500 inmates per year, we estimate it would result in an additional 2,009 inmates per year in the program compared to the recent average. If all 2,009 new inmates remained in the program for all 90 days, it would represent 180,840 additional bed days saved.

Over the last two years the average program cost has ranged between \$10.07 to \$12.46 per day. This cost varies depending on the eligibility of released inmates to receive Medicaid benefits for the vendor-provided services. We estimate that these new releases to the program would cost between \$1.8 million and \$2.3 million in new program costs annually.

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The program costs would be offset by the savings from a reduced inmate population. ADC reports the current marginal cost to house an inmate is \$4.91 per day, which would generate \$(887,900) in annual savings.

The 180,840 bed days saved is the equivalent of about 495 inmates on an annualized basis. If this ongoing reduction is realized and ADC is able to close prison beds or an entire unit, the savings could be significantly greater. We estimate this additional savings could be up to \$(7.5) million per year. However, this savings estimate is highly speculative.

ADC estimates that this expansion would cost a total of \$2.8 million in program costs. ADC's estimate assumed an average cost of \$12.96 per day and 2,400 additional releases to reach 3,500 per year.

ADC estimates these costs would be offset by bed day savings of \$(3.7) million. This estimate is based on a \$17 transfer to the Transition Program Fund from other ADC funds required by statute for every bed day saved in the program. However, ADC has acknowledged that they do not generate \$17 in savings per bed day saved. As discussed above, ADC reports the actual marginal cost of incarceration is \$4.91 per day. Based on the marginal savings of \$4.91 per day, the ADC program costs would be offset by approximately \$(1.1) million per year.

Local Government Impact

None

2/18/21