

# Fiscal Note

**BILL #** SB 1091

**TITLE:** prisoners; transition services; noncontracted entities

**SPONSOR:** Kern

**STATUS:** Senate Engrossed

**PREPARED BY:** Geoffrey Paulsen

## Description

The bill would allow inmates released from prison 90 days early for the Transition Program to choose to receive transition services from a private or non-profit entity that is not contracted with the Arizona Department of Corrections (ADC).

## Estimated Impact

The bill would likely reduce the ADC costs for operating the Transition Program by reducing the number of participants receiving services from the contracted vendor. The amount of savings would depend on the number of inmates that elect to receive transition services from a non-contracted entity instead.

The bill may increase costs to the Arizona Health Care Cost Containment System (AHCCCS) if the program generates additional participation by inmates with private or non-profit entities. We are aware of at least one "transitional services" entity that has a contract with AHCCCS.

ADC is not able to estimate a fiscal impact and AHCCCS has not yet responded to our request.

## Analysis

The Transition Program allows inmates meeting conditions outlined in statute and by the department the opportunity to be released from prison 90 days prior to their release date. Program participants are generally lower risk, sentenced for non-violent crimes, and classified to lower levels than the overall inmate population. Participants reside in homes or halfway houses across the state and receive substance abuse counseling and case management services through a contracted vendor.

The primary cost of the Transition Program is a flat rate charged by the vendor to the state of \$9.25 per participant per day (or \$832.50 for the full 90 days). In addition to the flat rate, the vendor also charges \$95 for an initial transition session, \$75 for an individual assessment, and \$13 for every 15 minutes for case management.

In FY 2022, ADC released a total of 3,821 inmates to the Transition Program and reported a successful completion rate of 86.3%. The program is funded from the Transition Program Fund. Revenue to the fund comes from a statutory transfer from other department funds of \$17 for every bed day saved by the program, and 5% of non-DUI inmate wages.

The current contract requires the vendor to bill AHCCCS for any eligible services prior to billing the department. In FY 2022, ADC's costs for the program after billings were \$491,000, or about \$130 per inmate.

The department would not be required to pay the cost of transition services for inmates that enroll in a program from a non-contracted entity. The cost would either be covered by the individual or health insurance (such as AHCCCS).

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There is at least one entity offering transition and reentry services to inmates coming out of ADC. That organization reported that all its clients are AHCCCS eligible and that those released to the Transition Program currently have to participate in the ADC-contracted programming, even if they are voluntarily enrolled in programming offered by a non-contracted entity.

**Local Government Impact**

None

3/7/23