

Fiscal Note

BILL # HB 2606

TITLE: home arrest; electronic monitoring

SPONSOR: Payne

STATUS: House Engrossed

PREPARED BY: Geoffrey Paulsen

Description

The bill would create a new home arrest program in the Arizona Department of Corrections (ADC). An inmate sentenced for certain non-serious offenses would be eligible for release to home confinement and electronic monitoring under certain conditions.

Estimated Impact

We estimate that the bill would increase ADC's costs by \$7.2 million in FY 2025, \$6.2 million in FY 2026, and \$600,000 in FY 2027. These amounts include ADC's estimated operating and one-time start up costs of the home arrest program, along with JLBC Staff estimates of the offsetting revenue from offender supervision fees and the marginal savings realized from a reduced prison population. Marginal savings represent the incremental changes in food and non-health care costs such as clothing, but do not include any larger operational cost savings. Beginning in FY 2027, ADC estimates the bill would reduce the prison population by (3,624) inmates.

Given the reduction in the inmate population projected by ADC, the bill could result in much greater offsetting savings by reducing the state's required bed capacity. If the Executive and Legislature subsequently closed a state prison or ended a private prison contract, we estimate that the bill could generate net savings of up to \$(90) million per year within 5 years.

Analysis

The bill would create a new home arrest program for existing and future inmates sentenced for specified non-violent offenses, such as drug offenses, trespassing, burglary, theft, and fraud. Inmates would be eligible for release to home arrest up to 18 months before their release date and only after they have served at least 1 year of their sentence. The bill would prohibit inmates from participating if they have a conviction for a violent/aggravated felony, dangerous crime against children, have any violent disciplinary infractions while incarcerated, or have any felony detainees.

The program would begin eligibility starting with inmates who are within 6 months of their release date on December 31, 2024. Inmates within 12 months of their release would be eligible on March 31, 2025, and those within 18 months of their release would be eligible starting on June 30, 2025. The bill would require that ADC notify the victim and offer them an opportunity to be heard prior to granting home arrest. If the victim does not request a hearing, and the inmate is otherwise eligible for the program, the bill would require ADC to release that individual to home arrest.

During home arrest the inmate would be supervised by ADC staff. The bill specifies that an officer shall not supervise more than 100 individuals on home arrest. The inmate would also be required to meet certain conditions including paying a monthly home arrest supervision fee (determined by the director) and submitting to drug and/or alcohol testing. If the individual violates the conditions of home arrest set by the department, or is arrested for a new felony violation, ADC may revoke the home arrest and return the inmate to ADC custody to complete their term.

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ADC estimates that the home arrest population would be 1,835 by the end of FY 2025 and increase to 3,624 by the end of FY 2026. ADC reports it would need 34 new FTE positions in FY 2025 at a cost of \$2.9 million and 67 FTE beginning in FY 2026 at a cost of \$5.7 million to supervise inmates released to home arrest. ADC's staffing estimate is based on current Community Supervision staffing costs and assumes a ratio of 1 officer for every 65 supervisees.

ADC also estimates it would incur other ongoing operating costs such as fuel and maintenance costs for vehicles. ADC estimates these costs would total \$603,300 in FY 2025 and of \$1.2 million beginning in FY 2026.

ADC also included estimates for the cost of offender programming and counseling. ADC estimates those costs would be about \$571 per person per year, or \$1.1 million in FY 2025 and \$2.1 million beginning in FY 2026.

Finally, ADC estimated drug testing costs would be \$274,600 in FY 2025 and \$817,500 beginning in FY 2026. The bill would require each individual under house arrest to pay for the cost of participating in drug treatment or drug testing to the extent they are financially able to pay. ADC did not account for any potential offsetting charges to individuals.

In addition to staffing costs, ADC's costs would also include some one-time equipment costs, including vehicles, phones, and GPS monitoring devices. ADC reports it would need \$3.5 million in FY 2025 and \$3.4 million in FY 2026 for these one-time equipment purchases.

As noted above, the bill would allow ADC to charge a monthly home arrest supervision fee in an amount determined by the director. ADC did not provide an estimate of the revenue it might collect from this home arrest fee. Any monies collected are to be deposited into the Community Corrections Enhancement Fund. Under current law, individuals released to community supervision pay a \$65 monthly supervision fee. For the purposes of this analysis, we have assumed ADC would set the monthly home arrest fee at \$65. Assuming half of the home arrest population were able to pay for the fee, we estimate ADC could receive offsetting revenue of \$178,900 in FY 2025, \$1.1 million in FY 2026 and \$1.4 million beginning in FY 2027.

ADC would also achieve savings due to housing fewer inmates but did not account for this savings in their estimate. At a minimum, ADC would save the marginal food and non-health care related costs such as clothing, bedding and inmate programs. ADC has previously reported this marginal cost to be \$5.92 per day. Based on ADC's estimated home arrest population, we estimate these savings would be \$(1.0) million in FY 2025, \$(5.9) million in FY 2026, and \$(7.8) million beginning in FY 2027. Under this marginal cost analysis, the state would not realize any health care related savings, because the vendor contract for those services in state-run prisons uses a fixed minimum population assumption.

Combining ADC's estimated staff, operating, and equipment costs with the offsetting revenue and marginal savings, we estimate the bill would cost approximately \$7.2 million in FY 2025, \$6.2 million in FY 2026, and \$600,000 beginning in FY 2027 (see *Table 1*).

As discussed above, the inmate population could be significantly reduced in the long run. This reduction would allow the department to achieve much greater savings than the marginal housing costs by closing a state-operated prison or ending a private prison contract. Instead of the marginal savings discussed above, we estimate the net savings could be up to \$(90) million once the population stabilizes within 5 years. This estimate includes program costs of \$9.8 million, offsetting supervision fee revenue of \$(1.4) million, and bed closure savings of \$(98.3) million.

The ultimate level of savings will depend on future operational decisions by ADC and future budget decisions by the Executive and the Legislature. For example, this larger estimate assumes ADC removes prison capacity in line with the reduced population and also eliminates the associated correctional officer staffing. If the Executive and Legislature were to retain some prison capacity to accommodate future operational needs, or reallocate existing correctional staff to other facilities, the savings would be lower.

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Table 1			
Home Arrest Program (HB 2606)			
	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Estimated End of Year Home Arrest Population	1,835	3,624	3,624
	(\$ in Millions)		
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
<u>ADC Costs (ADC Estimates)</u>			
ADC Supervision Staff	\$2.9	\$5.7	\$5.7
ADC Other Operating Costs	0.6	1.2	1.2
Programming and Counseling	1.1	2.1	2.1
Drug Testing	0.3	0.8	0.8
Equipment (one-time)	<u>3.5</u>	<u>3.4</u>	<u>0.0</u>
<i>ADC Costs Subtotal</i>	<i>\$8.4</i>	<i>\$13.2</i>	<i>\$9.8</i>
<u>ADC Revenue/Savings (JLBC Staff Estimates)</u>			
Supervision Fee Revenue	(0.2)	(1.1)	(1.4)
Marginal Prison Cost Savings	<u>(1.0)</u>	<u>(5.9)</u>	<u>(7.8)</u>
<i>ADC Revenue/Savings Subtotal</i>	<i>(1.2)</i>	<i>(7.0)</i>	<i>(9.2)</i>
ADC Net Cost	\$7.2	\$6.2	\$0.6

Local Government Impact

None

3/8/24