



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

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

Date: May 8, 2023 5:43 PM **Author:** HUGHES
Dept./Agy.: Public Safety and Corrections; LCTCS **Analyst:** Daniel Druilhet
Subject: Criminal Justice Reinvestment Savings Allocations

BUDGETARY PROCEDURES OR INCREASE GF EX See Note Page 1 of 2
 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 allocates savings from CJR legislation as follows - 10% 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 removes the 45% allocation to LCTCS and creates a separate special fund in the state treasury for administration of LCTCS. Proposed law repeals the current law allocation of savings to DPS&C and contracts with parish jails and local facilities housing state inmates to incentivize expansion of recidivism, reduction programming and treatment services, and provides that those savings shall not be deemed bonafide obligations or carried forward.

| EXPENDITURES | 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. | SEE BELOW | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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. | (\$5,000,000) | DECREASE | DECREASE | DECREASE | DECREASE | (\$5,000,000) |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$5,000,000 | INCREASE | INCREASE | INCREASE | INCREASE | \$5,000,000 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | | | | | \$0 |

**EXPENDITURE EXPLANATION
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 the Treasury deposit into the Reinvestment in Offender Education Fund an amount sufficient to bring the unencumbered balance in the fund to \$5 M.
 Continued on Page 2

REVENUE EXPLANATION

Proposed law creates the statutorily dedicated Reinvestment in Offender Education Fund and directs the state treasurer to deposit monies into the fund at the beginning of each fiscal year to bring the fund balance to \$5 M. 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 Statutory Dedications 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 to monetize expansion of recidivism reduction programming and treatment services and provides that those savings shall not be continuous and recurring and shall not be bonafide obligations or carried forward into any subsequent year.

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. DPS&C-CS also states that the remaining \$5.8 M that would be realized in savings by DPS&C - CS that is mandated to be reallocated to LCTCS for recidivism reduction programs would be lost by DPS&C-CS under proposed law and replaced with a Statutory Dedication under the Treasury. Since passage of CJR legislation (Act 748 of the 2022 RS), DPS&C-CS has never sent LCTCS any funding 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 & Technical College System

Proposed law will increase Statutory Dedication revenues to the Louisiana Community & Technical College System (LCTCS) by \$5M. According to the LCTCS, it has not received any funds appropriated from JRI savings in FY 23 realized through current law (Act 748 - 2022 RS).

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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 Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:
[CONTINUED FROM PAGE 1 - EXPENDITURES]

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 Department of the Treasury through the proposed law's establishment of the Reinvestment in Offender Education Fund.

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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