

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: C. Wyland/L. Young	Date Prepared: June 18, 1990	Bill No.: S 1568	Edition: First
Approved By: Thomas L. Covington TOMC	JUNE 20, 1990		Sponsor: Senator Barker
Short Title: Inmates Pay for Incarceration			

TYPE OF FISCAL IMPACT	COUNTY		FUNDS AFFECTED:		
	State Gov't	Local Gov't	(X) General	() Highway	() Other: Local
No Fiscal Impact	()	()	State Fiscal Impact	FY90-91	FY
Increase Expenditure	(X)	()	State Total Req'ments	\$274,623 to \$2,231,213	
Decrease Expenditure	()	()	Receipts/Revenues	\$101,930,640 (maximum possible)	
Increase Revenue	(X)	()	Net State Expend./Rev.	See below for explanation	
Decrease Revenue	()	()	No. of Positions	11 to 98	
No Estimate Avail.	()	()	Local Fiscal Impact	FY	FY
			Local Total Req'ments		
			Receipts/Revenues		
			Net Local Expend./Rev.		
			No. of Positions		

Description of Legislation

- Summary of Legislation. This bill would require all inmates in the Department of Correction to reimburse the State \$20.00 per day for their incarceration. If the inmate has not reimbursed the State at the time of parole or release, the Department of Correction notifies the Clerk of Court who then determines the correct amount owed and enters the amount as a judgment and it shall constitute a lien. The Department of Revenue shall pursue collection of the debt, for the life of the judgment (ten years), through the Setoff Debt Collection Act.
- Effective Date
October 1, 1990
- Fund or Tax Affected

General Fund

4. Principal Department/Program Affected

Department of Correction, Judicial Department and the Department of Revenue.
 Cost or Revenue Impact on State

	FY 90-91	FY 91-92	FY
1.Non-Recurring Costs/Revenues			
2.Recurring Costs:			
Department of Correction	\$18,750	\$25,000	
Judicial Department	225,090-	228,654-	
	2,181,680	2,146,656	
Department of Revenue	30,783	28,675	
Revenues (Maximum possible):			
Incarcerated Inmates	8,743,575*	11,658,100*	
Parolees and Releases	101,930,640	135,907,520	

* See #3 below "Department of Correction"

3.Fiscal/Revenue Assumptions

Department of Correction:

The Department of Correction has based the maximum estimated revenues from inmates on Work Release upon the following data:

Average number of inmates on Work Release	1,597
Proposed incarceration fee	\$20
Receipts generated per day	\$31,940
Receipts generated per year	\$11,658,100

The above-projected receipts assume that the inmate earns a minimum of \$140 per week and would be able to pay the proposed \$20/day fee.

The Department of Correction has based the maximum estimated revenues for offenders being released or paroled upon the following data:

During the first quarter of the 1990 calendar year, 5,117 inmates were released or paroled. The average number of days of incarceration per inmate was 332 for a total billable number of inmate days of 1,698,844 for those released or paroled during the quarter. If the Department of Correction or the Department of Revenue collected the \$20.00/day incarceration fee, the maximum total possible would be \$33,976,880 for the quarter or \$135,907,520 annually if paroles, releases, and days served remain constant with first quarter data.

Approximately as many work release inmates are paroled or released each year as are placed on the program. Assuming that they have earned the minimum of \$140/week and have paid the full incarceration fee at the time of their parole or release, the maximum possible revenues collected from Work Release participants should be subtracted from the maximum revenues possible shown above for parolees or releasees. The estimated cost of billing by the Department of Correction for these offenders would be \$25,000 annually.

Judicial Department:

1. For the period of January 1 - March 31, 1990, the Department of Correction paroled or released 5,117 prisoners. If this is a representative quarterly rate, that would translate into approximately 20,500 prisoners released annually. While prisoners can pay against the \$20 day charge while incarcerated with money earned through work release, it is probable that every prisoner released will have an outstanding balance due. Upon receipt of the initial notification from the Department of Correction, the clerk will establish a new case file and monitor the passage of the 20 days. This will be 20,500 new case filings annually.

The proposed legislation does not specify how the clerk shall treat this initial filing. Because it is civil in nature (i.e., a collection case), it could be treated as a small claims case, a district civil case, a superior civil case, or special proceeding. Based on 1988-89 weighted caseload tables, the following number of additional clerk personnel would be required in order to maintain the current ratio of clerk to caseload:

a. If classified as a small claims case:
there are 2,373 filings for every 1 clerk;
20,500 cases will require 9 additional clerks
9 clerks = \$202,410 (90-91); \$198,414 (91-92)

b. If classified as a civil district case:
there are 960 filings for every 1 clerk;
20,500 cases will require 22 additional clerks
22 clerks = \$494,780 (90-91); \$485,012 (91-92)

c. If classified as a civil superior case:
there are 224 filings for every 1 clerk;
20,500 cases will require 96 additional clerks;
96 clerks = \$2,159,000 (90-91); \$2,116,416 (91-92)

d. If classified as a special proceeding:
there are 561 filings for every 1 clerk;
20,500 cases will require 36.5 additional clerks:
36.5 clerks = \$820,885 (90-91); \$804,679 (91-92)
* A deputy clerk position costs \$22,490 in 90-91; that same position costs
\$22,046 in 91-92.

While the proposed legislation does not specify how the clerk is to treat the initial notice from the Department of Correction, it does state that contested matters will be handled as special proceedings. Therefore, it may be appropriate to consider these matters as special proceedings from the start. If this is the case, an additional 20,500 cases represents an increase of 44% in special proceedings filings annually (46,405 special proceedings were filed in 88-89), and d. above applies.

2. 20,500 additional judgments to be abstracted and docketed annually. It is anticipated that each case will have a judgment to be docketed and abstracted. The cost of this activity should be covered by the addition of the personnel as outlined above in No. 1.

3. Adds Superior Court filings. Once the former prisoner contests, the special proceeding is automatically transferred to the Superior Court docket. Because the Department of Correction is the responding party, one would anticipate that there will be a response in each case contested by the former prisoner. Again, it is impossible to estimate the number of Superior Court cases which may arise. However, a conservative estimate might be that 10% of the 20,500, would be contested and filed in Superior. This represents an increase in Superior Court civil filings annually of 11.6%. (17,601 civil Superior Court filings in 88-89).

4. Increases the number of jury trials annually. Each of these 2,500 cases

could result in a jury trial. While it is difficult to predict how many might result in a jury trial, our experience is that 5% of Superior Court civil dispositions are by jury trial. Therefore, we would anticipate an additional 105 civil jury trials annually. This represents a 12.5% increase in the number of civil jury trials in Superior Court (840 civil jury trials were conducted in 88-89).

- a. If you assumed that a civil jury trial on the average will last more than one day but not more than two days, then 24 juror days per trial will be required. At \$12.00 per day the cost per jury trial would be \$288.00 (\$12.00 x 24). The cost of 105 jury trials per year would therefore be \$30,240.00.

5. Adds number of cases to be reported to the Department of revenue at year end for set-off debt collection. Adds 20,500 judgments to be reported. The clerks filed 41,000+ claims in 1990. Therefore, this would represent an increase of 51% in number of claims submitted to the Department of Revenue annually. Again, in terms of fiscal impact, one could assume that the cost of processing this additional work would be covered in the additional personnel brought on to handle the initial filings. (See no. 1 above).

Cost/Revenue Impact on County or Local Government

	FY	FY	FY
	88-89	89-90	

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues

3. Fiscal/Revenue Assumptions

Sources of Data for Fiscal Note

N.C. Department of Correction, Judicial Department, Department of Revenue

Technical Considerations/Comments



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