


1999 Session		LRB Number LRB3393/1
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)		Bill Number <b>AB0595</b>
X ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable
<b>Subject</b> Eliminate DOC's authorization for the private business prison employment program.		Administrative Rule Number
<b>Fiscal Effect</b> State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
Local: <input type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<b>Fund Sources Affected</b> X GPR <input type="checkbox"/> FED   X PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b> 20.410(1)(a),(gi), (hm)
<b>Assumptions Used in Arriving at Fiscal Estimate</b>  <p>The Department of Corrections (DOC) may lease space within state prisons and juvenile correctional institutions for not more than six private businesses to employ inmates to manufacture products or components or to provide services for sale on the open market. Current law also requires that the earnings of an inmate employed under this program be set aside for several purposes including: victim restitution, supporting the inmate's dependents and paying for the inmate's room and board. This bill would eliminate DOC's authorization for the private business prison program.</p> <p>Currently, DOC has contracts with two private businesses (Fabry Glove and Jorgensen Conveyor). A third private business has also been selected (Helgesen Industries), and DOC is in the process of obtaining contract approval from the Joint Committee on Finance. In preparing this fiscal estimate, DOC assumed that Fabry would continue operating at its current level, that Jorgensen would resume operation, and that the contract with Helgesen would be approved and the business in operation. DOC also assumed that no additional private businesses would be approved and in operation.</p> <p>Using these assumptions, DOC would employ approximately 48 inmates by June 30, 2001. If DOC were required to eliminate operation of these three businesses, FY02 expenditures would be reduced by \$693,000 through the elimination of staff salary and fringe, supplies and services, and inmate wages. Projected FY02 revenues would decrease by \$762,300. The loss of inmate wages would also result in a loss of \$147,100 in room and board being paid to DOC, and in \$74,800 being paid out for restitution, taxes, and child support. GPR costs would increase by \$8,000 annually to cover the costs of inmates wages for those who are involuntarily unassigned.</p>		
<b>Long-Range Fiscal Implications</b>		
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