

**STATE
FISCAL IMPACT**

Drafting Number: LLS 07-0265

Date: January 16, 2007

Prime Sponsor(s): Rep. King

Bill Status: House Judiciary

Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING CONSENT TO SEARCH AN INMATE ON PAROLE.

Fiscal Impact Summary	FY 2007-08	FY 2008-09
NET TOTAL		
State Revenue	\$0	\$0
State Expenditures	\$1,752,310*	\$386,218**
FTE Position Change	0.0 FTE	0.0 FTE
State Expenditures Detail		
General Fund*	\$1,752,310*	\$386,218**
Effective Date: July 1, 2007.		
Appropriation Summary for FY 2007/08: See State Appropriations Section		
Local Government Impact: None.		

* This amount is transferred from the General Fund to the Capital Expansion Reserve Fund for prison bed construction costs. As such, it does not count against the 6 percent General Fund appropriations limit and will reduce General Fund diversions for highway construction and capital construction.

** This amount represents operating costs, which are subject to the 6 percent General Fund appropriations limit.

Summary of Legislation

This bill requires any inmate who is eligible for parole, prior to applying for parole, to sign an agreement subjecting himself or herself to search or seizure by a parole officer, police officer, sheriff, or Colorado state patrol officer. Such search or seizure may occur at any time, day or night, with or without a search warrant, and with or without cause.

State Expenditures

Department of Corrections. The bill is expected to increase expenditures for the department by \$1,752,310 in FY 2007-08, and \$386,218 in FY 2008-09 and each year thereafter. The bill requires parolees to consent to search and seizure at any time with or without probable cause. In 2006, there were 6,551 parolees, or about 18 per day. Of these 2,792 parolees (or 42.6 %) had their parole revoked on technical grounds. Assuming that this bill results in an additional 1 % of parolees undergoing search and seizure that otherwise wouldn't happen, and that 42.6 percent of

these are found in violation of parole, an additional 28 parolees annually would be returned to prison for 6 months. To the extent that actual costs prove to be higher or lower than this amount, this fiscal note assumes that they will be addressed through the annual budget process.

Five-Year Fiscal Impact on Correctional Facilities

The adoption of this bill will result in a net increase in periods of imprisonment in a state correctional facility. Section 2-2-703, C.R.S., requires that such bills cannot be passed without five years of appropriations for prison bed construction and operating costs. Construction costs are estimated to be \$125,165 per inmate bed. Operating costs are \$78.58 per bed per day or \$27,587 per bed per year. It should be noted that the construction costs reflect the funding needed to construct inmate beds in the fiscal year prior to when additional offenders are expected to enter the system. This lag accounts for the estimated time for criminal filing, trial, disposition, and sentencing.

Prison bed construction is funded through a General Fund transfer to the Capital Construction Fund, which is then transferred to the Corrections Expansion Reserve Fund. These appropriations are not subject to the 6 percent statutory General Fund appropriations limit. General Fund appropriations for operating costs are subject to the 6 percent limit.

However, in the event state correctional facilities are at capacity, Sections 17-1-102, 104.9, and 105.5, C.R.S., authorize the Department of Corrections to permanently place state inmates classified as medium custody and below in private contract prisons. The state pays private prisons at a rate of \$51.91 per bed per day or \$18,947 per bed per year.

Table 1: Five-Year Fiscal Impact On Correctional Facilities				
Fiscal Year	Inmate Bed Impact	Construction Cost	Operating Cost	Total Cost
FY 2007-08	0.0	\$1,752,310	\$0	\$1,752,310
FY 2008-09	14.0	\$0	\$386,218	\$386,218
FY 2009-10	14.0	\$0	\$386,218	\$386,218
FY 2010-11	14.0	\$0	\$386,218	\$386,218
FY 2011-12	14.0	\$0	\$386,218	\$386,218
Total		\$1,752,310	\$1,544,872	\$3,297,182

Other State Impacts

Based on the December 2006 Legislative Council Staff revenue forecast, there is enough revenue to fully fund the diversion to the Highway Users Tax Fund (HUTF) under the provisions of SB 97-1 for the next five fiscal years and have additional revenue flow into the General Fund excess reserve. Under the provisions of HB02-1310, revenue in the General Fund excess reserve is diverted

two-thirds to the HUTF and one-third to capital construction. Construction costs for new prison beds are funded outside of the 6 percent appropriations limit. Therefore, the increased expenditure needed to fund this element of the bill would serve to reduce the amount of money available for diversion to the HUTF and to capital construction. In FY 2007-08, this amounts to \$1,168,265 from the HUTF and \$584,045 from capital construction.

State Appropriations

For FY 2007-08, the Department of Corrections will require a \$1,752,310 General Fund appropriation, plus the other five-year costs identified in Table 1.

Departments Contacted

Corrections

Public Safety