

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1899 PCB FC 05-08 Corrections Funding
SPONSOR(S): Fiscal Council; Negron
TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF
DIRECTOR				
	Orig. Comm.: Fiscal Council	18 Y, 0 N	Sneed	Kelly
	1) _____	_____	_____	_____
	2) _____	_____	_____	_____
	3) _____	_____	_____	_____
	4) _____	_____	_____	_____
	5) _____	_____	_____	_____

SUMMARY ANALYSIS

This bill eliminates the Florida Corrections Commission. In addition, this bill enables the Department of Corrections (DOC) to assess political subdivisions, with the exception of fiscally constrained cities and counties as defined in s. 985.2155, F.S., for services performed by inmates through its public works and community service work squads. Lastly, this bill amends the reporting requirements of the Prison Per-Diem Workgroup.

The House version of the General Appropriations Act eliminates the remaining funds of the Florida Corrections Commission, resulting in a reduction of \$79,046 from the General Revenue Fund. Staff salaries for the commission were vetoed in Fiscal Year 2004-05. The House version of the General Appropriations Act reduces General Revenue by \$13 million to DOC, and these funds are being replaced by anticipated billings to political subdivisions and state agencies for community work squad services. The revenues will be deposited into the Correctional Work Program Trust Fund.

This bill is effective July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government –

The bill eliminates the Florida Corrections Commission.

B. EFFECT OF PROPOSED CHANGES:

This is a conforming bill to the House version of the General Appropriations Act. It amends various statutes relating to correctional programs. This bill eliminates the Florida Corrections Commission, enables the Department of Corrections (DOC) to assess political subdivisions for services performed through community work squads, and requires the Prison Per-Diem Workgroup to report on the per diem rates of the state's privately operated correctional facilities only when necessary.

Florida Corrections Commission

The Florida Corrections Commission (commission) was established in Chapter 93-404, Laws of Florida, during a special session of the Legislature in 1993. Its specific membership, responsibilities and powers are defined in s. 20.315(6), F.S. The commission's primary role is to oversee Florida's correctional system, which includes reviewing the effectiveness and efficiency of the state's correctional efforts, recommending policies, and evaluating the implementation of approved policies.

The commission is administratively housed in DOC. Although organizationally located in the department, the commission functions as an independent entity in carrying out its mission.

The commission consists of 9 members, appointed by the Governor with confirmation by the Senate. The commissioners are unpaid volunteers representing all geographic areas of the state and have diverse backgrounds in law, construction, education, health care, information technology, business, food service, and inmate rehabilitation.

The primary functions of the commission include the following:

1. recommend major correctional policies for the Governor's approval, and assure that approved policies and revisions are properly executed;
2. periodically review the status of the state correctional system and recommend improvements to the Governor and the Legislature;
3. annually review community-based intermediate sanctions and recommend to the Governor and the Legislature approaches for planning and implementing such sanctions and programs;
4. evaluate DOC's annual legislative budget request, the comprehensive correctional master plan and the tentative construction program, determining compliance with all applicable laws and departmental policies and determining that the department's goals will be achieved in an effective, efficient and businesslike manner;
5. routinely monitor the financial status of DOC, assuring that the department is managing revenue and any applicable bond proceeds responsibly and in accordance with law;
6. regularly evaluate the efficiency, productivity, and management of DOC using performance and production standards;
7. provide public education on corrections and criminal justice issues;
8. report to the Senate President and the Speaker of the House every November 1; and

9. resolve disputes between the DOC and contractors for the private correctional facilities entered into under chapter 957, F.S., when a contractor proposes to waive a rule, policy, or procedure concerning operating standards.

In FY 2004-05, the Governor vetoed staff salaries for the commission. This bill eliminates all references to the commission in the statutes.

Department of Corrections Community Work Squads

Historically, the Department of Corrections (DOC) has provided inmate labor through community work squads for other state/local governmental agencies and non-profit organizations. The department uses both minimum and medium custody inmates in its community work squad program. Inmates assigned to the work squads are those who pose minimal risk to public safety. Individuals with an escape history are not eligible for consideration. The average size of a community work squad ranges from 8 to 12 inmates. In FY 2003-04, inmates in the DOC community work squads performed over 6 million hours of work.

Section 946.40, F.S., authorizes DOC to enter into agreements with political subdivisions of the state, including municipalities and state agencies, and non-profit corporations for the use of minimum and medium custody inmate services. This statute also allows for the department to be reimbursed from the budget of any state agency or state institution for the services of inmates and department personnel. However, the department cannot seek reimbursement from political subdivisions.

Section 944.10(7), F.S., authorizes DOC to enter into contracts with federal, state, or local governmental entities or subdivisions to provide services and inmate labor for the construction of buildings, parks, roads, any detention or commitment facility, or other such project, including site preparation and construction. The statute allows the department to charge fees for services and inmate labor and provides that all fees collected be placed in the department's Correctional Work Program Trust Fund.

DOC operates three types of work squads, as follows:

Department of Transportation Work Squads work under a master agreement between DOC and the Department of Transportation (DOT). Local agreements are then executed between each correctional institution/facility and the DOT maintenance yard and DOT district offices based on a master rate schedule of compensation and the task performed. Inmates provide various types of road and highway work. In the event of natural disasters such as hurricanes, these work squads assist in clean-up and repairs. Inmates are supervised by both agencies. In FY 2003-04, these squads performed over 2 million hours of inmate labor and DOC received \$15.2 million from DOT.

Contracted Work Squads were authorized by the 1997 Legislature and have been continued since. The governmental entity contracting with the department pays for the services performed by these work squads. DOC has approximately 44 active contracts involving 48 staff supervisors. In FY 2003-04, DOC performed over 572,000 hours of work through these work squads and received \$6.9 million through contracts with various governmental entities.

Public Works and Community Service Work Squads provide services to state and local governments and non-profit organizations using local agreements executed by its correctional institutions. As these projects vary greatly in type and duration, the number of inmates assigned varies as well. Supervision of these squads can be provided by a correctional officer or by an authorized employee of the agency, political subdivision, or non-profit organization. For FY 2003-04, these public works and community service work squads performed over 3.8 million hours of

labor to state agencies, political subdivisions and non-profit organizations “free of charge” (See chart below).

Currently, DOC may be reimbursed from any state agency or state institution for public works and community work service squads. Section 946.40, F.S., provides that no political subdivision of the state is required to reimburse the department for such services.

The House version of the General Appropriations Act reduces General Revenue by \$13 million to DOC, and these funds are being replaced by anticipated billings to political subdivisions and state agencies for community work squad services. The revenues will be deposited into the Correctional Work Program Trust Fund. However, this bill exempts fiscally constrained counties as defined in s. 985.2155, F.S., and municipalities within fiscally constrained counties. A fiscally constrained county is currently defined as a rural area of critical economic concern for which the value of a mill is no more than \$3 million. The bill also exempts political subdivisions from paying for services during a state of emergency.

Public Works & Community Service Work Squads FY 2003-04

	Total Inmate Hours	Value Added/ Cost Savings ⁽¹⁾
Counties	1,552,918	\$18,790,308
Cities	1,082,096	\$13,093,362
State Agencies	901,771	\$10,911,429
Non-Profit Organizations	168,582	\$2,039,842
Colleges	47,329	\$572,681
U.S. Government	43,489	\$526,217
Other Political Subdivisions ⁽²⁾	18,914	\$228,859
TOTAL Public Works & Community Service Work Squads	3,815,099	\$46,162,698

(1) The value of work is determined by multiplying the hourly wage value of \$12.10 times the hours worked. The hourly wage value of \$12.10 is a benefited hourly wage value. The base hourly wage value is determined from the Florida Occupational Wages 2004 Edition prepared by the Florida Agency for Workforce Innovation. Added to this base hourly wage value are benefits for social security, retirement, health and basic life insurance.

(2) Includes water management districts, regional planning councils, National Guard Armory, etc.

Prison Per-Diem Workgroup

Section 957.07, F.S., states that the Department of Management Services (DMS) may not enter into a contract for the construction and operation of a privately operated prison unless it is determined that the total contract amount for the facility will result in a cost savings to the state of at least 7% over similar facilities constructed and operated by the state. Contracts for private prisons are required by section 957.04(1)(h), Florida Statutes, to be for three years with authority to extend.

Section 957.07 (5)(a), F.S., states that by February 1, 2002, and each year thereafter, the Prison Per-Diem Workgroup shall develop consensus per diem rates for public prisons to be used when determining per diem rates of privately operated prisons. The Department of Management Services, however, is directed by section 957.07(1), Florida Statutes, to use data provided by the Department of Corrections, rather than the per-diem workgroup, in determining whether a contract meets the 7% savings requirement.

This bill amends s. 957.07 (5)(a), F.S., to allow the Prison Per-Diem Workgroup to develop consensus per diem rates on an as-needed basis.

C. SECTION DIRECTORY:

Section 1. Repeals s. 20.315(6), F.S., to abolish the Florida Corrections Commission.

Section 2. Amends s. 944.8041, F.S., to delete all references to the Florida Corrections Commission relating to annual reporting requirements on elderly offenders within the correctional system and adds the Governor as a recipient of the annual report.

Section 3. Amends s 946.40, F.S., to enable the Department of Corrections to assess political subdivisions for services received from inmates assigned to public community work squads. Fiscally constrained cities and counties as defined in s. 985.2155, F.S., are not required to pay for the services.

Section 4. Amends 957.04, F.S., to replace the Florida Corrections Commission with the Department of Management Services for resolving disputes between the Department of Corrections and contractors regarding rules, policies, or procedures concerning standards of operation for private correctional facilities entered into under chapter 957, F.S.

Section 5. Amends s. 957.07(a) and (e), F.S., providing that the Prison Per- Diem Workgroup shall only be required to develop consensus per diem rates of privately operated prisons on an "as needed" basis.

Section 6. Amends s. 957.12, F.S., to replace the Florida Corrections Commission with the Department of Management Services involving contract bidding process prohibitions.

Section 7. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill will allow the state to bill local governments and other political subdivisions for services performed by community work squads. This is expected to increase revenue into the Correctional Work Program Trust Fund by \$13 million.

2. Expenditures:

The House version of the General Appropriations Act contains a fund shift of \$13 million from General Revenue to the Correctional Work Program Trust Fund.

The House version of the General Appropriations Act also contains a reduction of \$79,046 from General Revenue which represents the remaining funds in the budget for the Corrections Commission.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

While local governments will not be forced to contract with the department, those that wish to use the services of the department will have to pay an amount negotiated with the department. Fiscally constrained counties and municipalities within fiscally constrained counties will not be required to pay for services.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

This is a conforming bill to the House version of the General Appropriations Act.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenue in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES