LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 1986
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 9, 2018

SUMMARY

Synopsis: “Earn Your Way Out Act”; requires DOC to develop inmate reentry plan; establishes administrative parole release for certain inmates; requires study and report by DOC on fiscal impact.

Type of Impact: General Fund savings and expenditure.

Agencies Affected: Department of Corrections, State Parole Board.

Office of Legislative Services Estimate

<table>
<thead>
<tr>
<th>Fiscal Impact</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>State Cost</td>
<td>Indeterminate – See comments below</td>
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- The Office of Legislative Services (OLS) concludes that enactment of the bill would result in indeterminate costs and savings.

- Although expenditure reductions could result from moving inmates from prison to parole and reducing the number of parole hearings required for parole, under the bill, some portion of these savings must be made available for reallocation to the Office of Victim Services.

- The OLS notes that the bill requires the Department of Corrections (DOC) to analyze the cost to the State for the initial implementation and annual operating cost of the program and estimate any cost savings that may be realized from enactment. Most of the provisions of the bill will take effect three months after enactment. However, the Division of Reentry and Rehabilitation Services will be established in the DOC only under the following circumstances: 1) the Division of Reentry and Rehabilitation Services will be established on the first day of the sixteenth month following enactment if the DOC determines in its report that there will be no additional net costs to the department on a recurring fiscal year basis or establishment of the division is cost-neutral within the department; or 2) if the report concludes that there is a cost, the Division of Reentry and Rehabilitative Services would be established upon the effective date of an enactment by law of an appropriation of funds for the express purpose of the implementation of the division.
BILL DESCRIPTION

Assembly Bill No. 1986 of 2018, entitled “Earn Your Way Out Act,” implements various corrections and parole reforms, including: requiring the DOC to establish a reentry division responsible for developing a reentry plan for each inmate; establishing administrative parole release for certain inmates; providing for parole compliance credits; creating an inmate disciplinary database; and mandating an impact study of the bill’s reforms by an institution of higher education’s criminal justice program. The bill also requires the DOC to conduct a study and issue a report concerning the fiscal impact of the bill’s provisions. Under the bill, the Commissioner of Corrections is required to establish a Division of Reentry and Rehabilitative Services to coordinate reentry preparation and other rehabilitative services within all State correctional facilities and to act as a liaison to the State Parole Board. Staff within the division is responsible for developing and implementing an individualized, comprehensive reentry plan designed to prepare each inmate for successful integration as a productive, law-abiding citizen upon release.

The Commissioner of Corrections, in consultation with the Chairman of the State Parole Board, is to conduct a study to determine the fiscal impact of establishing a Division of Reentry and Rehabilitative Services. In conducting the study, the commissioner is required to analyze the costs to the State resulting from initial implementation and annual operating expenditures resulting from the establishment of a division, and estimate any cost savings that may be realized from enactment of the bill, such as from administrative parole of inmates.

The Commissioner of Corrections also is required to allocate a portion of any cost savings realized from the bill’s enactment to the Office of Victim Services for the operating costs of the Focus on the Victim Program and to other services to facilitate successful reentry.

The bill requires the commissioner to issue a report to the Governor and the Legislature no later than one year following the date of enactment. The report is required to include, at a minimum: 1) a determination of whether the establishment of a Division of Reentry and Rehabilitative Services, and the responsibilities associated with establishing the division, will result in additional net costs to the department on a recurring fiscal year basis or whether the provisions are cost-neutral within the department; and 2) if it is determined that it will result in additional net costs to the department, the report is to include an itemized list of the type and amount of the additional net costs.

This bill is to take effect on the first day of the third month following enactment. But the establishment of the reentry division is to take effect either: on the first day of the sixteenth month following enactment if the report concludes that establishment of the reentry division will result in no additional net costs to the department on a recurring fiscal year basis or is cost-neutral or, if the report concludes otherwise, upon the effective date of an enactment by law of an appropriation of funds for the express purpose of establishing the reentry division.

FISCAL ANALYSIS

EXECUTIVE BRANCH

State Parole Board

None received
OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that enactment of the bill would result in an indeterminate impact on State expenditures.

Although expenditure reductions could result from moving inmates from prison to parole and reducing the number of parole hearings required for parole, under the bill, some portion of these savings must be made available for reallocation to the Office of Victim Services. The OLS notes that according to information provided by the DOC the average annual cost to house an inmate in a State prison facility totals $45,000. The annual marginal cost for food, wages and clothing totals about $2,610 per inmate.

The OLS notes that the bill requires the DOC to analyze the cost to the State for the initial implementation and annual operating cost of the program and estimate any cost savings that may be realized from enactment. Most of the provisions of the bill will take effect three months after enactment. However, the Division of Reentry and Rehabilitation Services will be established in the DOC only under the following circumstances: 1) the Division of Reentry and Rehabilitation Services will be established on the first day of the sixteenth month following enactment if the DOC determines in its report that there will be no additional net costs to the department on a recurring fiscal year basis or establishment of the division is cost-neutral within the department; or 2) if the report concludes that there is a cost, the Division of Reentry and Rehabilitative Services would be established upon the effective date of an enactment by law of an appropriation of funds for the express purpose of the implementation of the division.

According to the bill, other aspects of the program will take effect on the first day of the third month following enactment:

1) Administrative parole without a parole hearing would be granted to eligible inmates resulting in potential savings in reducing parole board hearings.

2) Parole compliance credits would be awarded to eligible parolees resulting in potential savings by reducing parole time.

3) A centralized database on inmate disciplinary reports would be developed resulting in indeterminate cost.

4) Inmate compliance credits would begin at the time of arrest for time served in a county jail rather than time of incarceration, resulting in potential savings by reducing the amount of time served for an inmate to reach his or her parole eligibility date.