FISCAL NOTE TO

ASSEMBLY, No. 2291

STATE OF NEW JERSEY

DATED: JANUARY 3, 1997

Assembly Bill No. 2291 of 1996 requires inmates sentenced for first and second degree offenses to serve a minimum of 85 percent of his court-ordered term of incarceration regardless of the number of commutation credits, work credits, or minimum custody credits earned. Flagrant misconduct during imprisonment would result in the loss of credits and cause the inmate to serve an even greater percentage of the term. The bill would authorize the Parole Board to make exceptions for offenders who are at least 65 years old who have served a minimum of five years, or those who are 60 years old who have served a minimum of 10 years, and who have been determined to have a medical condition that precludes them from posing a threat to the public. The bill would take effect on January 1, 1998 in order to provide sufficient time for the construction of additional prison bed spaces necessary to accommodate the anticipated increase in prison population.

The Department of Corrections (DOC) states that the bill would substantially increase the length of stay for the affected inmates, resulting in a significant increase in the adult inmate population.

Based on its admissions and length of stay data, the department estimates that the bill would result in the need to house a minimum of 6,100 more inmates than would be expected under the current statutes and provisions. Impact would begin to accrue in 1999, and full impact of this bill would be achieved by the year 2014.

According to the department, the average cost of housing an inmate in a State institution is currently $26,000 per year. The one-time cost of building additional bed space is about $80,000 per inmate. Under the proposed bill, the State would incur additional ongoing operating costs of $4 million and one-time capital expenses of $12.4 million during the first year, $20 million in additional ongoing operating and $61.7 million in one-time capital expenses during the second year, and $26 million in additional ongoing operating and $80.2 million in onetime capital expenses during the third year of implementation. By year 2014, the year in which additional costs should stabilize, the State would have incurred ongoing operating costs of $158 million per year and one-time capital costs of $487 million. Below is a chart illustrating the incremental and total costs of implementing the bill by year.

PROJECTED INCREASE IN COSTS

Year	Additional Inmates	Capital Costs Per New Bed @$80,000	Annual Add Per Capita Operating Costs @$26,000	Total Add Per Capita Operating Costs
1	0	$ 0	$ 0	$ 0
2	155	12,400,000	4,030,000	4,030,000
3	771	61,680,000	20,046,000	24,076,000
4	1,002	80,160,000	26,052,000	50,128,000
5	768	61,440,000	19,968,000	70,096,000
6	706	56,480,000	18,356,000	88,452,000
7	563	45,040,000	14,638,000	103,090,000
8	443	35,440,000	11,518,000	114,608,000
9	344	27,520,000	8,944,000	123,552,000
10	211	16,880,000	5,486,000	129,038,000
11	234	18,720,000	6,084,000	135,122,000
12	234	18,720,000	6,084,000	141,206,000
13	188	15,040,000	4,888,000	146,094,000
14	158	12,640,000	4,108,000	150,202,000
1 5	130	10,400,000	3,380,000	153,582,000
16	112	8,960,000	2,912,000	156,494,000
17	67	5,360,000	1,742,000	158,236,000
18	0	0	0	158,236,000
TOTAL				
	6,086	**$486,880,000**		**$158,236,000**

The Department of Corrections also states that ultimately the bill would yield a reduction in the number of offenders assigned to parole supervision caseloads. The timing of this anticipated reduction of caseload and how it would affect the additional institutional operating costs cannot be currently determined. However, assuming that the current parole requirements remain as they are, the savings in parole supervision would be about $1,250 per inmate per year.

The department further states that while the department could be eligible for partial reimbursement of capital expenditures based in the provisions of the federal crime bill (H.R.667) it is not known what percentage of the total amount would be offset by federal funds.

The Office of Legislative Services concurs.

This fiscal note has been prepared pursuant to P.L.1980, c.67.