

# Commission on Local Government

## Estimate of Local Fiscal Impact

2022 General Assembly Session

**Bill:** SB 581

**Special Session:**

**Patron:** Morrissey

**Date:** 1/24/2022

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

### Bill Summary:

Local correctional facilities; fees. Eliminates certain fees charged to inmates within a local correctional facility, including a fee to defray the costs associated with an inmate's keep, travel and other expenses associated with an inmate's work release employment or participation in an educational or rehabilitative program, and telephone systems. The bill also caps certain fees charged to inmates within a local correctional facility, including that the cost of items within a correctional facility's store or commissary and that the fee associated with electronic visitation and messaging systems. The bill removes provisions that if an inmate is unable to pay in full certain fees, the inmate must enter into a deferred or installment payment agreement with the local correctional facility, or that such facility may enter into a contract for collection of such fees with a private entity, a local governing body, or the county or city treasurer. The bill also provides that, upon discharge from a local correctional facility, an inmate shall receive, in the form of a check, electronic transfer, or a debit or other account card, the balance of all accounts maintained by the facility for an inmate's use.

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### Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0 - \$3.5 million; however, the maximum impact was for an entire regional jail system, rather than the individual county.

For the localities that did report a negative fiscal impact, the costs would stem from the lost revenue from the correctional service fees. Several localities noted that inmate fees were dedicated revenue sources to fund additional enrichment opportunities for the inmates themselves (such as GED, ESL, work release, library, and other programs). These localities noted that the bill would require them to replace those revenues with general fund appropriations, regional jail membership fees, and/or donations, or forgo services funded by these revenues.

Some localities reported that the bill would produce no fiscal impact, as their localities were not responsible and/or incurred only minimal correctional costs.

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### Local Analysis:

**Locality:** Alleghany County

**Estimated Fiscal Impact:** \$70,000.00

The dollar amount is derived from an average of the last three years' revenue from these sources.

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**Locality:** Amherst

**Estimated Fiscal Impact:** \$0.00

N/A

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**Locality:** Augusta County

**Estimated Fiscal Impact:** \$427,215.00

Bill generally deals with reducing or eliminating fees that local and regional jails can currently charge inmates (daily keep fee, medical co-pays, work release, house arrest etc.)

Limiting a local and regional jail's ability to charge for certain services will result in a reduction in revenue; revenue that is critical in many cases to the local and regional jail balancing their annual budget. The County is a member of Middle River Regional Jail which generated more than \$1,250,000 in inmate fees for FY 2021. This lost revenue would need to be replaced by increasing each member jurisdictions annual contribution. This contribution is funded by the local tax base - such as real estate, personal property taxes. Local expenditures are determined by a three year average of inmate beds used.

Limiting a local and regional jail's ability to charge for inmate phone services will have a detrimental impact on the safety and security of staff and the community. Currently these services result in a secure and manageable inmate phone system. Local and regional jail staff can review calls, control calls, respond to requests from law enforcement and limit calls to victims. If the system is dramatically modified the local and regional jail would either have to fund these types of phone systems with appropriated tax dollars or abandon these platforms altogether. Requiring reasonable fees is the best method for controlling the cost of inmate phone systems.

Fee Type MRRJ FY 2021 Revenue  
Daily Keep Fee \$350,510  
Medical Copay \$70,317  
Work Release/ House Arrest \$302,689  
Phone Calls \$500,000  
Total \$1,256,516  
x34% for County \$427,215

Limiting the local and regional jail's ability to charge certain fees may result in the elimination of the service. As an example, if fees are not allowable for house arrest or work release programs than facilities will question the value of those programs as they are not mandated services. Each local or regional jail determines if these programs serve the best interest of their localities.

Finally, funds generated through the inmate commissary generally directly fund inmate programs and inmate services.

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**Locality:** City of Alexandria..

**Estimated Fiscal Impact:** \$175,000.00

Estimated fiscal Impact is \$175,000. Monies expended from this revenue source pay for contracted employees to provide ESL, library, and chaplaincy services, wages for the inmate workforce, workforce incentive meals, GED programming, awards for various programs such as writing or art competitions, items for indigent inmates, and many other basic and enhanced services. During the pandemic these funds also provided for flexibility to increase inmate workforce pay, compensation to inmates as an incentive for the vaccine, compensation to offset housing restrictions, incentive meals, and alternative canteen products for inmates in quarantine. The ongoing impact to the WGTADC would likely be a loss of inmate benefits and programs because the \$175,000 costs for inmate programs and benefits would be funded by taxpayer dollars and in competition with other City needs. Banks may not be set up to provide electronic funds transfer options to public funds accounts without hefty fees. The EFT fees on current public funds accounts are prohibitive. The impact would be increased costs to the WGTADC to provide EFT services through our financial institution. To cover the bank fees, either an equivalent fee would need to be charged to the inmate or the City's General Fund would absorb the fees. At this time, cost is unknown. There are two other options available to transfer funds to inmate accounts. Lastly, if local correctional facilities (jails and detention centers) are included in the ban on telephone commissions, the aforementioned applies. This is because we use the telephone commissions to fund equipment for housing units and free phone calls for all inmates during the pandemic.

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**Locality:** City of Harrisonburg

**Estimated Fiscal Impact:** \$150,000.00

Estimate for fees listed in bill summary.

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**Locality:** City of Manassas

**Estimated Fiscal Impact:** \$100,000.00

The City of Manassas is part of a regional jail system with Prince William County. The total annual fiscal impact of this legislation is \$500,000. Of this amount, we estimate the fiscal impact to the City of Manassas to be \$100,000.

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**Locality:** City of Roanoke

**Estimated Fiscal Impact:** \$851,000.00

Revenue loss would equate to \$617,000 - \$1,085,000. This averages to \$851,000. All revenues are spent towards the benefit of the inmates. These expenses are necessary and would need to continue despite the loss of revenues. Revenues were calculated as follows. Commissions (phone and video visitations) account for \$250k-450k; Commissary sales \$250k-\$350k; Commission (electronic messaging) \$15k-25k; Pay-for-stay (\$1/day) \$90k - 225k; Weekender fees and work-release fees \$12k-35k.

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**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$1,052,000.00

The City of Winchester is part of a regional jail system, the City's portion of the \$1,052,000 would be \$377,000.

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**Locality:** County of Mecklenburg

**Estimated Fiscal Impact:** \$0.00

There will be an impact due to this legislation; however, because our county is a member of a regional jail, the impact will be indirect on the county. Eventually, our contribution to the regional jail would likely increase. Such action would require future budget proposals of the jail and be dependent upon decisions by the jail's governing board. Accordingly, an estimated fiscal impact to the county can not be provided at this time.

**Locality:** Montgomery County

**Estimated Fiscal Impact:** \$65,000.00

The two biggest concerns our jail personnel have are capping or removing commission on phone calls and commissary. The commission received for commissary is used solely for the inmates and their programs. It pays for cable, programs and program material, books for the library, educational material and GED costs, gym equipment and games. Capping that would have a devastating effect on the quality and quantity of our programs, material and equipment. The Jail would have to rely on donations for those things, and some programs would be cut entirely.

Commission on phone calls, electronic devices helps cover the cost of those services as well and would have an impact on revenue. Again, the quality of service for the inmate would also be greatly affected. The tablets offer a variety of services, even to indigent inmates. If no commission can be made from these devices and the cost of offering movies, games, educational material etc. fell solely on the facility then the Jail would probably not use the tablets, but only offer phone services.

When inmates are released from a facility, they do receive any monies left on their account. If they go to another facility we send a check, If they are released from our facility they get a debit card.

Our Jail does not have work release programs but does have HEM. The fee for that helps cover the cost of the equipment, drug testing and software needed for the program. If the Jail had a cap, or if we weren't able to collect those funds the Jail would not be able to continue the program.

**Locality:** Prince George County

**Estimated Fiscal Impact:** \$15,000.00

Prince George County does not have a local correctional facility, but participates with Riverside Regional Jail. We pay RR Jail a specific per diem for our inmates. This loss in revenue from prisoners would result in an increase in costs for us. We are unable to scientifically determine our fiscal impact, but have estimated \$15,000.

**Locality:** Rappahannock County

**Estimated Fiscal Impact:** \$750,000.00

This bill could drastically impact revenue to local and regional jail facilities. The fiscal impact listed is for the Rappahannock-Shenandoah-Warren Regional Jail. The total of projected fiscal impact of \$700,000 to \$750,000 would be due to reductions of:

- Prisoner Keep Fees / Daily Housing Fees
- Room and Board For Work Release participants
- Telephone Commissions – We currently do charge Commission for Video Visitation
- Commissary Sales Commissions

**Locality:** Town of Blacksburg

**Estimated Fiscal Impact:** \$0.00

The Town does not have any local correctional facilities. That is a County responsibility.

**Locality:** Town of Christiansburg

**Estimated Fiscal Impact:** \$4.00

The Town of Christiansburg houses inmates at the New River Regional Jail, the Western Virginia Regional Jail, and the Montgomery County Jail; however, our cost would likely increase due to increased fees. We would estimate that it would be a 10% increase in such cost which currently totaled \$120.00 over the last three years, and this would result in an estimated \$4.00 annual increase for the Town. The Town typically utilizes Code of Virginia for charges that likely will result in jail time and therefore our annual cost are relatively low.

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**Locality:** Town of Kenbridge

**Estimated Fiscal Impact:** \$0.00

We do not have a correctional facility within our town limits.

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**Locality:** Town of Leesburg

**Estimated Fiscal Impact:** \$0.00

Correctional facilities are owned and operated by Loudoun County for all inmates County wide and costs are not charged back to the Town, so this measure has no fiscal impact on Leesburg.

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**Locality:** Town of Luray

**Estimated Fiscal Impact:** \$0.00

Potential loss of revenue for County jails would need to be provided by the Commonwealth.

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**Locality:** Town of Marion.

**Estimated Fiscal Impact:** \$0.00

no town impact

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**Locality:** Town of Scottsville

**Estimated Fiscal Impact:** \$0.00

No fiscal impact upon Scottsville or similarly situated small towns.

Our regional jail is a fiscal partnership of the nearby city and county. The Town does not have board representation for the jail and does not pay into its operating budget.

This might would likely have a small operating impact to jails, reducing their revenue. But the Town would not be directly affected.

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**Locality:** Wise County

**Estimated Fiscal Impact:** \$3,500,000.00

This fee could easily cost the Southwest Virginia Regional Jail Authority \$3.5M. This reduction would need to be made up from the member localities who are already stretched financially.

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**Professional and Other Organization**

**Analysis:**

**Organization:** Northern Neck PDC

The reduction or elimination of fees levied by local law enforcement would negatively impact the localities. These fees are part of the budget for local law enforcement, and removing this source of income puts additional fiscal stress on law enforcement budgets to provide for inmates.

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