

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 0003D Relating to the Department of Corrections

SPONSOR(S): Representatives Kyle and Bilirakis

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Appropriations		DeBeaugrine	Hansen
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

The bill provides an appropriation of \$65.9 million (\$48.3 million General Revenue) to the Department of Corrections to accommodate additional inmates expected to enter the prison system based on the July 9, 2003 projections of the Criminal Justice Estimating Conference. The bill also allows the department to request additional positions and funds during the interim if inmate population exceeds the budgeted projection by certain threshold amounts. The bill allows the Governor to initiate fixed capital projects based on any revised official forecast of the Criminal Justice Estimating Conference. The bill also waives certain procurement requirements in order to expedite construction of some of the new facilities authorized by the bill if the Secretary of Corrections determines it necessary to accommodate projected inmate population levels.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0003D.ap.doc
DATE: August 11, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

B. EFFECT OF PROPOSED CHANGES:

Key provisions of the bill are as follows:

1. This bill provides additional appropriations of \$65.9 million (\$48.3 million General Revenue) to the Department of Corrections to meet the increased inmate population projection forecast by the Criminal Justice Estimating Conference (CJEC).

[Present Situation: In fulfilling the Department's mission of protecting the public by maintaining a safe, secure, humane and efficient corrections system, the Legislature develops a budget based on inmate population projections as developed by the Criminal Justice Estimating Conference (CJEC). The FY 2003-04 General Appropriations Act which passed in May, 2003 appropriates \$1.8 billion to the Department of Corrections. The department's budget for the institutions was based on the September 2002 CJEC projection of 78,571 inmates in the system by June 30, 2004.

While the September estimate was tracking within ½% of actual inmate population through May, June figures reflected a substantial increase. Combined with underlying data showing unexpectedly high admissions starting in March, there was concern that the June figure was not an isolated phenomenon but a new trend that would continue for the foreseeable future. Thus, the principals of the CJEC met on July 9, 2003 and revised the official forecast to reflect an inmate population of 81,266 by the end of FY 2003-04. This is 2,695 more inmates than the September estimate. Preliminary July and August data show actual inmate population tracking very closely to the new estimate.

Additional funding is required to maintain the existing level of correctional officers, health services, food and other operating expenses based on the new forecast. In addition, funding for construction of new facilities is needed to accommodate short-term space needs and long-term growth.]

2. The bill waives specific competitive bid and procurement regulations to expedite the construction of 14 new 131 bed dormitories, the Santa Rosa annex, and improvements to the Hendry Correctional Institution necessary to use the facility. Specifically, sections 255.0525(1), 255.29(2) and (3), 287.055(3), (4), (5) and (9), and 287.057(1)(a) are waived.

[Present situation: The current CJEC forecast indicates a need for additional space starting July 1, 2004. The department plans to fill the short-term space needs through 14 new quick-construct dorms at existing institutions. The department advises that, once work begins, construction takes from 6 to 9 months for these buildings. Any delays in commencing construction activities could result in space not becoming available in a timely manner. In addition, the current CJEC forecast indicates a need to immediately commence construction activities for the new Santa Rosa annex facility in order to ensure that adequate space will be available over the long term.]

3. The bill amends language in the current implementing bill to allow the department to request additional positions and funding if the actual inmate population exceeds the budgeted projection by 1% for two consecutive months or 2% for any given month. If this threshold is reached, the Governor is required to immediately notify the CJEC which must convene as soon as possible to revise its estimate. Any budget action taken pursuant to this authority is subject to review and approval by the Legislative Budget Commission.

[Present situation: Current law contains provides essentially the same authorization to the Governor with the requirement that the inmate population must exceed the budgeted estimate by 2% for two consecutive months. There is no current requirement for notifying the CJEC.]

4. The bill allows the Governor to approve the initiation of new fixed capital outlay projects within the Department of Corrections if he certifies that this is necessary to meet the demand indicated by any revised estimate of the CJEC. Any action taken pursuant to this authority is subject to review and approval by the Legislative Budget Commission.

[Present situation: 216.292 (5)(d), F.S. prohibits initiation of fixed capital outlay projects in the absence of a legislative appropriation.]

5. The bill appropriates \$75,000 to the Correctional Privatization Commission to issue a Request for Proposals for the design, construction, and operation of a new 1,800 bed facility. Each proposal must also include an option for financing the initial acquisition and construction costs. The Commission is directed to forward the results to the Legislature for final approval before moving forward with the project.

[Present situation: The Correctional Privatization Commission procures and oversees the provision of prison beds through private sector vendors. These projects have traditionally been turn-key operations where the vendor acquires the land, constructs the facilities, obtains financing for the initial acquisition and construction costs, and operates the prisons. Private facilities have historically been financed through the issuance of tax exempt bonds.]

6. The bill authorizes the department to contract for the full cost of construction for the new Santa Rosa annex that is partially funded in the bill.

[Present situation: Section 216.311, F.S. requires specific authorization in law before an agency can enter into a contract for more than the amount presently appropriated.]

7. The bill provides for the reversion of \$8.6 million of Federal funds appropriated in the FY 2003-04 General Appropriations Act that are not needed during the current year. These funds will be available for future needs.

C. SECTION DIRECTORY:

- Section 1. Provides DOC a mechanism to request additional positions and operational funds.
- Section 2. Allows the Governor to initiate prison construction under certain circumstances.
- Section 3. Provides DOC additional operations and fixed capital appropriations.
- Section 4. Waives specific competitive bid and procurement requirements.
- Section 5. Provides authority and appropriations to the Correctional Privatization Commission to issue Request for Proposals.
- Section 6. Permits contract to begin construction of Santa Rosa annex.
- Section 7. Reverts certain funds from the FY 2003-04 GAA.
- Section 8. Special Session disclaimer language.
- Section 9. Provides an effective date upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

FY 2003-04:

The total fiscal impact of this bill is \$65.9 million (\$48.3 million General Revenue) for FY 2003-04.

Specifically, 512 FTE and \$30.2 million is provided for operating costs to the Department of Corrections as follows:

- 351 FTE and \$12.3 million for costs associated with additional correctional and classification officers that provide direct supervision of inmates;
- \$9.8 million for inmate variable expenses (e.g. food, health care, utilities);
- 94 FTE and \$5.1 million for support staff needed to reopen the Hendry Correctional Institution;
- 67 FTE and \$3 million for support staff needed to reopen the S. Florida Reception Center South Unit.

An additional \$35.6 million is provided for fixed capital outlay (construction, renovation, and major equipment) as follows:

- \$1.3 million for renovations and major equipment purchases necessary to reopen the Hendry Correctional Institution;
- \$10 million GR and \$17.5 million trust funds to begin constructing a new 1,380-bed annex at the Santa Rosa Correctional Institution;
- \$4.9 million for fourteen, new, 131-bed quick-construct dormitories;
- \$2 million for planning and permitting for a new 1,380-bed annex at the Washington Correctional Institution.

Also, \$75,000 is provided to the Correctional Privatization Commission to issue a request for proposals for the design, construction and operation of a new 1,800-bed facility. This project, however, will be subject to final Legislative approval.

FY 2004-05:

The department is requesting an additional \$11.5 million from General Revenue to cover annualization of the recurring operating costs. In addition, up to \$21.2 million will be necessary during FY 2004-05 to complete funding for the Santa Rosa Annex. The Washington Annex is projected to cost another \$48.8 million.

These items total \$81.5 million needed for FY 2004-05. Approximately \$8.6 million for construction of new beds can be paid for with the federal funds that are reverted in section 7 of the bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Cost estimates for the private prison facility are not available at this time. The Correctional Privatization Commission will forward pricing and financing information to the Legislature before a final decision is made on whether to proceed with the project.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

2. Other:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES