

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4654-01
Bill No.: HB 1136
Subject: Prisons and Jails; Corrections Department; Tobacco Products
Type: Original
Date: February 13, 2012

Bill Summary: This proposal prohibits any persons from smoking or using tobacco products in any area or on the grounds of a state correctional facility after July 1, 2013.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Office of Administration - Facilities Management/Design Construction (OA-FMDC)** state they have approximately 238 maintenance FTEs located in state correctional facilities state-wide and to prohibit OA-FMDC employee from smoking would have the same fiscal effect on their agency as the Department of Correction stated in the similar proposal to HB 445 (1286-01) from 2011 legislation session.

Passage of this proposal will have many implications for FMDC as follows:

- The effective date of this bill will be July 1, 2013, with no time to implement smoking cessation programs for both staff and inmates.
- There could be an immediate potential impact if the OA-FMDC is required to provide smoking cessation programs and aides to staff. Costs to OA-FMDC would be associated with smoking cessation programs.
- This legislation could potentially cause an increase in turnover rates due to individuals who are not willing or able to participate in cessation programs.
- FMDC has staff with the same titles as Correction at other institutional sites and could be potential personnel issues state-wide.

Officials from the **Department of Corrections (DOC)** state passage of this proposal will have the following implications:

- There could be an immediate potential impact if the department is required to provide smoking cessation programs and aides to staff. Costs to the department would be associated with smoking cessation programs.
- This legislation could potentially cause an increase in turnover rates due to individuals who are not willing or able to participate in cessation programs.

ASSUMPTION (continued)

- Currently tobacco products are sold through the Canteen. Canteen funds are used to pay for offender recreation, education, the offender law library and religious services. DOC is unable to predict the impact of lost sales and what potential product could need to be added in order to replace these sales. General Revenue may have to be used to replace the funds currently used for recreation, education, the offender law library and religious services.
- There is the potential for future savings to be generated from the offender medical contract, but they are long-term and unknown.

In summary, passage of this bill will have an Unknown impact for the DOC per each fiscal year.

According to the proposal, any person who violates the no-smoking or use of tobacco products in any area of a state correctional center or the grounds thereof would be guilty of an infraction.

Oversight assumes these infractions will not result in a material amount of fine revenue collected for local school districts.

Oversight will also assume the potential positive benefits to the state (savings from decreased medical costs) will be more than the potential costs (cessation programs and replacement funding for lost canteen proceeds).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Savings</u> - Department of Corrections			
Lower medical costs due to no tobacco policy	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - Department of Corrections			
Potential for state to provide smoking cessation programs, and to replace canteen proceeds used for various programs	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

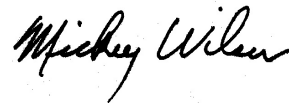
FISCAL DESCRIPTION

This proposal prohibits, beginning July 1, 2013, any person from smoking or using tobacco products in any area or on the grounds of a state correctional facility. Anyone violating this provision will be guilty of an infraction.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections
Office of the State Courts Administrator
Office of Administration



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Director
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