

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2451 - SB 2216

February 21, 2016

SUMMARY OF BILL: Awards a 15 percent sentence reduction credit to an inmate receiving a GED or high school diploma. Excludes inmates sentenced to life without the possibility of parole, first degree murder, continuous sexual abuse, and those offenses for which an inmate must serve 100 percent of the sentence received.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – \$4,070,000/Incarceration*

Assumptions:

- Tennessee Code Annotated § 41-21-236 awards a 60-day sentence reduction credit to an inmate receiving a GED or high school diploma. The educational credit can also be received for receiving a two-year or four-year college degree, a two-year or four-year certification in applied sciences, or a vocational education diploma. Certain inmates are excluded from receiving this credit.
- The bill would award each inmate that receives a GED or high school diploma a 15 percent sentence reduction credit. The average time served by felony classification is:
 - Class A felonies – 17.35 years;
 - Class B felonies – 6.59 years;
 - Class C felonies – 3.22 years;
 - Class D felonies – 2.32 years; and
 - Class E felonies – 1.47 years.
- It is assumed that the average sentence received by felony classification is:
 - Class A felonies – 20 years;
 - Class B felonies – 8 years;
 - Class C felonies – 5 years;
 - Class D felonies – 4 years; and
 - Class E felonies – 2 years
- The bill will reduce the sentence for each classification as follows:
 - Class A felonies – 3 years (20 years x 0.15);
 - Class B felonies – 1.2 years (8 years x 0.15);
 - Class C felonies – 0.75 years (5 years x 0.15);
 - Class D felonies – 0.6 years (4 years x 0.15); and
 - Class E felonies – 0.3 years (2 years x 0.15).

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- According to the Department of Correction (DOC), there have been 1,419.4 educational credits awarded each year over the last five years. The credits received by felon classification is:
 - Class A felons – 39.8;
 - Class B felons – 387.4;
 - Class C felons – 590.4;
 - Class D felons – 268.2; and
 - Class E felons – 133.6.
- Class A and B felons serve much longer sentences than Class C, D, and E felons, making it more likely that Class A and B felons would receive the educational credit for two or four-year degrees. It is assumed that 10 percent of Class A and B felons receive the educational credit for a GED or high school diploma. It is assumed that 20 percent of Class C felons, 30 percent of Class D felons, and 50 percent of Class E felons, receive the educational credit for a GED or high school diploma.
- According to the DOC, the average operating cost per offender per day for calendar year 2016 is \$67.73.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation, because the bill does not affect admissions. The bill impacts the average time served by each inmate.
- Recidivism discounts only apply to increases in time served. The bill decreases the time served by an inmate. Recidivism discounts do not apply to the analysis of this bill.
- The bill will decrease the time served by four Class A felons ($39.8 \times 0.1 = 3.98$) by 1,035.75 days (3 years or 1,095.75 days – current 60-day credit).
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on four offenders serving 1,035.75 fewer days for a total of \$70,151.35 ($\$67.73 \times 1,035.75$ days). The decrease in incarceration costs for four offenders is estimated to be \$280,605.40 ($\$70,151.35 \times 4$).
- The bill will decrease the time served by 39 Class B felons ($387.4 \times 0.1 = 38.74$) by 378.3 days (1.2 years or 438.3 days – 60-day credit).
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on four offenders serving 378.3 fewer days for a total of \$25,622.26 ($\67.73×378.3 days). The decrease in incarceration costs for 39 offenders is estimated to be \$992,268.14 ($\$25,622.26 \times 39$).
- The bill will decrease the time served by 118 Class C felons ($590.4 \times 0.2 = 118.08$) by 213.94 days (0.75 years or 273.94 days – 60-day credit).
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 118 offenders serving 213.94 fewer days for a total of \$14,490.16 ($\67.73×213.94 days). The decrease in incarceration costs for 118 offenders is estimated to be \$1,709,838.88 ($\$14,490.16 \times 118$).
- The bill will decrease the time served by 80 Class D felons ($268.2 \times 0.3 = 80.46$) by 159.15 days (0.6 years or 219.15 days – 60-day credit).
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 80 offenders serving 159.15 fewer days for a total of \$10,779.23 ($\67.73×159.15

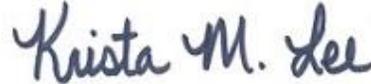
days). The decrease in incarceration costs for 80 offenders is estimated to be \$862,338.40 ($\$10,779.23 \times 80$).

- The bill will decrease the time served by 67 Class E felons ($133.6 \times 0.5 = 66.8$) by 49.58 days (0.3 years or 109.58 days – 60-day credit).
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 67 offenders serving 49.58 fewer days for a total of \$3,358.05 ($\67.73×49.58 days). The cost for 67 offenders is \$224,989.35 ($\$3,358.05 \times 67$).
- The total recurring decrease in state incarceration expenditures is estimated to be \$4,070,040.17 ($\$280,605.40 + \$992,268.14 + \$1,709,838.88 + \$862,338.40 + \$224,989.35$).
- The bill will not impact the number of admissions, and, therefore, will not impact the caseloads of the courts, district attorneys, or public defenders.

**Tennessee Code Annotated § 9-4-210 requires an appropriation from recurring revenues for the estimated operation cost of any law enacted after July 1, 1986 that results in a net increase in periods of imprisonment in state facilities. The amount appropriated shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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