

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: HB 1251

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$4,400,000		\$900,000
Appropriations				\$4,400,000		\$900,000

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Bill establishes program which inmates construct homes to be provided for sale to low-income home buyers

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The following assumptions were used for the purposes of this fiscal note:

Assumptions:

1. Work will be conducted using medium custody workers.
2. Work will be conducted on the JRCC campus.
3. Work site area located on the softball field acreage across from the JRCC campus and contains 6 total acres.
4. 3 acres designated for the actual production site and a secured perimeter will enclose this 3 acre area.
5. Workers will be bused to the production site from the prison compound at the beginning of their work schedule and not be returned until the end of their work day.
6. Workers will be fed at the production work site.
7. An additional 5 FTE's will be required for this project.
 - a. 3 training instructors
 - b. 1 assigned CO
 - c. 1 additional kitchen worker
8. The production building considered is 20,000 sq. ft. in size.
9. The production site was designed to accommodate home sizes no larger than 1050 square feet and with approximate dimensions of 36'x43'. This information was gathered from the Habitat for Humanity's website.

Cost Explanations:

1. \$75 per square foot was used to construct the production building.
2. 3 acre Security Fence was considered to be square in shape.
 - a. 1446 linear feet is the measurement used to cover said area.
 - b. \$600 per linear foot was used to cover the double fence requirement.
3. The sally port gate's price quote was \$30,000 per gate; 4 gates would be required to allow completed houses to be moved outside of the perimeter.
4. \$90,000 total compensation was used per additional FTE position.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

At this time unable to estimate the potential revenue generated from this program. In order to provide a good faith estimate the DOCR believes a detailed specific business plan needs to be prepared.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures included in this fiscal note are limited to estimated costs needed to establish the production site and to staff a home construction program in a prison setting. It does not include the cost of raw materials used in the construction of actual houses.

Estimated that 5 new FTE would be necessary to implement this program.

At this time, except for the estimated FTE cost, unable to estimate expenditures for the 2019-21 biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

As noted above, the estimated appropriation amount is limited to the cost needed to establish the production site and the cost to staff a home construction program in a prison setting. The estimated appropriation is 100% special funds (Penitentiary Industries Fund) and is not included in either the base budget or the executive recommendation.

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