



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0484 Introduced on January 25, 2021
Author: Allen
Subject: Early Release of Inmates
Requestor: Senate Corrections and Penology
RFA Analyst(s): Gardner
Impact Date: November 22, 2021 Updated for Additional Agency Response

Fiscal Impact Summary

This bill reduces the required amount of time served for certain inmates who have had no substantial or major disciplinary infractions and have substantially completed rehabilitation and reentry programs to be eligible for early release. Additionally, this bill increases the maximum allowable credits that certain inmates may earn to apply to their early release.

This bill will result in a General Fund expenditure savings for the Department of Corrections because certain inmates will become eligible for early release more quickly. The average annual General Fund expenditure per inmate is approximately \$3,421. Therefore, this bill will result in a General Fund expenditure savings of \$3,421 per inmate, per year for those years that the inmate would have otherwise served. However, the timing and total amount of the General Fund expenditure savings will depend upon the sentencing of inmates and the number of inmates who meet all the criteria for an earlier release date. The Department of Corrections stated that inmates may serve up to 65 years of their sentence. The department anticipates the maximum reduction in inmate population will be 896 inmates by FY 2065-66, resulting in a maximum General Fund expenditure savings of \$2,911,271.

Additionally, this bill will result in an increase in the population of inmates supervised by the Department of Probation, Parole and Pardon Services (DPPPS). To accommodate this increase, DPPPS will need to hire additional staff and pay additional vehicle and telephone costs. A portion of these expenditures will be offset by supervision fees. The department projects that the bill will have a General Fund expenditure impact that increases over time, starting at \$8,079 in FY 2021-22 and reaching a maximum amount of \$33,696 in FY 2030-31. Also, this bill will have an Other Funds expenditure impact that increases over time, starting at \$18,362 in FY 2021-22, and reaching a maximum amount of \$76,580 in FY 2030-31.

Further, this bill will result in an increase in Other Funds revenue for DPPPS due to the increase in collection of supervision fees used to offset expenditures. This bill will have an Other Funds revenue impact that increases over time, starting at \$18,362 in FY 2021-22, and reaching a maximum amount of \$76,580 in FY 2030-31.

This impact statement has been updated to include a response from the Department of Corrections and DPPPS.

Explanation of Fiscal Impact

**Updated for Additional Agency Response on November 2, 2021
Introduced on January 25, 2021**

State Expenditure

This bill reduces the amount of time that must be accounted for in time served for no parole inmates based on certain criteria. The entirety of a no parole inmate's sentence must be served; however, a portion of this sentence may be served through earned credits. Currently, a minimum of 85 percent of the sentence must be accounted for in time served. The remaining 15 percent may be accounted for in credits earned, permitting the early release of the offender. This bill allows for early release for a no parole inmate if he has served a minimum of 77 percent of his sentence, and he has earned enough credits to cover the remaining 22 percent of the sentence provided that he has:

- Had no substantial or major disciplinary infractions,
- Substantially completed a rehabilitation program, and
- Substantially completed a reentry program.

Additionally, this bill allows an inmate who meets all of the above criteria and who is convicted of an offense related to controlled substances or other illegal drugs to be eligible for early release after 75 percent of his sentence is served if he has earned enough credits to cover the remaining 25 percent of his sentence.

	Percentage Time Served	Percentage Time in Credits Earned
Current Law	85 percent	15 percent
Proposed Law (No Parole Offenses)	77 percent	23 percent
Proposed Law (Drug Related Offenses)	75 percent	25 percent

Further, this bill increases the number of credits that may be earned by an inmate. Currently, an inmate may earn credits to cover up to 30 percent of his sentence, although credits may only reduce the sentence by 15 percent. The following table displays how many credits may be earned under current law and this bill.

	Good Behavior Credits		Educational Credits		Total Available Annual Credits	
	<i>No. of Days</i>	<i>Percentage of Year</i>	<i>No. of Days</i>	<i>Percentage of Year</i>	<i>No. of Days</i>	<i>Percentage of Year</i>
Current Law	36	10%	72	20%	108	30%
Proposed Law	72	20%	144	39%	144*	39%

**This bill caps the total annual credits to 144 days.*

Department of Corrections. This bill reduces the amount of a sentence that must be accounted for in time served for no parole inmates who have had no substantial or major disciplinary infractions and have substantially completed rehabilitation and reentry programs. Presuming that judges do not alter sentencing patterns, the bill will result in a reduction in the agency’s General Fund expenditures.

As the department is unable to determine which future inmates will meet the requirements for an earlier release, it assumes that all newly admitted inmates who qualify will be eligible for early release as soon as it is available. The department used FY 2019-20 admissions data for this analysis due to the potential impact COVID-19 may have had on admissions beginning in March 2020. In FY 2019-20, the department admitted 820 persons, with an average sentence length of 13 years, who may qualify for an earlier release due to this bill. Of those inmates, 184 had no parole offenses related to controlled substances or illegal drugs, thereby making them eligible for early release at 75 percent of the sentence served, assuming all other criteria are met. The remaining 636 may be eligible for early release at 77 percent of time served. The following table displays the potential reduction in time served due to this bill for the 820 inmates.

	Time Served	No. of Inmates	Average Sentence Time	Time Served for Eligible Early Release	Potential Reduction in Time Served
Current Law	85%	820	13.0	11.05	N/A
Proposed Reduction	77%	636	13.0	10.01	1.04
Proposed Reduction for Drug Related Sentences	75%	184	13.0	9.75	1.30

Source: Department of Corrections and Revenue and Fiscal Affairs Office

Based on this bill and a sentence length of 13 years, for inmates admitted in FY 2019-20, 184 inmates may serve up to 1.30 years less on their sentences, and 636 inmates may serve up to 1.04 years less on their sentences, which results in an average reduction of 1.10 years served per inmate. However, the estimated reduction in time served depends on the actual sentence length of each inmate. The department indicates that sentences may be as long as 65 years.

According to the department, the average daily cost per inmate is \$9.35 of General Fund expenditures. Assuming an average earlier release date for an inmate of 1.10 years, or 401 days, this bill may result in General Fund expenditure savings of up to \$3,754 per newly incarcerated inmate. This estimate assumes all inmates have met the criteria to be eligible for the earlier release times provided in this bill. Therefore, this estimate is likely overstated.

According to the department, provided that all other factors remain the same, the average daily population (ADP) of inmates in the custody of the department will reduced over time due to an earlier release. The department anticipates a maximum reduction in inmate population will be 896 inmates by FY 2065-66, resulting in a maximum General Fund expenditure savings of \$2,911,271, or \$3,300 per inmate.

The following table displays the Department of Corrections' estimate of the number of inmates who will receive an earlier release and the cost savings associated with this earlier release. This estimate is based on actual sentencing periods, rather than the average.

INMATE EARLIER RELEASE			
Beginning FY 2021-22			
<i>*Assumes implementation will occur on July 1, 2021, and that maximum reduction in ADP occurs in FY 2065-66</i>			
Years After Implementation	Fiscal Year	Reduction in Population	Annual Cost Savings
1	2022	-1	-\$3,421
2	2023	-5	-\$17,105
3	2024	-11	-\$37,631
4	2025	-30	-\$102,630
5	2026	-55	-\$188,155
6	2027	-106	-\$362,626
7	2028	-142	-\$485,782
8	2029	-199	-\$680,779
9	2030	-268	-\$916,828
10	2031	-321	-\$1,098,141
11	2032	-351	-\$1,200,771
12	2033	-402	-\$1,375,242
13	2034	-470	-\$1,607,870
14	2035	-492	-\$1,683,132
15	2036	-516	-\$1,765,236
16	2037	-546	-\$1,867,866
17	2038	-587	-\$2,008,127
18	2039	-593	-\$2,028,653
19	2040	-601	-\$2,056,021
20	2041	-634	-\$2,168,914
21	2042	-673	-\$2,302,333
22	2043	-689	-\$2,357,069
23	2044	-698	-\$2,387,858
24	2045	-738	-\$2,524,698
25	2046	-780	-\$2,668,380
26	2047	-802	-\$2,743,642
27	2048	-804	-\$2,750,484
28	2049	-812	-\$2,777,852
29	2050	-821	-\$2,808,641
30	2051	-829	-\$2,836,009
31	2052	-834	-\$2,853,114
32	2053	-843	-\$2,883,903
33	2054	-851	-\$2,911,271

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INMATE EARLIER RELEASE			
Beginning FY 2021-22			
<i>*Assumes implementation will occur on July 1, 2021, and that maximum reduction in ADP occurs in FY 2065-66</i>			
Years After Implementation	Fiscal Year	Reduction in Population	Annual Cost Savings
34	2055	-859	-\$2,938,639
35	2056	-860	-\$2,942,060
36	2057	-864	-\$2,955,744
37	2058	-868	-\$2,969,428
38	2059	-872	-\$2,983,112
39	2060	-876	-\$2,996,796
40	2061	-882	-\$3,017,322
41	2062	-889	-\$3,041,269
42	2063	-896	-\$3,065,216

Source: Department of Corrections

Additionally, the department anticipates that some inmates who are currently incarcerated will immediately become eligible for early release, assuming the increased maximum credits allowable are applied to previously earned but currently unclaimed credits.

As of January 19, 2021, 50 inmates with drug-related convictions would be eligible for release on an earlier date, including 37 inmates who would be eligible for immediate release. This would result in an average earlier release for these inmates of 0.67 years, or 245 days per inmate for these 37 inmates. An additional 13 inmates will be released in FY 2021-22, with an average earlier release of 1.19 years, or 435 days per inmate. Using the average daily cost of \$9.35, as discussed above, this bill would result in a General Fund expenditure savings of \$137,828 in FY 2021-22. The following tables display the estimated General Fund expenditure savings for the current inmate population with the earlier release options provided in this bill.

Current Inmate Population Available for Early Release As of January 19, 2021			
Release Time Frame	Count	Bed Days Saved*	Variable Cost Savings**
IMMEDIATE	37	9,081	\$84,907
CURRENT FY	13	5,660	\$52,921
FY 2022-23	46	15,720	\$146,982
FY 2023-25	158	56,356	\$526,929
FY 2026-30	190	85,754	\$801,800
FY 2031-35	33	23,319	\$218,033
FY 2036-40	14	11,767	\$110,021
FY 2041-45	3	1,854	\$17,335
TOTAL	494	209,511	\$1,958,928

*Calculated using current max out date minus new max out date unless eligible for immediate release, then calculated using current max out date minus current population date of 3/10/2021

**Variable inmate cost per day of \$9.35 (State funds only)

Source: Department of Corrections

Current Inmate Population Available for Early Release FY 2021-22			
Facility Level	Count	Bed Days Saved*	Variable Cost Savings**
Minimum	8	1,850	\$17,298
Medium	19	4,783	\$44,721
Maximum	5	1,213	\$11,342
Female	5	1,235	\$11,547
TOTAL	37	9,081	\$84,908

*Calculated using current max out date minus current population date of 3/10/2021

**Variable inmate cost per day of \$9.35 (State funds only)

Source: Department of Corrections

For FY 2021-22, the total General Fund cost savings associated with reduced sentence time and the retroactive application of sentence deduction credits is \$141,249, which includes \$84,907 for the 37 current inmates eligible for immediate release, \$52,921 for the additional 13 current inmates that will be eligible for early release, and \$3,421 for the 1 newly incarcerated inmate who will be released early. The Department of Corrections anticipates that the maximum annual amount of General Fund cost savings associated with early release for newly incarcerated inmates will be \$2,911,216 in FY 2062-63 and the maximum annual amount of General Fund cost savings associated with the current inmate population will be \$801,800 in FY 2026-27. *This*

fiscal impact statement has been updated to include a response from the Department of Corrections.

Department of Probation, Parole and Pardon Services. This bill reduces the time served for inmates convicted of no parole offenses resulting in a shift in the timing of when an inmate enters into DPPPS's custody. Revenue and Fiscal Affairs anticipates this bill will have a similar impact for DPPPS as in S. 0170 of 2021, and therefore, have used DPPPS response for that bill in this fiscal analysis.

This change will result in an increase in the offender population supervised by the agency. To accommodate this increase, the department will need to hire additional Agents and Offender Supervision Specialists and pay for additional vehicle lease and cell phone costs. The department charges approximately 65 percent of its cost to supervise inmates under supervision and places those fees into the agency's Other Funds.

The department has developed its response using the following assumptions:

- All inmates will meet the criteria set out in the bill;
- The bill applies to newly incarcerated inmates with non-drug offenses, who must serve 2 years or 23 percent of their total sentence, whichever is less;
- The bill applies to current inmates with drug-related offenses, who must serve 2 years or 35 percent of their total sentence, whichever is less;
- The number of inmates with non-drug offenses is based on the Department of Corrections' no parole admissions and associated sentence length for FY 2018-19;
- The bill will be implemented on July 1, 2021;
- The daily cost of supervision for offenders having a high supervision level is \$1.56 including:
 - the annual salary and fringe amounts for Agents at \$50,400,
 - annual salary and fringe amounts for Offender Supervision Specialists at \$43,400,
 - vehicle lease costs at \$10,800, and
 - cell phone costs at \$700 for caseload-carrying staff.

In year ten after the bill's implementation and in the years beyond, the department projects that the cost of additional supervision will reach a steady state at \$110,276, which would be offset by the payment of \$76,580 in supervision fees from offenders and result in the need for an additional \$33,696 in General Fund appropriations. The table below shows the additional General Fund expenditures needed to implement the provisions of the bill over time.

Years After Implementation	Fiscal Year	Increase in Number of Days of Supervision	Cost of Additional Supervision	Supervision Fees Collected at 65% of Amount Owed	Cost of Supervision Less Revenue Collections
1	2022	16,950	\$26,441	\$18,362	\$8,079
2	2023	17,785	\$27,745	\$19,267	\$8,478
3	2024	24,566	\$38,322	\$26,613	\$11,710
4	2025	33,205	\$51,800	\$35,972	\$15,828
5	2026	43,802	\$68,331	\$47,452	\$20,879
6	2027	51,865	\$80,910	\$56,187	\$24,722
7	2028	58,992	\$92,028	\$63,908	\$28,120
8	2029	66,792	\$104,195	\$72,358	\$31,837
9	2030	70,122	\$109,390	\$75,966	\$33,425
10	2031	70,690	\$110,276	\$76,580	\$33,696
11	2032	70,690	\$110,276	\$76,580	\$33,696
12	2033	70,690	\$110,276	\$76,580	\$33,696

Source: DPPPS

Therefore, the bill will have a General Fund expenditure impact that increases over time, starting at \$8,079 in FY 2021-22 and reaching a maximum amount of \$33,696 in FY 2030-31 and beyond. Additionally, this bill will have an Other Funds expenditure impact that increases over time, starting at \$18,362 in FY 2021-22, and reaching a maximum amount of \$76,580 in FY 2030-31.

This fiscal impact statement has been updated to include a response from the DPPPS.

State Revenue

This bill reduces the time served for inmates convicted of no parole offenses resulting in a shift in the timing of when an inmate enters into DPPPS's custody. This change will result in an increase in the offender population supervised by the agency. In year ten after the bill's implementation and in the years beyond, the department projects that the cost of additional supervision will reach a steady state at \$110,276, which would be offset by the payment of \$76,580 in supervision fees from offenders. Therefore, this bill will result in an increase in Other Funds revenue for DPPPS, reaching a maximum amount of \$76,580 in FY 2030-31.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 25, 2021

State Expenditure

This bill provides that, under certain circumstances, inmates convicted of a no parole offense may be eligible for early release, discharge, and community supervision depending on the type of conviction and time served. The bill also provides for sentence deduction credits for inmates convicted of a no parole offense for controlled substances or other illegal drugs when they have exhibited good behavior or have participated in academic, technical, or vocational training programs.

An inmate convicted of a no parole offense who has had no substantial or major disciplinary infractions, has completed a rehabilitation and re-entry program, and has served at least 77 percent of the original term of imprisonment imposed may be eligible for early release, discharge, and community supervision. Previously, an inmate meeting these conditions would have to serve at least 85 percent of his sentence before being eligible for early release. Additionally, an inmate convicted of a no parole offense for controlled substances or other illegal drugs who has served at least 75 percent of the original term of imprisonment may now be eligible for early release, discharge, and community supervision. The provisions of the bill will allow such inmate who has also had no substantial or major disciplinary infractions and has substantially completed rehabilitation and re-entry programs to earn sentence deduction credits at a rate of 6 days per month, which will be applied retroactively and begin with the day on which he began serving his sentence. Previously, an inmate meeting these conditions would only be eligible for sentence deduction credits in the amount of 3 days per month. An inmate who meets the same criteria and has also participated in academic, technical, or vocational training programs may earn sentence deduction credits at a rate of 12 days per month, which will be applied retroactively and begin with the day on which he began serving his sentence. An inmate may earn an annual maximum of 144 days of sentence deduction credits. Previously, the annual maximum sentence deduction credit amount was 72 days. For purposes of calculating time served, no credits or portions of the sentence which have been suspended may be applied. A sentencing judge will be responsible for announcing the minimum and maximum terms of imprisonment. Early release for inmates convicted of a no parole offense related to controlled substances or other illegal drugs will be applied retroactively.

Department of Corrections. The expenditure impact of this bill is pending, contingent upon a response from the agency.

Department of Probation, Parole and Pardon Services. The expenditure impact of this bill is pending, contingent upon a response from the agency.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director