

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 67 (Chairman, Judicial Proceedings Committee)
(Departmental - Public Safety and Correctional Services)

Judicial Proceedings

Probation - Monthly Fees for Supervision

This departmental bill increases, from \$25 to \$40, the monthly fee assessed by a court on persons placed under the supervision of the Division of Parole and Probation.

Fiscal Summary

State Effect: Indeterminate general fund revenue increase. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: The Department of Public Safety and Correctional Services has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Fiscal Analysis

State Revenues: Actual collection rates for supervision fees tend to be low. This is due, in part, to the several factors that influence the actual collection of supervision fees including: (1) the fact that the courts are authorized to waive the fee; (2) the collection of these fees has a relatively low priority for the courts; and (3) delinquent fee payments turned over to the Central Collections Unit of the Department of Budget and Management have a collection cost of 2%.

During fiscal 1997, a total of \$5,849,561 in supervision fees was collected by the division from 40,525 payees. Of that amount, \$1,239,835 was from cases that were opened for collection during fiscal 1997. Since this bill increases the supervision fee by 40% (from \$25 to \$40), supervision fee collections would theoretically increase by 40% at some indefinite time in the future. Accordingly, if fiscal 1997 collections are assumed to be typical, fiscal year collections of supervision fees could theoretically increase by \$2,339,824. However, determining the actual collection rate for these fees has not been possible from the data provided by the division.

For similar legislation in prior years, the division has reported that the actual percentage of these fees collected has declined in recent years. The division reported during the 1997 Session that collection rates were approximately 32% in fiscal 1994, 24% in fiscal 1995, and 12% in fiscal 1996. The division advised that predicting future collections should rely on a collection rate as low as 8%. However, the division now reports that actual collection rates cannot be ascertained since collected amounts are not accounted for age. Current record keeping systems of the division do not reflect the year in which collected and disbursed supervision fees were assessed.

This year, the division estimates the number of supervisees covered by this bill for fiscal 1999 to be 27,250. This includes those persons under criminal supervision as well as those under the Drinking Driving Monitor Program (DDMP). Accordingly, it can be theoretically estimated that an additional \$15 per month added to the supervision fee assessed on each person would result in additional revenues to the general fund of \$4,905,000, if all persons assessed the fee paid 100% of the additional \$15 in a timely manner.

The division advises that, of the 13,500 probationers under criminal supervision, 4,900 (36%) will actually pay approximately 63% of the increased fee, for a total of \$558,600. In addition, the division reports that, of the 13,750 probationers under DDMP supervision, 11,000 (80%) will actually pay approximately 50% of the increased fee, for a total of \$990,000. The division estimates the combined total of increased revenue from supervision fees for fiscal 1999 to be \$1,161,450, which reflects the bill's October 1, 1998 effective date. The division estimates fiscal 2000 increased revenue to be \$2,570,676, reflecting annualization, 13,500 new probationers per year, and a 66% carryover from fiscal 1999. Future year revenue estimates have a growth rate of approximately 7%.

However, Legislative Services advises that, while it may be theoretically assumed that any increase in this fee would yield an equal increase in monies actually collected, increases in such fees tend to decrease actual collection rates. That is, increases in post conviction fees, at least for probationers under criminal supervision, tend to diminish as the fees increase. Accordingly, while it is difficult to reliably predict this bill's general fund revenue potential

without any actual experience under the bill's provisions, it is likely that the collection rate under this bill as estimated by the division is too high.

Information Source(s): Department of Public Safety and Correctional Services (Division of Parole and Probation), Department of Legislative Services

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