

March 1, 2012

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

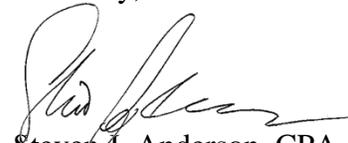
SUBJECT: Fiscal Note for SB 434 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 434 is respectfully submitted to your committee.

SB 434 would give the Department of Corrections the authority to purchase property currently owned by the St. Francis Boy's Home, which is located in Ellsworth, Kansas. Prior to the purchase, the Department would be required to appoint one appraiser to determine the property's market value. The bill would permit the establishment of a minimum security correctional facility on the property. SB 434 would take effect after its publication in the *Kansas Register*.

According to *The FY 2013 Governor's Budget Report*, enhanced funding of \$1.5 million from the State General Fund is recommended by the Governor for FY 2013 for the Department of Corrections to increase prison capacity through contract beds in county jails. The Department has recently proposed using those recommended funds to instead purchase the St. Francis Boy's Home for the purpose of opening a 95-bed minimum custody housing unit near Ellsworth Correctional Facility. This expansion option was not available during the formulation of the Governor's budget. The Department of Corrections would move to the new housing unit 95 minimum security inmates who are currently being housed in medium custody beds at Ellsworth Correctional Facility. This measure would open additional medium beds to help alleviate the prison capacity issue. The Department estimates that the property can be purchased for \$368,000, which is the property's appraised value. It is also projected that the operating costs would be \$1,040,000 and would include 15.0 FTE positions. The operating costs equate to approximately \$30 per bed per day. The average daily cost for contracting with jails is approximately \$40 per bed. Any fiscal effect associated with SB 434 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Anderson", written over a white background.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Jeremy Barclay, KDOC