



**House
Legislative
Analysis
Section**

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PAROLE SUPERVISION FEES

**Senate Bill 1359 as passed by the Senate
First Analysis (6-18-02)**

**Sponsor: Sen. Walter H. North
House Committee: Appropriations
Senate Committee: Appropriations**

THE APPARENT PROBLEM:

Under the Corrections Code, the state Parole Board must include in each order of parole that the Department of Corrections (DOC) is to collect a parole supervision fee of not more than \$30 multiplied by the number of months of parole ordered, but for not more than 60 months. The fee can be paid in monthly installments if allowed by the parole board. In determining the fee, the DOC must use a table contained in the code that bases the monthly fee on the parolee's projected monthly income.

In November of 2001, the governor issued Executive Order No. 2001 - 9 to implement expenditure reductions for the 2001-2002 fiscal year. Included in E.O. No. 2001 - 9 were increases in the monthly parole and probation supervision fees for those earning more than \$500 per month. These increases, however, are only for the current budget year and will expire on September 30th. For several reasons, including the ongoing revenue shortfalls, some feel that the fee amounts in statute should be permanently increased. Others feel that amending a statutory fee structure should be addressed through legislation rather than by executive order. To address these concerns, legislation has been proposed to incorporate the higher fee structure for supervision of parolees implemented earlier this year.

THE CONTENT OF THE BILL:

The bill would amend the Corrections Code to increase parole supervision fees. Under the code, monthly parole supervision fees are determined by the Department of Corrections (DOC) based on income. Currently, the code caps the monthly amount that can be collected at \$30; the bill would increase this amount to \$135. In addition, the bill would make the following increases: for a monthly income between \$500 and \$749.99, the monthly fee would increase from \$20 to \$25; for income between \$750 and \$999.99, the fee would increase from \$30 to \$40; and for a monthly income of \$1,000 or more,

the fee would be 5 percent of the person's monthly income, but not more than \$135. Currently, the monthly fee for an income of \$0 to \$249.99 is \$0 and the fee for an income of \$250 to \$499.99 is \$10. These would remain the same. This fee structure would also apply to parolees whose supervision was transferred to this state from another under provisions of the interstate compact (Public Act 89 of 1935) or the newer interstate compact enacted earlier this year (Public Act 40 of 2002) and which replaced PA 89.

Finally, the bill amends a section of the corrections code that specifies that the DOC can collect supervision fees from persons granted youthful training status, probationers, and probationers from other states whose supervision has been transferred to this state under either the older or newer interstate compact. (Supervision fees for persons in these categories would be increased under provisions of House Bill 5279 as passed by the Senate.)

MCL 791.225a and 791.236a)

FISCAL IMPLICATIONS:

In a fiscal note dated 6-17-02, the House Fiscal Agency reports that according to the State Budget Office and the Department of Corrections, the parole and probation fee increases are expected to increase collections by \$843,800 annually. (House Bill 5279 as passed by the Senate would similarly increase probation supervision fees.) This anticipated increase in revenue is incorporated in the proposed fiscal year 2002-2003 budget, which assumes total parole and probation supervision fee revenue of \$13,031,600. By statute, 20 percent of the revenue is set aside into a revolving fund used for collection costs and to enhance parole and probation services. The remainder is applied against the costs of supervision.

The HFA goes on to report that there are no statewide data to indicate how collections are distributed between parolees and probationers. However, if the

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proportion of fee revenue received from parolees corresponds with the proportion of parolees in the supervised population, then the revenue increase under the bill may be estimated to be \$177,200 annually, since parolees constitute about 21 percent of the combined population. In practice, this may overstate somewhat the amount attributable to parolees, since it is reasonable to assume that probationers have a higher level of employment than parolees do.

ARGUMENTS:

For:

The bill would codify the parole portion of the temporary increases in parole and probation supervision fees made in Executive Order No. 2001 – 9. (House Bill 5279 would codify the probation fee increases.) The fee increase was deemed necessary to help balance the budget for the current fiscal year. As the current economic downturn is expected to result in revenue shortfalls for the next several years, some feel that the statute should be amended to make these increases permanent. In fact, by executive recommendation, the fiscal year 2003 budget for the DOC is predicated on this fee increase being continued. The fees would not, however, be altered for persons in the lowest income brackets. Though the fees would be increased, the amounts are fairly modest. Even for a parolee making \$1,000 or more, the fee would be \$50 for each thousand dollars earned. According to a representative of the DOC, the fee increases do not cover the cost of providing supervision. Therefore, supervision of parolees will still remain largely subsidized by taxpayers. But, as the adage goes, every little bit helps.

For:

Though the fee increase for supervision of parolees was instituted for this fiscal year by executive order, some have questioned whether amending fee structures contained in statute falls within the authority granted the executive office by the state constitution. Therefore, it is believed by some that to avoid questions of constitutionality, whether temporary or permanent, changes to statutes should be addressed by the legislature. The bill would address this concern by amending the Corrections Code to incorporate the recommended parole supervision fees.

POSITIONS:

The Department of Corrections supports the bill. (6-18-02)

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.