

The fiscal impact of HB 593 on local jails would be minimal to moderate. The Administrative Office of the Courts (AOC) reports in calendar year 2020 there were 150 criminal charges brought for fraudulent unemployment benefits claims, including 12 felony charges and 6 charges for making a false statement to prevent or reduce benefits. It is unknown how many of those charges resulted in jail time, though the Department of Corrections (DOC) reports it currently has 9 individuals incarcerated and 147 on supervised probation for violations of KRS 341.990 (5) or (6). AOC also reports in FY 2020 there were 47 convictions for criminal offenses under KRS 341.990, 33 of them at the felony level. In a January 25, 2021, posting Lexington television station WLEX reported that Governor Beshear estimated that of the 87,000 pending unemployment benefits claims statewide, one-half were fraudulent. A Lexington business man reported he had received 30 fraudulent unemployment claims letters for his business. These numbers lead to the conclusion that prosecutions and incarcerations in local jails for violation of KRS 341.990 will increase even under current law. The mandatory sentencing and prohibition of probation, parole, or early release provisions in HB 593 would increase the number of state felony inmates housed in local jails even more.

When a court denies bail to a Class D felony defendant, the local government is responsible for incarcerating the defendant until disposition of the case in one of Kentucky's 77 full service jails or five life safety jails. Upon sentencing, a Class D felon remains in one of Kentucky's full service or life safety jails for the duration of his or her sentence. While the expense of housing inmates varies by jail, each additional inmate increases facility costs by an estimated average of \$37.35 per day. The DOC pays local jails a per diem and medical costs of \$31.34 per inmate, per day to house state felony offenders. Using the estimated average daily cost, one Class D felony inmate would cost a local jail an estimated \$13,632.75 for one year's incarceration ($\$37.35/\text{day} \times 365 \text{ days} = \$13,632.75$), for which they would receive \$11,439.10 from DOC ($\$31.34/\text{day} \times 365 \text{ days} = \$11,439.10$). Since the cost of housing is the estimated average cost of housing a Class D felon, the per diem may be less than, equal to, or greater than the actual housing cost.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II applies to HB 593 as introduced. There is no prior version for comparison.

Data Source(s): LRC staff; Department of Corrections; Administrative Office of the Courts; WLEX

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