



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 6, 2023

Honorable Rebecca Mitchell
State Representative
611-C Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 48 0637)

Dear Representative Mitchell:

This bill would require incarcerated individuals in Georgia to be paid for any labor or goods produced at the market wage comparable to that paid to a person who is not incarcerated. Currently, Georgia law does not require compensation to incarcerated individuals. The bill has no effective date.

The Georgia Department of Corrections (GDC) does not collect information on the number of offenders in its custody who work, the number of hours worked, or the types of work performed. Therefore, we are unable to provide a precise estimate of working hours and market rates. However, we do provide three potential scenarios created after receiving limited information from GDC and performing online research.

Table 1 shows the projected annual cost under three estimates that assume different numbers of offenders who would be paid under the bill. All three estimates assume a \$10 average market wage and assume each incarcerated individual works 20 hours per week.

Table 1: Potential Costs of LC 48 0637

	Low Estimate	Mid Estimate	High Estimate
Total Offenders Paid	20,000	27,500	35,000
Hours/Offender	1,040	1,040	1,040
Hourly Wage	\$10	\$10	\$10
Annual Wage	\$208,000,000	\$286,000,000	\$364,000,000
Fringe Benefits (7.65%)	\$15,912,000	\$21,879,000	\$27,846,000
Time Keeping System	<u>\$4,200,000</u>	<u>\$4,200,000</u>	<u>\$4,200,000</u>
Total Estimated Cost	\$228,112,000	\$312,079,000	\$396,046,000

Projected costs of the bill used the data and assumptions below.

- As of December 1, 2022, of the 49,592 total offenders in GDC custody, 6,426 are in “special use” beds (e.g., tier segregation, crisis stabilization) that may preclude them from being eligible to perform work in the prison system while assigned to those beds. Another 2,227 are on work release through Transition Centers and would not likely be directed by prisons to perform more work in addition to their employment outside of the prison.

- Of the remaining approximately 41,000 offenders who would be potentially eligible to be paid for work performed, some would be ineligible to perform work inside prisons due to additional factors (e.g., security classifications or documented disciplinary issues). As a result, we present three estimates based on different numbers of incarcerated individuals who are eligible to work (20,000, 27,500, and 35,000 offenders).
- The market wages of different jobs within prison may vary significantly. We assumed the average market wage for labor or goods produced in prison would be \$10 an hour. If the market wage were higher, annual costs could be significantly more. Fringe benefits were kept static at 7.65% per current fringe estimates for equivalent workers.
- While GDC does not track the number of hours each offender performs, we found information from two sources¹ indicating that incarcerated individuals performed an average of 20 hours per week (or 1040 hours per year). As a result, we assumed offenders in the Georgia prison system perform an average of 20 hours per week of work eligible to be paid under this bill.
- GDC estimated \$4.2 million would be necessary annually to implement a payroll system for incarcerated individuals and to pay staff to manage the system. GDC did not specify the number of required staff or the needed capabilities of the payroll system.

Factors that may change the cost of implementing this bill include significantly different market wages for the work performed, a change in the offender population, and a change in the number of hours worked by offenders.

While this bill would not result in an increase in state expenditures for local jails, it should be noted that counties and cities would also be required to pay incarcerated individuals at wage comparable to that paid to a person who is not incarcerated. We did not estimate the costs for counties or cities, but as of November 9 of this year, there were 37,687 individuals incarcerated in local jails. Some portion of those would be eligible for payment under this bill.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/jw

¹ Sources were a 2014 book on the state of incarceration in the United States and a 2016 study from Massachusetts.