



Memorandum

From: Rounds Consulting Group, Inc.
Date: April 7, 2021
Re: **AZ SB 1064 Savings & Economic Benefits – Policy Impact Update**

Recently, we analyzed the [economic benefits of expanding earned release credits in Arizona](#). Now, we have revised our criminal justice reform model to focus on the policies contained in SB 1064 as of April 6, 2021. The current legislation (SB 1064) being considered, if passed, would increase earned release credits for certain drug related offenses and other nonviolent offenses.

Under the current bill, individuals who are currently incarcerated and charged with drug related offenses would be able to receive higher earned release credits upon the effective date of this bill. In addition, people convicted of drug-related offenses and certain non-violent offenses would be able to receive earned release credits at a higher rate in the future.

Based on detailed incarceration estimates tracked by the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR), the bill would immediately reduce Arizona’s prison population by between 2,000 and 3,000 persons. A low and high range is included based on various levels of implementation and participation.

Within a year, another 2,400 to 4,500 people convicted of drug and other nonviolent offenses would be eligible for release from Arizona’s prisons according to the supplied ADCRR data. Utilizing this information and applying it to the economic and fiscal impact policy model, the savings for Arizona taxpayers would be between \$325M and \$610M over the next decade.

There will also be additional state tax revenues generated from the released individuals working and paying taxes. This increased tax revenue is estimated to equal between \$38.9M and \$73.0M over the next decade.

When combining the estimated state tax revenues with the estimated savings, a total of between \$364.0M and \$683.7M in fiscal benefits (i.e. savings and tax revenues) are generated in the first 10 years

For comparison purposes, the analysis of SB 1064 yields a state fiscal impact of approximately 1/3rd the \$1.5B estimated impact of Initiative I-32-2020: The Second Chances, Rehabilitation, and Public Safety Act analyzed in our previous report. The aforementioned state fiscal benefits are summarized below. Let us know if you need additional information.

SB 1064 – 10-Year Savings & Economic Benefits			
Range	State Prison Savings	State Tax Revenues	Total Fiscal Benefit
Low	\$325,079,300	\$38,882,100	\$363,961,400
High	\$610,668,700	\$73,039,100	\$683,707,800

Source: FWD.us; Arizona Department of Corrections, Rehabilitation & Reentry; Arizona Joint Legislative Budget Committee; Rounds Consulting Group, Inc.