

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

**BILL NUMBER:** House Bill 2105 (First Edition)

**SHORT TITLE:** Compensation for Erroneously Convicted.

**SPONSOR(S):** Representatives Ross, Glazier, Harrison, and Blue

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>
<b>REVENUES</b>					
<b>EXPENDITURES</b>	\$368,493	**See Assumptions and Methodology***			
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Industrial Commission					
<b>EFFECTIVE DATE:</b> When the bill becomes law.					

**BILL SUMMARY:** H.B. 2105 amends GS 148-84 to increase the amount of compensation from \$20,000 to \$40,000 awarded yearly to a person who had been imprisoned and granted a pardon of innocence because a crime was not committed or was not committed by the claimant. The bill increases the maximum compensation allowed from \$500,000 to \$700,000. The bill adds an annual adjustment to the compensation rate, beginning July 1, 2009, based on the Consumer Price Index for the previous year, not to exceed 5%, and requires the award to be based on the adjusted amount in effect on the date a claim for compensation is filed. Finally, the bill establishes additional compensation for deprivation of educational and training opportunities due to imprisonment by providing the following: (1) job skills training for at least one year through a state program, and (2) expenses for tuition and fees at a State educational institution for any offered degree or program of the applicant’s choice, which includes assistance with prerequisite requirements. A claimant has within ten years of release to apply for educational aid and will receive funds for up to a total of five years if making satisfactory progress in the program or degree. The amended language applies to any person granted a pardon of innocence by the Governor on or after July 1, 2007.

Source: *Bill Digest H.B. 2105 (05/14/0200).*

**ASSUMPTIONS AND METHODOLOGY:** The minimum cost of the bill in FY 2008-09 will be \$368,493. The bill applies to any person granted a pardon of innocence by the Governor on or after July 1, 2007. One person has been granted a pardon of innocence since that time, and has already received \$368,493 in compensation. The bill would double the allowable compensation from \$20,000 per year to \$40,000, thereby requiring an additional \$368,493 in compensation. (\$40,000 multiplied by 18.425 years equals \$736,986. \$736,986 less \$368,493 already paid equals \$368,493.) Funds for this purpose would come from the Contingency and Emergency Account per G.S. 143C-4-4.

To the extent that other pardons are granted during FY 2008-09, and to the extent that claimants are found to have been deprived of educational opportunities, the cost of the bill during the first year may increase. No estimate is available regarding the cost of the bill in future years. An estimate cannot be made, as there is no way to calculate the number of potentially erroneous convictions, the number of years served for those convictions, etc. Since 2001, six erroneous conviction petitions have been filed. Five of those six resulted in pardons; the other was unsuccessful. Incarceration lengths ranged from 5.29 years to 21.45 years. Award amounts ranged from \$105,808 to \$429,040.

The bill directs the Industrial Commission to determine the extent to which incarceration has deprived a claimant of educational or training opportunities and allows the Commission to provide compensation to a claimant to compensate for loss of life opportunities. No estimate is available regarding the cost of this compensation, as it is not clear how the Industrial Commission would implement this section, and it is unknown what future educational opportunities claimants may wish to pursue. The bill would allow compensation for tuition and fees at any community college or constituent institution of the University of North Carolina for any degree or program that is available, for up to five years. Current tuition and fee rates range from \$1,344 per year at the community colleges, to \$5,176 at UNC-Chapel Hill.

**SOURCES OF DATA:** NC Industrial Commission, Office of State Budget and Management, Bureau of Labor Statistics

**TECHNICAL CONSIDERATIONS:** The bill requires the Industrial Commission to annually adjust the amount awarded to reflect the increase in the Consumer Price Index for All Urban Consumers (CPI-U) "as determined by the Department of Labor". To avoid confusion, it may be useful to clarify that the agency referred to in the bill as the publisher of the CPI-U is the U.S. Department of Labor, Bureau of Labor Statistics.

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**DATE:** June 10, 2008



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