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To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE**Private Industry/Prison Employment Program Expansion (Corrections -- Adult Institutions)**

[LFB Summary: Page 185, #24 and Page 186, #25]

CURRENT LAW

Corrections is authorized to lease space within state prisons and juvenile correctional institutions to not more than three private businesses that would employ prison inmates to manufacture products or components or to provide services for sale on the open market. In selecting businesses to participate in the program, the Department is required to comply with state procurement laws by soliciting proposals. The Department must also consult with trade organizations and labor unions prior to issuing requests for proposals and prior to selecting proposals. In addition, before a private business/prison employment program begins, the Joint Committee on Finance must hold a public hearing and the Prison Industries Board must approve the business.

In the current statutes, the text provides that "[The department may select a business or enter into a lease under this paragraph only with the approval of the joint committee on finance.]". The bracketed language was created in 1995 Wisconsin Act 27, section 6384, but the text in the brackets was vetoed by the Governor. However, 1995 Wisconsin Act 27, section 6385, amended the same statutory section and the language in the brackets was not vetoed by the Governor.

GOVERNOR

Increase the number of allowed private industry/prison employment projects from three to 11. Remove from the statutes the bracketed language related to approval of leases by the Joint Committee on Finance.

Provide \$36,300 PR in 1997-98 and \$42,100 PR in 1998-99 for 1.0 administrative assistant to provide support for the private industry/prison employment program.

DISCUSSION POINTS

1. The private industry/prison employment program was created in 1995 Act 27. Under the provisions of the program, Corrections may enter into an agreement with no more than three private businesses to utilize inmate labor. Currently, two programs are in operation (Jorgensen Conveyors, Inc. at the Waupun Correctional Institution and Fabry Glove and Mitten Company at the Green Bay Correctional Institution). A third business has not yet been selected.

2. The bill makes two modifications to the current private industry/prison employment program: (a) it increases the number of allowed projects from three to 11; and (b) it deletes statutory language bracketed because of a gubernatorial veto related to approval of each project by the Joint Committee on Finance.

3. The Department indicates that the reason for increasing the number of allowed private industry/prison employment projects to 11 is to allow each adult institution to potentially have a project. As when the program was proposed in the 1995-97 biennial budget, Corrections argues that the program will reduce inmate idleness, provide job skills to inmates and reduce the costs of incarceration by charging inmates a portion of the costs of incarceration. The two projects currently employ 102 inmates and, in 1996-97, those inmates have contributed \$168,700 to partially offset the costs of incarceration.

4. Recently, questions have been raised regarding the operation of the private industry/prison employment program at the Green Bay Correctional Institution and whether, as a result of that project, non-inmate workers were displaced. This matter is currently the subject of an audit by the federal Department of Justice. Results from this audit are not anticipated to be available until later in the Summer of 1997. It could be argued that, given the questions that have been raised and the uncertainty of the audit findings, the allowed number of projects be maintained at three until after the audit is released and its recommendations can be evaluated.

5. The bill provides 1.0 PR administrative assistant position to provide assistance with the private industry/prison employment program. The position would manage the request for proposal process, provide training for company and institution staff on the program, monitor operations of the program and prepare required program reports. The current projects were

established utilizing an existing administrative assistant position. If the Committee decides to expand the number of allowed projects, an additional position may be appropriate. If, however, the number of projects is not increased from three to 11, current staffing levels could be maintained.

6. When the private industry/prison employment program was created in 1995 Act 27, the provision needed to be included twice because of a delayed effective date of an amendment to the program that allowed juvenile correctional institutions to have private industry/prison employment projects. The second version of the private industry/prison employment provision became effective on January 1, 1996. Both sections of 1995 Act 27 (sections 6384 and 6385) contained a provision requiring Joint Committee on Finance approval of each project. The Governor vetoed the provision in Section 6384, indicating that the provision "severely restricts the ability of the Department of Corrections to find appropriate private businesses that would be compatible for manufacturing operations in a prison environment." Section 6385 amended section 6384, as created by Act 27. Since section 6384 was vetoed to exclude Committee approval of private industry/prison employment projects, this provision technically did not exist when the amendment was made in section 6385. However, because a Revisor's bill was not enacted, the language in section 6385 related to Committee approval remained and is currently printed in the statutes. The Revisor of Statutes placed the language in brackets indicating this inconsistency.

7. Given that Committee approval of private industry/prison employment projects was not technically part of 1995 Act 27, section 6385, when it was amended on January 1, 1996, the language in the current statutes should be removed as a technical correction.

8. Despite the fact that the Governor vetoed Committee approval in 1995 Act 27, given questions that have recently been raised regarding the projects, the Committee may wish to require that before Corrections enters into contracts to begin a private industry/prison employment project, these contracts be approved by the Joint Committee on Finance. Subsequent to the Committee's hearing related to the creation of the two current projects, the draft copy of the contract used during the Committee's hearing related to the Green Bay Correctional Institution project was modified to remove a provision related to the project operating on a "break-even" basis. This project is currently projected to end 1996-97 with a deficit of \$343,600. Given concerns that could be raised about the financial status of the Green Bay project, the Committee may wish to create language requiring Committee approval of each contract.

ALTERNATIVES TO BASE

A. Number of Private Industry/Prison Employment Projects

1. Approve the Governor's recommendation to increase the number of allowed private industry/prison employment projects from three to 11.

2. Maintain current law.

B. Private Industry/Prison Employment Program Support

1. Approve the Governor's recommendation to provide \$36,300 PR in 1997-98 and \$42,100 PR in 1998-99 with 1.0 PR position annually to provide program support for the private industry/prison employment program.

<u>Alternative B1</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$78,400
[Change to Bill	\$0]
1998-99 POSITIONS (Change to Base)	1.00
[Change to Bill	0.00]

2. Take no action.

<u>Alternative B2</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill	- \$78,400]
1998-99 POSITIONS (Change to Base)	0.00
[Change to Bill	- 1.00]

C. Joint Committee on Finance Approval of Leases

1. Create statutory language requiring Committee approval of each private industry/prison employment project.
2. Maintain current law. Under this alternative, the bracketed language from the statutes related to approval of private industry/prison employment program leases by the Joint Committee on Finance would be removed as a technical correction.

Prepared by: Jere Bauer

MO# A-1
B-1

BURKE	Y	(N)	A
DECKER	Y	(N)	A
GEORGE	Y	(N)	A
JAUCH	Y	(N)	A
WINEKE	Y	(N)	A
SHIBILSKI	Y	(N)	A
COWLES	Y	(N)	A
PANZER	(Y)	(N)	A
JENSEN	(Y)	N	A
2OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	Y	(N)	A
COGGS	Y	(N)	A

AYE 7 NO 8 ABS 1

MO# C-1

2BURKE	(Y)	N	A
1DECKER	(Y)	N	A
GEORGE	Y	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 15 NO 0 ABS 1

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Badger State Industries (Corrections -- Adult Institutions)

[LFB Summary: Page 186, #25]

CURRENT LAW

Badger State Industries (BSI) is a program revenue-funded prison industries program, in which inmates produce goods and services for the state, other governmental units and nonprofit agencies. Base funding for BSI is \$14,499,300 PR and 81.0 PR positions.

GOVERNOR

Provide \$837,400 and 6.0 positions in 1997-98 and \$1,628,200 and 7.0 positions in 1998-99 for Badger State Industries. The recommendation includes: (a) \$443,100 in 1997-98 and \$976,000 in 1998-99 for raw materials costs; (b) \$100,000 in 1997-98 and \$274,000 in 1998-99 for equipment replacement; (c) \$51,000 annually for the wages of an additional 40 inmates; and (d) \$137,800 annually in unallotted reserve for salary reclassifications associated with Department of Employment Relations salary surveys. The remaining funding relates to the additional positions, as follows: (a) position funding, \$268,900 in 1997-98 and \$352,800 in 1998-99; (b) reduction in limited-term employe and project position salaries and fringe benefits, -\$60,400 annually; and (c) elimination of contracted services for management information and delivery services, -\$103,000 annually.

DISCUSSION POINTS

1. The Department of Corrections operates a Badger State Industries (BSI) program at each of the maximum and medium security correctional facilities, except at the Dodge and Kettle Moraine Correctional Institutes. The program is funded by program revenue generated from the sale of goods or services produced by the inmates employed at BSI. Sales revenue must, by law, cover the costs of raw materials, inmate wages, equipment, staff salaries and administrative overhead. (In addition to BSI sales, revenues and expenditures associated with the private industry/prison employment program are administered by BSI and funded through the prison industries appropriation. This program is discussed in separate papers.)

2. For at least seven fiscal years prior to 1988-89, BSI operated at a loss and, as a result, developed a substantial negative cash balance. Under the statutes, BSI is allowed to maintain a continuing negative cash balance on June 30 of any fiscal year, if this negative balance can be offset by program assets. The BSI negative cash balance has been offset by assets, as required by statute, since 1986-87. With the exception of 1992-93, BSI has made a profit in each year since 1988-89. As a result, the deficit, which reached \$6,441,400 in 1987-88, has been reduced. However, BSI will show a loss in 1996-97, due to the purchase of raw materials to build systems furniture for the WHEDA building in 1996-97, with payment to be received in 1997-98. It is estimated that, excluding the private ventures, BSI will end 1996-97 with a cash balance of -\$2,842,200. Based on revenue projections and expenditure authority included in Senate Bill 77, it is estimated that BSI, excluding the private ventures, would have a closing balance of -\$969,900 in 1998-99.

3. Previous action taken by the Committee on the 1997-99 budget will impact BSI revenues and expenditures. Specifically, on May 22, the Committee adopted a provision to require the Department of Transportation to implement a single license plate requirement for motor vehicles. Since BSI's metal stamping industry produces license plates, revenues to BSI were reduced by \$579,200 in 1997-98 and \$590,400 in 1998-99. Without any change in expenditure authority, this provision would result in BSI's negative closing balance being increased by these amounts in each year. Therefore, the Committee may wish to reduce program revenue expenditure authority for BSI by similar amounts, to reflect reductions in raw material purchases, inmate wages and other costs associated with license plate production.

4. The bill would provide \$100,000 in 1997-98 and \$274,000 in 1998-99 for equipment replacement, in order to begin a regular cycle of replacing old equipment. According to the Department, some of the equipment is 30 to 50 years old and has passed its useful life. Many of the machines are expensive, with some exceeding \$100,000 to replace. As a result, BSI is exploring the option of master leases to spread the cost of any purchases out over time. The Department indicates that the amounts included in the bill for equipment replacement represent what BSI can afford and that replacement needs are greater than available funding. Therefore, BSI would need to prioritize its equipment purchases. BSI has capital equipment assets valued

at \$4.5 million, using undepreciated value. It would appear that a program of equipment replacement would assist in protecting the state's investment in capital equipment.

5. In addition to increased expenditure authority of equipment purchases, SB 77 provides funding to support the following new positions in BSI: (a) 1.0 program assistant beginning in 1997-98 to replace a limited-term employe who provides program support for sales staff; (b) 1.0 management information specialist beginning in 1997-98 to replace contracted employes and support Badger State Industries' operations and cost accounting system; (c) 1.0 industries specialist beginning in 1997-98 to replace a contracted delivery service at the Racine Correctional Institution; (d) 1.0 industries specialist beginning in 1997-98 to supervise data entry at the Ellsworth Correctional Center; (e) 1.0 industries specialist beginning in 1998-99 to provide delivery services and supervision at the Oakhill Correctional Institution; and (f) 2.0 industries superintendents beginning in 1997-98 to provide administrative supervision associated with the reorganization of BSI. In addition, 1.0 computer aided design operator position in the systems furniture industry would be converted from project status to permanent beginning in 1997-98.

6. In reviewing the positions included in SB 77, functions to be performed by the program assistant, management information specialist, industries specialist at Racine and computer aided design operator positions are currently either performed by limited-term or project employes, or provided through more expensive contract services. The industries specialist position at Ellsworth Correctional Center, which is currently staffed with part-time Racine staff and limited-term employes, would provide full-time supervision to the data entry business. It appears that these positions can be justified at this time. The management information specialist and industries specialist positions would result in \$103,000 in annual savings for contracted services. The remaining staff costs would be partially offset by reductions in LTE and project salary and fringe benefit expenses.

7. The industries specialist position for Oakhill, which would provide delivery service and supervision at Oakhill, is scheduled to begin in 1998-99 after an expansion in the Oakhill upholstery and seating operation is completed. However, the status of the Oakhill expansion is uncertain at this time, with no construction schedule yet in place. Therefore, it may be premature to approve this position at this time.

8. The two industries superintendent positions would provide administrative supervision associated with a reorganization of BSI. Badger State Industries operates the following industries: laundry, wood and metal furniture, upholstery, textile and linens, printing/graphics, data entry, silkscreening, metal stamping (license plates and signs), yard and recreational equipment and a distribution center. The reorganization divides the manufacturing unit into the following three "companies," organized by industry: Imaging, Fabrication and Textiles. According to the Department, the reorganization reflects the past and future growth of BSI and attempts to organize the operation consistent with a business operation. The BSI reorganization plan indicates that the three companies are necessary because the span of control, covering nine production operations and 10 prisons, is too broad for the chief of the prison

industries section. As a result of the reorganization, an industries superintendent position was created from base resources for the Textile company, and two additional superintendent positions would be provided in SB 77.

9. It could be argued that the growth of BSI, both in terms of number of industries and number of institutions operating industries, would justify the additional positions. However, it should be noted that the one industries superintendent position is currently vacant and has been since August, 1996. The Department indicates that it is currently in the process of filling that position. Furthermore, in a memorandum outlining the reorganization plan approved by the Prison Industries Board in September, 1995, it was stated that it was not expected that additional positions would be needed to implement this plan. It could be argued, therefore, that while these positions may be appropriate, they could be created from a reallocation of existing positions.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$837,400 and 6.0 positions in 1997-98 and \$1,628,200 and 7.0 positions in 1998-99 for Badger State Industries.

<u>Alternative 1</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$2,465,600
[Change to Bill]	\$0]
1998-99 POSITIONS (Change to Base)	7.00
[Change to Bill]	0.00]

2. Modify the Governor's recommendation by deleting \$579,200 PR in 1997-98 and \$590,400 PR in 1998-99 to reflect the decrease in revenue as a result of the move to a single license plate.

<u>Alternative 2</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$1,296,000
[Change to Bill]	- \$1,169,600]
1998-99 POSITIONS (Change to Base)	7.00
[Change to Bill]	0.00]

3. Modify the Governor's recommendation as follows: (a) delete \$579,200 PR in 1997-98 and \$590,400 PR in 1998-99 to reflect the decrease in revenue as a result of the move to a single license plate; and (b) delete \$31,300 PR and 1.0 industries specialist position in 1998-99 related to industry expansion at Oakhill Correctional Institution.

<u>Alternative 3</u>		<u>PR</u>
1997-99 FUNDING (Change to Base)		\$1,264,700
	[Change to Bill	- \$1,200,900]
1998-99 POSITIONS (Change to Base)		6.00
	[Change to Bill	- 1.00]

4. Modify the Governor's recommendation as follows: (a) delete \$579,200 PR in 1997-98 and \$590,400 PR in 1998-99 to reflect the decrease in revenue as a result of the move to a single license plate; and (b) delete \$31,300 PR and 1.0 industries specialist position in 1998-99 for Oakhill Correctional Institution; and (c) delete \$85,200 PR in 1997-98 and \$108,700 PR in 1998-99 and 2.0 PR industries superintendent positions.

<u>Alternative 4</u>		<u>PR</u>
1997-99 FUNDING (Change to Base)		\$1,070,800
	[Change to Bill	- \$1,394,800]
1998-99 POSITIONS (Change to Base)		4.00
	[Change to Bill	- 3.00]

5. Take no action.

<u>Alternative 5</u>		<u>PR</u>
1997-99 FUNDING (Change to Base)		0
	[Change to Bill	- \$2,465,600]
1998-99 POSITIONS (Change to Base)		0
	[Change to Bill	- 7.00]

MO# Alt 3

BURKE	(Y)	N	A
DECKER	(Y)	(N)	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	(N)	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 12 NO 3 ABS 1

MO# Alt 4

BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	Y	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	Y	(N)	A
PANZER	Y	(N)	A
JENSEN	Y	(N)	A
OURADA	Y	(N)	A
HARSDORF	Y	(N)	A
ALBERS	Y	(N)	A
GARD	Y	(N)	A
KAUFERT	(Y)	(N)	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 7 NO 8 ABS 1

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Minor Policy and Technical Changes--Internal Services Charges (Corrections--Adult Institutions)

[LFB Summary: Page 186, #27]

Governor

Provide \$14,100 PR in 1997-98 and \$16,500 PR in 1998-99 for correctional farms for internal services (transaction charges for automated personnel and financial accounting systems) and rent.

Modification

Provide \$4,800 PR in 1997-98 and \$5,200 PR in 1998-99 for internal services and rent.

Explanation: Costs for internal services for correctional farms were duplicated in Senate Bill 77. This modification would remove \$9,300 PR in 1997-98 and \$11,300 PR in 1998-99 to correct this error.

<u>Modification</u>	<u>PR</u>
1997-99 FUNDING (Change to Base)	\$10,000
[Change to Bill	- \$20,600]

Prepared by: Debbie Salm

MO# modification

2 BURKE	(X)	N	A
DECKER	(X)	N	A
GEORGE	(X)	N	A
JAUCH	(X)	N	A
WINEKE	(X)	N	A
SHIBILSKI	(X)	N	A
COWLES	(X)	N	A
PANZER	(X)	N	A
1 JENSEN	(X)	N	A
OURADA	(X)	N	A
HARSDORF	(X)	N	A
ALBERS	(X)	N	A
GARD	(X)	N	A
KAUFERT	(X)	N	A
LINTON	(X)	N	A
COGGS	(X)	N	A

AYE 15 NO 0 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Secure Inmate Work Program

Motion:

Move to provide \$108,800 GPR in 1997-98 for the secure inmate work program. Sunset the program on June 30, 1998.

MO# 3091

BURKE	Y	(N)	A
DECKER	Y	(N)	A
GEORGE	Y	N	(A)
JAUCH	Y	(N)	A
WINEKE	Y	(N)	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	Y	(N)	A
COGGS	Y	(N)	A

AYE 9 NO 6 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Prison Impact Statements

Motion:

Move to provide \$37,400 GPR in 1997-98 and \$42,800 GPR in 1998-99 and 1.0 GPR research analyst position annually and require the Director of State Courts to prepare a prison impact assessment for any bill that creates a felony or modifies the period of imprisonment for a felony. Unless otherwise provided by joint rules of the Legislature, the Director shall prepare the statement within 21 calendar days after the date on which the Director receives a copy of a bill, or a request to prepare an assessment, whichever occurs first. The assessment would include the following: (1) projections of the impact on statewide probationer, prisoner and parolee populations; (2) an estimate of the fiscal population changes on state expenditures, including construction and operation of state prisons for the current fiscal year and the five succeeding years; (3) analyses of any significant factors that would affect the cost of the bill and the impact on prosecutors, the State Public Defender and the Courts; and (4) a statement of the methodologies and assumptions that the Director used in preparing the assessment. The Legislative Reference Bureau must submit a copy of a bill, requiring an assessment, to the Director of State Courts, and any bill that requires an assessment must have that requirement inside its jacket. In addition, the Legislature shall reproduce and distribute the assessments in the same manner that it reproduces and distributes amendments. No public hearing before a standing committee may be held and no committee vote may be taken on any such bill, unless a statement has been prepared. Annually, by March 1, the Director of State Courts shall submit to the Legislature, a prison impact assessment reflecting the cumulative effect of all relevant changes in the statutes taking effect during the preceding year. The Department of Corrections shall provide the Director of State Courts with information on current and past admissions and on the length of time served, as needed, in order to prepare the assessments. In addition, the Circuit Courts shall provide the Director of State Courts with information to assist in preparing the assessments. Further, the Department of Administration shall transfer all records of the Sentencing Commission to the Director of State Courts, as soon as possible after September 1, 1997, or the day after publication of the bill, whichever is later. The assessments would apply to bills introduced, or requests for assessments made on, or after, July 1, 1998.

Note:

Current law prohibits legislative action on most bills, until a fiscal estimate is prepared by the appropriate state agency. However, bills containing penalty provisions are exempt from this requirement, if no other provision of the bill requires a fiscal estimate. This motion would require the Director of State Courts to provide a prison impact statement on any bill that creates a felony (any crime punishable by imprisonment in a state prison), or modifies the period of imprisonment for a felony.

[Change to Bill: \$80,200 GPR and 1.0 GPR positions]

MO#

2	BURKE	Y	N	A
	DECKER	Y	N	A
	GEORGE	Y	N	A
	JAUCH	Y	N	A
1	WINEKE	Y	N	A
	SHIBILSKI	Y	N	A
	COWLES	Y	N	A
	PANZER	Y	N	A
	JENSEN	Y	N	A
	OURADA	Y	N	A
	HARSDORF	Y	N	A
	ALBERS	Y	N	A
	GARD	Y	N	A
	KAUFERT	Y	N	A
	LINTON	Y	N	A
	COGGS	Y	N	A

AYE 11 NO 4 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Evaluation of Continued Utilization of Federal Contract Beds

Motion:

Move to require the Department of Corrections to conduct an assessment of the need for continued utilization of contracted prison beds in federal correctional facilities and determine if additional minimum-security correctional facilities need to be constructed in Wisconsin. In addition, the study should include a comparison of federal and state minimum security classification standards and a comparison of programming provided at those levels. Require that the report be submitted to the Joint Committee on Finance by January 1, 1998.

Note:

This motion would require the Department of Corrections to study the need for continued contracting for prison beds with the federal Bureau of Prisons and to evaluate the need to construct an additional minimum-security correctional facility in Wisconsin. The study would also include a comparison of federal and state minimum security classifications and a comparison of programming provided at those levels. Corrections would be required to submit the report to the Joint Committee on Finance by January 1, 1998.

MO# 3090

2 BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	Y	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

Motion #3090

AYE 15 NO 0 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Prohibition on Educational Grants to Inmates

Motion:

Move to prohibit the University of Wisconsin Board of Regents, the Technical College System Board, the Higher Educational Aids Board and the Department of Veteran's Affairs from making educational grants to inmates in state correctional institutions and correctional centers, and inmates confined in a federal prison located in Wisconsin.

Note:

This motion would prohibit the UW Board of Regents, Technical College Board, HEAB and the Department of Veteran's Affairs from providing educational grants to state inmates and inmates incarcerated in a federal prison located in Wisconsin. The motion incorporates the provisions of LRBb0121/1.

MO# 3058

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
GEORGE	Y	<input checked="" type="radio"/> N	A
JAUCH	Y	<input checked="" type="radio"/> N	A
WINEKE	Y	<input checked="" type="radio"/> N	A
SHIBILSKI	Y	<input checked="" type="radio"/> N	A
COWLES	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
PANZER	Y	<input checked="" type="radio"/> N	A
WENSEN	<input checked="" type="radio"/> Y	N	A
OURADA	<input checked="" type="radio"/> Y	N	A
HARSDORF	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
GARD	<input checked="" type="radio"/> Y	N	A
KAUFERT	Y	<input checked="" type="radio"/> N	A
LINTON	Y	<input checked="" type="radio"/> N	A
COGGS	Y	<input checked="" type="radio"/> N	A

AYE 6 NO 9 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Challenge Incarceration Program Funding

Motion:

Move to provide \$172,200 GPR annually for the challenge incarceration program at the St. Croix Correctional Center.

Note:

This motion provides \$172,200 GPR annually to continue funding for the challenge incarceration (boot camp) program. On March 27, 1997, the Committee, under s. 13.10, provided funding for educational, social work and drug abuse services and administrative support and created 1.0 GPR position for the challenge incarceration program related to an increased number of inmates at St. Croix.

[Change to Base: \$344,400 GPR]

[Change to Bill: \$344,400 GPR]

MO# 1659

BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	Y	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
2 ZOURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 15 NO 0 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Literacy Programs

Motion:

Move to provide \$492,100 GPR in 1997-98 and \$615,800 GPR in 1998-99 and 15.0 GPR positions annually for basic literacy programs in correctional institutions as follows: (a) \$121,000 GPR annually for literacy materials; (b) \$227,900 GPR in 1997-98 and \$303,900 GPR in 1998-99 and 8.0 teacher positions to teach basic literacy, including 1.0 assigned to the Oshkosh Correctional Institution for distance education; and (c) \$143,200 GPR and \$190,900 GPR in 1998-99 and 7.0 GPR teacher assistant positions.

Note:

The motion would provide \$492,100 GPR in 1997-98 and \$615,800 GPR and 15.0 GPR positions for literacy programs in the adult correctional institutions.

[Change to Base: \$1,107,900 GPR and 15.0 GPR positions]

[Change to Bill: \$1,107,900 GPR and 15.0 GPR positions]

MO# 1671

2 BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	Y	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	Y	(N)	A
COWLES	Y	(N)	A
PANZER	Y	(N)	A
JENSEN	Y	(N)	A
OURADA	Y	(N)	A
HARSDORF	Y	(N)	A
ALBERS	Y	(N)	A
GARD	Y	(N)	A
KAUFERT	Y	(N)	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 6 NO 9 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Secure Work Program Assignments

Motion:

Move to require the Department of Corrections to assign a secure work program unit to work at the executive residence in Madison.

Note:

On March 27, 1997, the Joint Committee on Finance released \$80,400 GPR and created 4.0 GPR positions in 1996-97 for the Department of Corrections for establishment of two secure work crews of up to 12 inmates each. This motion would require that one of the secure work crews be assigned to work at the executive residence in Madison.

MO# 100

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	Y	<input checked="" type="radio"/>	A
COWLES	Y	<input checked="" type="radio"/>	A
PANZER	Y	<input checked="" type="radio"/>	A
JENSEN	Y	<input checked="" type="radio"/>	A
OURADA	Y	<input checked="" type="radio"/>	A
HARSDORF	Y	<input checked="" type="radio"/>	A
ALBERS	Y	<input checked="" type="radio"/>	A
GARD	Y	<input checked="" type="radio"/>	A
KAUFERT	Y	<input checked="" type="radio"/>	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 6 NO 9 ABS 1

CORRECTIONS -- ADULT INSTITUTIONS

Secure Inmate Work Program

Motion:

Move to provide \$145,100 GPR annually for the secure inmate work program.

Note:

This motion provides \$145,100 GPR annually for continued funding for the secure inmate work program. On March 27, 1997, the Committee, under s. 13.10, released funding for the secure inmate work program for 1996-97 and created 4.0 GPR positions.

[Change to Base: \$290,200 GPR]

[Change to Bill: \$290,200 GPR]

MO# 3070

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
2OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 7 NO 8 ABS 1

CORRECTIONS

Adult Institutions

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
3	Annualized Costs for Prison Staffing and Texas County Jail Contracts
7	Staffing for Correctional Barracks
12	Dodge Correctional Institution Staffing
13	Fox Lake Correctional Institution Wastewater Treatment Worker
16	Sexually Violent Offender Evaluation Staff
17	Optometric Services
18	Jail Contract Staff
21	Waupun Correctional Institution Inmate Work Initiatives
22	Bureau of Correctional Enterprises Funding Conversion
26	Reopen Oneida Correctional Farm

LFB Summary Item for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
28	Prison Population Limits

MO# approve items

BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	(Y)	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	(N)	A

AYE 14 NO 1 ABS P

Corrections

Community Corrections

(LFB Budget Summary Document: Page 187)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Probation and Parole Caseload Growth (Paper #315)
2	Residential Living Programs (Paper #316)
3	St. John's Correctional Center Expansion (Paper #317)

Agency: Corrections-Community Corrections

Staff Recommendations:

Paper No. 315: Part A -- Alternative 2 + Milw. Cnty Motion

Comments: Nichole has separate info paper on Milw Cnty motion.
(paragraph 4 sort of supports the County's motion)

We think alt 2 should also be adopted and Kathy Kuhn is fine
with that. (see paragraph 5)

Part B -- Alternative 2 - *Russ*

Comments: See paragraph 8 for support of alt 2. But alt 3 also has
some merit (see paragraph 9). Also, you might want to set the \$ aside and
make them come back to JFC under 13.10. Ask FB and Jensen what they think
about that idea. (note: confidentially, Jauch would be supportive of this
compromise)

Paper No. 316: Part A -- Alternative 2 - *Card motion*

Comments: (See paragraphs 6 & 7) No need to be politically afraid
to make some reasonable budget cuts in DOC. They are basically
blackmailing the legislature. Further, they had better protect public
safety - no matter what.

Part B -- Alternative 2 (no action needed)

Comments: Either alt 1 or alt 2 would probably be ok, but paragraph
8 seems to make a case for maintaining current law.

Part C -- Alternative 2

Comments: (see paragraph 8 again)

Paper No. 317: Alternative 2

Comments: FB makes a case for alt 2 in paragraph 3, but, since this
is a Milw facility alt 1 would be ok too.

For items that FB didn't prepare papers on, **action is needed**, because this
is a base-level agency.

Agency: Corrections-Juvenile Corrections

Staff Recommendations:

Paper No. 320: No Action Needed *(this is just an informational overview)*

Paper No. 321: Part A -- Alternative 3

Comments: Milw Cnty wants alt 3, because this is the only option that wouldn't cost counties more. (paragraphs 17, 18 & 19 explain why this is a good option)

Part B -- Alternative 2

Comments: Alt 2 is only appropriate if A(3) was adopted in part A. (see paragraphs 23 & 24).

However, if alt A(2) is passed in part A, then B(1) is the appropriate motion here.

Paper No. 322: Alternative 3

Comments: Milw Cnty wants alt 3, plus FB makes a good case for alt 3 in paragraphs 8, 9, 10 & 11. It's premature to decide this issue now.

Also, you should probably chastise DOC here for promising big and delivering little - again. You could read from paragraph 1 to support this point.

Paper No. 323: Approve Modification to Base

Paper No. 324: Approve Modification to Base

Paper No. 325: Alternative 3 - Jensen

Comments: FB makes a case for alt 3 in paragraph 16. Also, this maintains the ratio of caseworkers to delinquents (the gov proposed reducing it) (i.e. see paragraph 12)

However, Wineke allegedly wants alt 2 (our third choice)

Paper No. 326: Alternative 3 (no action needed) - Jensen Alt. 2

Comments: Alt 3 seems to be the good political/policy option, and paragraph 4 explains this - more intensive aftercare services for juveniles. But, alt 2 would also be fine (see paragraph 3)

Paper No. 327: Approve Modification to Base

Paper No. 328: Alternative 2

Comments: Alt 2 maintains current law, but ask FB if action is needed (i.e. there seems to be a technical correction that also needs to be approved).

Milw Cnty doesn't have a position for this paper, because this issue doesn't seem to affect them.

(see paragraph 13 for support of alt 2)

Jauch may have a motion to require DOC to plan a financially viable, secure juvenile detention facility in NW Wisconsin. Nichole thinks the price tag will be too high. If his motion fails, Jauch will likely want alt 1.

For items for which no FB papers have been prepared, **action is needed**, because this is a base-level budget.

But, ask FB about item 20, and see if anything is fishy here.

*Overrida motion
Alt 1 + modification*

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Probation and Parole Caseload Growth (Corrections -- Community Corrections)

[LFB Summary: Page 187, #1]

CURRENT LAW

Base funding for probation and parole is \$58,350,500 GPR and 1,426 GPR positions. Further, base funding of \$3,089,000 GPR is provided for the purchase of services for offenders on probation and parole. In addition, operational support for probation and parole is also provided from base funding of \$4,000,000 PR annually for program operations and \$721,700 PR and 18.0 PR positions for the supervision of minimum and administrative supervision offenders.

GOVERNOR

Provide \$4,473,300 GPR and 174.0 GPR positions, and \$33,500 PR and 1.0 PR position in 1997-98 and \$7,353,000 GPR and 199.0 GPR positions, and \$38,800 PR and 1.0 PR position in 1998-99 to accommodate projected probation and parole caseload growth. Of the additional positions, 25.0 agent positions annually would be assigned to southeastern Wisconsin to locate and return probationers or parolees who have absconded from supervision or to initiate revocation proceedings.

Provide \$72,000 GPR in 1998-99 for increased funding for purchase of service funding for probation and parole offenders.

DISCUSSION POINTS

Probation and Parole Caseload

1. The bill provides \$3,583,200 GPR and \$33,500 PR in 1997-98 and \$6,011,400 GPR and \$38,800 PR in 1998-99 associated with probation and parole caseload. The following positions would be provided: (a) 97.5 GPR probation and parole agents, 8.0 GPR field supervisors, 3.0 GPR program assistant supervisors, 28.25 GPR program assistants, 1.0 GPR personnel assistant, 1.0 GPR payroll assistant, and 1.0 PR financial specialist in 1997-98; and (b) an additional 18.5 GPR probation and parole agents, 2.0 GPR field supervisors, 1.0 GPR program assistant supervisor and 3.5 GPR program assistants in 1998-99. The bill also provides \$72,000 GPR in 1998-99 for increased funding for purchase of service funding for probation and parole offenders.

2. The bill assumes that the probation and parole caseload will be 61,560 on June 30, 1998, and 65,284 on June 30, 1999. The budgeted population for June 30, 1997, is 63,796. On April 1, 1997, the probation and parole population was 55,949.

3. The Department of Corrections utilizes a case classification and staff deployment (CC/SD) system to evaluate probation and parole staffing requirements. The CC/SD model uses projected probation and parole populations to determine the number of agents that may be required based on the risk classification of offenders and an agent workload study. While the bill makes assumptions regarding probation and parole populations, these populations were not used in the calculation of the staffing request. If the CC/SD model had been utilized with the population projections in the bill: (a) an absconder unit in southeastern Wisconsin (discussed in the following section) could not have been created because these positions would have been necessary to support the projected workload; and (b) an additional \$2,540,800 GPR and 72.5 GPR positions would have been required in 1998-99.

4. Based on more recent data and using historic trends, the probation and parole population is now estimated to be 59,315 on June 30, 1998 and 62,158 on June 30, 1999. This represents approximately a 4.9% annual increase in populations. The Committee should note that while the projected populations are less than currently budgeted populations, the percentage of probationers and parolees in higher risk classifications has increased and, therefore, more staff is required for supervision.

5. If the revised population projections and the Department's CC/SD model (adjusted for recent case classification trends) are used, the following adjustments may be made to the bill: (a) staffing costs, -\$1,000,700 GPR and -36.25 GPR positions in 1997-98 and -\$68,800 GPR and 20.25 GPR positions in 1998-99; (b) program revenue-supported probation and parole staff, due to fewer minimum and administrative supervision offenders, -\$220,500 PR in 1997-98 and -\$250,100 PR in 1998-99 with -7.0 PR positions annually; and (c) purchase of services, -\$217,000 GPR in 1997-98 and -\$151,300 GPR in 1998-99.

Probation and Parole Absconder Unit

6. Under the bill, \$890,100 GPR in 1997-98 and \$1,341,600 GPR in 1998-99 and 35.25 GPR positions annually are provided for a special probation and parole unit assigned to southeastern Wisconsin to locate and return probationers or parolees who have absconded from supervision or to initiate revocation proceedings. The following positions would be provided: (a) 25.0 GPR probation and parole agents; (b) 2.0 GPR field supervisors; (c) 1.0 GPR program assistant supervisor; and (d) 7.25 GPR program assistants.

7. According to Corrections' caseload information, as of February 1, 1997, there were 8,085 offenders on absconder status. Of those offenders, 4,763 (59%) were in the two probation and parole regions located in southeastern Wisconsin (including Walworth, Racine, Kenosha and Milwaukee Counties).

8. The Committee should note that the CC/SD model includes a workload factor for agents' time associated with absconder cases. On a statewide basis, using the reestimated probation and parole populations, the equivalent of 13 agents in 1997-98 and 14 agents in 1998-99 are allocated to absconder cases. If the Committee wishes to provide for an absconder unit, it could be argued that a reduction should be made to other probation and parole staffing allocated to this function in southeastern Wisconsin. Based on the percentage of absconders from the two southeastern Wisconsin probation and parole regions, a reduction to the bill of \$187,400 GPR and 7.75 GPR positions in 1997-98, and \$316,000 GPR and 8.25 GPR positions in 1998-99 could be made.

9. In its 1997-99 budget request to the Governor, Corrections did not request the probation and parole absconder unit. The Department has not yet determined how these additional positions will be utilized. Given these factors, it could be argued that no additional funding should be provided.

ALTERNATIVES TO BASE

A. Probation and Parole Caseload

1. Approve the Governor's recommendation to provide \$3,583,200 GPR and 138.75 GPR positions and \$33,500 PR and 1.0 PR position in 1997-98 and \$6,083,400 GPR and 163.75 GPR positions and \$38,800 PR and 1.0 PR position in 1998-99 associated with probation and parole caseload.

<u>Alternative A1</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$9,666,600	\$72,300	\$9,738,900
[Change to Bill]	\$0	\$0	\$0]
1998-99 POSITIONS (Change to Base)	163.75	1.00	164.75
[Change to Bill]	0	0	0]

2. Reestimate probation and parole populations to 59,315 on June 30, 1998 and 62,158 on June 30, 1999. Provide \$2,365,500 GPR and -\$187,000 PR and 102.5 GPR and -6.0 PR positions in 1997-98 and \$5,863,300 GPR and -\$211,300 PR and 184.0 GPR and -6.0 PR positions in 1998-99 associated with probation and parole caseload.

<u>Alternative A2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$8,228,800	- \$398,300	\$7,830,500
[Change to Bill]	- \$1,437,800	- \$470,600	- \$1,908,400]
1998-99 POSITIONS (Change to Base)	184.00	-6.00	178.00
[Change to Bill]	20.25	- 7.00	13.25]

3. Maintain current law.

<u>Alternative A3</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Base)	\$0	0	0
[Change to Bill]	- \$9,666,600	- \$72,300	- \$9,738,900]
1998-99 POSITIONS (Change to Base)	0	0	0
[Change to Bill]	- 163.75	- 1.00	- 164.75]

B. Probation and Parole Absconder Unit

1. Approve the Governor's recommendation to provide \$890,100 GPR in 1997-98 and \$1,341,600 GPR in 1998-99 and 35.25 GPR positions annually for a special probation and parole unit assigned to southeastern Wisconsin to locate and return probationers or parolees who have absconded from supervision or to initiate revocation proceedings.

<u>Alternative B1</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$2,231,700
[Change to Bill]	\$0]
1998-99 POSITIONS (Change to Base)	35.25
[Change to Bill]	0.00]

CORRECTIONS -- COMMUNITY CORRECTIONS

Probation and Parole Hold Reimbursement

Motion:

Move to provide \$179,000 GPR in 1997-98 and \$366,800 GPR in 1998-99 for probation and parole hold reimbursements.

Note:

This motion would provide increased funding for probation and parole hold reimbursements in 1997-98 and 1998-99. Under the motion, funding would increase by 4.9% annually from base level funding of \$3,653,000 GPR to \$3,832,000 GPR in 1997-98 and \$4,019,800 GPR in 1998-99. Probation and parole hold reimbursements are provided to counties for felons being held in county jails pending the revocation of their probation or parole for non-criminal rules violations.

[Change to Base: \$545,800 GPR]

[Change to Bill: \$545,800 GPR]

MO# 1664

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	Y	<input checked="" type="radio"/>	A
PANZER	Y	<input checked="" type="radio"/>	A
JENSEN	Y	<input checked="" type="radio"/>	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	Y	<input checked="" type="radio"/>	A
GARD	Y	<input checked="" type="radio"/>	A
KAUFERT	Y	<input checked="" type="radio"/>	A
LINTON	<input checked="" type="radio"/>	N	A
2 COGGS	<input checked="" type="radio"/>	N	A

AYE 9 NO 6 ABS 1

CORRECTIONS -- COMMUNITY CORRECTIONS

Probation and Parole Absconder Unit
Substitute to Alternative B2 (Paper #315)

Motion:

Move to place \$702,700 GPR in 1997-98 and \$1,025,600 GPR in 1998-99 in the Joint Committee on Finance's appropriation, reserved for a special probation and parole absconder unit in southeastern Wisconsin. Provide that the funding may be released after the Joint Committee on Finance approves a plan and budget for the special unit submitted by the Department to the Committee.

Note:

Senate Bill 77 would provide \$2,231,700 GPR and 35.25 GPR positions in the 1997-99 biennium for a special probation and parole absconder unit assigned to southeastern Wisconsin to locate and return probationers or parolees who have absconded from supervision or to initiate revocation proceedings. This motion would place \$1,728,300 GPR in the Committee's appropriation, for release upon approval of a plan and budget concerning the special unit.

[Change to Base: \$1,728,300 GPR]

[Change to Bill: -\$503,400 GPR and -35.25 GPR positions]

MO# 3079

BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	Y	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
2 JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

Motion #3079

AYE 15 NO 0 ABS 1

2. Modify the Governor's provision by reducing funding and positions for a special probation and parole absconder unit in southeastern Wisconsin by \$187,400 GPR and 7.75 GPR positions in 1997-98, and \$316,000 GPR and 8.25 GPR positions in 1998-99 to reflect current workload in southeastern Wisconsin attributed to offenders on absconder status.

<u>Alternative B2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$1,728,300
[Change to Bill	- \$503,400]
1998-99 POSITIONS (Change to Base)	27.00
[Change to Bill	- 8.25]

3. Maintain current law.

<u>Alternative B3</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill	- \$2,231,700]
1998-99 POSITIONS (Change to Base)	0
[Change to Bill	- 35.25]

MO# A-2

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 15 NO 0 ABS 1

AYE _____ NO _____ ABS _____

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE**Residential Living Programs (Corrections -- Community Corrections)**

[LFB Summary: Page 188, #2]

CURRENT LAW

Base funding for residential living programs is \$8,539,200 GPR.

GOVERNOR

Provide \$626,600 GPR in 1997-98 and \$1,441,800 GPR in 1998-99 for increases in residential living programs.

DISCUSSION POINTS

1. Residential living programs include halfway houses and transitional living programs. According to the Department of Corrections, it currently has contracts with private providers for 271 halfway house beds and 52 transitional living beds. Halfway houses are community-based residential facilities where probationers, parolees or intensive sanctions inmates may be required to reside as a condition of their supervision. Halfway houses are licensed and regulated by the Department of Health and Family Services. Halfway houses are nonsecure facilities which house a relatively small number of persons who require some type of supervised living arrangement. Transitional living programs generally provide short-term (up to 90 days) living arrangements for newly released, employed parolees or probationers that provide no specific treatment for offenders, but which are staffed by providers who may make unannounced

visits to monitor behavior. Transitional living beds are used until more permanent housing may be secured.

2. The bill provides the following increases for residential living programs: (a) \$106,800 in 1997-98 and \$213,500 in 1998-99 for nine additional halfway house beds to increase the total number of halfway house beds to 280 annually; (b) \$233,600 in 1997-98 and \$934,400 in 1998-99 for an additional 40 transitional living beds in 1997-98 and 80 beds in 1998-99 to increase the total number of transitional living beds to 92 in 1997-98 and 132 in 1998-99; (c) \$30,000 annually for start-up costs associated with transitional living programs; and (d) \$256,200 in 1997-98 and \$263,900 in 1998-99 to provide a 3% annual increase to current halfway house and transitional living providers.

3. The Department indicates that funding for the nine additional halfway house beds would allow it to assume beds that the federal Bureau of Prisons will no longer utilize at a halfway house in Madison. The Department emphasizes that the halfway house beds are not new beds, but rather existing beds that the state could utilize.

4. The additional transitional living funding would support the maximum number of beds the Division of Community Corrections believes can be started annually. Corrections argues that additional transitional living beds are necessary to: (a) reduce the need for halfway house beds; (b) provide flexibility in the placement of offenders; and (c) provide temporary housing for offenders statewide, in rural and urban settings.

5. Based on Corrections' identification of the number of residential living program beds it currently has under contract, the Department has \$1,502,400 GPR in base funding which is not allocated to specific contracts. The Department indicates that this funding is utilized to purchase a small number of residential program beds (approximately 63 beds) on a periodic, short-term basis in various locations statewide. According to Department officials, this allows Corrections to meet unanticipated program needs and provides administrative flexibility.

6. It could be argued that Corrections has the ability to fully fund the cost increases identified in the bill by utilizing funding that is currently unallocated to contracts. If Corrections were to use this funding, \$875,800 GPR in 1997-98 and \$60,600 GPR in 1998-99 of base resources would be available for short-term uses. Unallocated funding could support approximately 43 beds in 1997-98 and three beds in 1998-99. As a result, the Committee could decide to provide no additional funding for residential living programs. This would, however, limit the Department's ability to purchase additional bed space on a short-term basis when needed.

7. As an alternative, the Committee could provide no increase in 1997-98, but provide \$815,200 GPR in 1998-99 for residential living programs. This alternative would fund Corrections' request utilizing base resources in 1997-98, and allow Corrections to have \$875,800

GPR annually for short-term uses to support approximately 43 beds statewide in both years of the biennium.

8. Questions may also be raised regarding two elements of the Governor's recommendation:

- **Transitional Living Start-up.** Under the bill, \$30,000 GPR annually is provided related to the start-up of ten transitional living programs annually. A program typically has two to four beds. Corrections indicates that the start-up costs (\$3,000 per program) are intended to provide basic materials that are necessary for living in an apartment (beds, sheets, pillows and minimal other furniture). The property purchased for start-up becomes the property of the state if the transitional living program ceases to operate. While basic materials are necessary when starting a new transitional living program, it could be argued that these costs should be covered by the organization with whom the state contracts for services as part of that contract. Accordingly, the Committee could decide not to provide start-up funding for transitional living programs. The Department argues, however, that by providing start-up costs to the contractors, it avoids paying for these costs throughout the length of the contract through higher rates.

- **Inflationary Increases.** Under the bill, \$256,200 GPR in 1997-98 and \$263,900 GPR in 1998-99 is provided for inflationary costs associated with residential living programs. The 1997-99 budget instructions from DOA indicate that "[t]here is no budget policy on inflation. Any such requests are subject to the same priority setting process the agency employs for all of its decision items." The budget instructions further state: "Inflationary pressures are generally expected to continue to be minimal during 1997-99. Agencies are expected to cover general cost increases through base reallocation." Corrections indicates that inflationary increases were requested for residential living programs in order to allow private providers to cover anticipated staffing and operational cost increases. The Department argues that without inflationary increases, providers may choose to contract with the federal government or may be required to close programs. Inflationary increases have been provided in past biennial budgets. It could be argued, however, that other programs are not receiving inflationary increases in the budget and, therefore, residential living programs should be treated similarly. Further, since DOA budget instructions indicate that agencies are expected to cover general inflationary increases from base level funds, this standard should apply to Corrections as well.

ALTERNATIVES TO BASE

A. Additional Residential Living Beds

1. Approve the Governor's recommendation to provide: (a) \$106,800 in 1997-98 and \$213,500 in 1998-99 for nine additional halfway house beds; and (b) \$233,600 in 1997-98 and \$934,400 in 1998-99 for an additional 40 transitional living beds in 1997-98 and 80 beds in 1998-99.

<u>Alternative A1</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$1,488,300
[Change to Bill]	\$0]

2. Provide \$815,200 in 1998-99 to allow Corrections to annually budget \$875,800 for short-term, periodic use of residential living beds.

<u>Alternative A2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$815,200
[Change to Bill]	- \$673,100]

3. Maintain current law.

<u>Alternative A3</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$1,488,300]

B. Transitional Living Start-up Costs

1. Approve the Governor's recommendation to provide \$30,000 annually for start-up costs of transitional living programs.

<u>Alternative B1</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$60,000
[Change to Bill]	\$0]

2. Maintain current law.

<u>Alternative B2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$60,000]

C. Inflationary Cost Increases

1. Provide \$256,200 in 1997-98 and \$263,900 in 1998-99 for estimated annual inflationary costs for residential living programs.

CORRECTIONS -- COMMUNITY CORRECTIONS

Additional Halfway House Beds
 Substitute to Alternative A1 (Paper #316)

Motion:

Move to provide \$340,400 GPR in 1997-98 and \$1,147,900 GPR in 1998-99 for 25 halfway house beds in 1997-98 and an additional 21 beds in 1998-99.

Note:

The Department of Corrections currently contracts for 271 halfway house beds. This motion would approve the Governor's recommendation to provide \$106,800 GPR in 1997-98 and \$213,500 GPR in 1998-99 for an additional nine halfway house beds. Instead of providing \$233,600 GPR in 1997-98 and \$934,400 GPR in 1998-99 for transitional living beds, as recommended by the Governor, this motion would provide this amount of funding to support 16 more halfway house beds in 1997-98 and 21 more beds in 1998-99.

[Change to Base: \$1,488,300 GPR]

[Change to Bill: \$0]

MO# 1065

BURKE	⊙	N	A
DECKER	⊙	N	A
GEORGE	⊙	N	A
JAUCH	⊙	N	A
WINEKE	⊙	N	A
SHIBILSKI	⊙	N	A
COWLES	⊙	N	A
PANZER	⊙	N	A
JENSEN	⊙	N	A
OURADA	⊙	N	A
HARSDORF	⊙	N	A
ALBERS	⊙	N	A
GARD	⊙	N	A
KAUFERT	⊙	N	A
LINTON	⊙	N	A
COGGS	⊙	N	A

AYE 15 NO 0 ABS 1

<u>Alternative C1</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$520,100
[Change to Bill	\$0]

2. Take no action.

<u>Alternative C2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill	- \$520,100]

MO# C-1

	BURKE	<input checked="" type="radio"/>	N	A
	DECKER	<input checked="" type="radio"/>	N	A
Pre	GEORGE	<input type="radio"/>	N	A
	JAUCH	<input checked="" type="radio"/>	N	A
	WINEKE	<input checked="" type="radio"/>	N	A
	SHIBILSKI	<input checked="" type="radio"/>	N	A
	COWLES	<input checked="" type="radio"/>	N	A
	PANZER	<input checked="" type="radio"/>	N	A
	JENSEN	<input checked="" type="radio"/>	N	A
	OURADA	<input checked="" type="radio"/>	N	A
	HARSDORF	<input checked="" type="radio"/>	N	A
	ALBERS	<input checked="" type="radio"/>	N	A
	GARD	<input checked="" type="radio"/>	N	A
	KAUFERT	<input checked="" type="radio"/>	N	A
	LINTON	<input checked="" type="radio"/>	N	A
	COGGS	<input checked="" type="radio"/>	N	A

AYE 15 NO 0 ABS 1

CORRECTIONS--COMMUNITY CORRECTIONS

Community Notification of Transitional Housing

Motion:

Move to require the Department of Corrections to notify the police chief, sheriff and the chief elected official of an affected municipality, and the local newspaper of record in advance of any plan to site transitional housing for probationers or parolees in the community. Provide that the local officials must notify the public in the manner and to the extent that they see fit.

Note:

Currently, the Department of Corrections contracts with private providers to provide short-term living arrangements for newly released, employed parolees or probationers. These programs, which typically have two to four beds, provide no specific treatment for offenders, but are staffed by providers who may make unannounced visits to monitor behavior. The Department currently funds 52 transitional living beds. This motion would require the Department to notify in advance the police chief, sheriff, chief elected official and the local newspaper of record of a municipality, in which a contractor plans to open a transitional housing program. The local officials could determine the extent and manner in which to notify the public of the proposed transitional housing.

MO# 3073

BURKE	(Y)	N	A
DECKER	(P)	N	A
GEORGE	Y	N	A
JAUCH	Y	(P)	A
WINEKE	Y	(P)	A
SHIBILSKI	(P)	N	A
COWLES	(Y)	N	A
PANZER	(P)	N	A
2 JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
1 GARD	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

Motion #3073

AYE 13 NO 2 ABS 1