

**FISCAL ESTIMATE**

DOA-2048 N(R10/98)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
AB 295/LRB-0458/1

Amendment No. if Applicable

**Subject**

Canceling All out-of-state Contracts for Inmate Housing

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No  
 Decrease Costs

Local:  No local government costs

1.  Increase Costs  
      Permissive     Mandatory  
 2.  Decrease Costs  
      Permissive     Mandatory

3.  Increase Revenues  
      Permissive     Mandatory  
 4.  Decrease Revenues  
      Permissive     Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties     Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

20.410 (1) (a) and (e)

**Assumptions Used in Arriving at Fiscal Estimate**

This bill repeals all authority for Wisconsin's Department of Corrections to house inmates outside Wisconsin one year after the effective date of the law. It also directs the Department to withdraw from all interstate correction compact agreements, including any agreements with the Federal government, to house inmates outside of Wisconsin.

The Department's adult institutions and correctional centers are currently operating at approximately 133% of capacity. Due to health and safety concerns, this fiscal note assumes the Department will continue to operate at this level.

The September 1998 forecast projects an end-point adult institution population of 27,560 on June 30, 2001. The Governor's budget request assumes 804 beds would be available in current contracts with Wisconsin counties, at the Prairie du Chien facility, and the Wisconsin Resource Center (WRC). In addition, the Department assumes the Robert E. Ellsworth, Supermax, Redgranite, Milwaukee Probation and Parole Hold/AODA facility, and New Lisbon construction projects will be completed as scheduled. Due to the construction schedules of these facilities, most of these beds would not be available within the one year time period in the bill.

In order to return 100% of out-of-state and federal inmates and house the growing population, the Department would have to build 6 new 1000 cell (1500 bed) medium security facilities.

(continued on attached sheet)

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)

Department of Corrections  
Cathy Halpin 267-0934

Authorized Signature/Telephone No.

*Robert Margolies*  
Robert Margolies 266-2931

Date

May 11, 1999

This fiscal note assumes the six additional facilities can be completed and the approximately 2,940 additional employees hired and trained by July 1, 2001. Projected costs total approximately \$516 million for construction. The funding for construction projects is usually obtained through general obligation bonding. Repayment of bonds would be spread over a period of 20 years and the loan repayment costs would be greater than the construction cost. One time costs are estimated to be \$11.6 million. Annual operating costs are approximately \$154 million. These projections do not include site acquisition, off-site utilities, inmate transportation, or employee recruitment and training costs.

The Department also places inmates in out-of-state federal beds in cases where there is a high degree of risk to an inmate being placed in the general inmate population (eg. former-law enforcement officers or informants). This fiscal note assumes a portion of one of the new construction projects could be devoted to housing this special population.

Based upon the Governor's 99-01 budget request there will be 8,300 inmates who cannot be housed in existing DOC facilities, WRC or current in-state contract beds on June 30, 2001. Assuming an average per day cost of \$45/contract bed the Department would be spending \$136 million on contract beds to house these inmates. If all out-of-state contracts were discontinued the related funding could be applied to the annual ongoing costs of the 6 new facilities mentioned above. (\$154 m - \$136 m = \$18 m increase)

In summary, if this bill is passed, the Department projects an increase of \$18 million annually for operating costs, \$516 million for construction, \$11.6 million one-time costs, and 2,940 additional employees for 6 new correctional facilities to house 100% of the inmates who cannot be accommodated in current facilities or in-state contract beds.

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/98)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
AB 295/LRB-0458/1

Amendment No.

Subject

**Canceling All Out-of-State Contracts for Inmate Housing**

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$527.6 million

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$106,933,800	\$136,327,500
(FTE Position Changes)	2,940 FTE	
State Operations - Other Costs	\$47,399,800	-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$154,333,600</b>	<b>\$136,327,500</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$154,333,600	\$136,327,500
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>State Revenues</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**  
STATE

NET CHANGE IN COSTS      \$18,006,100 plus principal and interest on \$516 m construction costs

NET CHANGE IN REVENUES      \$ \_\_\_\_\_

Agency/Prepared by: (Name & Phone No.) Department of Corrections C. Halpin 267-0934	Authorized Signature/Telephone No. <i>Robert Margolies</i> Robert Margolies 266-2931	Date May 11, 1999
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