

<b>1999 Session</b>		LRB Number <b>2853/2</b>
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)		Bill Number <b>AB 519</b>
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable
<b>Subject Relating to: construction and operation of private prisons, requiring the exercise of rule-making authority and making an appropriation.</b>		Administrative Rule Number
<b>Fiscal Effect</b> State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
Local: <input type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<b>Fund Sources Affected</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b> 20.410 (1) (a); (hq); (hv), (kc)
<b>Assumptions Used in Arriving at Fiscal Estimate</b>  This bill establishes (1) duties and responsibilities of the Department of Corrections (DOC) with respect to private persons who desire to construct and operate a prison in Wisconsin, and (2) the conditions under which private persons may construct and operate a prison in this state for the confinement of inmates from other states.  <u>Private Prison Construction and Operation</u> DOC must establish rules, and set license and application fees that reflect the department's approximate costs for regulation of construction and operation of these private facilities. Activity is anticipated from the time construction is planned and a license is applied for through monitoring of institution operations. These activities concerning private prisons and their regulation have not been performed by the department in the past, and will require investigation and research in the rule making process and the establishment of fees sufficient to reimburse the department for its approximate costs.  <u>Enforcement</u> The bill grants DOC several methods of enforcement in the event that the construction or operation of a private prison is in violation of the terms of its license, including the possibility of taking over the operation of the institution in the case of contract violations. These enforcement activities also represent a new area for DOC and will require staff time and resources.  <u>One-Time Fiscal Impact on the Department</u>  The one-time fiscal impact on the department is in setting up the new program, promulgating rules, determining procedures for licensing and fee structure, and developing policies and procedures to follow in enforcement. It is believed that these initial activities could be accomplished by two half-time GPR funded positions; an attorney and a detention facilities specialist, for a period of one year, at a total one-time cost of \$67,800 for salary, fringe, supplies and services, and start-up costs.  <u>Ongoing Fiscal Impact on the Department</u> It is not possible to estimate the staff and resources required for the departmental activities included in this bill until the program has been designed, rules have been promulgated and enforcement policies and procedures have been developed. The bill provides that DOC charge the private prison operator for its reasonable costs in carrying out the activities of review, monitoring, inspection and enforcement. Ongoing costs will be funded by the collection of license and application fees.		
<b>Long-Range Fiscal Implications</b>		
Prepared by: Barbara Carlson	Telephone No. 266-9340	Agency: Corrections
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**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R06/99)

LRB Number <b>2853/2</b>	Amendment No. if Applicable
Bill Number <b>AB 519</b>	Administrative Rule Number

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**Subject: Relating to construction and operation of private prisons, requiring the exercise of rule-making authority and making an appropriation.**

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**  
\$67,800

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		\$	\$ -
(FTE Position Changes)		( FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$	\$ -
<b>B. State Costs by Source of Funds</b>		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS		Unable to estimate	-
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.)	Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS		Unable to estimate	-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS                      \$Unable to estimate                      \$ \_\_\_\_\_

NET CHANGE IN REVENUES                      \$Unable to estimate                      \$ \_\_\_\_\_

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