FISCAL ESTIMATE DOA-2048 N(R06/99)	**1999 Session** X ORIGINAL ☐ UPDATED ☐ CORRECTED ☐ SUPPLEMENTAL	LRB Number **LRB-3148/1**
		Bill Number **AB 539**
Subject: Relating to the construction of correctional facilities by private persons, the lease of certain correctional facilities, contracts for the confinement of Wisconsin prisoners in other states, making an appropriation and providing penalties.		Amendment No. if Applicable
		Administrative Rule Number

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

X Increase Costs - May be possible to Absorb Within Agency's Budget ☐ Yes X 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

X GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Chapter 20 Appropriations

s. 20.410 (1) (ab) (ej) (ks)

Assumptions Used in Arriving at Fiscal Estimate

This bill permits the Department to lease and operate a correctional facility, and to fund such a lease and operating expenses from s. 20.410 (1) (ab), which is the appropriation relating to payment for contract beds, and from 20.410 (1) (ej), which is a sum sufficient appropriation. The use of funds for these lease payments and for operations costs is subject to approval by the Joint Committee on Finance.

This bill provides general statutory authority that does not mandate any expenditure of funds. However, for illustrative purposes, the Department will use the Stanley medium security facility as an example. There are a number of assumptions in establishing these costs. It is assumed that positions for the facility will be authorized about April 1, 2000, and that lease or lease/purchase negotiations will be completed by July 1, 2000, which is a date specified in this bill. It is further assumed that inmate populations will be phased in at a rate of 30 per week, beginning the first week in February, 2001. The total capacity of 1,200 would be reached in December, 2002. There would not be any inmates received by the institution in FY 00. The average daily population (ADP)in FY 01 would be 363. By FY 02, the average daily population would be 739. The institution would be up to its full capacity of 1,200 in December, 2002. Projected lease costs of $6,000,000 annually are included in these estimates, beginning in FY 01.

During the first year, FY 00, there would be $3,900,000 in moveable equipment, $2,216,000 in building modifications, and $2,312,000 in one-time start-up costs, for a total of $8,428,000 in one-time costs. There would also be $282,000 in salary and fringe and $162,800 in supplies and services. There would be no lease cost in FY 00 since the bill specifies a date of July 1, 2000. Lease cost in FY 01 is estimated at $6,000,000. The total costs for FY 00 would be $8,872,800 GPR and 17.0 GPR FTE. The Department would also need approximately $8,300 in expenditure authority and position authority for 1.0 PRO FTE to support prison industries. The total GPR of $8,872,800 would not result in any inmate population for the leased institution in the first year that funding was needed. Therefore, there would be no decrease in the need for contract beds and the funds would need to be paid totally from the sum sufficient appropriation.

Long-Range Fiscal Implications

Prepared by: Barbara Carlson	**Telephone No. 266-9340**	**Agency** **Corrections**
Authorized Signature: Robert Margolies **Robert Margolies**	**Telephone No. 266-2931**	**Date** **November 1, 1999**

In FY 01, the Department would need to provide $7,017,400 in salary and fringe, $2,399,500 in supplies and services, $630,400 for a health care contract, $6,000,000 in lease costs, and $1,070,400 in one-time costs, for a total of $17,117,700 GPR and 353 GPR FTE. In FY 01, the Department would also need approximately $150,100 (salary, fringe and supplies and services) in expenditure authority and position authority for 4.00 PRO FTE to support prison industries. There would be a total of $17,117,700 GPR needed to support an average daily population of 363. There would be $5,945,500 available from the contract bed appropriation s. 20.410 (1) (ab), resulting from a reduced ADP contract bed capacity need due to the availability of the beds at the leased facility. This would result in a need for an additional $11,171,800 million from the sum sufficient appropriation in FY 01.

On an annualized basis, total GPR costs would be $12,879,300 in salary and fringe, $4,150,100 in supplies and services, $2,504,400 for the health care contract, and $6,000,000 in lease costs, for a total of $25,533,700 and 353 FTE. Total PRO expenditure authority would be $150,400 in salary and fringe, and $19,200 in supplies and services. If the total GPR of $25,533,700 was paid out of existing contract bed funds it would result in a reduced average daily population (ADP) of 1,555 contract beds annually. If the difference between the institution average daily population of 1,200 and the loss of 1,555 (355 beds)were supported by the sum sufficient appropriation, an additional $5.8 would be needed from the s.20.410 (1) (ej).