

FISCAL ESTIMATE

DOA-2048 N(R10/98)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

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 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. ($\$154 \text{ m} - \$136 \text{ m} = \$18 \text{ m}$ 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.
SB 138/LRB-2886/1

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):

\$11.6 million

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
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		-
TOTAL State Costs by Category	\$154,333,600	\$136,327,500
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$154,333,600	\$136,327,500
FED		-
PRO/PRS		-
SEG/SEG-S		-
State Revenues 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		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

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
---	--	----------------------