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| 1999 Session | | LRB Number LRB-3687/3 |
| FISCAL ESTIMATE DOA-2048 N(R06/99) | | Bill Number SB 262 |
| <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL | | |
| Subject: Relating to the lease and operation of correctional facilities and making an appropriation. | | Amendment No. if Applicable |
| | | Administrative Rule Number |
| Fiscal Effect 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 |
| Fund Sources Affected <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 | | Affected Chapter 20 Appropriations s. 20.410 (1) (ab) |
| Assumptions Used in Arriving at Fiscal Estimate <p>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. The use of funds for these lease payments and for operations costs from this appropriation is subject to approval by the Joint Committee on Finance.</p> <p>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 December 1, 1999, and that lease or lease/purchase negotiations will be completed by March 1, 2000. It is further assumed that inmate populations will be phased in at a rate of 30 per week, beginning on October 1, 2000. The total capacity of 1,200 would be reached on July 1, 2001. There would not be any inmates received by the institution in FY 00. The average daily population in FY 01 would be 472. By FY 02, the institution would be up to full capacity of 1,200. Projected lease costs of \$6,000,000 annually are included in these estimates.</p> <p>During the first year, FY 00, there would be \$3,900,000 in moveable equipment, \$2,216,000 in building modifications, and \$3,171,500 in one-time start-up costs, for a total of \$9,287,500 in one-time costs. There would also be \$643,200 in salary and fringe and \$705,800 in supplies and services. Lease cost in FY 00 is estimated at \$2,000,000. The total costs for FY 00 would be \$12,636,500 GPR and 47.0 GPR FTE. The Department would also need approximately \$10,000 in expenditure authority and position authority for 1.0 PRO FTE to support prison industries. If the total GPR of \$12,636,500 were paid out of existing contract bed funds it would result in a reduced average daily population (ADP) of 769 contract beds.</p> | | |
| Long-Range Fiscal Implications | | |
| Prepared by: Barbara Carlson | Telephone No. 266-9340 | Agency Corrections |
| Authorized Signature:  Robert Margolies | Telephone No. 266-2931 | Date October 20, 1999 |

In FY 01, the Department would need to provide \$10,468,600 in salary and fringe, \$2,356,600 in supplies and services, \$820,500 for a health care contract, \$6,000,000 in lease costs, and \$209,400 in one-time costs, for a total of \$19,855,100 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. If the total GPR of \$19,855,100 were paid out of existing contract bed funds it would result in a reduced average daily population (ADP) of 736 contract beds.

On an annual 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 355 contract beds annually.

If the Department is not provided with additional resources in its contract appropriation it is anticipated that DOC would experience a reduction in available bed capacity. The following table illustrates the impact of totally funding Stanley out of existing contract bed funding. To avoid the reduction of available bed capacity would require additional GPR funding of \$12.6M in FY 00, \$12.2 M in FY 01 and \$5.8M on an annual basis thereafter.

| | <u>FY 00</u> | <u>FY 01</u> | <u>Annualized</u> |
|----------------------------------|--------------|--------------|-------------------|
| Total Costs | \$12.6M | \$19.9M | \$25.5M |
| Stanley ADP | -0- | 472 | 1,200 |
| Corresponding Contract Bed Funds | -0- | \$7.8M | \$19.7M |
| GPR Shortfall | \$12.6M | \$12.2M | \$5.8M |
| Loss of Contract Beds | -769 | -736 | -355 |