



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #311

Full Funding of NonSalary Costs (DOC -- Departmentwide)

[LFB 2001-03 Budget Summary: Page 201, #3]

CURRENT LAW

No provision.

GOVERNOR

Provide \$986,900 GPR annually to annualize nonsalary costs associated with positions created for only a portion of a year under previous legislative actions. Annual funding associated with positions created in 1999 Act 9 would be provided as follows: (a) Division of Community Corrections, \$348,900 GPR; (b) Redgranite Correctional Institution, \$529,200 GPR; and (c) New Lisbon Correctional Institution, \$6,600 GPR. In addition, annual funding associated with positions created in 1997 Act 237 would be provided as follows: (a) Supermax Correctional Institution, \$59,800 GPR; (b) Fox Lake Correctional Institution dormitories, \$31,600 GPR; and (c) Green Bay Correctional Institution segregation unit, \$10,800 GPR.

DISCUSSION POINTS

1. When positions in the Department of Corrections are created through legislative actions for only a portion of the second year of a biennium, the agency's adjusted base for the next biennium does not include a full year's funding for those positions. The salary and fringe benefit costs associated with such positions become fully funded under the full funding of continuing salaries and fringe standard budget adjustment. However, nonsalary costs associated with the positions are not fully funded through the standard budget adjustments.

2. Nonsalary costs associated with positions include rent (for Division of Community Corrections positions), supplies and services and internal service charges (monthly charges for the

state's accounting, payroll and personnel systems). The calculations under the bill for annualizing these nonsalary costs appear to accurately reflect full funding of the costs.

3. The recommendation concerning Supermax, Fox Lake and Green Bay Correctional Institutions would provide full funding associated with positions created in 1997 Act 237 (the 1997-99 biennial budget adjustment act). Full funding relating to these positions should have been requested in the 1999-01 biennial budget. The Department indicates that these funds were inadvertently not requested at that time and further indicates that there was no subsequent process for the agency to request these funds as part of a 1999-01 biennial budget adjustment bill. As a result, full funding was not provided in 1999 Act 9 nor in subsequent 1999-01 legislation.

4. The costs associated with 1997 Act 237 actions are now being funded through the Department's base budget. While the 2001-03 budget instructions issued by the Department of Administration do not explicitly prohibit such requests, it is not general budget practice to provide additional funding for expenses being covered through base resources. Providing funding associated with legislative actions in the 1997-99 session could, therefore, be questioned.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$884,700 annually to annualize nonsalary costs, including rent, supplies and services and internal service charges associated with positions created for only a portion of a year in 1999 Act 9 as follows: (a) Division of Community Corrections, \$348,900; (b) Redgranite Correctional Institution, \$529,200; and (c) New Lisbon Correctional Institution, \$6,600. In addition, provide \$102,200 annually for costs associated with positions created in 1997 Act 237 as follows: (a) Supermax Correctional Institution, \$59,800; (b) Fox Lake Correctional Institution dormitories, \$31,600; and (c) Green Bay Correctional Institution segregation unit, \$10,800.

2. Modify the Governor's recommendation by deleting \$102,200 annually for costs associated with positions created in 1997 Act 237 (Supermax Correctional Institution, -\$59,800 annually; Fox Lake Correctional Institution dormitories, -\$31,600 annually; and Green Bay Correctional Institution segregation unit, -\$10,800 annually).

Alternative 2	GPR
2001-03 FUNDING (Change to Bill)	- \$204,400

Prepared by: Debbie Salm