



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #237

Prairie du Chien Correctional Institution (DOC -- Adult Corrections)

[LFB 2003-05 Budget Summary: Page 113, #5]

CURRENT LAW

The 326-bed Prairie du Chien Correctional Institution is a medium-security juvenile correctional facility. Base funding for the facility is \$9,622,100 PR and 163.5 PR positions. Prairie du Chien has been operating as an adult contract facility since it opened on July 1, 1997. Expenditures for the facility are paid through the juvenile correctional services PR appropriation, and then reimbursed through Corrections' GPR appropriation for contracts beds. Funding for the Prairie du Chien contract bed costs in 2002-03 is \$10,038,900 GPR. Statutorily, the facility may only be used for the placement of non-violent offenders who are not more than 21 years old.

GOVERNOR

Provide -\$691,400 GPR and 164.50 GPR positions and -\$10,229,300 PR and -164.50 PR positions in 2003-04 and -\$845,300 GPR and 164.50 GPR positions and -\$10,370,300 PR and -164.50 PR positions in 2004-05 to convert the Prairie du Chien Correctional Institution from a juvenile correctional institution to an adult prison. Modify statutory language to allow the facility to become an adult prison by deleting age and offense type limitations and deleting the specification that Prairie du Chien's expenditures be paid through the juvenile correctional services appropriation. Funding and position changes under the bill are shown in the following chart.

Division	2003-04				2004-05			
	GPR		PR		GPR		PR	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
Adult Institutions								
Contract Beds	-\$10,920,700	0.00	\$0	0.00	-\$11,215,600	0.00	\$0	0.00
Operational Costs	10,229,300	164.50	0	0.00	10,370,300	164.50	0	0.00
Juvenile Institutions								
Operational Costs	<u>0</u>	<u>0.00</u>	<u>-10,229,300</u>	<u>-164.50</u>	<u>0</u>	<u>0.00</u>	<u>-10,370,300</u>	<u>-164.50</u>
Total	-\$691,400	164.50	-\$10,229,300	-164.50	-\$845,300	164.50	-\$10,370,300	-164.50

DISCUSSION POINTS

1. Under 1995 Act 27, the Prairie du Chien Correctional Facility was designed as a juvenile correctional facility. In 1997 Act 4, Corrections was authorized to utilize Prairie du Chien as a facility for young adult prisoners from July 1, 1997, until July 1, 1998. In 1997 Act 27, the authority to operate the facility as an adult prison was extended until July 1, 1999. Also, 1997 Act 27 specified that inmates at the facility could not be more than 21 years of age and must be nonviolent offenders, as determined by the Department of Corrections. In 1999 Act 9, the authority to use the prison for nonviolent, youthful adult offenders was again extended until July 1, 2001. This period was extended again under 2001 Act 16 to July 1, 2003.

2. Under the SB 44, the Prairie du Chien Correctional facility would be permanently converted into an adult facility and all restrictions related to the type of prison placed at the facility would be removed.

3. The conversion of Prairie du Chien to an adult facility was requested by the Department of Corrections in its 2003-05 biennial budget request. According to Corrections: "PDCCI [Prairie du Chien Correctional Institution] currently operates as an adult contract facility within the Division of Juvenile Corrections (DJC). PDCCI has housed adults since opening in July, 1997. The facility and its operations report to two separate divisions [DJC and the Division of Adult Institutions (DAI)]. Although PDCCI is functioning as an adult facility, it has some reporting responsibilities to DJC. This has made it difficult at times to know which division handles problems as they arise, and to which division the institution reports. In addition, accounting entries must be performed twice because PDCCI expenditures are paid with PR..., juvenile correctional services and then the expenditures are reimbursed through GPR..., corrections contracts and agreements."

4. Costs at Prairie du Chien are reimbursed on a per day per bed basis. Since costs at the facility are supported through PR, the daily rate for the facility is determined based on total budgeted operational costs of the facility including amounts reserved for compensation reserves, health insurance cost increases, and payments for municipal services. The Division of Adult Institutions then pays the Division of Juvenile Corrections the calculated daily rate for the number of beds used.

5. In order to estimate the amount of contract bed funding to eliminate in 2003-04 and 2004-05 associated with the conversion of Prairie du Chien, Corrections estimated the total PR cost for the facility in 2003-04 and 2004-05, including reserve amounts. However, since GPR appropriations do not budget reserves for compensation reserves, health insurance cost increases, and payments for municipal services, expenditure authority associated with these items (\$691,400 in 2003-04 and \$845,300 in 2004-05) was not necessary when providing GPR funding in the Division of Adult Institution. These items, to the extent necessary, are provided a supplemental funding. As a result of the conversion to direct GPR funding, less overall GPR in Corrections would be needed to support operations at the facility in 2003-04 and 2004-05.

6. Base contract bed funding associated with Prairie du Chien is \$10,038,900 GPR annually. It should be noted that the calculation of total contract bed funding assumes that Prairie du Chien will remain a contract facility. Total contract bed costs are increased by \$881,800 GPR in 2003-04 and \$1,176,700 GPR in 2004-05 associated with the assumed cost increase. When included with base contract bed funding for Prairie du Chien, total funding for the facility would be \$10,920,700 GPR in 2003-04 and \$11,215,600 GPR in 2004-05. Under SB 44, contract costs are then reduced by a corresponding amount to account for the conversion of Prairie du Chien to direct GPR funding.

7. Under SB 44, the change to base contract bed funding associated with the conversion of Prairie du Chien would be -\$10,038,900 GPR annually. General purpose revenue operating costs would increase by \$10,229,300 GPR in 2003-04 and \$10,370,300 GPR in 2004-05. The net change to GPR base funding from converting Prairie du Chien would be \$190,400 GPR in 2003-04 and \$331,400 GPR in 2004-05. It should be noted, however, that if the facility were not converted to direct GPR funding and remained a contract facility, total estimated GPR contract bed costs would have been higher than the amounts provided in SB 44 by \$691,400 GPR in 2003-04 and \$845,300 GPR in 2004-05.

8. On March 19, 2003, DOA indicated that the calculation of total operational costs at Prairie du Chien had not appropriately reflected all actions of the Governor in SB 44. Therefore, GPR operating costs and PR savings associated with the conversion of the facility were overstated by \$47,300 in 2003-04 and \$130,700 in 2004-05. As a result, SB 44 could be modified by these amounts.

9. Because of the overstatement of operating costs, total funding needed for contract beds associated with Prairie du Chien would be reduced to \$10,873,400 GPR in 2003-04 and \$11,084,900 GPR in 2004-05. However, the corresponding contract bed cost savings of the conversion are also reduced. There is, therefore, no net effect on contract bed funding under the bill.

10. The following table identifies the fiscal effect under SB 44 and the modifications recommended by DOA.

Prairie du Chien Correctional Institution
Conversion Fiscal Effect SB 44
2003-05

	<u>SB 44</u>		<u>Modification</u>		<u>Change to Bill</u>	
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2004-05</u>
GPR Funding						
Contract Bed Funding						
Base Funding	\$10,038,900	\$10,038,900	\$10,038,900	\$10,038,900	\$0	\$0
Contract Bed Funding Increase	<u>881,800</u>	<u>1,176,700</u>	<u>834,500</u>	<u>1,046,000</u>	<u>-47,300</u>	<u>-130,700</u>
Total Prairie du Chien						
Contract Bed Funding	\$10,920,700	\$11,215,600	\$10,873,400	\$11,084,900	-\$47,300	-\$130,700
Prairie du Chien Conversion						
Institutional Operating						
Costs--GPR	\$10,229,300	\$10,370,300	\$10,182,000	\$10,239,600	-\$47,300	-\$130,700
Contract Bed Reduction	<u>-10,920,700</u>	<u>-11,215,600</u>	<u>-10,873,400</u>	<u>-11,084,900</u>	<u>47,300</u>	<u>130,700</u>
Total Prairie du Chien						
Conversion Costs	-\$691,400	-\$845,300	-\$691,400	-\$845,300	\$0	\$0
Net Change to Base GPR	\$190,400	\$331,400	\$143,100	\$200,700	-\$47,300	-\$130,700
Program Revenue Funding						
Base Operating Costs--PR	\$9,622,100	\$9,622,100	\$9,622,100	\$9,622,100	\$0	\$0
Institutional Operating						
Costs--PR	<u>-10,229,300</u>	<u>-10,370,300</u>	<u>-10,182,000</u>	<u>-10,239,600</u>	<u>47,300</u>	<u>130,700</u>
Net Change to Base PR	-\$607,200	-\$748,200	-\$559,900	-\$617,500	\$47,300	\$130,700

11. Since Prairie du Chien is a contract facility, GPR funding is paid for each bed used on per day basis. Corrections has, therefore, limited its utilization of the facility. While the current operating capacity of the facility is 326, the average daily population in 1999-00 and 2000-01 was 297 inmates, and in 2001-02 was 304 inmates. On April 11, 2003, the facility had an inmate population of 292. Corrections indicates that after conversion of the facility to GPR funding when a daily contract rate is no longer charged, it is anticipated that up to 396 inmates will be placed at the facility.

12. As originally designed, Prairie du Chien was intended to be a juvenile correctional school. However, before the facility opened, juvenile correctional populations began to decline. At the same time, adult correctional populations were increasing. In order to open the facility, a determination was made to allow the placement of adult inmates at the facility. So that the facility would have a population that was similar to portions of the juvenile correctional population, statutory language was adopted which required that offenders placed at the facility must be non-violent and not more than 21 years of age.

13. Corrections argues that the statutory restrictions limit the Department's flexibility in managing prison populations by restricting the offenders who can be placed at Prairie du Chien based on age and offense type. Removal of the restrictions would allow an offender of any age, who committed any offense type to be placed at Prairie du Chien, as long as the offender was classified as a medium-security inmate.

ALTERNATIVES

1. Approve the Governor's recommendation to: (a) provide -\$691,400 GPR and 164.50 GPR positions and -\$10,229,300 PR and -164.50 PR positions in 2003-04 and -\$845,300 GPR and 164.50 GPR positions and -\$10,370,300 PR and -164.50 PR positions in 2004-05 to convert the Prairie du Chien Correctional Institution from a juvenile correctional institution to an adult prison; and (b) modify statutory language to allow the facility to become an adult prison by deleting age and offense limitations, and the specification that Prairie du Chien's expenditures be paid through the juvenile correctional services appropriation.

2. Modify the Governor's recommendation by reducing GPR operating costs at the Prairie du Chien Correctional Institution by \$47,300 GPR in 2003-04 and \$130,700 GPR in 2004-05. Provide \$47,300 PR in 2003-04 and \$130,700 PR in 2004-05 associated with an overestimation of the amount of PR reductions that would occur as a result of converting Prairie du Chien to GPR funding.

<u>Alternative 2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2003-05 FUNDING (Change to Bill)	- \$178,000	\$178,000	\$0

3. Maintain current law.

<u>Alternative 3</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2003-05 FUNDING (Change to Bill)	\$1,536,700	\$20,599,600	\$22,136,300
2004-05 POSITIONS (Change to Bill)	- 164.50	164.50	0.00

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