



## Legislative Fiscal Bureau

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May 15, 2003

Joint Committee on Finance

Paper #258

### **Population-Related Position Reductions at Secured Correctional Facilities (DOC -- Juvenile Corrections)**

[LFB 2003-05 Budget Summary: Page 128, #5]

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#### **CURRENT LAW**

Base funding of \$58,762,600 PR is provided for the operation of secured correctional facilities for juveniles, excluding the Prairie du Chien facility, which is currently utilized as an adult prison. Base level position authority, exclusive the Prairie du Chien facility, totals 906.68 PR positions.

#### **GOVERNOR**

Reduce funding by \$1,941,200 PR and 46.04 PR positions annually to reflect a projected decrease in juvenile populations for the state's secured correctional facilities. The position reductions would include: (1) 2.34 positions budgeted in the Division of Juvenile Corrections central office; (2) 21.05 positions at the Ethan Allen School; (3) 12.95 positions at the Lincoln Hills School; and (4) 9.70 positions at the Southern Oaks Girls School.

#### **DISCUSSION POINTS**

1. The 46.04 full-time equivalent (FTE) positions eliminated under the bill have been identified by the Department as long-term vacancies that have remained unfilled for periods ranging from July 1, 1998, to March 9, 2002. The classifications and the associated number of FTE positions that would be deleted are as follows:

<u>Position Classification</u>	<u>FTE</u>
Chaplain	0.50
Correctional Services Manager	0.34
Corrections Food Service Leader	1.00
Corrections Unit Supervisor	3.00
Custodial Services Program Supervisor	1.00
Executive Staff Assistant	1.00
Experiential Recreation Specialist	1.00
Financial Clerk	1.00
Food Service Manager	1.00
IS Business Automation Senior	0.50
Maintenance Mechanic	1.00
Program Assistant	1.50
Psychologist - Senior Doctorate	1.00
Social Worker	7.00
Supervising Youth Counselor	2.00
Teacher	5.50
Teacher Assistant	1.00
Youth Counselor	<u>16.70</u>
Total	46.04

2. The Governor's recommended deletion of 46.04 PR vacant positions with associated savings of \$1,941,200 PR annually has the effect of reducing the daily rate for facility care by approximately \$6.39 in 2003-04 and \$6.42 in 2004-05, based on the population projections in the bill.

3. An analysis has determined that approximately 17 of the 46.04 vacant positions specified here have since been filled. However, if the Governor's recommendation is approved, the Department (with DOA approval) would be required to identify other positions for deletion since DOC position authority and expenditure authority would have been reduced, as specified under the bill.

4. Currently, 906.68 positions are authorized for the operation of the secured correctional facilities for juveniles. Under the bill, position authority would be reduced by 110.22 positions (a reduction of 12.2%) to a total of 796.46 positions. These reductions include: (a) the 46.04 positions identified above; (b) 46.0 positions relating to the elimination of the juvenile boot camp; (c) 13.0 positions affected by base budget reductions; (d) 4.5 positions transferred to the Prairie du Chien facility that serves adult prisoners; and (e) 0.68 position associated with a departmentwide realignment.

5. Recent state agency position vacancy data indicates that 103.7 positions are currently vacant (11.4% of the total positions authorized). Of these vacancies, 46.04 would be deleted under this provision and an additional 3.0 FTE would be eliminated as part of base budget reductions (the base reductions would also delete 10.0 filled positions). A total of 54.66 FTE vacant positions would remain.

6. DOC officials indicate that the number of vacant positions varies depending on juvenile populations, the particular needs of juveniles under the Department's care, and the timing of employee retirements, turnover and rehiring. Consequently, the Department requires a pool of vacant positions in order to address changing conditions and possible increases in juvenile populations. Without such a reserve, the Department's ability to respond to changing conditions with the right staffing mix would be restricted. Officials argue that additional staffing reductions could have a negative effect on care and treatment programming and caseloads for current staff.

7. Significant growth in average daily population (ADP) for juveniles was common from the mid-1980s through 1996. From 1996 to 2000, ADP fluctuated somewhat, but was relatively stable. In recent years populations have been declining. In state fiscal year 2000-01, secured correctional facility ADP totaled 952.9, in 2001-02, ADP declined to 869.2, and the year-to-date ADP for 2002-03 (through March) is 814.3. Under the bill ADP projections for juveniles total 830 in 2003-04 and 829 in 2004-05. In Paper #255, populations are reestimated at 800 annually in 2003-04 and 2004-05.

8. Under the bill, the daily rates for secured correctional facility care are provided at \$190 in 2003-04 and \$194 in 2004-05. Subsequent to the bill's introduction, corrected rates of \$187 in 2003-04 and \$191 in 2004-05 were determined by DOA.

9. The calculation of daily rates depends on two variables. The first is the anticipated ADP for a particular type of care. The second is the budgeted cost for that type of care. If the budgeted cost of care remains the same and estimated population is reduced, daily rates increase. Therefore, if populations are reestimated to 800 annually in the 2003-05 biennium, daily rates would increase by approximately \$7 in both 2003-04 and 2004-05 (compared to the corrected daily rates under the bill), if no other cost reductions are made.

10. Position authority under the bill would be reduced to 796.46 positions with the ADP estimated at 830 in 2003-04 and 829 in 2004-05. With a reduction of the ADP estimate to 800 annually, it could be argued that position authority for 796.46 FTE staff reflects a capacity to serve higher juvenile populations than are currently under state care (or anticipated in the 2003-05 biennium). Further, it could be argued that the cost basis under the bill for determining the daily rate is higher than is necessary to serve the lower projected population levels.

11. Budgeted costs are difficult to reduce. This is because a large proportion of total expenditures is attributable to fixed costs (such as necessary minimum staffing requirements and infrastructure factors such as maintenance and utilities) necessary to keep correctional institutions in operation. Such costs do not vary substantially due to a moderate increase or decrease of populations.

12. The vacant positions remaining after the reductions recommended under the bill would tend to be shorter-term vacancies, some of which may need to be filled to maintain care and treatment functions. However, the deletion of vacant positions or the costs associated with these positions has the greatest potential for reducing juvenile care costs sufficiently to reduce daily rates.

13. As described earlier, 54.66 FTE vacant positions would remain following the Governor's recommended base level position reductions. These positions would represent 6.9% of the remaining authorized positions under the bill for the juvenile corrections function. The Department argues that applying additional reductions to these vacant positions could impair its ability to provide the required care and treatment for juveniles placed in its custody. This concern appears to be reasonable. However, deleting additional vacant positions may not be necessary to achieve the goal of reducing budgeted costs and, in turn, the daily rate for care. The Committee could choose, for example, to delete the funding for a portion of the vacant positions, but leave the position authority intact, in case the Department faced additional staffing demands.

14. Fluctuations in population are difficult to project. Deleting expenditure authority, but not positions, would provide the Department with the ability to respond more quickly in the event additional hiring is needed to address changing conditions. If populations increase, daily-rate revenue would also likely be sufficient to support the new hiring. Thus, increased expenditure authority, if needed, could be approved by the Committee under s. 16.515 procedures to support the unfunded positions.

15. The salary and fringe benefits costs of the 54.66 vacant positions total approximately \$2.4 million annually. The Department would need to retain expenditure authority for some vacant positions in order to have flexibility to address changing needs. Under this alternative, approximately 70% of the budgeted expenditure authority for salaries and fringe benefits associated with these 54.66 vacant positions would be deleted, resulting in savings of \$1,650,000 PR annually. In addition, \$93,600 PR in 2003-04 and \$117,000 PR in 2004-05 in compensation reserves associated with the salary reductions could also be deleted from the cost basis used to calculate daily rates. In total, \$1,743,600 in 2003-04 and \$1,767,000 in 2004-05 would be removed from the cost basis used for determining the daily rates. This action would produce a reduction in the daily rate of \$5.95 in 2003-04 and \$6.05 in 2004-05 (based on a revised ADP estimate of 800 annually).

## **ALTERNATIVES**

1. Approve the Governor's provision to reduce funding by \$1,941,200 PR and 46.04 PR positions annually to reflect a projected decrease in juvenile populations for the state's secured correctional facilities. The specific positions to be deleted would be determined by the Department of Corrections, with the approval of the Department of Administration, following enactment of the 2003-05 biennial budget act.

2. *In addition to Alternative 1*, delete \$1,650,000 PR annually in expenditure authority relating to currently vacant positions. [The reductions and associated decreases in compensation reserves (\$93,600 in 2003-04 and \$117,000 in 2004-05) would result in the removal of \$1,743,600 in 2003-04 and \$1,767,000 in 2004-05 from the cost basis for calculating daily rates of care for juveniles placed in secured correctional facilities. This would reduce the daily rate (based on revised population estimates) by \$5.95 in 2003-04 and \$6.05 in 2004-05.]

<b><u>Alternative 2</u></b>	<b><u>PR</u></b>
<b>2003-05 FUNDING</b> (Change to Bill)	- \$3,300,000

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