



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #230

Jackson Correctional Institution Wastewater Treatment Facility (DOC -- Adult Corrections)

[LFB 2005-07 Budget Summary: Page 127, #7]

CURRENT LAW

No provision.

GOVERNOR

Create an annual program revenue appropriation to make improvements to the wastewater treatment facility at the Jackson Correctional Institution in Black River Falls and provide one-time funding of \$327,400 PR in 2005-06. Revenue would be provided from tribal gaming receipts. Repeal the appropriation on July 1, 2007.

DISCUSSION POINTS

1. The Jackson Correctional Institution (JCI) is a medium-security facility located in Black River Falls. As of April 1, 2005, the facility had a population of 970 offenders. The facility receives wastewater treatment service through the Wazee Area Wastewater Commission under an agreement with the Ho-Chunk Nation.

2. The 1994 agreement with the Ho-Chunk specifies that Corrections is required to pay a proportionate share of upgrade costs to the wastewater treatment facility based on usage. When the facility was recently upgraded, the Wastewater Commission estimated that JCI's share of these costs would be \$327,400.

3. In the Department's 2005-07 biennial budget request, one-time funding of \$327,400 GPR in 2005-06 was requested to pay the upgrade costs. The Governor denied this request.

Instead, AB 100 creates an annual PR appropriation in Corrections for receipt of \$327,400 PR in 2005-06 in tribal gaming receipts and specifies that the one-time funding may only be used for the Jackson Correctional Institution wastewater treatment facility. The appropriation would sunset on July 1, 2007.

4. On April 14, 2005, Corrections received an invoice from the Wazee Area Wastewater Commission indicating that actual costs for the upgrades would be \$326,100. Based on actual costs, funding under AB 100 could be reduced by \$1,300 PR in 2005-06.

5. In the 1995-97 biennial budget, funding of \$100,000 GPR annually was provided for improvements to the water treatment plant in the Town of Brockway in connection with the opening of the Jackson Correctional Institution. Under a 1995 agreement with Brockway, total improvement costs were established at \$750,000 for improvements necessary to provide potable water for the Jackson facility. Corrections indicates that these costs have been paid.

6. Since costs for the water treatment improvement have been paid, \$100,000 GPR annually is in the Department's base budget that could be utilized to fund the costs of the wastewater treatment plant improvement. If the Committee wishes, Corrections could be required to utilize base funding in 2005-06 and \$100,000 GPR from 2006-07 could be moved to 2005-06. As a result, funding from tribal gaming receipts could be reduced by \$201,300 PR in 2005-06. Under this alternative, costs for improvements would include monies from the tribal gaming receipts (\$126,100 PR) and GPR funding (\$200,000 base resources). Further, since funding in 2006-07 establishes the base level for the 2007-09 biennium, the alternative would lessen base funding by \$100,000 for the 2007-09 biennium.

7. If the Committee wishes, the provision could be deleted and, instead, the Department's budget request (as modified for actual costs) could be provided. It should be noted, however, that given the nature of tribal gaming receipts (monies from gaming receipts not specifically appropriated as PR are placed in the general fund), removal of the PR funding and the provision of GPR instead would have a largely neutral fiscal effect to the general fund.

8. Based on the agreement Corrections has with the Ho-Chunk Nation, the Department is obligated to pay its proportionate share of upgrade costs. If increased funding is not provided, Corrections would still need to pay the upgrade costs, and would need to reallocate funding from within existing resources.

ALTERNATIVES

1. Approve the Governor's recommendation to: (a) create an annual program revenue appropriation to make improvements to the wastewater treatment facility at the Jackson Correctional Institution in Black River Falls; (b) provide one-time funding of \$327,400 PR in 2005-06; and (c) repeal the appropriation on July 1, 2007.

2. Modify the Governor's recommendation to delete \$1,300 PR in 2005-06 to reflect

Corrections' share of actual costs of upgrades to Wazee Area Wastewater Treatment Facility.

| <u>Alternative 2</u> | <u>GPR-REV</u> | <u>PR</u> |
|---|----------------|-----------|
| 2005-07 REVENUE (Change to Bill) | \$1,300 | |
| 2005-07 FUNDING (Change to Bill) | | - \$1,300 |

3. Delete \$1,300 PR in 2005-06 to reflect Corrections' share of actual costs of upgrades to Wazee Area Wastewater Treatment Facility. In addition, reduce funding by \$200,000 PR in 2005-06. Require Corrections to use \$100,000 GPR in base funding in 2005-06 and transfer \$100,000 GPR in base resources from 2006-07 to 2005-06 to fund costs of upgrades to Wazee Area Wastewater Treatment Facility

| <u>Alternative 3</u> | <u>GPR-REV</u> | <u>PR</u> |
|---|----------------|-------------|
| 2005-07 REVENUE (Change to Bill) | \$201,300 | |
| 2005-07 FUNDING (Change to Bill) | | - \$201,300 |

4. Delete the provision. Instead, provide \$326,100 GPR in 2005-06.

| <u>Alternative 4</u> | <u>GPR-REV</u> | <u>GPR</u> | <u>PR</u> | <u>TOTAL</u> |
|---|----------------|------------|-------------|--------------|
| 2005-07 REVENUE (Change to Bill) | \$327,400 | | | |
| 2005-07 FUNDING (Change to Bill) | | \$326,100 | - \$327,400 | - \$1,300 |

5. Delete the provision.

| <u>Alternative 5</u> | <u>GPR-REV</u> | <u>PR</u> |
|---|----------------|-------------|
| 2005-07 REVENUE (Change to Bill) | \$327,400 | |
| 2005-07 FUNDING (Change to Bill) | | - \$327,400 |

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