



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #242

Expansion of Community Alternatives to Revocation (Corrections -- Adult Community Corrections)

Bill Agency

[LFB 2007-09 Budget Summary: Page 114, #3]

CURRENT LAW

Offenders who violate their probation, parole, or extended supervision generally face one of two consequences: (a) they may have their probation, parole, or extended supervision revoked and be returned to prison to serve the remainder of their sentence; or (b) they may be placed in either institutional or community programming as an alternative to revocation. For community alternatives to revocation (ATR), The Department utilizes halfway house beds and temporary living placements for programming.

In addition, the Department operates six reporting centers where offenders report daily and are required to report to work, or actively seek employment and keep a record of their job search. Offenders attend educational, vocational, or drug abuse classes as required, and meet regularly with probation officers and counselors.

The Department also operates a transitional jobs training program, designed to assist offenders upon release from prison. Services include assisting offenders to acquire basic work skills development, provide job performance evaluations, and counseling on expectations in regular employment.

GOVERNOR

Provide \$1,922,500 GPR in 2007-08 and \$4,217,500 GPR in 2008-09 for purchased services for offenders to expand community alternatives to revocation. As a result of expanding

community alternatives to revocation, reduce contract bed funding by \$1,224,200 GPR in 2007-08 and \$3,474,700 GPR in 2008-09.

Create a non-statutory provision specifying that \$500,000 annually of the funding provided for transitional jobs training is earmarked annually for the New Hope Project, Inc., a Milwaukee-based nonprofit organization.

DISCUSSION POINTS

1. Offenders who violate their probation, parole, or extended supervision may be placed in institutional or community programming as an alternative to the revocation (ATR) of their probation, parole, or extended supervision. For community ATR placements, the Department uses halfway house and temporary living placement beds. Currently, there are a total of 515 halfway house beds and 340 temporary living placement (TLP) beds for all community supervision. The Department has 40 halfway house beds and 59 TLP beds specifically designated for ATR programming.

2. The Department began implementing community ATR programming during the 2005-07 biennium. As such, evaluations and outcomes specific to ATRs in the community are limited. However, the Department has provided ATR programming in its institutions for several years, and has three-year follow-up data on ATR releases from institutions in 2003. In 2003, there were 384 offenders who completed ATR institutional programming and were released. Of these offenders: (a) 48 of the offenders were convicted of a new offense and sentenced to probation within three years (12.5%); (b) 65 offender were convicted of a new offense and sentenced to prison (16.9%).

3. The Department currently operates six day reporting centers in the following counties: Dane, Racine, Rock, Kenosha, and two in Milwaukee. Four of the reporting centers began operating during the 2005-07 biennium. The day reporting centers are designed for offenders who are substance abusers, considered to be at high risk of reoffending, and who have a relatively high level of need for services, as determined by community classification assessments. Programming at day reporting centers includes alcohol and other drug abuse (AODA) treatment, criminality reduction and independent living skills. The goal of the centers is to assist offenders in achieving responsible, crime- and drug-free living in their communities.

4. Due to the recent start-up of four of the reporting centers, an evaluation of the reporting centers has not been completed. However, the Department indicates that data is currently being recorded and collected for a future analysis.

5. The Department provides transitional jobs training through the Community Corrections Employment Program (CCEP). The program is designed to assist offenders immediately prior to and after release from prison. The program assists offenders in supporting his or her family, making payments for court ordered obligations, and finding permanent jobs through development of good work habits. Participants are permitted subsidized employment for 12 weeks.

Job placements are made through public and private agencies, and non-profit organizations possessing tax-exempt status, and participants are paid minimum wage. The Department currently has a total of 118 slots for the CCEP program.

6. Under the Governor's recommendations, \$1,922,500 GPR in 2007-08 and \$4,217,500 GPR in 2008-09 would be provided to expand community alternatives to revocation for: (a) community alcohol and other drug abuse treatment; (b) new TLP beds; (c) five new day reporting centers; (d) increased costs associated with renewing halfway house contracts; and (e) transitional jobs training. As a result of the recommendations, contract bed savings are estimated to be \$1,224,200 GPR in 2007-08 (65 beds) and \$3,474,800 GPR in 2008-09 (185 beds).

	<u>2007-08</u>	<u>2008-09</u>
Community AODA Treatment	\$709,100	\$998,400
TLP Beds	410,600	821,300
Day Reporting Centers	125,000	625,000
Halfway House Contracts Funding	0	1,095,000
Transitional Jobs Training	177,800	177,800
New Hope Project	<u>500,000</u>	<u>500,000</u>
Total	\$1,922,500	\$4,217,500
Contract Bed Savings	<u>-1,224,200</u>	<u>-3,474,800</u>
Senate Bill 40 Funding	\$698,300	\$742,700

7. Funding would be provided to the Department's purchase of services appropriation. Current base funding for the purchase of services funding is \$23,328,600 GPR annually. Under the bill, base funding would increase to \$25,251,100 GPR in 2007-08 and \$27,545,100 GPR in 2008-09.

8. Funding amounts for these provisions in the bill were based on the following assumptions:

- *Community AODA Treatment.* AODA programming would be utilized for approximately 2,800 offenders in 2007-08 and 3,700 offenders in 2008-09, based on varying levels of AODA treatment need. Depending on an offender's needs, programming may involve aftercare treatment, outpatient treatment, intensive outpatient treatment, or inpatient treatment. Programming generally ranges from three to six months, depending on the offender's needs.

- *TLP Beds.* Beginning on January 1, 2008, the Department would provide an additional 75 TLP beds, estimated at \$30 per day.

- *Day Reporting Centers.* Two of the five day reporting centers would open in January, 2008, and the remaining three would open in July, 2008. Each day reporting center would have a capacity for 100 offenders.

- *Halfway House Contract Renewals.* The Department currently has 37 halfway house contracts, 26 of which are due to expire in 2008-09. The current costs for the 26 contracts due to expire total \$10,950,000. The Department estimates that costs will increase by 10% as a result of issuing new requests for proposals (RFPs) for the new contracts. The last RFPs for halfway house contracts were issued in 2001-02, which resulted in a two-year contract, with five one-year renewal options. Due to increase costs for services over the past seven years, the Department anticipates a minimum increase of 10% in bids.

- *Transitional Jobs Training.* Of the additional funding provided for transitional jobs training, \$177,800 annually would be utilized to allow the Department to increase the available number of CCEP program slots from 118 annually to 175 annually.

- *New Hope Project.* Under the bill, \$500,000 annually would be earmarked for the New Hope Project, Inc., a Milwaukee-based nonprofit organization. In July, 2006, the Joyce Foundation awarded approximately \$5.4 million in grants to five transitional jobs programs in the Midwest to test and evaluate whether transitional jobs training can improve employment outcomes and reduce recidivism. The New Hope Project in Milwaukee was awarded a three-year grant of \$588,500 (agencies in Chicago, Detroit, and St. Paul were also awarded grants). The grant funds up to 40% of the program's costs over the three-year period. The 18-month study will be evaluated in 2009 by a research and evaluation firm. The program began in August, 2006.

The New Hope Project (NHP) provides assistance to enrolled individuals in finding work through an individualized job search. If the individual is unable to find regular work within a month of enrollment, NHP places the individual in a temporary job (two to six months, depending on the job) and subsidizes the individual's wages.

In 2006-07, the Department of Corrections contributed \$177,000 to the project from base resources. Both the Department and NHP indicate the funding provided in the bill is necessary to continue the study. NHP indicates that the \$500,000 will be utilized as follows: (a) \$155,000 for staffing and supplies; (b) \$50,000 for NHP overhead costs; and (c) \$295,000 for transitional job wages and taxes.

9. The Department estimates that, as result of providing additional community AODA treatment, TLP beds, and day reporting centers, the average daily populations for contract beds will be reduced by a cumulative 10 offenders per month, as a result of fewer offenders having their probation, parole, or extended supervision revoked. Contract bed savings in the bill are estimated to be \$1,224,200 GPR in 2007-08 (65 beds) and \$3,474,800 GPR in 2008-09 (185 beds).

10. Given that the Department only recently began utilizing halfway house beds and temporary living placements for community ATR programming, and evaluation data on the programming is not yet available, the Committee may wish to provide additional funding for TLP beds, but at reduced amounts. The following table identifies the changes to the bill if the number of TLP beds for ATR programming is reduced. It should be noted that, while program funding is reduced as a result of reducing TLP beds, associated contract bed savings are also lessened.

**Community ATR Programming Expansion
Temporary Living Placement (TLP) Beds**

<u>Number of TLP Beds</u>	<u>TLP Bed Costs</u>	<u>Contract Bed Savings</u>	<u>Total Funding</u>	<u>Change to Bill</u>
0	\$0	\$0	\$0	\$334,500
25	410,700	-522,100	-111,400	223,100
50	821,300	-1,044,300	-223,000	111,500
75 (SB 40)	1,231,900	-1,566,400	-334,500	0

11. Likewise, the Committee could reduce the amount of funding provided for the new day reporting centers. The following table identifies funding alternatives and the biennial change to the bill if the number of centers is reduced. As with TLP beds, reducing the number of reporting centers also lessens the estimated contract bed savings under the bill.

**Community ATR Programming Expansion
Day Reporting Centers (DRC)**

<u>Number of DRCs</u>	<u>DRC Costs</u>	<u>Contract Bed Savings</u>	<u>Total Funding</u>	<u>Change to Bill</u>
0	\$0	\$0	\$0	\$816,400
1	93,800	-313,300	-219,500	596,900
2	187,500	-626,500	-439,000	377,400
3	312,500	-939,800	-627,300	189,100
4	406,300	-1,253,100	-846,800	30,400
5 (SB 40)	750,000	-1,566,400	-816,400	0

12. Given the current fiscal concerns facing the state, and the resulting need to prioritize state spending, the Committee may wish to delete the provisions in the bill to expand community ATR programming at this time. If the provisions are deleted from the bill, the Department would continue to provide community treatment and programming utilizing its current resource levels.

13. If the Committee wished to delete the provisions, it should be noted that, as indicated previously, the transitional jobs study at the New Hope Project in Milwaukee would likely not be able to continue. Considering the New Hope Project was awarded a Joyce Foundation grant for the study which is already underway, the Committee may wish to delete the other provisions for expanding community ATR programming, but approve the funding for the New Hope Project study. Alternatively, the Committee could provide \$323,000 GPR annually for the New Hope Project, and direct the Department to provide \$177,000 GPR annually utilizing its base resources, as was done in 2006-07. Under this alternative, funding in the bill for the New Hope Project would be modified by -\$354,000 GPR.

ALTERNATIVES TO BILL

A. Community ATR Programming

1. Approve the Governor's budget to provide \$1,522,500 GPR in 2007-08 and \$3,717,500 GPR for purchased services for offenders to expand community alternatives to revocation (ATR) services, including community alcohol and other drug abuse treatment, reporting centers, temporary living placement beds, increased costs associated with halfway house contracts, and transitional jobs training. As a result of expanding community ATR services, estimate contract bed saving to be \$1,224,200 GPR in 2007-08 and \$3,474,800 GPR in 2008-09.

ALT A1	Change to Bill Funding	Change to Base Funding
GPR	\$0	\$441,000

2. Modify the Governor's recommendation by any of the following:

TLP Beds

	<u>Number of Beds</u>	<u>Change to Bill</u>
a.	0	\$334,500
b.	25	223,100
c.	50	111,500

Day Reporting Centers

	<u>Number of Reporting Centers</u>	<u>Change to Bill</u>
a.	0	\$816,400
b.	1	596,900
c.	2	377,400
d.	3	189,100
e.	4	30,400

3. Delete the Governor's recommendation.

ALT A3	Change to Bill Funding	Change to Base Funding
GPR	- \$441,000	\$0

B. New Hope Project

1. Approve the Governor's recommendation to provide \$500,000 GPR annually with a non-statutory provision that the funding be earmarked for the New Hope Project, Inc., a Milwaukee-based nonprofit organization.

ALT B1	Change to Bill Funding	Change to Base Funding
GPR	\$0	\$1,000,000

2. Provide \$323,000 GPR annually with a non-statutory provision that the funding be earmarked for the New Hope Project, Inc., a Milwaukee-based nonprofit organization. Direct the Department to provide an additional \$177,000 GPR annually utilizing existing base resources.

ALT B2	Change to Bill Funding	Change to Base Funding
GPR	-\$354,000	\$646,000

3. Delete provision.

ALT B3	Change to Bill Funding	Change to Base Funding
GPR	-\$1,000,000	\$0

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