



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #252

Statutory Daily Rates - Corrective Sanctions; Agency PR Lapse Requirement (Corrections -- Juvenile Corrections)

[LFB 2015-17 Budget Summary: Page 127, #2]

CURRENT LAW

Corrective Sanctions. The biennial budget establishes daily rates for juvenile care by statute for each year of the biennium based on the projected annual cost and the estimated average daily population for each type of care. For corrective sanctions, the current statutory daily rate is \$128.

Lapse Requirement. Under 2013 Act 145, the Secretary of Administration is required to lapse \$38.2 million in 2015-16 to the general fund from the unencumbered balances of GPR and PR appropriations of a list of specified executive branch state agencies. The Department of Corrections' lapse requirement is \$1,864,100 from PR appropriations.

GOVERNOR

Corrective Sanctions. Establish the statutory daily rates for the juvenile corrective sanctions program at \$132 in 2015-16 and \$127 in 2016-17.

Lapse Requirement. Under a separate provision, extend the 2013 Act 145 lapse requirements that the Secretary of Administration is required to lapse to the general fund from the unencumbered balances of GPR and PR appropriations of a list of specified executive branch state agencies. As such, Corrections would be required to lapse \$1,864,100 from its PR appropriations in 2016-17 as well as 2015-16.

DISCUSSION POINTS

1. Daily rates for corrective sanctions are specified by statute in each biennial budget. The rates are calculated based on the projected annual cost for each fiscal year and the estimated average daily population receiving juvenile care.

2. For the corrective sanctions program, the bill would assume costs of \$4,768,500 in 2015-16 and \$4,585,000 in 2016-17, with an average daily population of 99 juveniles annually. As such, the corrective sanctions statutory daily rates would be \$132 in 2015-16 and \$127 in 2016-17.

3. It should be noted that the projected costs for corrective sanctions in 2015-16 (\$4,768,500) include a portion of the 2013 Act 145 lapse requirement (\$286,800). Similarly, under the 2013-15 biennial budget, a portion of the lapse requirement had been included under the projected costs for each year of the corrective sanctions program. Under the bill, projected costs for 2016-17 do not include the cost of any lapse amounts, although the bill extended the lapse requirement into 2016-17.

4. Concerns may be raised that utilizing an appropriation supported by revenues from rates charged to counties and the state to meet a lapse amount requirement is not an appropriate use of the appropriation's funding. In essence, those charged are not only paying rates for program services, but also to cover a portion of the Department's lapse requirement.

5. If the Committee wished to remove the portion of the lapse requirement from the projected costs for corrective sanctions, the daily rate for 2015-16 would be reduced by \$9. [Alternative 2] As a result, the Department would be required to take the lapse amount (\$286,600) from other appropriations. Since the bill extends the lapse requirement to 2016-17, but does not apply that lapse to the corrective sanctions appropriation, the Department would similarly need to find alternative sources for the lapse amounts in 2016-17.

6. Alternatively, costs of the lapse could be included in the calculation of the daily rate for 2016-17. Under this alternative, the corrective sanctions daily rate would increase by \$9 in 2016-17 to \$136. [Alternative 3] As a result, since the 2013 Act 145 lapse requirement was extended to 2016-17, similar treatment would be afforded to the calculation of the corrective sanctions daily rate in both years of the 2015-17 biennium.

7. It should be noted that the statutory daily rates for various types of juvenile care are addressed in a separate budget paper. If the daily rate for corrective sanctions is modified under this paper, the modification would apply to the corrective sanctions daily rate identified under the separate budget paper.

ALTERNATIVES

1. Approve the Governor's recommendation to establish the statutory daily rate in 2015-16 to include a portion of the 2013 Act 145 lapse requirement.

2. Modify the Governor's recommendation by removing the portion of the lapse

requirement provided under the corrective sanctions projected expenditures. As a result, the statutory daily rate for corrective sanctions would be reduced by -\$9 in 2015-16.

3. Modify the Governor's recommendation by including a portion of Corrections' lapse requirement in the corrective sanctions projected expenditures for 2016-17. As a result, the statutory daily rate for corrective sanctions would be increased by \$9 in 2016-17.

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