



Legislative Fiscal Bureau

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June 6, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Corrections: Section 13.10 Request for Supplemental Funding to Implement 2023 Act 233 -- Agenda Item II

On May 14, 2024, the Department of Corrections submitted a s. 13.10 request to the Joint Committee on Finance to transfer \$4 million GPR provided in the Joint Committee on Finance's supplemental appropriation to the Department's annual services for community corrections appropriation [s. 20.410(1)(b)] in 2024-25 to implement community reentry centers. The request follows the enactment of 2023 Act 233 on March 27, 2024. Act 233 requires the Department to contract with at least one non-profit organization, for-profit entity, or public agency to establish a community reentry center(s) that offers individuals being released from state correctional institutions an initial point of contact for health, identification, financial, housing, employment, education, and supervision services.

BACKGROUND

Act 233 developed out of the recommendation of the Wisconsin Legislative Council Study Committee on Increasing Offender Employment Opportunities. The Act is intended to address the difficulty newly-released individuals face in reentering society by providing an initial point of contact for various social and personal services.

Under the Act, the entity with which the Department contracts must oversee, coordinate, and develop memoranda of understanding with other organizations to provide the identified services, operate in a location that is easily accessible by the population served and accessible to public transportation, if available, and track and compile data. The Act also identifies prioritization criteria for the Department to consider when choosing the contracting entity and requires the Department, by January 1, 2027, and biennially thereafter, to submit a comprehensive report that examines the outcomes of the services provided at each community reentry center to various governmental entities.

While Act 233 does not provide funding, 2023 Act 19 (the 2023-25 biennial budget act) set aside \$4 million GPR in the Finance Committee's supplemental appropriation in 2023-24 for the operation of community reentry centers, which were to be specifically authorized under pending (at the time) legislation 2023 Assembly Bill 183/Senate Bill 172. The budget summary provision stipulated that "Corrections may request the release of funds under the provisions of s. 13.10 pending enactment of AB 183/SB 172." While the funding was identified for 2023-24, the Committee's appropriation is biennial, allowing the Committee to release the funds for use in 2024-25 as well. Act 19 additionally created an annual community reentry centers appropriation to establish and operate community reentry centers [s. 20.410(1)(df)]. Currently, there is no funding in the appropriation.

ANALYSIS

As identified in the s. 13.10 request, the Department intends to have probation and parole agents on-site, and to utilize funding to procure a contracted vendor for one pilot reentry center in Milwaukee through a request for bid in 2024-25. The Department further states that "without the additional funds...the Department does not have the resources to pursue a contract for the center." If the Milwaukee reentry center is successful, the Department may pursue an expansion of the center and the creation of additional reentry centers in other counties. The Department's request is to transfer the funding to the annual services for community corrections appropriation, rather than the community reentry centers appropriation. The purpose of the services for community corrections appropriation is "to provide services related to probation, extended supervision and parole, the intensive sanctions program, the community residential confinement program, programs of intensive supervision of adult offenders and minimum security correctional institutions established under s. 301.13." Base funding for the services for community corrections appropriation is \$180,280,800 GPR and 1,920.38 GPR positions in 2024-25. The Department indicates that funding was requested for this appropriation because the removal of reference to the community reentry centers appropriation in Amendment 1 to SB 172 (which became Act 233) was interpreted to mean that the appropriation was no longer the intended location for the funds. However, the community reentry centers appropriation was created in the budget (before Act 233), the appropriation is still in statute, and the authorizing language of the appropriation specifically relates to reentry centers. Subsequent to the s. 13.10 request submittal, the Department noted that it supports the funding being transferred to the more specific reentry centers appropriation [s. 20.410(1)(df)].

According to the Department, estimated costs of operating a reentry center or centers are unknown without a request for bid, given that the number and location of centers, costs for each center, and number of vendors that would submit bids is unknown.

The Committee's supplemental appropriation has funding set aside for this purpose and could approve the Department's request, with the specification that funding be transferred to the community reentry centers appropriation rather than the services for community corrections appropriation. [Alternative 1] Because the reentry centers appropriation is annual, any unspent funds at the end of a given fiscal year would lapse back to the general fund. Note that the request is for funding in the second year of the 2023-25 biennium, meaning the \$4 million in annual funding would be ongoing, unless otherwise specified.

If the Committee does not release funds from its supplemental appropriation, Corrections would be required to establish a reentry center within its existing budget. However, as noted by the request, the Department "does not have the resources to pursue a contract for the center." In addition, the funding set aside for this purpose in the supplemental appropriation would lapse to the general fund at the end of the 2023-25 biennium. [Alternative 2]

ALTERNATIVES

1. Transfer \$4,000,000 GPR in 2024-25 from the Committee's supplemental appropriation to the Department of Corrections community reentry centers appropriation to establish a reentry center or centers as required under Act 233.
2. Deny the request.

Prepared by: Shannon E. Huberty