



Legislative Fiscal Bureau

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July 9, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Corrections: Section 13.10 Request for Fiscal Adjustments Between Appropriations --
Agenda Item VI

On June 6, 2024, the Department of Corrections submitted a s. 13.10 request for transfers of expenditure authority totaling \$2,533,900 GPR in 2023-24 to the Department's contracts and agreements appropriation [s. 20.410(1)(ab)] as follows: (a) a transfer of \$1,663,400 GPR expenditure authority from the Department's appropriation for reimbursing counties for probation, extended supervision, and parole holds [s. 20.410(1)(bn)]; and (b) a transfer of \$870,500 GPR expenditure authority from the Department's services for drunken driving offenders appropriation [s. 20.410(1)(bd)].

ANALYSIS

The Department requests the transfer of funds between appropriations in 2023-24 to address an anticipated shortfall in its contracts and agreements appropriation as a result of a higher than anticipated number of individuals in DOC custody who are under the age of 18 with an adult commitment. When an individual meeting these criteria is admitted to DOC custody, the Division of Adult Institutions (DAI) places the individual in a juvenile correctional facility until they reach the age of 18 years to comply with federal law. During this time, the Division of Juvenile Corrections charges DAI the statutory daily rate charged to counties and the Serious Juvenile Offender program for the placement of adjudicated juveniles.

Under 2023 Act 19, the Department was budgeted \$18,337,200 GPR in 2023-24 for contract beds (including \$4,560,400 for youth with adult sentences at Lincoln Hills/Copper Lake). Based on population data through March, 2024, the Department was projected to incur costs totaling \$20,871,200 GPR in the fiscal year (including youth with adult sentences). Under the request, an additional \$2,533,900 GPR would be transferred from other appropriations within the Department to offset these higher costs.

The Department indicates that the projected budgetary shortfall is from a higher than predicted population of youth with adult sentences. The budget estimated that there would be an average daily population (ADP) of 10 youth with adult sentences at Lincoln Hills, which was based off of the prior six-month average of data available at the time. Subsequent to budget deliberations, from June, 2023, to July, 2023, the adult population doubled and has remained elevated (over 15 ADP) every month since. From June, 2023, through March, 2024, (the period upon which the s. 13.10 request was based) the ADP of DAI youth was 17 youth. Based on an additional two months of population data (through May, 2024) the ADP of DAI youth in 2023-24 is 18 youth.

Appropriation Transfers

To address the 2023-24 contract bed deficit, Corrections requests the transfer of surplus monies from the following appropriations, as shown in the table below: (a) reimbursing counties for probation appropriation (\$1,663,400); and (b) services for drunken driving offenders appropriation (\$870,500).

Reimbursing Counties for Probation, Extended Supervision and Parole Holds. Corrections reimburses expenses of counties that occurred in the prior fiscal year. Therefore, DOC has already reimbursed counties for holds that occurred throughout 2022-23, and claims were less than the 2023-24 budget. The amount that would be transferred under the request is equal to expenditure authority remaining in the appropriation.

Services for Drunken Driving Offenders. Funding for the services for drunken driving offenders appropriation is limited to the treatment, monitoring, and supervision of individuals on probation for second- or third-offense OWI convictions only. Due to the specific nature of funding in this appropriation, the Department anticipates that funds within the appropriation will not be fully utilized. The Department indicates that no substance abuse programming will be reduced or amended as a result of this transfer of funds. The amount that would be transferred under the request is the difference between the projected contract bed shortfall and the amount of funding available in the appropriation for reimbursing counties for probation, extended supervision and parole holds.

June, 2024, Corrections s. 13.10 Request Summary

Projected Contract Bed Budgetary Shortfall	\$2,533,900
Identified Appropriations for Transfer -	
Reimbursing Counties for Probation, ES and Parole Holds	\$1,663,400
Services for Drunken Driving Offenders	<u>870,500</u>
Total	\$2,533,900

If the Committee wishes, it could approve the Department's request to transfer funds totaling \$2,533,900 in 2023-24. [Alternative 1] This alternative would transfer surplus monies from the following appropriations to the contract bed appropriation: (a) reimbursing counties for probation appropriation (\$1,663,400); and (b) services for drunken driving offenders appropriation (\$870,500).

Alternatively, the Committee could take into account that the ADP of youth at Lincoln Hills/Copper Lake has increased further and that the ADP of DAI youth through May, 2024, is 18 youth. This higher population of youth with adult sentences results in a projected shortfall of \$2,935,200 in the contract bed appropriation (\$401,300 greater than the request). [Alternative 2] This alternative would transfer surplus monies from the following appropriations to the contract bed appropriation: (a) reimbursing counties for probation appropriation, \$1,663,400 (no change); and (b) services for drunken driving offenders appropriation, \$1,271,800 (an increase of \$401,300). The additional transfer can be supported from the surplus balance of the services for drunken driving appropriation.

If the Committee does not approve the request to transfer funds from appropriations within the agency, Corrections would be required to reevaluate the agency's GPR appropriations and resubmit a s. 13.10 request to the Committee at a later date. However, given that accounting transactions for fiscal year 2023-24 must be completed before the end of July, 2024, such a review and approval would be difficult. [Alternative 3]

ALTERNATIVES

1. Approve the Department's request to transfer funds within 2023-24 to avoid deficits in the contract bed appropriation. Sufficient funding is available to make the transfers.
2. Approve the Department's request to transfer funds within 2023-24 to avoid deficits in the contract bed appropriation, and increase the transfer from the services for drunken driving appropriation by \$401,300 to address the updated projected shortfall of \$2,935,200 in the contract bed appropriation. Sufficient funding is available to make the transfers.
3. Deny the request.

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