



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 26, 2005

Joint Committee on Finance

Paper #222

Risk Management (DOC -- Departmentwide)

CURRENT LAW

Funding for the Department of Corrections' risk management includes insurance premiums for liability, property, workers' compensation, medical malpractice, and surety bonds. The current base budget for risk management charges is \$3,278,200 GPR, \$446,600 PR, and \$4,400 SEG.

GOVERNOR

No provision.

MODIFICATION

Delete \$131,600 GPR, \$62,400 PR, and \$4,400 SEG in 2005-06 and \$130,000 GPR, \$62,000 PR, and \$4,400 SEG in 2006-07 associated with funding for risk management. The appropriations from which supplies and services funding would be removed are identified below.

<u>Appropriation</u>	<u>Funding Source</u>	<u>2005-06</u>	<u>2006-07</u>
Adult general program operations	GPR	-\$131,600	-\$130,000
Correctional officer training	PR	-41,500	-41,400
Probation, parole, and extended supervision	PR	-6,800	-6,700
Administration of restitution	PR	-1,600	-1,500
Interagency and intra-agency programs	PR	-800	-700
Home detention services	PR	-100	-100
Juvenile corrections sanctions program	PR	-7,000	-7,000
Juvenile aftercare	PR	-4,600	-4,600
Computer recycling	SEG	<u>-4,400</u>	<u>-4,400</u>
Total		-\$198,400	-\$196,400

Explanation: In the Department's 2005-07 biennial budget request, Corrections requested increased funding for risk management insurance premiums. While the request included increases for some appropriations, the Department also identified appropriations where reductions relating to risk management would be appropriate. The Governor's recommendations deleted the Department's request. In a March 9, 2005, letter to the Joint Committee on Finance Co-Chairs, the administration stated: "The budget bill denies funding for risk management, but funding was retained in several appropriations where the department requested a decrease in funding." As a result, funding under the bill can be reduced by \$131,600 GPR, \$62,400 PR and \$4,400 SEG in 2005-06 and by \$130,000 GPR, \$62,000 PR and \$4,400 SEG in 2006-07.

<u>Modification</u>	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2005-07 FUNDING (Change to Bill)	- \$261,600	- \$124,400	- \$8,800	- \$394,800

Prepared by: Chris Carmichael