



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #242

Population-Related Position Reductions and Reallocations for Juvenile Correctional Services (DOC -- Juvenile Corrections)

[LFB 2005-07 Budget Summary: Page 136, #4]

CURRENT LAW

Base funding for: (1) the operation of secured correctional facilities for juveniles is \$53,856,600 PR and 772.12 PR positions annually; (2) aftercare services is \$2,190,000 PR and 33.17 PR positions annually; and (3) the corrective sanctions program is \$3,924,700 PR and 53.22 PR positions annually.

GOVERNOR

Delete \$6,810,700 PR and 144.24 PR vacant positions annually to reflect a projected decrease in juvenile populations for the state's secured correctional facilities and related services.

The position reductions would include the following deletions of 130.74 PR positions and associated funding for juvenile secured correctional facility operations: (1) 4.0 positions budgeted in the Division of Juvenile Corrections central office; (2) 62.5 positions at the Ethan Allen School; (3) 50.66 positions at the Lincoln Hills School; and (4) 13.58 positions at the Southern Oaks Girls School. In addition, 5.0 PR positions and associated funding would be deleted from the appropriation for juvenile aftercare supervision, and 8.5 PR positions and associated funding would be deleted from the corrective sanctions program. Finally, an additional 7.0 PR positions would be transferred from juvenile aftercare to the corrective sanctions program. This reallocation is intended to ensure appropriate staffing levels for these two programs.

DISCUSSION POINTS

1. The eliminated positions under the bill have been identified by the Department as long-term vacancies. Generally, these positions have remained unfilled for periods ranging from July 8, 1998, to August 21, 2004. Table 1 lists the position classifications and the associated position authorizations that would be deleted:

TABLE 1

Vacant Positions Deleted under AB 100

<u>Position Classification</u>	<u>FTE</u>	<u>Position Classification</u>	<u>FTE</u>
Carpenter	1.00	Program Assistant	6.75
Clerical Assistant	0.50	Psychologist	2.00
Corrections Field Supervisor	1.00	School Psychologist	1.00
Corrections Food Service Leader	2.00	Social Worker	9.16
Corrections Unit Supervisor	3.00	Stock Clerk	1.75
Custodian	1.00	Supervising Youth Counselor	4.00
Dental Assistant or Hygienist	1.50	Teacher	16.00
Facilities Repair Worker	1.00	Teacher Assistant	1.00
Financial Specialist	1.75	Training Officer	0.50
Juvenile Review and Release Specialist	2.50	Utility Plant Operator	1.00
Maintenance Mechanic	1.00	Youth Counselor	58.00
Nurse Clinician	1.00	To Be Determined	<u>12.33</u>
Painter	1.00		
Payroll and Benefits Specialist	1.00	Total Deletions	144.24
Probation and Parole Agent	11.50		

2. The 144.24 deleted positions under the bill include: (a) 130.74 for juvenile secured correctional facility operations; (b) 5.0 for aftercare services; and (c) 8.5 for the corrective sanctions program. A separate decision item under the bill would eliminate an additional 7.0 PR positions from the appropriation for juvenile secured correctional facility operations, bringing the total reduction to 137.74 positions for that function.

3. A review of recent state agency position vacancy data indicates that the following 210.41 PR positions are currently vacant in these functions: (a) 180.91 positions (23.4%) of the 772.12 base level positions authorized for juvenile secured correctional facility operations; (b) 9.5 positions (28.6%) of the 33.17 base level positions authorized for aftercare services; and (c) 20.0 positions (37.5%) of the 53.22 base level positions authorized for the corrective sanctions program.

4. Based on this review, if all of the position reductions under the bill are taken, a total of approximately 59 FTE vacancies would remain [43 vacant positions associated with juvenile secured correctional facility operations, four vacant positions associated with aftercare services; and 12 vacant positions associated with the corrective sanctions program].

5. A decline in the number of adjudicated juveniles being placed in state care has resulted in a large number of vacancies in these program areas since decreased workloads have not justified refilling the positions as the vacancies have occurred. The elimination of these positions would also have the effect of reduced budgeted costs, which in turn would lower the daily rates for juvenile care in each of these three program areas. This is because the calculation of daily rates is based on the anticipated average daily population (ADP) for a particular type of care and the budgeted cost for each type of care. Consequently, by eliminating unneeded positions, the daily rates can be lowered accordingly.

6. For the 2004-05 fiscal year, the daily rate for facility care is \$187. Under the bill, these daily rates would increase to \$218 in 2005-06 and to \$224 in 2006-07, representing a 19% increase over the two-year period. These daily rate increases are being driven primarily by the declining number of juvenile placements in state care. Further, these daily rate increases are a major budget concern for counties, since these jurisdictions are responsible for paying such rates for over 500 juveniles currently placed in state facility care. The state must also pay these rates for the care of certain serious juvenile offenders, currently numbering 134 juveniles.

7. The budgeted costs for facility care in particular are difficult to reduce because a large proportion of total expenditures is attributable to fixed costs (such as necessary minimum staffing requirements and ongoing infrastructure costs such as maintenance and utilities) necessary to keep correctional institutions in operation. These types of fixed costs do not vary substantially due to a moderate increase or decrease of juvenile populations.

8. While the 59 vacant positions identified above could be eliminated to further reduce costs and the daily rates for care, an argument can be advanced that these positions should be retained. DOC officials indicate that the number of vacant positions normally varies depending on juvenile populations, the particular needs of juveniles under the Department's care, and the timing of employee retirements, turnover and rehiring. Consequently, the Department requires a pool of vacant positions in order to address changing conditions and possible increases in juvenile populations. Without such a vacant position reserve, the Department's ability to respond to changing conditions with the optimal staffing mix would be restricted. Officials argue that additional staffing reductions could have a negative effect on care and treatment programming and caseloads for current staff.

9. Nonetheless, the salary and fringe benefit costs associated with these remaining 59 vacant positions are still included as part of the total expenditure authority authorized under the bill and are factored into the cost basis used to calculate the daily rates for facility care, aftercare services and the corrective sanctions program. Table 2 summarizes the salary and fringe benefits costs (including turnover and compensation reserves) associated with these 59 positions during both fiscal years of the 2005-07 biennium.

TABLE 2
Remaining Position Vacancies by Program

<u>Program</u>	<u>FTE</u>	<u>Salary and Fringe Benefits Funding</u>	
		<u>2005-06</u>	<u>2006-07</u>
Facility Operations	43	\$1,841,200	\$1,856,900
Aftercare Services	4	188,300	189,900
Corrective Sanctions	<u>12</u>	<u>544,900</u>	<u>549,700</u>
Total	59	\$2,574,400	\$2,596,500

10. While the retention of these authorized positions may be viewed as necessary to provide the Department with sufficient flexibility to accommodate changing population conditions, the continued budgeting of salary and fringe benefits funding for the positions has a significant effect on daily rates. As noted earlier, the amounts identified in Table 2 are included in the cost basis for the calculation of daily rates. These additional budgeted costs increase daily rates by \$7.75 for facility care, by \$3.10 for aftercare services, and by \$11.00 for corrective sanctions programming.

11. However, deletion of both the position authority and the associated salary and fringe benefits funding for these additional vacant positions may not be necessary to achieve the goal of reducing budgeted costs and, in turn, the daily rates for care. Instead, the Committee could choose to delete only the funding associated with some of these vacant positions, but leave the position authority intact, in case the Department faced additional staffing demands. The Department would also need to retain expenditure authority for some of the vacant positions in each program area in order to have the necessary immediate flexibility to address changing needs.

12. Fluctuations in juvenile populations, which could require additional hiring, are difficult to project. Deleting expenditure authority for a portion of the additional vacant positions, but not the position authority, would enable the Department to respond more quickly in the event that additional hiring is needed to address changing conditions. Further, if populations increase, daily-rate revenue would also be expected to be sufficient to support the new hiring. Thus, increased expenditure authority, if needed, could be approved by the Committee under s. 16.515 procedures to support the unfunded positions.

13. Under the following alternative, expenditure authority for 80% of the vacant positions would be deleted in the three program areas. These amounts would be deleted from the budgeted expenditure authority under the respective appropriation accounts and from the cost basis for the calculation of daily rates for each type of care. In addition, compensation reserves associated with the salary reductions could also be deleted from the cost basis used to calculate daily rates. The position authorizations would not be affected. Effectively, the Department would be provided

with unfunded position authority for the 47.0 positions identified in Table 3.

14. Table 3 summarizes the adjusted expenditure authority that would be deleted from the appropriations associated with these 47.0 positions, the compensation reserve amounts that would be deleted from the cost basis for daily rates, and the amount by which daily rates would be lowered for each type of care based on population estimates made under the bill.

TABLE 3
Additional Vacancy-Related Reductions

<u>Program</u>	<u>FTE</u>	<u>Annual Salary & Fringe Reduction</u>	<u>Compensation Reserve</u>		<u>Approximate Annual Daily Rate Reduction</u>
			<u>2005-06</u>	<u>2006-07</u>	
Facility Operations	3.0	\$1,613,800	\$27,500	\$41,300	\$6.95
Aftercare Services	35.0	138,800	2,400	3,600	2.33
Corrective Sanctions Program	<u>9.0</u>	<u>401,600</u>	<u>7,100</u>	<u>10,700</u>	8.27
Total	47.0	\$2,154,200	\$37,000	\$55,600	

15. Finally, the Committee could also choose to delete some or all of the position authority, as well as the expenditure authority for these current vacancies. For example, 25.0 positions (approximately one-half of the current vacancies), or all 47.0 positions could be deleted, in addition to the funding reductions shown in Table 3. This action could decrease the ability of the Department to respond quickly to changing conditions in the provision of juvenile correctional services, but could be taken with the understanding that additional position authority, if needed, could be restored through a request under s. 16.505 of the statutes. The specific positions deleted under this alternative would be left to the discretion of the Department.

ALTERNATIVES

1. Approve the Governor's recommendation to delete \$6,810,700 PR and 144.24 PR vacant positions annually to reflect a projected decrease in juvenile populations for the state's secured correctional facilities and related services. Further, transfer an additional 7.0 PR positions from juvenile aftercare to the corrective sanctions program.

2. *In addition to Alternative 1, approve all of the following:*

a. Delete \$1,613,800 PR annually from the juvenile correctional services appropriation account relating to facility care. [These reductions and associated decreases in compensation reserves (\$27,500 in 2005-06 and \$41,300 in 2006-07) would result in removal of \$1,641,300 in

2005-06 and \$1,655,100 in 2006-07 from the cost basis for the calculation of daily rates for juveniles placed in secured correctional facilities. This action would reduce the daily rate, based on the population estimates under the bill, by approximately \$6.95 in both 2005-06 and 2006-07.]

b. Delete \$138,800 PR annually from the juvenile correctional services appropriation account relating to aftercare services. [These reductions and associated decreases in compensation reserves (\$2,400 in 2005-06 and \$3,600 in 2006-07) would result in removal of \$141,200 in 2005-06 and \$142,400 in 2006-07 from the cost basis for the calculation of daily rates for juveniles placed in aftercare services. This action would reduce the daily rate, based on the population estimates under the bill, by approximately \$2.33 in both 2005-06 and 2006-07.]

c. Delete \$401,600 PR annually from the juvenile corrective sanctions program appropriation account. [These reductions and associated decreases in compensation reserves (\$7,100 in 2005-06 and \$10,700 in 2006-07) would result in removal of \$408,700 in 2005-06 and \$412,300 in 2006-07 from the cost basis for the calculation of daily rates for juveniles placed in the corrective sanctions program. This action would reduce the daily rate, based on the population estimates under the bill, by approximately \$8.27 in both 2005-06 and 2006-07.]

<u>Alternative 2</u>	<u>PR</u>
2005-07 FUNDING (Change to Bill)	- \$4,308,400

3. *In addition to Alternatives 1 and 2, adopt one of the following:*

a. Delete 25.0 PR vacant positions annually for secured correctional facility care, aftercare services, or the corrective sanctions program. (The positions to be deleted would be determined by the Department of Corrections.)

<u>Alternative 3a</u>	<u>PR</u>
2006-07 POSITIONS (Change to Bill)	- 25.00

b. Delete 47.0 PR vacant positions annually for secured correctional facility care, aftercare services, or the corrective sanctions program. (The positions to be deleted would be determined by the Department of Corrections.)

<u>Alternative 3b</u>	<u>PR</u>
2006-07 POSITIONS (Change to Bill)	- 47.00

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