



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #235

### **Inmate Populations, Prison Contract Bed Funding, and Population and Inflationary Costs (Corrections -- Adult Correctional Institutions)**

[LFB 2019-21 Budget Summary: Page 98, #1 and #2; and Page 99, #3]

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#### **CURRENT LAW**

The Department of Corrections operates 36 adult correctional facilities, including 20 correctional institutions and 16 correctional centers. In addition, Corrections utilizes prison contract beds to place state inmates in county jails and federal facilities. The Department also places individuals at the Department of Health Services' Wisconsin Resource Center for inmates in need of mental health treatment.

#### **GOVERNOR**

Estimate a total average daily population in adult correctional institutions, centers, and contract beds of 24,187 inmates in 2019-20 and 24,659 inmates in 2020-21. Provide funding of \$8,425,300 GPR in 2019-20 and \$16,403,100 GPR 2020-21 for 1,367 prison contract beds in 2019-20 and 1,790 prison contract beds in 2020-21. Provide \$32,073,700 GPR in 2019-20 and \$42,379,600 GPR in 2020-21 for population-related costs adjustments for inmates in facilities, including food costs, variable non-food costs, and inmate health care.

#### **DISCUSSION POINTS**

1. For each budget cycle, the Department of Corrections projects the total prison populations for the upcoming biennium. Generally, population-related costs are budgeted based on the total operating capacity of the prison system, including food, variable non-food costs (such as clothing, laundry, inmate wages, and other supplies), and inmate health care. To the extent that prison population projections exceed the total operating capacity, contract bed funding is provided for

placements in certain county jails.

### **Population Projections**

2. For the 2019-21 biennium, as with prior budgets, the Department of Corrections reviewed its monthly growth rates to determine the appropriate rate to estimate projections. Regarding the inmate population for 2019-21, the Department projected a median monthly growth rate of 0.15% for males and 0.33% for females, based on population data through July, 2018, to forecast an average daily population of 24,187 inmates in 2019-20 and 24,659 inmates in 2020-21. These population estimates were used by the administration when the bill was introduced in March, 2019.

3. The following table identifies the Department's current total operating capacity, the estimated prison populations under the bill, and the remaining difference:

#### **Total Correctional Facility Populations (Male and Female)**

	<u>Total</u>
2019-20 Estimated Populations	24,187
2019-20 Budgeted DAI Capacity*	<u>23,325</u>
2019-20 Number of Inmates Exceeding Capacity	862
2020-21 Estimated Populations	24,659
2020-21 Budgeted DAI Capacity*	<u>23,374</u>
2020-21 Number of Inmates Exceeding Capacity	1,285

\*Includes Institutions and Centers (including inmates placed at the Wisconsin Resource Center).

4. However, eight more months of population data, August, 2018 through March, 2018, is now available to reevaluate the Department's population forecast. Based on a review of more recent population data and longer-term population trends, the prison population projections should be reestimated. Utilizing this data, a lower monthly growth rate for males (.12%) and for females (.26%) results in an average daily population of 23,964 in 2019-20 and 24,326 in 2020-21. The revised estimates project 223 less individuals in 2019-20 and 333 less individuals in 2020-21 when compared to the bill. As such, the population table would be revised as follows:

## Total Correctional Facility Populations (Male and Female)

	<u>Total</u>
2019-20 Revised Estimated Populations	23,964
2019-20 Budgeted DAI Capacity*	<u>23,325</u>
2019-20 Number of Inmates Exceeding Capacity	639
2020-21 Revised Estimated Populations	24,326
2020-21 Budgeted DAI Capacity*	<u>23,374</u>
2020-21 Number of Inmates Exceeding Capacity	952

\*Includes Institutions and Centers (including inmates placed at the Wisconsin Resource Center).

5. Incorporating the revised monthly growth rate projections for male and female inmates, the estimated average daily population in 2019-20 is 23,964 total inmates, including: (a) 22,378 males; and (b) 1,586 females. The reestimated average daily population in 2020-21 is 24,326 total inmates, including: (a) 22,689 males; and (b) 1,637 females.

### Contract Beds and Variable Costs

6. Based on the Department's population projections, the Department requested contract bed funding for 1,367 inmate beds in 2019-20 and 1,790 inmate beds in 2020-21. These contract bed figures include temporary placement beds for offenders, such as community corrections extended supervision sanctions or temporary lockups, as well as federal contract beds and juvenile facility placements of youthful adult offenders, which are also funded from the contract bed appropriation.

7. The Department currently contracts with counties to house state inmates at a per diem rate of \$51.46 for all county facilities, except for Milwaukee House of Corrections (HOC). The Department currently contracts with Milwaukee HOC at a lower, per diem rate of \$40.45 because the Department provides security staff for the facility's Department of Corrections, Division of Adult Institutions housing units. In 2019-20, the Department has contracted for adults in the Division of Juvenile Corrections at a statutory daily rate of \$502. The Department also currently contracts for temporarily lock-up and federal beds at a per diem rate of \$60.

8. Typically, when the Governor introduces budget recommendations, the Department's projections may be further adjusted, depending on any new initiatives included in the bill and/or revised population data. No such initiatives are specifically budgeted in the 2019-21 biennial budget. However, there is one construction project that the bill assumes will impact inflationary costs and contract bed usage: the Oakhill Correctional Institution's assisted needs facility.

Under 2017 Act 59, Corrections was approved for \$7,000,000 in general fund-supported borrowing for the construction of a geriatric correctional facility. As initially envisioned by Corrections, the facility would be a 65-bed barracks bunk-style housing unit providing limited medical services to assist male inmates with daily living activities. The project would be built on the

Oakhill Correctional Institution grounds in Oregon, Wisconsin. As such, the 65 additional beds were factored into the Department's budgeted capacity and projected contract bed needs, as the Department assumed an April, 2020, opening for the facility. The Department of Administration, Division of Facilities Development and Management (DFDM), however, indicates that the opening time for the facility is currently unknown, but the facility could potentially open in the Spring of 2021. The delay is attributed to changes in the details surrounding the unit (for example, the precise location and the name of the facility). Construction has not started on this project and no funding for staffing or operation was requested by the agency or recommended by the Governor in the bill.

9. Given that the opening of the assisted needs facility is uncertain, additional contract bed funding would be needed for 16 beds in 2019-20 (since it was to be operating for 25% of the fiscal year) and for 65 beds in 2020-21. However, given the reestimated populations, contract bed funding may be reduced by 179 beds in 2019-20 and 240 beds in 2020-21. Population projection reestimates and facility delays will result in the following contract bed adjustments:

**Inmates and Contract Beds**

	<u>2019-20</u>	<u>2020-21</u>
Bill Estimated Populations	24,187	24,659
Revised Estimated Populations	<u>23,964</u>	<u>24,326</u>
Total Change	-223	-333
Budgeted DAI Capacity	23,325	23,374
Facility Bed Adjustment	<u>16</u>	<u>65</u>
Revised Total DAI Capacity	23,309	23,309
Number Exceeding Capacity+	655	1,017
Bill Contract Beds*	<u>834</u>	<u>1,257</u>
Additional Contract Beds Needed	-179	-240

+Revised Estimated Populations, less the Revised Total DAI Capacity.

\*Includes: (a) 180 beds at the Milwaukee House of Corrections annually; and (b) 654 beds in 2019-20 and 1,077 beds in 2020-21 at other state contracted facilities.

10. In total, the bill projects a need of 1,367 contract beds in 2019-20 and 1,790 contract beds in 2020-21. These beds include: (a) 180 beds at the Milwaukee House of Corrections annually; (b) 654 beds in 2019-20 and 1,077 beds in 2020-21 at other state contracted facilities; (c) 500 beds used by the Division of Community Corrections (DCC) for extended supervision sanctions; and (d) the 33 beds used by the Department for inmates in federal facilities, adult inmates in Division of Juvenile Corrections (DJC) facilities, and temporary lock-ups of inmates from correctional centers. For the purposes of assessing contract beds for adult institutional inmates, the chart above excludes DCC beds and beds for inmates in federal facilities, adults in DJC facilities, and temporary lock-ups. The -179 beds in 2019-20 and the -240 beds in 2020-21 identified above result in a funding decrease of \$3,362,100 in 2019-20 and \$4,507,900 in 2020-21.

11. Also as a result of the delayed facility opening, variable costs associated with 16 beds in 2019-20 and 65 beds in 2020-21 could be reduced since an equivalent number of inmates would be placed in contract beds rather than a state facility. Inmate variable costs include food, non-food (including clothing, laundry, and inmate wages, among other items), and health costs. Adjusting for these variables, the reduction of the facility beds from the population projections decreases the recommended funding amount for variable costs by \$111,700 in 2019-20 and \$481,400 in 2020-21.

12. The funding adjustments identified above are the result of: (a) estimating average daily inmate populations to be lower than projected by the Department in September, 2018; and (b) the delayed opening of the assisted needs facility. Utilizing these modifications, the Committee may wish to: (a) modify the recommended funding for contract beds by -\$3,362,100 in 2019-20 (-179 beds) and -\$4,507,900 in 2020-21 (-240 beds) [the total contract bed funding increase would be \$5,063,200 in 2019-20 and \$11,895,200 in 2020-21]; and (b) modify the recommended funding for inflationary cost increases by -\$111,700 in 2019-20 and -\$481,400 in 2020-21 [the total inflationary variable cost increases would be \$31,962,000 in 2019-20 and \$41,898,200 in 2020-21]. [Alternative 2]

13. Given the current uncertainty of the opening of an assisted needs facility, it is possible that additional prison bed capacity may become available in the 2019-21 biennium. However, neither the Department nor the Governor requested or recommended additional funding or staffing for the facility. If the assisted needs facility can be opened at the end of the 2019-21 biennium, the Department could pursue a 13.10 request to convert the contract bed funding provided as a result of the delay to staffing authority and associated funding to operate the facility.

14. As indicated previously, under the bill, the Governor estimated an average daily population of 24,187 in 2019-20 and 24,659 in 2020-21. Contract bed funding for this population totals \$24,828,400 GPR (\$8,425,300 GPR in 2019-20 and \$16,403,100 GPR in 2020-21) and inflationary variable costs for this population totals \$74,453,300 GPR (\$32,073,700 GPR in 2019-20 and \$42,379,600 GPR in 2020-21). [Alternative 1]

15. If the Committee takes no action, the Department's ability to provide for population-related variable costs (food, health services, clothing, laundry, inmate wages, and other supplies), and to fulfil contracts with county jails to house state inmates would be significantly restricted. [Alternative 3]

**ALTERNATIVES**

1. Approve the Governor's recommendation to estimate an average daily population in adult correctional facilities to be 24,187 in 2019-20 and 24,659 in 2020-21 and provide associated funding as follows: (a) \$8,425,300 GPR in 2019-20 and \$16,403,100 GPR in 2020-21 for contract beds; and (b) \$32,073,700 GPR in 2019-20 and \$42,379,600 GPR in 2020-21 for inflationary costs.

ALT 1	Change to	
	Base	Bill
GPR	\$99,281,700	\$0

2. Reestimate average daily populations in adult correctional facilities to be 23,964 in 2019-20 and 24,326 in 2020-21 and add the number of beds projected at the Oakhill Correctional Institution assisted needs facility to the contract bed calculation (while removing the same beds from the Department's capacity calculations). These modifications result in funding decreases associated with: (a) contract beds (-\$3,362,100 GPR in 2019-20 and -\$4,507,900 GPR in 2020-21); and (b) inflationary costs (-\$111,700 GPR in 2019-20 and -\$481,400 GPR in 2020-21).

<b>ALT 2</b>	<b>Change to Base      Bill</b>
GPR	\$90,818,600 - \$8,463,100

3. Take no action.

<b>ALT 3</b>	<b>Change to Base      Bill</b>
GPR	\$0 - \$99,281,700

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