



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #235

Adult Correctional Facility Populations and Prison Contract Bed Funding (DOC -- Adult Corrections)

[LFB 2003-05 Budget Summary: Page 111, #1, and Page 112, #3]

CURRENT LAW

On May 2, 2003, Corrections had an institutional population of 21,565 (16,756 in correctional institutions, 2,120 in correctional centers and 2,689 in contract beds). Base funding for prison contract beds is \$60,102,700 GPR.

GOVERNOR

Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 22,105 in 2003-04 and 22,031 in 2004-05. The following table identifies the final distribution of this population as the result of correctional facility expansions and correctional population management initiatives under SB 44.

	<u>Average Daily Population</u>	
	<u>2003-04</u>	<u>2004-05</u>
Institutions	17,208	17,208
Centers	2,260	2,433
Contract Beds*	<u>2,637</u>	<u>2,390</u>
Total	22,105	22,031

*Contract beds in 2003-05 include 25 inmates held in federal facilities.

Provide \$3,719,600 GPR in 2003-04 and \$15,227,800 GPR in 2004-05 related to in-state and out-of-state prison contract beds.

DISCUSSION POINTS

Adult Correctional Facilities Populations

1. Senate Bill 44 uses prison population projections prepared by the Department of Corrections in September, 2002, in connection with the Department's 2003-05 biennial budget request. To make the projections, Corrections evaluated historic population trends using data through June, 2002. Under that projection, average daily populations were estimated to be 22,105 inmates in 2003-04 and 22,670 inmates in 2004-05. This estimate was used as the underlying prison population estimates for SB 44. Other items in the bill (correctional population management initiatives) make further modifications to these estimates.

2. Correctional facility costs and contract beds are budgeted based on an average daily population. Table 1 identifies the average daily population since 1993-94. Over the period, the average daily population has increased 135.9%.

<u>Fiscal Year</u>	<u>ADP</u>	<u>% Change</u>
1993-94	8,912	
1994-95	10,040	12.7%
1995-96	11,255	12.1
1996-97	12,958	15.1
1997-98	14,816	14.3
1998-99	17,691	19.4
1999-00	19,805	11.9
2000-01	20,447	3.2
2001-02	21,025	2.8

3. The average annual correctional facility population growth (the amount by which the population would need to grow on an annual basis to increase from one point in time to another) was 11.3% per year between 1993-94 and 2001-02. However, the annual rate of increase in the average daily prison population has been decreasing over this same period. Between 1999-00 and 2001-02 populations grew at an annual rate of 3.0%.

4. The population estimate in SB 44 assumes that average daily populations will increase by 2.53% annually over the 2003-05 biennium.

5. The trend of slower annual growth rates can be observed when examining monthly growth rates since 1996. On a monthly basis, populations grew at a rate of 0.75% per month between July, 1996 (with a prison population of 11,285) and April, 2003 (with a prison population of 21,589). However, since December, 1999, the monthly growth rates have generally ranged from

0.16% and 0.20%. In the latest 12-month period, the monthly growth rate was 0.18% per month from April, 2002 (with a prison population of 21,120) to April, 2003.

6. In order to realize the June, 2005, endpoint population projected under SB 44, (22,934 inmates), correctional populations would need to increase at a rate of 0.23% per month from April, 2003.

7. Based on population trends since December, 1999, and more current data than was used for the projection in SB 44, estimated average daily prison populations for the 2003-05 biennium can be reestimated. Assuming a growth rate of 0.18% per month, the average daily population could be reduced by 177 in 2003-04 to 21,928, and by 255 in 2004-05 to 22,415.

Prison Contract Bed Funding

8. In order to determine the number of prison contract beds necessary during the biennium, estimated prison populations are compared to the number of state prison and correctional center system beds that would be available (the prison systems operating capacity). To the extent that estimated prison populations exceeded operating capacity, inmates were assumed to be placed in contract beds.

9. Currently, the Department of Corrections has a total operating capacity of 18,968 beds. Of the total, 17,555 beds are for male inmates and 1,413 are for female inmates. In addition, 25 male offenders are placed in various federal correctional facility beds. Capacity figures do not include any expansion of capacity associated with new correctional facilities. In addition, operational costs, additional positions, inmate-related costs, contract bed funding reductions and changes to operating capacity associated with new facilities or prison population reduction initiatives are addressed separately and independent from contract bed funding increases.

10. Since the need for contract beds is determined assuming that no additional correctional facility capacity will occur, the increase recommended in SB 44 represents the maximum amount of funding for contract beds based on the population estimates. To the extent that new facilities are opened or population reduction initiatives adopted, contract bed funding may be removed in connection with those items.

11. Senate Bill 44 provides \$3,719,600 GPR in 2003-04 and \$15,227,800 GPR in 2004-05 related to in-state and out-of-state prison contract beds. Funding would be divided as follows: (a) \$3,240,500 GPR in 2003-04 and \$14,748,700 GPR in 2004-05 for contract beds; (b) \$191,100 GPR annually associated with continued staff and inmate transportation expenses initially provided by the Committee under s. 13.10 in September, 1996; and (c) \$288,000 GPR annually in increased purchase of services funding for an alternative to revocation of community supervision program for contract beds in the Rock County jail which was previously funded from the contract bed appropriation.

12. Base funding for contract beds is \$60,102,700 GPR. Total funding for contract beds would be \$63,534,300 GPR in 2003-04 and \$75,042,500 GPR in 2004-05. This funding would

support 3,150 contract beds in 2003-04 (2,824 out-of-state and 326 in-state) and 3,680 contract beds in 2004-05 (3,354 out-of-state and 326 in-state). The contract beds appropriation also funds the costs of youthful adult offenders held in juvenile correctional facilities (14 offenders annually), and temporary lockup of correctional center system inmates in both years of the biennium.

13. Under the bill, funding for contract beds is reduced by other provisions, indicated in the following table.

	<u>2003-04</u>		<u>2004-05</u>	
	<u>Amount</u>	<u>Beds</u>	<u>Amount</u>	<u>Beds</u>
Base Funding	\$60,102,700		\$60,102,700	
Prison Contract Bed Funding	<u>3,431,600</u>		<u>14,939,800</u>	
Total	\$63,534,300	3,150	\$75,042,500	3,680
<u>Funding Reductions</u>				
Conversion of Prairie du Chien				
Facility to Adult Prison	-\$10,920,700	-326	-\$11,215,600	-326
Inmate Workhouses Staffing	-2,926,400	-162	-5,556,600	-300
Black River Correctional Center				
Boot Camp Program	0	0	-1,828,100	-99
Population Management	<u>0</u>	<u>0</u>	<u>-10,000,000</u>	<u>-540</u>
Total	\$49,687,200	2,662	\$46,442,200	2,415

14. The following table identifies actual contract bed expenditures and contract bed average daily populations since 1995-96. Over the period, Corrections has at various times purchased contract bed services from Texas counties, the federal government, the Division of Juvenile Corrections, Wisconsin counties, McCloud Correctional Services, and Corrections Corporation of America (CCA). Currently, Corrections has inmates placed in contract beds at the Prairie du Chien Correctional Institution, Wisconsin county jails and with CCA. In the table, average daily populations are for contract beds only, and do not include youthful offenders placed in juvenile facilities or temporary lock-ups from the center system.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Average Daily Population</u>
1995-96	\$9,746,400	360
1996-97	11,179,500	536
1997-98	28,911,400	1,539
1998-99	64,264,800	3,476
1999-00	93,742,600	4,962
2000-01	102,034,100	5,338
2001-02	79,463,100	4,335
2002-03*	69,350,500	3,739

*Budgeted

15. On December 17, 2002, the Joint Committee on Finance approved a contract with CCA that includes CCA facilities in Whiteville and Mason, Tennessee; Sayre and Watonga, Oklahoma; Appleton, Minnesota; Tutuiler, Mississippi, and Lumpkin, Georgia. The Lumpkin, Georgia facility is under construction and scheduled to be completed in mid-2003. Placement of inmates in the Lumpkin, Georgia facility is conditioned on the Department's notification to the Finance Committee that the facility, once construction is completed, meets the Department's specifications. The contract between Corrections and CCA is for the period of December 22, 2002, through December 21, 2005. Major provisions are summarized below.

a. The contract provides for the housing of up to 5,500 inmates in out-of-state facilities. It should be noted, however, that Corrections is only authorized to place up to 4,833 inmates out-of-state. Approval by the Joint Committee on Finance would be required in order for Corrections to send more than 4,833 inmates out-of-state.

b. The contract rate is \$48.50 per day per inmate from December 22, 2002, to December 21, 2003, \$49.96 per day from December 22, 2003, to December 21, 2004, and \$51.46 per day from December 22, 2004, to December 21, 2005.

c. Corrections may terminate the contract at anytime, with or without cause, and without penalty by giving 30 days written notice to CCA. Corrections is entitled to recover all costs including, without limitation, administrative costs related to obtaining replacement services.

d. Corrections' failure to comply with the contract is the sole cause for which CCA may terminate the contract, unless otherwise allowed by Corrections. CCA must notify Corrections within 30 days of the noncompliance. Corrections has 60 days to cure or proceed to cure the noncompliance. If Corrections fails to cure, CCA may terminate the contract by providing a 120-day written notice. The earliest termination date of the contract by CCA is 181 days.

e. CCA is responsible for the transportation of inmates in groups of 10 or more, including inmates returned to Wisconsin for medical reasons.

f. CCA must have sufficient work and program opportunities for inmates. Every inmate must have the opportunity to participate in work, educational, vocational, or rehabilitative programs outside of their living quarters at least six hours per day, 30 days per week. Involuntary unassigned status is prohibited unless approved by Corrections. An inmate is involuntarily unassigned if he wishes to participate in a program but is not permitted to do so.

g. CCA is required to provide residential alcohol and other drug abuse treatment for inmates. Residential programs are intensive programs targeted to offenders with specific educational, medical or mental health needs.

h. Inmates who need regular, reoccurring off-site medical care will not be sent out-of-state. Any inmate with HIV/AIDS, end-stage renal disease requiring dialysis, Hepatitis C, a terminal illness where the life expectancy is 12 months or less, or a mental health condition requiring in-patient care will not be sent out-of-state.

i. CCA may seek reimbursement only for hospital charges (not separate physician or other provider charges) for 60% of costs over \$80,000. The contract also specifies that the costs of transplants are included. However, transplant claims are reimbursed only at the Medicaid rate in the state where the service was provided. Inmates considered for transplants must be approved by Corrections and the Department may return such an inmate.

16. Males represent approximately 93.75% of correctional facility populations. Based on reestimated populations, male correctional populations would average 20,563 in 2003-04 and 21,020 in 2004-05 and female populations would average 1,365 in 2003-04 and 1,395 in 2004-05.

17. Given institutional capacities and the projected male populations under the revised population projection, 167 fewer contract beds would be necessary in 2003-04 and 240 fewer in 2004-05. Costs under SB 44, would, therefore, be reduced by \$3,010,900 GPR in 2003-04 and \$4,450,800 GPR in 2004-05.

18. As indicated previously, contract bed funding is used to support the costs of youthful adult offenders held in the juvenile correctional facilities. With regard to these costs, DOA has indicated that the daily rate calculation used to determine contract bed funding was understated, and would result in an increase to the bill of \$5,100 GPR in 2003-04 and \$10,200 GPR in 2004-05. Senate Bill 44 assumed that 14 inmates annually would be placed in juvenile facilities. However, based on actual usage to date, an average of eight inmates are placed in juvenile facilities. The net result would be a reduction to the bill of \$405,600 GPR in 2003-04 and \$408,100 GPR in 2004-05.

19. Under the modifications, the bill could be reduced by \$3,416,500 GPR in 2003-04 and \$4,858,900 GPR in 2004-05. Total funding for contract beds would be \$60,117,800 GPR in 2003-04 and \$70,183,600 GPR in 2004-05.

MODIFICATION

Reestimate adult prison populations to 21,928 in 2003-04 and 22,415 in 2004-05 based on population trends since December, 1999, and more current data than was used for the projection in SB 44. As a result of the reestimated populations and adjustments to the number of adult offenders placed in juvenile correctional facilities, reduce contract bed funding under SB 44 by \$3,416,500 GPR in 2003-04 and \$4,858,900 GPR in 2004-05.

<u>Modification</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	- \$8,275,400

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