

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number -2048/1	Amendment Number if Applicable
Bill Number AB 42	Administrative Rule Number

Subject

Relating to the lease and operation of correctional facilities, making an appropriation, and providing penalties.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
 Decrease Costs

Local: No Local Government Costs

- | | |
|--|---|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S


Affected Chapter 20 Appropriations

s.20.410(1)(a), (ab), (km), (f), (aa), (d)

Assumptions Used in Arriving at Fiscal Estimate

See attachment

Long-Range Fiscal Implications

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Assembly Bill 42

AB 42 relates to the leasing and operation of correctional facilities.

This bill provides general statutory authority that does not mandate any expenditure of funds. For illustrative purposes, DOC will use the Stanley medium-security correctional facility, as an example of a leased privately constructed facility. There are a number of assumptions in establishing these costs. It is assumed that the approval of staff and funding for the facility will be included in the Biennial Budget and that the Biennial Budget bill will be enacted by October 2001. With these assumptions, the facility's projected opening date will be July 1, 2002. It is assumed that DOC will have a projected inmate population of 22,581 by the end of June 2002 and 23,860 by the end of June 2003 and that all projected opening dates for new construction will be met. It is further assumed that inmate populations will be phased in at a rate of 40 inmates per week for the first month and then alternate 40 and 80 inmates per week until the facility will reach it's capacity of 1,500 inmates by the end of December 2002. Annualized costs would not be realized until FY04.

During the first year, FY02, there would be \$2,441,700 in salary and fringe, \$2,005,000 in supplies and services, one-time costs of \$3,554,300, and lease costs of \$15,544,600 for a total of \$23,545,600 GPR and 365.25 GPR FTE. The total GPR of \$23,545,600 would not result in any inmate population for the leased institution in the first year that funding was needed. Therefore, there would be no decrease in the need for contract beds and the funds would need to be paid totally out of new GPR funds.

During the second year, FY03, there would be \$16,609,400 in salary and fringe, \$3,962,300 in supplies and services, one-time costs of \$324,500, \$1,865,800 in non-staff related healthcare costs, \$1,324,400 in food, and lease costs of \$7,691,000. A total of \$31,777,400 GPR and 428.25 GPR FTE would be needed for an average daily population (ADP) of 1,110. This would be offset by \$15,320,900 in savings from the reduced use of contract beds. Thus, there would be a need for an additional \$16,456,500 from new GPR funds.

These totals do not include additional capital costs for moveable equipment of \$5,001,400. This item would need to be included in the 2001-2003 Capital Budget.

On an annualized basis, total GPR costs would be \$16,801,300 in salary and fringe, \$4,275,300 in supplies and services, \$2,440,200 for variable health costs, \$1,789,700 for food costs and \$7,691,000 in leases costs, for a total of \$32,997,500 GPR and 428.25 FTE. Annualized costs that would be offset by contract bed savings would be dependent on the Department's population and bed needs.