




STATE OF WISCONSIN | Legislative Audit Bureau

22 East Mifflin St., Suite 500 ■ Madison, WI 53703 ■ (608) 266-2818 ■ Hotline: 1-877-FRAUD-17 ■ www.legis.wisconsin.gov/lab

Joe Chrisman
State Auditor

DATE: June 19, 2018

TO: Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee

FROM: Joe Chrisman
State Auditor 

SUBJECT: Proposed Audit of Corrections Costs in Adult Institutions, Centers, and
Contracted Facilities—Background Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering an audit of corrections costs in adult institutions, centers, and contracted facilities. The Department of Corrections (DOC) reported having a total population of 23,594 adult offenders housed in these settings as of June 15, 2018.

DOC operates 34 adult correctional facilities, including 20 prisons and 14 minimum-security correctional centers. In addition, the Department of Health Services (DHS) operates the Wisconsin Resource Center in Winnebago as a 345-bed medium-security facility for adult inmates in need of mental health treatment. As of June 15, 2018, DOC contracted for 471 beds in facilities in 12 counties and in various other facilities through intergovernmental agreements.

Excluding the Wisconsin Resource Center, DOC reported that operational budgets for adult correctional institutions and centers totaled \$730.1 million in fiscal year (FY) 2016-17. The highest reported per capita daily cost was \$140 at the Wisconsin Secure Program Facility, which houses inmates who have demonstrated serious behavioral problems in other correctional facilities. Stanley Correctional Institution, a medium-security institution, had a reported per capita daily cost of \$73.57, which was the lowest DOC reported for FY 2016-17.

DOC has been authorized more than 10,000 full-time equivalent positions. Of the approximately 7,000 staff who worked at adult institutions and correctional centers in fiscal year (FY) 2016-17, DOC reported the most (582) were at Dodge Correctional Institution and the least (61) were at the Sturtevant Transitional Facility.

Recently, questions have been raised about the variation in corrections costs among facilities and about overall operational costs for adult correctional institutions. For example, the Village of Allouez is currently circulating a petition to close the Green Bay Correctional Institution citing, among other items, "Substantially higher operational costs due to antiquated facility design." In addition, in April 2018 DOC submitted a request under s. 13.10, Wis. Stats., to transfer \$7.1 million in general purpose revenue to its general program operations appropriation. The request was to address an anticipated shortfall resulting from high inmate health care costs. DOC had budgeted \$80.6 million in FY 2017-18 but was projected

to spend \$90.7 million. This request was similar to requests DOC has made each year since 2014 and was attributed to increased prescription drug costs, increased costs for inmate hospitalizations, and contract nursing costs.

An audit of corrections costs in adult institutions, centers, and contracted facilities could:

- analyze trends in DOC's revenues and expenditures;
- categorize DOC expenditures and determine how each type of expenditure contributed to trends in corrections costs;
- determine how factors such as the age and condition of facilities, personnel costs, and the available treatment and programming for inmates affect variations in cost by institution, center, and facility;
- evaluate the process used by DOC to contract for additional bed space and its effect on corrections costs;
- analyze the contractual relationship between DHS and DOC for the Wisconsin Resource Center; and
- assess strategies to manage corrections costs, including those related to inmate health care.

I hope you find this information helpful. If you have any additional questions regarding this proposed audit, please contact me.

cc: Senator Chris Kapenga
Senator Alberta Darling
Senator Kathleen Vinehout
Senator Mark Miller

Representative John Macco
Representative John Nygren
Representative Melissa Sargent
Representative Terese Berceau

Ms. Cathy Jess, Secretary
Department of Corrections

Ms. Linda Seemeyer, Secretary
Department of Health Services