

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-4299/1</b>	<b>Introduction Number</b> <b>SB-618</b>
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**Description**  
 Crime of child sex trafficking, the inclusion of child sex trafficking in the definition of child abuse, the investigation of a child abuse report in which a person who is not a caregiver of the child is suspected of permitting, allowing, or encouraging the child to engage in prostitution or of child sex trafficking for purposes of a commercial sex act, and providing a penalty

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
1. <input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DCF 1/26/2016

LRB Number	15-4299/1	Introduction Number	SB-618	Estimate Type	Original
<b>Description</b> Crime of child sex trafficking, the inclusion of child sex trafficking in the definition of child abuse, the investigation of a child abuse report in which a person who is not a caregiver of the child is suspected of permitting, allowing, or encouraging the child to engage in prostitution or of child sex trafficking for purposes of a commercial sex act, and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

This bill adds child sex trafficking to the definition of "abuse" in the Children's Code, Chapter 48, Wisconsin State Statutes, and requires child welfare agencies to investigate all cases of alleged sex trafficking, including those where the alleged maltreater is a non-caregiver. Current law permits, rather than requires child welfare agencies to investigate and serve cases involving non-caregivers. As a result of the investigation by the child welfare agency, the child may need out-of-home placement, treatment and other services. The bill also requires that the sheriff or police department refer to a child protective agency, and the agency investigate, a case of child abuse in which a person who is not a caregiver of the child is suspected of permitting, allowing, or encouraging the child to engage in prostitution or of trafficking a child for purposes of a commercial sex act. Current law permits rather than requires the sheriff or police department to refer to a child protective agency a case of child abuse in which a person who is not a caregiver of a child is suspected of the abuse of the child. These changes to state statutes are expected to have the effect of increasing the number of children identified as victims of sex trafficking and in need of out-of-home placement, treatment and other services.

In Milwaukee County, the DCF Division of Milwaukee Child Protective Services (DMCPS) is currently receiving notification from law enforcement of potential victims of child sex trafficking and screening in all types of suspected sex trafficking cases, including cases where the alleged abuser (child sex trafficker) is a non-caregiver. In the balance of state (BOS) counties, some counties are screening in cases where the alleged maltreater is a non-caregiver. However, current practices across the BOS counties are not consistent.

Milwaukee County is currently the only location in the state where specialized treatment is available to children who have been involved in sex trafficking. In Milwaukee, residential treatment and services for girls who are victims of sex trafficking is available through the Lad Lake Residential Treatment program and the Grateful Girls Safe Haven Group Home. The current daily rate at Lad Lake is \$466 and the length of treatment is twelve months. The current daily rate at Safe Haven group home is \$238 with a similar length of stay. Lad Lake currently has the capacity for five residents in a specialized unit and Safe Haven has the capacity for three residents. These costs (estimated at \$1.1 million annually) are included in the division's out-of-home placement costs administered by DCF.

Children and youth who have been victims of sex trafficking have a broad range of needs. To address the distinct and significant needs of trafficking victims, including boys, specialized services are needed that are trauma-informed, culturally appropriate, individualized, and address their physical and mental health needs. Services must be structured to minimize the risk that the sex trafficked victims will be lured away or run away from the service setting.

In CY 15, the average monthly referral rate for suspected sex trafficking victims in Milwaukee was five, meaning there could be 60 or more youth in the Milwaukee area referred to DMCPS annually. The agency indicates that about one-half of the children and youth referred are determined to be in need of protection and treatment. They also indicate that many of the child victims run away and cannot be located by the agency. Assuming that twenty additional youth in Milwaukee could receive residential or group home placements and treatment services in settings similar to Lad Lake (12 girls x 170,090/bed) and Safe Haven (8 girls x \$86,870/bed) would increase out-of-home costs in Milwaukee by \$2.7 million annually.

The extent of sex trafficking cases in the BOS counties is unknown at this time. If, however, the caseload number equals that of Milwaukee County then the additional cost of out-of-home care would be \$3.8 million annually. If the BOS caseload of sex trafficked victims is double the number of the Milwaukee County

caseload, then the cost would be \$7.7 million annually. If the BOS caseload of sex trafficked victims is triple the number of the Milwaukee County caseload, then the cost would be closer to \$11.5 million annually. Therefore, the estimated cost of providing services to sex trafficked victims in the balance of state is between \$3.8 million and \$11.5 million annually, depending on the number of victims of sex trafficking in the BOS.

It should be noted that currently Wisconsin does not have the specialized type of out-of-home placement or treatment services available in BOS counties. Act 55 provides \$2.0 million in SFY 17 to DCF to purchase or provide treatment services for children who are victims of sex trafficking. The law requires that DCF must ensure that treatment and services are available to children in all geographic areas of the state, including both urban and rural communities. DCF plans on using the funds for both residential treatment and community-based services. This funding will partially offset the increased costs of providing services to victims of sex trafficking under the bill.

The total fiscal estimate, which includes increased costs for Milwaukee County and the BOS counties, less the funding provided under Act 55, is a range from \$4.6 million to \$12.3 million annually.

### **Long-Range Fiscal Implications**