



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #120

Penalty Assessment (DOA -- Office of Justice Assistance)

CURRENT LAW

Whenever a court imposes a fine or forfeiture for a violation of state law or municipal or county ordinance (except for violations involving smoking in restricted areas, failing to properly designate smoking or nonsmoking areas, nonmoving traffic violations or violations of safety belt use), the court also imposes a penalty assessment of 24% of the total fine or forfeiture.

Currently, eleven twenty-fourths of all penalty assessment surcharge revenues are credited to the Department of Justice (DOJ) penalty assessment surcharge receipts appropriation and the remaining thirteen twenty-fourths of all penalty assessment surcharge revenues are credited to the Office of Justice Assistance (OJA) penalty assessment surcharge receipts appropriation.

GOVERNOR

No provision.

DISCUSSION POINTS

1. Under Chapter 29, Laws of 1977, the Legislature created a penalty assessment surcharge in the amount of 10% of a fine or forfeiture imposed for the violation of state law, or a municipal or county ordinance (except for nonmoving traffic violations). The penalty assessment served as the funding source for the law enforcement training fund (LETF).

2. Over time, both the penalty assessment percentage and the number of uses of the revenues have increased. Penalty assessment revenues credited to DOJ are used to: (a) finance training for state and local law enforcement personnel under LETF; (b) support the administration costs of LETF; and (c) provide funding to cover supplies and laboratory equipment costs of the state

crime laboratories.

3. Penalty assessment revenues credited to OJA are used for: (a) Alcohol and Other Drug Abuse (AODA) programs under the Department of Public Instruction (DPI); (b) the Department of Corrections (DOC) victim services and programs appropriation; (c) correctional officer training under DOC; (d) DOJ's drug enforcement intelligence operations appropriation; (e) DOJ's reimbursement to counties for victim and witness services; (f) District Attorney information technology support (DA-IT); (g) matching funds for federal anti-drug programs under OJA; (h) youth diversion programs under OJA; and (i) training and conferences under the State Public Defender (SPD).

4. The following table summarizes the increases in the penalty assessment surcharge and the uses of penalty assessment revenue since the inception of the surcharge in 1977.

<u>Year</u>	<u>Penalty Assessment Surcharge (% of Fine or Forfeiture)</u>	<u>Distribution of Revenues/Programs Supported</u>
1977	10%	100% DOJ LETF.
1979	12%	83.3% DOJ LETF; 16.7% DPI AODA.
1981	12%	83.3% DOJ LETF; DOJ authorized to transfer some of its funding to DHSS for correctional officer training; 16.7% DPI AODA.
1983	15%	73.3% DOJ LETF; 13.3% DHSS for correctional officer training; 13.4% DPI AODA.
1987	20%	55% DOJ LETF and crime lab equipment; 10% DHSS for correctional officer training; 15% OJA for anti-drug enforcement (state and local) and DHSS for youth diversion; 5% DOJ county-tribal programs; 15% DPI AODA.
1993	22%	49.09% DOJ LETF and crime lab and identification system equipment; 9.09% DOC correctional officer training; 22.7% OJA anti-drug enforcement and DHSS youth diversion; 4.54% DOJ county-tribal programs; 0.91% SPD conferences and training; 13.67% DPI AODA.
1995	23%	49.09% DOJ LETF and crime lab equipment; 9.09% DOC correctional officer training; 22.7% OJA anti-drug enforcement and DHSS youth diversion; 4.54% DOJ county-tribal programs; 0.91% SPD conferences and training; 13.67% DPI AODA.
1999	23%	49.09% DOJ (LETF and crime laboratory equipment and supplies); and 50.91% OJA (various programs as outlined above).
2001	24%	45.83% DOJ (LETF and crime laboratory equipment and supplies); and 54.17% OJA (various programs as outlined above).

5. Under SB 44, the DOJ and OJA penalty assessment receipts appropriations show a cumulative deficit of \$373,400 at the end of 2003-04, and a cumulative balance of \$259,300 at the end of 2004-05.

6. Penalty assessment revenues have now been reestimated using more recent data and revised opening balance projections. The following tables summarize the revised fund condition for each of the DOJ and the OJA penalty assessment revenue receipts appropriations.

Revised DOJ Penalty Assessment Receipts Appropriation Fund Condition under Governor's 2003-05 Budget Recommendations

	<u>2003-04</u>	<u>2004-05</u>
Revenues		
Opening balance	-\$327,500	-\$1,116,700
Revenues	<u>8,311,600</u>	<u>8,644,000</u>
Total	\$7,984,100	\$7,527,300
Appropriations and Reserves		
Appropriations	\$9,100,800	\$9,100,800
Program reserves	<u>0</u>	<u>0</u>
Total	\$9,100,800	\$9,100,800
Balance	-\$1,116,700	-\$1,573,500

Revised OJA Penalty Assessment Receipts Appropriation Fund Condition under Governor's 2003-05 Budget Recommendations

	<u>2003-04</u>	<u>2004-05</u>
Revenues		
Opening balance	-\$372,500	-\$515,700
Revenues	<u>9,822,700</u>	<u>10,215,600</u>
Total	\$9,450,200	\$9,699,900
Appropriations and Reserves		
Appropriations	\$9,899,100	\$9,783,400
Program reserves	<u>66,800</u>	<u>70,100</u>
Total	\$9,965,900	\$9,853,500
Balance	-\$515,700	-\$153,600

7. As demonstrated in the above tables, if the current allocations of penalty assessment revenues between OJA and DOJ penalty assessment receipts appropriations remain unchanged (54.17% to OJA and 45.83% to DOJ), deficits will be experienced in both appropriations in both fiscal years at the proposed expenditure levels under SB 44. The DOJ deficit is projected to increase over the biennium, while the program position under the OJA appropriation is projected to show some improvement over the biennium.

8. Over 95% of the penalty assessment revenues credited to DOJ's penalty assessment receipts appropriation are utilized by the law enforcement training fund (LETF). Over time, the percentage of penalty assessment revenues dedicated to the LETF has continually declined.

9. The Committee could consider taking action to reverse this trend by allocating 48% of penalty assessment revenues to DOJ. Increasing the allocation of penalty assessment revenues to DOJ's penalty assessment receipts appropriation from 45.83% to 48% would: (a) significantly reduce the deficit affecting the LETF; and (b) bring revenues more nearly into balance with expenditures under these appropriations. The following tables show the revised conditions for the two appropriations, if this modification were adopted by the Committee.

DOJ Penalty Assessment Receipts Fund Condition If Draw Increased to 48%

	<u>2003-04</u>	<u>2004-05</u>
Revenues		
Opening balance	-\$327,500	-\$723,800
Revenues	<u>8,704,500</u>	<u>9,052,600</u>
Total	\$8,377,000	\$8,328,800
Appropriations and Reserves		
Appropriations	\$9,100,800	\$9,100,800
Program reserves	<u> 0</u>	<u> 0</u>
Total	\$9,100,800	\$9,100,800
Balance	-\$723,800	-\$772,000

OJA Penalty Assessment Receipts Fund Condition If Draw Decreased to 52%

	<u>2003-04</u>	<u>2004-05</u>
Revenues		
Opening balance	-\$372,500	-\$908,600
Revenues	<u>9,429,800</u>	<u>9,807,000</u>
Total	\$9,057,300	\$8,898,400
Appropriations and Reserves		
Appropriations	\$9,899,100	\$9,783,400
Program reserves	<u> 66,800</u>	<u> 70,100</u>
Total	\$9,965,900	\$9,853,500
Balance	-\$908,600	-\$955,100

10. Nonetheless, the two appropriations would continue to experience a combined deficit of \$1,727,100 PR by the end of 2004-05. Elimination of the deficit in these appropriations would require a decrease in expenditure authority, an increase to revenues, or a combination of these approaches.

11. A potential source of revenue would be the transfer of the unencumbered balances from appropriations that receive penalty assessment funding. Once amounts are credited to a program revenue appropriation, unencumbered balances at the end of a fiscal year are retained in that appropriation. All the appropriations that receive penalty assessment revenues are annual appropriations. Any unencumbered balances at the end of a fiscal year remain in the respective appropriations, and may not be expended except pursuant to expenditure authority provided by law.

12. The unencumbered penalty assessment balances in these appropriations on June 30, 2003, is projected to be \$620,800 PR. Applying these unencumbered balances (52% to OJA and 48% to DOJ), together with a 1% increase in the penalty assessment (to 25% of the total fine or forfeiture), could permit the Committee to bring both penalty assessment receipt appropriations into balance by the end of the biennium without across-the-board budget reductions. This alternative would generate \$1,352,500 PR in additional revenue over the biennium and would permit the OJA and DOJ receipt appropriations to end the biennium with respective balances of \$71,000 PR and \$175,200 PR.

13. Alternatively, the Committee could consider applying these unencumbered balances, together with across-the-board budget reductions, to bring these penalty assessment receipt appropriations into balance.

14. OJA's youth diversion program appropriation allocates grant funding totaling \$720,000 PR annually in penalty assessment funds to five organizations which provide gang diversion services. The statutes specify how much OJA must annually distribute to these organizations. While this appropriation could be subject to across-the-board budget reductions, nonstatutory language would also be needed to direct OJA to proportionately reduce the required grant awards during the 2003-05 biennium by the percentage reduction to the youth diversion program appropriation.

15. Under current law, there are three appropriations under OJA that receive penalty assessment funds which are used to provide the necessary match for federal anti-drug law enforcement Byrne grant funds distributed to state agencies, to local units of government, and to OJA for administration. The Committee may wish to exempt these appropriations from any across-the-board reductions. For every dollar in penalty assessment funds taken from these appropriations, the state would lose a corresponding three dollars in federal Byrne grant funding during the next biennium.

16. If across-the-board reductions were then applied to all penalty assessment appropriations other than the Byrne match appropriations, 75% of the 2002-03 unencumbered balances were credited to OJA's receipts appropriation and 25% of the 2002-03 unencumbered

balances were credited to DOJ's receipts appropriation, it is estimated that the two penalty assessment receipts appropriations could be brought into balance with the following annual across-the-board reduction amounts: (a) 6.5% in 2003-04; and (b) 0.5% in 2004-05. These action would reduce total expenditure authority by \$1,081,200 PR in 2003-04 and by \$83,200 PR in 2004-05. This alternative would allocate the reductions proportionately to all affected OJA and DOJ programs. Tables A-1 and A-2 identify the changes to penalty assessment appropriations supported by OJA's and DOJ's penalty assessment receipts appropriations if these changes were adopted.

A-1 OJA Penalty Assessment Receipts Fund Condition

	<u>6.5% ATB Reduction</u>		<u>0.5% ATB Reduction</u>	
	<u>Pre-ATB 2003-04</u>	<u>ATB 2003-04</u>	<u>Pre-ATB 2004-05</u>	<u>ATB 2004-05</u>
Revenue				
Opening Balance	-\$372,500	-\$372,500	-\$443,000	\$50,900
Estimated Revenue	9,429,800	9,429,800	9,807,000	9,807,000
Unencumbered 2001-03 Balances	<u>465,600</u>	<u>465,600</u>	<u>0</u>	<u>0</u>
Total Available Revenue	\$9,522,900	\$9,522,900	\$9,364,000	\$9,857,900
Expenditures				
20.255(1)(kd) Alcohol and other drug abuse program	\$800,000	\$748,000	\$800,000	\$796,000
20.255(2)(kd) Aid for alcohol and other drug abuse programs	1,573,500	1,471,200	1,573,500	1,565,600
20.410(1)(kh) Victim services and programs	227,700	212,900	227,700	226,600
20.410(1)(kp) Correctional officer training	1,818,100	1,699,900	1,826,100	1,817,000
20.455(2)(ke) Drug enforcement intelligence operations	1,496,200	1,398,900	1,505,000	1,497,500
20.455(5)(kp) Reimbursement to counties for victim-witness services	773,000	722,800	773,000	769,100
20.505(6)(k) Law enforcement programs, youth diversion-admin.	161,000	161,000	161,000	161,000
20.505(6)(kj) Youth diversion program	720,000	673,200	720,000	716,400
20.505(6)(kp) Byrne, penalty assessment-local	1,445,800	1,445,800	1,449,300	1,449,300
20.505(6)(kt) Byrne, penalty assessment-state	761,100	761,100	625,100	625,100
20.550(1)(kj) Conference and training	<u>122,700</u>	<u>114,700</u>	<u>122,700</u>	<u>122,100</u>
Total Expenditures	\$9,899,100	\$9,409,500	\$9,783,400	\$9,745,700
Supplements & Reserves				
20.410(1)(kh) Victim services and programs	\$66,800	\$62,500	\$70,100	\$69,700
Total Expenditures & Reserves	\$9,965,900	\$9,472,000	\$9,853,500	\$9,815,400
Closing Balance	-\$443,000	\$50,900	-\$489,500	\$42,500

A-2 DOJ Penalty Assessment Receipts Fund Condition

	<u>6.5% ATB Reduction</u>		<u>0.50% ATB Reduction</u>	
	Pre-ATB	ATB	Pre-ATB	ATB
	<u>2003-04</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2004-05</u>
Revenue				
Opening Balance	-\$327,500	-\$327,500	-\$568,600	\$23,000
Estimated Revenue	8,704,500	8,704,500	9,052,600	9,052,600
Unencumbered 2001-03 Balances	<u>155,200</u>	<u>155,200</u>	<u>0</u>	<u>0</u>
Total Available	\$8,532,200	\$8,532,200	\$8,484,000	\$9,075,600
Expenditures				
20.455(2)(j) Law enforcement training fund, local assistance	5,345,700	4,998,200	5,345,700	5,319,000
20.455(2)(ja) Law enforcement training fund, state operations	3,377,800	3,158,200	3,377,800	3,360,900
20.455(2)(jb) Crime laboratory equipment and supplies	<u>377,300</u>	<u>352,800</u>	<u>377,300</u>	<u>375,400</u>
Total Expenditures	\$9,100,800	\$8,509,200	\$9,100,800	\$9,055,300
Remaining Balance	-\$568,600	\$23,000	-\$616,800	\$20,300

17. If across-the-board reductions were applied to all penalty assessment appropriations other than the Byrne match appropriations, and 100% of the 2002-03 unencumbered balances were credited to OJA's receipts appropriation, it is estimated that the two appropriations could be brought into balance with the following across-the-board reduction amounts: (a) 4% and 0.5%, respectively, to all remaining OJA penalty assessment appropriations in 2003-04 and 2004-05; and (b) 8% and 0.5% respectively to all DOJ penalty assessment appropriations in 2003-04 and 2004-05. These actions would reduce total expenditure authority by \$1,029,200 PR in 2003-04 and by \$83,200 PR in 2004-05. This alternative would allocate the reductions more to DOJ programs. Tables B-1 and B-2 identify the changes to penalty assessment appropriations supported by OJA's and DOJ's penalty assessment receipts appropriations if these changes were adopted.

B-1 OJA Penalty Assessment Receipts Fund Condition

	<u>4% ATB Reduction</u>		<u>0.5% ATB Reduction</u>	
	Pre-ATB	ATB	Pre-ATB	ATB
	<u>2003-04</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2004-05</u>
Revenue				
Opening Balance	-\$372,500	-\$372,500	-\$287,800	\$16,000
Estimated Revenue	9,429,800	9,429,800	9,807,000	9,807,000
Unencumbered 2001-03 Balances	<u>620,800</u>	<u>620,800</u>	<u>0</u>	<u>0</u>
Total Available Revenue	\$9,678,100	\$9,678,100	\$9,519,200	\$9,823,000
Expenditures				
20.255(1)(kd) Alcohol and other drug abuse program	\$800,000	\$768,000	\$800,000	\$796,000
20.255(2)(kd) Aid for alcohol and other drug abuse programs	1,573,500	1,510,600	1,573,500	1,565,600
20.410(1)(kh) Victim services and programs	227,700	218,600	227,700	226,600
20.410(1)(kp) Correctional officer training	1,818,100	1,745,400	1,826,100	1,817,000
20.455(2)(ke) Drug enforcement intelligence operations	1,496,200	1,436,400	1,505,000	1,497,500
20.455(5)(kp) Reimbursement to counties for victim-witness services	773,000	742,100	773,000	769,100
20.505(6)(k) Law enforcement programs, youth diversion-admin.	161,000	161,000	161,000	161,000
20.505(6)(kj) Youth diversion program	720,000	691,200	720,000	716,400
20.505(6)(kp) Byrne, penalty assessment-local	1,445,800	1,445,800	1,449,300	1,449,300
20.505(6)(kt) Byrne, penalty assessment-state	761,100	761,100	625,100	625,100
20.550(1)(kj) Conference and training	<u>122,700</u>	<u>117,800</u>	<u>122,700</u>	<u>122,100</u>
Total Expenditures	\$9,899,100	\$9,598,000	\$9,783,400	\$9,745,700
Supplements & Reserves				
20.410(1)(kh) Victim services and programs	\$66,800	\$64,100	\$70,100	\$69,700
Total Expenditures & Reserves	\$9,965,900	\$9,662,100	\$9,853,500	\$9,815,400
Closing Balance	-\$287,800	\$16,000	-\$334,300	\$7,600

B-2 DOJ Penalty Assessment Receipts Fund Condition

	<u>8% ATB Reduction</u>		<u>0.5% ATB Reduction</u>	
	Pre-ATB	ATB	Pre-ATB	ATB
	<u>2003-04</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2004-05</u>
Revenue				
Opening Balance	-\$327,500	-\$327,500	-\$723,800	\$4,300
Estimated Revenue	8,704,500	8,704,500	9,052,600	9,052,600
Unencumbered 2001-03 Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Available	\$8,377,000	\$8,377,000	\$8,328,800	\$9,056,900
Expenditures				
20.455(2)(j) Law enforcement training fund, local assistance	\$5,345,700	\$4,918,000	\$5,345,700	\$5,319,000
20.455(2)(ja) Law enforcement training fund, state operations	3,377,800	3,107,600	3,377,800	3,360,900
20.455(2)(jb) Crime laboratory equipment and supplies	<u>377,300</u>	<u>347,100</u>	<u>377,300</u>	<u>375,400</u>
Total Expenditures	\$9,100,800	\$8,372,700	\$9,100,800	\$9,055,300
Remaining Balance	-\$723,800	\$4,300	-\$772,000	\$1,600

18. Finally, if across-the-board reductions were applied to all penalty assessment appropriations other than the Byrne match appropriations, and 100% of the 2002-03 unencumbered balances were credited to DOJ's receipts appropriation, it is estimated that the two appropriations could be brought into balance with the following across-the-board reduction amounts: (a) 12% and 1.0%, respectively, to all remaining OJA penalty assessment appropriations in 2003-04 and 2004-05; and (b) 1.5% and 0.5%, respectively, to all DOJ penalty assessment appropriations in 2003-04 and 2004-05. This action would reduce total expenditure authority by \$1,040,300 PR in 2003-04 and by \$120,900 PR in 2004-05. This alternative would allocate the reductions more to OJA programs. Tables C-1 and C-2 identify the changes to penalty assessment appropriations supported by OJA's and DOJ's penalty assessment receipts appropriations if these changes were adopted.

C-1 OJA Penalty Assessment Receipts Fund Condition

	<u>12% ATB Reduction</u>		<u>1.0% ATB Reduction</u>	
	<u>Pre-ATB</u> <u>2003-04</u>	<u>ATB</u> <u>2003-04</u>	<u>Pre-ATB</u> <u>2004-05</u>	<u>ATB</u> <u>2004-05</u>
Revenue				
Opening Balance	-\$372,500	-\$372,500	-\$908,600	\$3,100
Estimated Revenue	9,429,800	9,429,800	9,807,000	9,807,000
Unencumbered 2001-03 Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Available Revenue	\$9,057,300	\$9,057,300	\$8,898,400	\$9,810,100
Expenditures				
20.255(1)(kd) Alcohol and other drug abuse program	\$800,000	\$704,000	\$800,000	\$792,000
20.255(2)(kd) Aid for alcohol and other drug abuse programs	1,573,500	1,384,700	1,573,500	1,557,800
20.410(1)(kh) Victim services and programs	227,700	200,400	227,700	225,400
20.410(1)(kp) Correctional officer training	1,818,100	1,599,900	1,826,100	1,807,800
20.455(2)(ke) Drug enforcement intelligence operations	1,496,200	1,316,700	1,505,000	1,490,000
20.455(5)(kp) Reimbursement to counties for victim-witness services	773,000	680,200	773,000	765,300
20.505(6)(k) Law enforcement programs, youth diversion-admin.	161,000	161,000	161,000	161,000
20.505(6)(kj) Youth diversion program	720,000	633,600	720,000	712,800
20.505(6)(kp) Byrne, penalty assessment-local	1,445,800	1,445,800	1,449,300	1,449,300
20.505(6)(kt) Byrne, penalty assessment-state	761,100	761,100	625,100	625,100
20.550(1)(kj) Conference and training	<u>122,700</u>	<u>108,000</u>	<u>122,700</u>	<u>121,500</u>
Total Expenditures	\$9,899,100	\$8,995,400	\$9,783,400	\$9,708,000
Supplements & Reserves				
20.410(1)(kh) Victim services and programs	\$66,800	\$58,800	\$70,100	\$69,400
Total Expenditures & Reserves	\$9,965,900	\$9,054,200	\$9,853,500	\$9,777,400
Closing Balance	-\$908,600	\$3,100	-\$955,100	\$32,700

C-2 DOJ Penalty Assessment Receipts Fund Condition

	<u>1.5% ATB Reduction</u>		<u>0.5% ATB Reduction</u>	
	Pre-ATB	ATB	Pre-ATB	ATB
	<u>2003-04</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2004-05</u>
Revenue				
Opening Balance	-\$327,500	-\$327,500	-\$103,000	\$33,600
Estimated Revenue	8,704,500	8,704,500	9,052,600	9,052,600
Unencumbered 2001-03 Balances	<u>620,800</u>	<u>620,800</u>	<u>0</u>	<u>0</u>
Total Available	\$8,997,800	\$8,997,800	\$8,949,600	\$9,086,200
Expenditures				
20.455(2)(j) Law enforcement training fund, local assistance	\$5,345,700	\$5,265,500	\$5,345,700	\$5,319,000
20.455(2)(ja) Law enforcement training fund, state operations	3,377,800	3,327,100	3,377,800	3,360,900
20.455(2)(jb) Crime laboratory equipment and supplies	<u>377,300</u>	<u>371,600</u>	<u>377,300</u>	<u>375,400</u>
Total Expenditures	\$9,100,800	\$8,964,200	\$9,100,800	\$9,055,300
Remaining Balance	-\$103,000	\$33,600	-\$151,200	\$30,900

ALTERNATIVES

1. Provide that 52% of penalty assessment surcharge revenues be credited to the Office of Justice Assistance's penalty assessment surcharge receipts appropriation and that the remaining 48% of penalty assessment surcharge revenues be credited to the Department of Justice's penalty assessment receipts appropriation.

2. *[In addition to Alternative 1.]* Transfer 52% of the total unencumbered balance from all penalty assessment appropriations on June 30, 2003, to OJA's penalty assessment receipts appropriation and 48% of the total unencumbered balance from all penalty assessment appropriations on June 30, 2003, to DOJ's penalty assessment receipts appropriation. Increase the penalty assessment from 24% to 25% of the total underlying fine or forfeiture to which it applies.

<u>Alternative 2</u>	<u>PR</u>
2003-05 REVENUE (Change to Bill)	\$1,352,500

3. *[In addition to Alternative 1.]* Transfer 75% of the total unencumbered balance from all penalty assessment appropriations on June 30, 2003, to OJA's penalty assessment receipts appropriation and 25% of the total unencumbered balance from all penalty assessment appropriations on June 30, 2003, to DOJ's penalty assessment receipts appropriation. Adopt the funding changes identified in Tables A-1 and A-2 by applying the following across-the-board reductions to the appropriations identified for reduction: (a) 6.5% to DOJ and OJA penalty assessment appropriations (-\$1,081,200 PR) in 2003-04; and (b) 0.5% to DOJ and OJA penalty assessment appropriations (-\$83,200 PR) in 2004-05. Direct OJA to reduce the grant awards provided under the youth diversion program appropriation by the percentage reduction applied to

the appropriation.

<u>Alternative 3</u>	<u>PR</u>
2003-05 FUNDING (Change to Bill)	- \$1,164,400

4. [In addition to Alternative 1.] Transfer 100% of the unencumbered balance from all penalty assessment appropriations on June 30, 2003 to OJA's penalty assessment receipts appropriation. Adopt the funding changes identified in Tables B-1 and B-2 by applying the following across-the-board reductions to the appropriations identified for reduction: (a) 4% and 0.5% respectively to OJA penalty assessment appropriations in 2003-04 and 2004-05; and (b) 8% and 0.5% respectively to DOJ penalty assessment appropriations in 2003-04 and 2004-05 (-\$1,029,200 PR in 2003-04 and -\$83,200 PR in 2004-05). Direct OJA to reduce the grant awards provided under the youth diversion program appropriation by the percentage reduction applied to the appropriation.

<u>Alternative 4</u>	<u>PR</u>
2003-05 FUNDING (Change to Bill)	- \$1,112,400

5. [In addition to Alternative 1.] Transfer 100% of the unencumbered balance from all penalty assessment appropriations on June 30, 2003 to DOJ's penalty assessment receipts appropriation. Adopt the funding changes identified in Tables C-1 and C-2 by applying the following across-the-board reductions to the appropriations identified for reduction: (a) 12% and 1.0% respectively to OJA penalty assessment appropriations in 2003-04 and 2004-05; and (b) 1.5% and 0.5% respectively to DOJ penalty assessment appropriations in 2003-04 and 2004-05 (-\$1,040,300 PR in 2003-04 and -\$120,900 PR in 2004-05). Direct OJA to reduce the grant awards provided under the youth diversion program appropriation by the percentage reduction applied to the appropriation.

<u>Alternative 5</u>	<u>PR</u>
2003-05 FUNDING (Change to Bill)	- \$1,161,200

6. Maintain current law.

Prepared by: Paul Onsager