



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #418

### Justice Information System Surcharge Fund (Justice)

[LFB 2015-17 Budget Summary: Page 271, #9, Page 272, #10, and Page 116, #4]

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#### CURRENT LAW

Subject to certain exceptions, the \$21.50 justice information system (JIS) surcharge is imposed with a court fee for the commencement or filing of certain court proceedings, including: civil, small claims, forfeiture, wage earner or garnishment actions; an appeal from municipal court; a third party complaint in a civil action; or counterclaim or cross complaints in a small claims action. [Note that in forfeiture actions, the \$21.50 JIS surcharge is assessed if judgment is entered against the defendant.] Under current law, the JIS surcharge is not imposed if judgement is entered against the defendant for the following violations: (a) lack of proof of motor vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use.

Currently, \$6 from every assessed JIS surcharge is received by the Court System for the operation of the Consolidated Court Automation Programs (CCAP), while the remaining surcharge receipts (\$15.50) are deposited in the Department of Administration's (DOA) justice information fee appropriation (the JIS surcharge fund). The JIS surcharge fund is statutorily required to annually transfer the first \$700,000 it receives to the general fund. Subsequent JIS surcharge revenues received by the fund are transferred to PR appropriations in DOA, the Department of Justice, the Department of Corrections, and the Court System to support the following state programs: (a) justice information systems, otherwise known as the district attorney information technology (DA IT) program; (b) the Wisconsin interoperable system for communications (WISCOM); (c) the Wisconsin justice information sharing program (WiJIS); (d) treatment alternatives and diversion (TAD) grants; (e) law enforcement officer grants; (f) child advocacy center grants; (g) victim notification; and (h) court interpreters.

At the end of each fiscal year, unencumbered balances in annual appropriations that are

supported through a transfer of funds from the JIS surcharge fund remain with the appropriations.

## **GOVERNOR**

Repeal current exceptions to the JIS surcharge. As a result, the JIS surcharge would be imposed if judgement is entered against a defendant for a violation relating to: (a) lack of proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use. The administration estimates that repealing the exceptions to the JIS surcharge would generate additional revenues totaling \$1,499,000 annually (\$1,080,700 to the JIS surcharge fund and \$418,300 to CCAP).

Provide that, at the end of each fiscal year, unencumbered balances in appropriations supported through a transfer of funds from the JIS surcharge fund would revert to the fund. Further, provide that, if any of the appropriations currently supported through a transfer of funds from the JIS surcharge fund (other than the Circuit Courts' court interpreters PR appropriation) has an unencumbered balance at the end of 2014-15, an amount equal to that unencumbered balance must be transferred from the appropriation to the JIS surcharge fund in 2015-16.

Utilize penalty surcharge revenues, rather than JIS surcharge revenues, to support the Circuit Courts' court interpreters PR appropriation. [The bill would also eliminate law enforcement officer grants, child advocacy center grants, and youth diversion grants, and create a new state justice assistance grant program that would be partially supported by the JIS surcharge. A separate paper has been prepared on this issue.]

## **DISCUSSION POINTS**

1. Under 2009 Act 28, the JIS surcharge was increased from \$12 to its current amount, \$21.50. Act 28 provided that JIS surcharge revenue would be allocated as follows: (a) \$7.50 to DOA for justice information systems, otherwise known as the district attorney information technology (DA IT) program; (b) \$6 to the Court System for CCAP; (c) \$4 for grants for indigent civil legal services (for which funding was eliminated under 2011 Act 32); (d) \$1.50 to DOA's Office of Justice Assistance (which was dissolved under 2013 Act 20) for TAD grants; (e) \$1.50 to OJA to fund the gathering and analyzing of statistics of the justice system, including racial disparity, uniform crime reporting, and incident-based reporting; and (f) \$1 to the general fund. Under 2011 Act 32, this method of revenue allocation was abolished. In its place, a PR continuing justice information fee receipts appropriation (the JIS surcharge fund) was created under DOA to receive revenues from the JIS surcharge, except that \$6 from every JIS surcharge assessed would still be allocated to the Court System for CCAP. As a first draw, the JIS surcharge fund transfers \$700,000 annually to the general fund. Subsequently, the fund transfers funding to eight other appropriations.

2. Table 1 identifies the amounts received by the JIS surcharge fund from 2011-12 through 2014-15 (revenue collections for 2014-15 are estimated based on actual collections through March, 2015). As shown, JIS surcharge revenues have decreased in recent years.

**TABLE 1**

**JIS Surcharge Revenues Collected by the JIS Surcharge Fund  
2011-12 Thru 2014-15**

<u>Fiscal Year</u>	<u>Amount*</u>	<u>Percent Change</u>
2011-12	\$9,971,400	
2012-13	9,470,300	-5.0%
2013-14	8,617,600	-9.0
2014-15 (Est.)	8,481,900	-1.6

\*Excludes \$6 of every \$21.50 provided to the Court System for CCAP

3. Table 2 identifies the projected condition of the JIS surcharge fund during 2014-15. Since expenditures from the JIS surcharge fund have exceeded revenues collected since 2011-12, the fund is projected to end 2014-15 with a deficit totaling \$2,680,100.

**TABLE 2**

**Projected Condition of JIS Surcharge Fund During 2014-15**

	<u>2014-15</u>
Beginning Balance	-\$1,227,200
Revenues	8,481,900
Obligations	<u>9,934,800</u>
Ending Balance	-\$2,680,100

4. Based on the data shown in Table 1 and the downward trend of collections, it is estimated that revenues to the surcharge fund will total \$8,604,800 in each of 2015-16 and 2016-17. This amount is before any of the revenue modifications provided under the bill.

5. On December 30, 2014, the Secretary of the Department of Administration submitted plans under s. 16.513 of the statutes for unsupported overdrafts in 13 appropriations, including the JIS surcharge fund. As part of the s. 16.513 plan, the administration recommended a "review of the fund balances within the department for potential reallocation to address the deficit and to review the appropriations supported by the surcharge to determine whether alternative revenue sources can be utilized through legislative changes."

6. In order to address the fund's anticipated deficit during the 2015-17 biennium, the bill provides the following modifications: (a) exceptions to when the JIS surcharge is assessed would be repealed; (b) unencumbered balances in appropriations supported through a transfer of funds from the JIS surcharge fund would revert to the fund; (c) the law enforcement officer grant program and the child advocacy center grant program would be eliminated and a new state justice assistance

grant program would be created (the youth diversion grant program would also be eliminated, but youth diversion grants are supported, in part, by penalty surcharge revenues); and (d) PR funding for court interpreters would be supported, in part, by penalty surcharge revenues rather than JIS surcharge revenues. Table 3 identifies the fund condition of the JIS surcharge during 2014-15 as well as during the 2015-17 biennium, under AB 21/SB 21. As shown, the JIS surcharge fund under AB 21/SB 21 is projected to end 2015-16 with a balance of -\$966,800 and end 2016-17 with a balance of -\$960,700. It should be noted that revenues would be projected to exceed expenditures by \$1,713,300 in 2015-16. For 2016-17, estimated revenues and expenditures are in balance.

**TABLE 3**

**JIS Surcharge Fund Condition Under AB 21/SB 21**

<u>Agency</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Beginning Balance	-\$1,227,200	-\$2,680,100	-\$966,800
<i>Revenues</i>			
Base JIS surcharge revenues	\$8,481,900	\$8,604,800	\$8,604,800
Revenue from repealing exceptions	0	1,080,700	1,080,700
Revenue from reversions*	0	1,704,600	0
Total Revenue	\$8,481,900	\$11,390,100	\$9,685,500
<i>Obligations**</i>			
Lapse requirement	\$700,000	\$700,000	\$700,000
Administration Justice			
Justice information systems	4,097,000	4,232,100	4,234,000
State justice assistance grants	0	1,224,900	1,224,900
Law enforcement officer grant program	1,224,900	0	0
Treatment, alternatives, and diversion (TAD) grants	1,078,400	1,078,400	1,078,400
Interoperable system of communications (WISCOM)	1,019,700	1,045,000	1,045,000
Wisconsin justice information sharing program (WiJIS)	661,700	714,100	714,800
Child advocacy center grant program	238,100	0	0
Corrections			
Victim notification	682,300	682,300	682,300
Circuit Courts			
Court interpreters	232,700	0	0
Total obligations	\$9,934,800	\$9,676,800	\$9,679,400
Ending Balance	-\$2,680,100	-\$966,800	-\$960,700

\*All monies received as a result of reversions are anticipated to be collected in 2015-16.

\*\*Under AB 21/SB 21, the law enforcement officer grant program and the child advocacy center grant program would be eliminated, and the state justice assistance grant program would be created. Further, the JIS surcharge would no longer provide support for court interpreters.

7. In contrast, Table 4 identifies the fund condition of the JIS surcharge if current law is maintained and none of the Governor's recommendations are approved. As Table 4 indicates, if all of the modifications to the JIS surcharge fund are deleted from the bill, based on current expenditure levels, the JIS surcharge fund is projected to conclude the 2015-17 biennium with a balance of -\$5,768,300. Further, the fund would be projected to operate under a structural deficit. In 2015-

16, expenditures would exceed estimated revenues by \$1,542,800, and in 2016-17, expenditures would exceed estimated revenues by \$1,545,400.

**TABLE 4**

**JIS Surcharge Fund Condition Under Current Law**

<u>Agency</u>		<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
	Beginning Balance	-\$1,227,200	-\$2,680,100	-\$4,222,900
	<i>Revenues</i>	\$8,481,900	\$8,604,800	\$8,604,800
	<i>Obligations</i>			
	Lapse requirement	\$700,000	\$700,000	\$700,000
Administration	Justice information systems	4,097,000	4,232,100	4,234,000
Justice	State justice assistance grants	0	0	0
	Law enforcement officer grants	1,224,900	1,224,900	1,224,900
	Treatment, alternatives, and diversion (TAD) grants	1,078,400	1,078,400	1,078,400
	Interoperable system of communications (WISCOM)	1,019,700	1,045,000	1,045,000
	Wisconsin justice information sharing program (WiJIS)	661,700	714,100	714,800
	Child advocacy center grants	238,100	238,100	238,100
Corrections	Victim notification	682,300	682,300	682,300
Circuit Courts	Court interpreters	232,700	232,700	232,700
	Total obligations	\$9,934,800	\$10,147,600	\$10,150,200
	Ending Balance	-\$2,680,100	-\$4,222,900	-\$5,768,300

8. In considering the modifications to the JIS surcharge fund recommended under AB 21/SB 21, it may be beneficial to first consider modifications that would affect amounts received by the fund, including: (a) the repeal of exceptions to the surcharge; and (b) the reversion of funding from appropriations supported by the JIS surcharge fund to the fund. After factors affecting amounts collected by the fund have been considered, modifications to JIS surcharge fund obligations could be considered. Finally, this paper will identify the projected fund condition of the JIS surcharge during the 2015-17 biennium if the modifications under the bill are approved or deleted.

**Repealing Exceptions to the JIS surcharge**

9. Currently, a \$10 fine is imposed on individuals for violations relating to: (a) lack of proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use. The JIS surcharge does not apply to these violations. Under the bill, a surcharge of \$21.50 would be assessed in addition to the \$10 fine. This is shown in Table 5.

**TABLE 5**

**JIS Surcharge and Forfeiture Fee Increases  
Under AB 21/SB 21**

<u>Offense</u>	<u>Statutory Reference</u>	<u>AB 21/SB 21</u>		
		<u>Current Total Cost</u>	<u>JIS Surcharge</u>	<u>Total Cost</u>
Mandatory seatbelts required for drivers, passengers, and persons at least eight years of age	347.48(2m)	\$10.00	\$21.50	\$31.50
Operating a motor vehicle without proof of insurance	344.62(2)	10.00	21.50	31.50
Special identification for the physically disabled	343.51(1m)(b)	10.00	21.50	31.50

10. The additional revenue generated from the \$21.50 surcharge on these violations would be allocated similarly to other assessed JIS surcharges: (a) \$15.50 to the JIS surcharge fund; and (b) \$6 to CCAP. Based on a two-year average of violations occurring from 2012-13 and 2013-14, it is assumed that the surcharge on the three violations would provide \$1,499,000 annually. Table 6 identifies the amount of revenue that would be generated and allocated to the JIS surcharge fund and to the Court System for CCAP.

**TABLE 6**

**Estimated Annual Revenue Generated from  
Repealing JIS Surcharge Exceptions**

<u>Exception</u>	<u>Resource Allocation</u>		
	<u>JIS Surcharge Fund</u>	<u>CCAP</u>	<u>Total</u>
Safety belt use	\$598,800	\$231,800	\$830,600
Failure to carry proof of motor vehicle insurance	481,900	186,500	668,400
Lack of possession of special ID card for the physically disabled	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,080,700	\$418,300	\$1,499,000

11. It should be noted that under a separate provision, the bill proposed eliminating current exceptions for the \$25 forfeiture fee, which is assessed when judgment is entered against a defendant. Similar to the JIS surcharge, under current law, the forfeiture fee is not assessed with a violation relating to: (a) lack of proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use. On April 15, 2015, the Committee, by unanimous vote, deleted this provision from the bill and retained the exceptions to the \$25 forfeiture fee.

12. Given that repealing the exceptions to the JIS surcharge could generate additional

revenue for the state, and that it could be argued that applying the JIS surcharge to these violations may increase compliance with the law, the Committee could approve the Governor's recommendation [Alternative A1]. Under this alternative, the \$21.50 JIS surcharge would be applied to violations relating to: (a) lack of proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use.

13. On the other hand, increasing the relatively small forfeiture amount for violating seatbelt use, proof of motor vehicle insurance, and special ID card rules from \$10 to \$31.50 could be considered excessive, and it is unclear if such increases would have any impact on compliance with the law. Further, while it is estimated that repealing these exceptions would generate \$1,499,000 annually, actual revenues generated from repealing these exceptions could differ based on the actual number of violations in a given year. Moreover, some have argued that law enforcement officers may become increasingly unwilling to issue minor violation citations, concerned that the assessed amounts are too punitive. As a result, the number of citations, and thus revenue, may decline. Also, as indicated previously, the Committee has already taken action to delete the proposed forfeiture fee of \$25 for each of the three violations. For the reasons discussed above, the Committee could deny the Governor's recommendation [Alternative A2].

### **Reversions to the JIS Surcharge Fund**

14. Under current law, at the end of the fiscal year, unencumbered revenue balances in annual appropriations that are supported through a transfer of funds from the JIS surcharge fund remain with the appropriations. Under the bill, at the end of each fiscal year, these unencumbered balances would revert to the fund. Further, if any of the appropriations currently supported through a transfer of funds from the JIS surcharge fund (other than the Circuit Courts' court interpreters PR appropriation) has an unencumbered balance at the end of 2014-15, an amount equal to that unencumbered balance would be transferred from the appropriation to the JIS surcharge fund in 2015-16.

15. Over several fiscal years, appropriations that have been supported by the JIS surcharge fund have accumulated unencumbered revenue balances as a result of spending less than that appropriated. These balances could have accumulated for a variety of reasons, including, but not limited to: (a) unanticipated savings in salary and fringe benefit costs as a result of staff turnover; (b) an unexpected decrease in supplies and services costs; or (c) grant recipients not requiring full grant allotments to recoup annual costs.

16. Based on accumulated balances through 2013-14 and anticipated expenditures during 2014-15, it is estimated that appropriations supported by the JIS surcharge fund could revert \$1,704,600 to the fund during 2015-16. Table 7 identifies the estimated amount each appropriation would revert to the JIS surcharge fund in 2015-16. While it is possible these appropriations would have unencumbered balances after 2015-16, any amounts would not be anticipated. Appropriations are generally budgeted an amount equal to anticipated actual expenditures during a fiscal year. As a result, any amounts not spent or encumbered by an appropriation supported by the fund in a fiscal year would be unexpected.

**TABLE 7**

**Estimated Reversions from 2014-15 to the JIS Surcharge  
Fund in 2015-16 Under AB 21/SB 21**

<u>Appropriation</u>	<u>Reversion</u>
Wisconsin justice information sharing program (WiJIS)	\$591,800
Treatment, alternatives, and diversion (TAD) grants	490,200
Victim notification	313,800
Justice information systems (DA IT)	269,000
Interoperable communications (WISCOM)	37,500
Child advocacy center grants	2,300
Law enforcement officer grants	<u>0</u>
Total	\$1,704,600

17. Requiring all unexpended and unencumbered surcharge revenue to revert to one appropriation (the JIS surcharge fund) at the end of each fiscal year could make it easier for the state to track available JIS surcharge revenue. Likewise, any reverted revenue balances would lessen any deficit in the fund.

18. Given that it is estimated that appropriations supported by the JIS surcharge fund could revert \$1,704,600 to the fund at the beginning of 2015-16, and that reverting unencumbered balances could provide greater insight into available JIS surcharge revenues, the Committee could approve the Governor's recommendation [Alternative B1].

19. On the other hand, the Committee could deny the Governor's recommendation [Alternative B2]. It could be argued that unexpended funding previously allocated to an appropriation for a specified purpose should remain with that appropriation. It should be noted, however, that the PR appropriations supported by the JIS surcharge fund are annual appropriations, and as a result, agencies may not spend more than that appropriated. Therefore, even if these appropriations accrue unencumbered revenue balances, the agency could not spend the accrued amounts unless the Committee grants an increase in expenditure authority under s. 16.515 of the statutes.

**Funding for Court Interpreters**

20. Funding provided by the state for court interpreters is utilized to reimburse counties for the actual expenses paid for interpreters required by circuit courts to assist persons with limited English proficiency. To receive reimbursement, counties must submit forms to the Director of State Courts accounting for interpreter expenses for the preceding three-month period. Reimbursements for interpreter expenses are: (a) \$40 for the first hour and \$20 for each additional 0.5 hour for qualified interpreters certified under the requirements and procedures approved by the Supreme Court; (b) \$30 for the first hour and \$15 for each additional 0.5 hour for qualified interpreters; and (c) for mileage, 51 cents per mile. Table 8 identifies the all funds amount reimbursed to counties from 2009-10 through 2013-14.

**TABLE 8**

**Court Interpreter Expenses 2009-10 Thru 2013-14**

<u>Fiscal Year</u>	<u>Expenditures</u>
2009-10	\$1,284,900
2010-11	1,289,500
2011-12	1,110,200
2012-13	1,136,900
2013-14	1,139,400

21. State funding for court interpreters is supported through a combination of GPR and PR. Program revenue for the interpreters is currently supported by the justice information system surcharge. Base funding for court interpreters totals \$1,433,500 GPR and \$232,700 PR annually. [It should be noted that on April 15, 2015, the Committee approved the consolidation of three Circuit Courts GPR appropriations (court interpreters, circuit court support payments and guardian ad litem costs) into one GPR appropriation. Under the provision approved by the Committee, the Courts would determine how aid to Circuit Courts would be distributed beginning in 2016-17. No action was taken regarding the court interpreters PR appropriation.]

22. Under the bill, program revenue funding for court interpreters would be supported by the penalty surcharge, rather than the JIS surcharge. As a result, overall JIS surcharge obligations would be reduced by \$232,700 annually during the 2015-17 biennium. Given that the reduction in annual JIS surcharge obligations would reduce the fund's overall deficit, the Committee could approve the Governor's recommendation [Alternative C1].

23. Under AB 21/SB 21, the penalty surcharge fund is projected to end 2015-16 with a balance of -\$5,177,800 and end 2016-17 with a balance of -\$6,694,500. Further, that fund is projected to operate under a structural deficit during the 2015-17 biennium if expenditure levels under the bill are maintained. In 2015-16, expenditures are projected to exceed revenues by \$1,346,200, and in 2016-17, expenditures are projected to exceed revenues by \$1,516,700. [A separate paper has been prepared on this issue.] Given that the penalty surcharge fund, as modified by AB 21/SB 21, is projected to operate under a structural deficit during the 2015-17 biennium, the Committee could delete the Governor's recommendation in order to reduce penalty surcharge obligations [Alternative C2]. As a result, court interpreters would continue to be funded, in part, by the JIS surcharge.

24. Alternatively, given that both the JIS surcharge and the penalty surcharge funds are in deficit, and that court interpreters are predominately supported by GPR, the Committee could convert all funding for court interpreters to GPR. In order to do so, the Committee could delete \$232,700 PR annually from the Circuit Court's base budget for court interpreters and instead provide the Courts an additional \$232,700 GPR for court interpreter payments [Alternative C3]. Under this alternative, the PR appropriation supporting court interpreter payments would be eliminated and funding under the Circuit Courts new consolidated appropriation would increase by \$232,700 GPR annually. [It should be noted that, if the Committee approves of this alternative, the

structural deficit of the penalty surcharge fund under AB 21/SB 21, identified in the separate paper prepared on that fund, would be lessened.]

25. On the other hand, as indicated in Table 8, court interpreter expenses have not exceeded \$1,300,000 in any of the past five fiscal years. The Circuit Court's current GPR funding for court interpreter payments during the 2015-17 biennium totals \$1,433,500 GPR annually. As a result, it could be argued that the Circuit Courts do not require the \$232,700 PR that is currently appropriated to support court interpreter payments.

26. Therefore, the Committee could delete \$232,700 PR annually from the Circuit Court's base budget [Alternative C4]. Under this alternative, GPR funding for court interpreter payments during the 2015-17 biennium would remain unchanged. Further, the PR appropriation supporting court interpreter payments would be eliminated. [It should be noted that, if the Committee approves of this alternative, the structural deficit of the penalty surcharge fund under AB 21/SB 21, identified in the separate paper prepared on that fund, would be lessened.]

### **Across-the-Board Reductions to Address Potential Structural Deficits**

27. As identified in Table 3, under the bill, the JIS surcharge fund would provide funding for a wide variety of state functions.

- Administration - justice information systems supports the state's DA IT program, which provides funding and staff to support computer automation in district attorney offices statewide, including the development of a DA case management system and justice information system interfaces to share information between DAs and the courts, law enforcement, and other justice agencies.

- Justice - WISCOM is a shared system that first responders in communities across the state utilize to communicate during a major disaster or large scale incident.

- Justice - TAD grants support counties' efforts to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice, which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol and other drugs. These grants are also supported by GPR.

- Justice - WiJIS supports the Department's initiative to promote and coordinate automated justice information systems between counties and state criminal justice agencies.

- Justice - State justice assistance grants (created under AB 21/SB 21) would support grants to local units of government, state agencies, and private organizations for a variety of criminal justice purposes.

- Corrections - Victim notification supports Correction's efforts to provide information to victims about offenders under the custody or supervision of Corrections, the Department of Health Services, and Wisconsin county jails.

28. The bill modifies JIS surcharge fund obligations through the creation of a new state

justice assistance grant (SJAG) program and the elimination of the law enforcement officer grant program and the child advocacy center grant program. [Note that the bill would also eliminate the youth diversion grant program, which is supported, in part, by the penalty surcharge rather than the JIS surcharge. A separate paper has been prepared on the issue.] Under the bill, DOJ would receive \$1,224,900 PR annually from the JIS surcharge to partially support state justice assistance grants. Under current law, DOJ receives \$1,463,000 PR annually from the JIS surcharge to support law enforcement officer and child advocacy center grants. As a result, the proposal would reduce overall expenditures from the JIS surcharge fund by \$238,100 PR annually during the 2015-17 biennium.

29. Table 9 identifies the condition of the JIS surcharge fund if: (a) all of the modifications to the fund under AB 21/SB 21 are approved or deleted; (b) the modifications to the fund under AB 21/SB 21, except for the repeal of the exceptions to the JIS surcharge, are approved; and (c) the state justice assistance grant program, as introduced under AB 21/ SB 21, is approved or deleted. As indicated in Table 9, based on current revenue projections and expenditure levels during the 2015-17 biennium, the fund is projected to conclude the 2015-17 biennium with a balance ranging from -\$960,700 to -\$5,768,300, depending on whether or not the modifications to the fund under AB 21/SB 21 are approved or deleted and the state justice assistance grant program, as introduced under AB 21/ SB 21, is approved or deleted.

**TABLE 9**

**Summary of JIS Surcharge Fund Revenues and Expenditures if the Modifications to the Fund are Approved or Deleted and if the State Justice Assistance Program is Approved or Deleted**

JIS Surcharge Fund Modifications*	State Justice Assistance Grant**	Beginning 2015-16 Balance	Revenues		Expenditures		Ending Balance	
			2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Yes	Yes	-\$2,680,100	\$11,390,100	\$9,685,500	\$9,676,800	\$9,679,400	-\$966,800	-\$960,700
Yes	No	-2,680,100	11,390,100	9,685,500	9,914,900	9,917,500	-1,204,900	-1,436,900
Yes but retain exceptions	Yes	-2,680,100	10,309,400	8,604,800	9,676,800	9,679,400	-2,047,500	-3,122,100
Yes but retain exceptions	No	-2,680,100	10,309,400	8,604,800	9,914,900	9,917,500	-2,285,600	-3,598,300
No	Yes	-2,680,100	8,604,800	8,604,800	9,909,500	9,912,100	-3,984,800	-5,292,100
No	No	-2,680,100	8,604,800	8,604,800	10,147,600	10,150,200	-4,222,900	-5,768,300

\*"Yes" to the JIS surcharge fund modifications means that the following modifications under AB 21/SB 21 would be approved: (a) exceptions to the JIS surcharge would be repealed; (b) unencumbered balances in appropriations supported by the fund would revert to the fund; and (c) court interpreters would no longer be supported by the JIS surcharge. "Yes but retain exceptions" means that the exceptions to the JIS surcharge would be retained, however, as recommended under the bill, unencumbered balances would revert to the fund and the fund would no longer support court interpreters. "No" to these modifications means that all of the modifications under AB 21/SB 21 would be deleted from the bill.

\*\*"Yes" to the state justice assistance grant means that following modifications under AB 21/SB 21 have been approved, as introduced: (a) the new state justice assistance grant program would be created; and (b) the law enforcement officer grant program and the child advocacy center grant program would be eliminated. "No" to these modifications means that: (a) the state justice assistance grant program would be deleted from AB 21/SB 21; and (b) the law enforcement officer grant program and the child advocacy center grant program would be retained.

30. For each scenario identified in Table 9, Table 10 compares the estimated revenues and expenditures during the 2015-17 biennium. As shown in Table 10, under the bill, the JIS surcharge fund is projected operate in structural balance in both fiscal years of the 2015-17 biennium. In contrast, if any of the Governor's recommendations to modify the fund are not approved, the fund is projected to operate under a structural imbalance in 2016-17.

**TABLE 10**

**Justice Information System Surcharge Fund  
Differences Between Estimated Revenues and Expenditures  
During the 2015-17 Biennium**

JIS Surcharge Fund Modifications*	State Justice Assistance Grant**	Revenues		Expenditures		Differences	
		2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
		Yes	Yes	\$11,390,100	\$9,685,500	\$9,676,800	\$9,679,400
Yes	No	11,390,100	9,685,500	9,914,900	9,917,500	1,475,200	-232,000
Yes but retain exceptions	Yes	10,309,400	8,604,800	9,676,800	9,679,400	632,600	-1,074,600
Yes but retain exceptions	No	10,309,400	8,604,800	9,914,900	9,917,500	394,500	-1,312,700
No	Yes	8,604,800	8,604,800	9,909,500	9,912,100	-1,304,700	-1,307,300
No	No	8,604,800	8,604,800	10,147,600	10,150,200	-1,542,800	-1,545,400

\*"Yes" to the JIS surcharge fund modifications means that the following modifications under AB 21/SB 21 would be approved: (a) exceptions to the JIS surcharge would be repealed; (b) unencumbered balances in appropriations supported by the fund would revert to the fund; and (c) court interpreters would no longer be supported by the JIS surcharge. "Yes but retain exceptions" means that the exceptions to the JIS surcharge would be retained, however, as recommended under the bill, unencumbered balances would revert to the fund and the fund would no longer support court interpreters. "No" to these modifications means that all of the modifications under AB 21/SB 21 would be deleted from the bill.

\*\*"Yes" to the state justice assistance grant means that following modifications under AB 21/SB 21 have been approved, as introduced: (a) the new state justice assistance grant program would be created; and (b) the law enforcement officer grant program and the child advocacy center grant program would be eliminated. "No" to these modifications means that: (a) the state justice assistance grant program would be deleted from AB 21/SB 21; and (b) the law enforcement officer grant program and the child advocacy center grant program would be retained.

31. Despite the structural deficit that could occur in 2016-17 if the fund, as introduced under AB 21/SB 21, is modified, the Committee could still decide that it would be prudent to make any of the modifications discussed above. In order to address a potential structural deficit in the fund, across-the-board reductions could be applied to each obligation of the fund, not including the fund's statutory lapse requirement to benefit the general fund [Alternatives D1 through D5]. Table 11 identifies the annual across-the-board reduction that could be applied to the fund's obligations to address a potential structural deficit, depending on whether: (a) all of the modifications to the fund under AB 21/SB 21 are approved or deleted; (b) the modifications to the fund under AB 21/SB 21, except for the repeal of the exceptions to the JIS surcharge, are approved; and (c) the state justice assistance grant program proposal, as introduced under AB 21/ SB 21, is approved or deleted. As Table 11, indicates, across-the-board reductions ranging from 3% to 17% could be considered.

32. Table 12 identifies the reductions that each appropriation would incur if any of the following percent reductions are applied: (a) 3%; (b) 12%; (c) 15%; and (d) 17%. Note that all of the appropriation obligations identified in Table 12 may not exist during the 2015-17 biennium depending on the Committee's actions related to: (a) the state justice assistance grant program, the law enforcement officer grant program, and the child advocacy center grant program; and (b) court interpreters.

**TABLE 11**

**Justice Information System Surcharge Fund  
Across-the-Board Reductions to Achieve Structural Balances**

JIS Surcharge*	State Justice Assistance Grant**	Percent Reduction	Alternative	Revenue		Expenditures		Difference	
				2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
				2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Yes	Yes	---	---	\$11,390,100	\$9,685,500	\$9,676,800	\$9,679,400	\$1,713,300	\$6,100
Yes	No	3%	D1	11,390,100	9,685,500	9,638,500	9,641,100	1,751,600	44,400
Yes but retain exceptions	Yes	12	D2	10,309,400	8,604,800	8,599,500	8,601,800	1,709,900	3,000
Yes but retain exceptions	No	15	D3	10,309,400	8,604,800	8,532,800	8,535,000	1,776,600	69,800
No	Yes	15	D4	8,604,800	8,604,800	8,528,200	8,530,400	76,600	74,400
No	No	17	D5	8,604,800	8,604,800	8,541,500	8,543,700	63,300	61,100

\*"Yes" to the JIS surcharge fund modifications means that the following modifications under AB 21/SB 21 would be approved: (a) exceptions to the JIS surcharge would be repealed; (b) unencumbered balances in appropriations supported by the fund would revert to the fund; and (c) court interpreters would no longer be supported by the JIS surcharge. "Yes but retain exceptions" means that the exceptions to the JIS surcharge would be retained, however, as recommended under the bill, unencumbered balances would revert to the fund and the fund would no longer support court interpreters. "No" to these modifications means that all of the modifications under AB 21/SB 21 would be deleted from the bill.

\*\*"Yes" to the state justice assistance grant means that following modifications under AB 21/SB 21 have been approved, as introduced: (a) the new state justice assistance grant program would be created; and (b) the law enforcement officer grant program and the child advocacy center grant program would be eliminated. "No" to these modifications means that: (a) the state justice assistance grant program would be deleted from AB 21/SB 21; and (b) the law enforcement officer grant program and the child advocacy center grant program would be retained.

**TABLE 12**

**Justice Information System Surcharge Fund  
Potential Reductions to Appropriations Supported by the JIS Surcharge Fund**

Appropriation	Current Level of Funding		3% Reduction (Alternative D1)		12% Reduction (Alternative D2)		15% Reduction (Alternative D3)		15% Reduction (Alternative D4)		17% Reduction (Alternative D5)	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Justice information systems	\$4,232,100	\$4,234,000	-\$127,000	-\$127,000	-\$507,900	-\$508,100	-\$634,800	-\$635,100	-\$634,800	-\$635,100	-\$719,500	-\$719,800
State justice assistance grants*	1,224,900	1,224,900	---	---	-147,000	-147,000	---	---	-183,700	-183,700	---	---
Law enforcement officer grants*	1,224,900	1,224,900	-36,700	-36,700	---	---	-183,700	-183,700	---	---	-208,200	-208,200
TAD grants	1,078,400	1,078,400	-32,400	-32,400	-129,400	-129,400	-161,800	-161,800	-161,800	-161,800	-183,300	-183,300
Interoperable communications system (WISCOM)	1,045,000	1,045,000	-31,300	-31,300	-125,400	-125,400	-156,700	-156,700	-156,700	-156,700	-177,600	-177,600
Wisconsin justice information sharing program (WiJIS)	714,100	714,800	-21,400	-21,400	-85,700	-85,800	-107,100	-107,200	-107,100	-107,200	-121,400	-121,500
Victim notification	682,300	682,300	-20,500	-20,500	-81,900	-81,900	-102,300	-102,300	-102,300	-102,300	-116,000	-116,000
Child advocacy center grants*	238,100	238,100	-7,100	-7,100	---	---	-35,700	-35,700	---	---	-40,500	-40,500
Court interpreters*	232,700	232,700	---	---	---	---	---	---	-34,900	-34,900	-39,600	-39,600
<b>Total</b>			<b>-\$276,400</b>	<b>-\$276,400</b>	<b>-\$1,077,300</b>	<b>-\$1,077,600</b>	<b>-\$1,382,100</b>	<b>-\$1,382,500</b>	<b>-\$1,381,300</b>	<b>-\$1,381,700</b>	<b>-\$1,606,100</b>	<b>-\$1,606,500</b>

\*Note that program revenue appropriations supporting state justice assistance grants, law enforcement officer grants, child advocacy center grants, and court interpreters may not exist during the 2015-17 biennium, depending on other actions taken by the Committee.

33. Table 13 identifies the projected ending balance of the JIS surcharge fund under the possible scenarios discussed in Tables 11 and 12. As shown in Table 13, the JIS surcharge fund is expected to conclude the 2015-17 biennium in deficit even if either: (a) all of the Governor's recommendations are adopted; or (b) modifications are made to the Governor's recommendations and across-the-board reductions are applied.

**TABLE 13**

**Ending Balance of JIS Surcharge Fund During the 2015-17 Biennium**

<u>JIS Surcharge*</u>	<u>State Justice Assistance Grant**</u>	<u>Alternative</u>	<u>Ending Balance</u>	
			<u>2015-16</u>	<u>2016-17</u>
Yes	Yes	---	-\$966,800	-\$960,700
Yes	No	D1	-928,500	-884,100
Yes but retain exceptions	Yes	D2	-970,200	-967,200
Yes but retain exceptions	No	D3	-903,500	-833,700
No	Yes	D4	-2,603,500	-2,529,100
No	No	D5	-2,616,800	-2,555,700

\*"Yes" to the JIS surcharge fund modifications means that the following modifications under AB 21/SB 21 would be approved: (a) exceptions to the JIS surcharge would be repealed; (b) unencumbered balances in appropriations supported by the fund would revert to the fund; and (c) court interpreters would no longer be supported by the JIS surcharge. "Yes but retain exceptions" means that the exceptions to the JIS surcharge would be retained, however, as recommended under the bill, unencumbered balances would revert to the fund and the fund would no longer support court interpreters. "No" to these modifications means that all of the modifications under AB 21/SB 21 would be deleted from the bill.

\*\*"Yes" to the state justice assistance grant means that following modifications under AB 21/SB 21 have been approved, as introduced: (a) the new state justice assistance grant program would be created; and (b) the law enforcement officer grant program and the child advocacy center grant program would be eliminated. "No" to these modifications means that: (a) the state justice assistance grant program would be deleted from AB 21/SB 21; and (b) the law enforcement officer grant program and the child advocacy center grant program would be retained.

**SUMMARY**

As this paper points out, regardless of options selected by the Committee, it is likely that the JIS surcharge fund will continue to realize deficits in 2015-17 and subsequent years. The ultimate goal should be, at some point, to bring the fund into balance. The alternatives that are presented represent options that might begin to help in achieving that goal.

**ALTERNATIVES**

**A. Exceptions to the JIS Surcharge**

1. Approve the Governor's recommendation and eliminate the exceptions to the JIS surcharge. As a result, the JIS surcharge of \$21.50 would be assessed if judgement is entered against a defendant for a violation relating to: (a) lack of proof of vehicle insurance; (b) lack of possession of a special identification card for the physically disabled; and (c) safety belt use.

2. Delete provision.

<b>ALT 2a</b>	<b>Change to Bill</b>
PR-REV	- \$2,998,000

**B. Reversions to the JIS Surcharge Fund**

1. Approve the Governor's recommendation and provide that, at the end of each fiscal year, unencumbered balances in appropriations supported through a transfer of funds from the JIS surcharge fund would revert to the fund. Further, provide that, if any of the appropriations currently supported through a transfer of funds from the JIS surcharge fund (other than the Circuit Courts' court interpreters PR appropriation) has an unencumbered balance at the end of 2014-15, an amount equal to that unencumbered balance must be transferred from the appropriation to the JIS surcharge fund in 2015-16.

2. Delete provision.

**C. Funding for Court Interpreters**

1. Approve the Governor's recommendation and provide that program revenue funding for court interpreters would be supported by the penalty surcharge rather than the JIS surcharge.

2. Delete the provision. Under this alternative, program revenue funding for court interpreters would continue to be supported by the JIS surcharge.

3. Provide \$232,700 GPR annually for court interpreter payments and delete an equivalent \$232,700 PR annually from the Circuit Court's budget for court interpreters. Further, eliminate the PR appropriation that supports court interpreter payments.

<b>ALT C3</b>	<b>Change to Bill</b>
GPR	\$465,400
PR	<u>- 465,400</u>
Total	\$0

4. Reduce funding provided to the Circuit Courts for court interpreters by \$232,700 PR annually. Further, eliminate the PR appropriation that supports court interpreter payments.

<b>ALT C4</b>	<b>Change to Bill</b>
PR	- \$465,400

**D. Across-the-Board Reductions**

1. Reduce obligations of the JIS surcharge fund by \$276,400 PR annually through the application of a 3% across-the-board reduction in JIS surcharge fund obligations, not including the fund's lapse requirement. *This alternative may be chosen if the Committee has decided to: (a) approve the Governor's recommendation to repeal the exceptions to the JIS surcharge; (b) provide that the JIS surcharge fund would no longer support court interpreter payments; and (c) delete the creation of the state justice assistance grant program from the bill, and instead retain the law enforcement officer grant program and the child advocacy center grant program.*

ALT D1	Change to Bill
PR	- \$552,800

2. Reduce obligations to the JIS surcharge fund by \$1,077,300 PR in 2015-16 and \$1,077,600 PR in 2016-17 through the application of a 12% across-the-board reduction in JIS surcharge fund obligations, not including the fund's lapse requirement. *This alternative may be chosen if the Committee has decided to: (a) delete the Governor's recommendation to repeal the exceptions to the JIS surcharge; (b) provide that the JIS surcharge fund would no longer support court interpreter payments; and (c) approve the creation of the state justice assistance grant program from the bill, and the elimination of the law enforcement officer grant program and the child advocacy center grant program.*

ALT D2	Change to Bill
PR	- \$2,154,900

3. Reduce obligations to the JIS surcharge fund by \$1,382,100 PR in 2015-16 and \$1,382,500 PR in 2016-17 through the application of a 15% across-the-board reduction in JIS surcharge fund obligations, not including the fund's lapse requirement. *This alternative may be chosen if the Committee has decided to: (a) delete the Governor's recommendation to repeal the exceptions to the JIS surcharge; (b) provide that the JIS surcharge fund would no longer support court interpreter payments; and (c) delete the creation of the state justice assistance grant program from the bill, and instead retain the law enforcement officer grant program and the child advocacy center grant program.*

ALT D3	Change to Bill
PR	- \$2,764,600

4. Reduce obligations to the JIS surcharge fund by \$1,381,300 PR in 2015-16 and \$1,381,700 PR in 2016-17 through the application of a 15% across-the-board reduction in JIS surcharge fund obligations, not including the fund's lapse requirement. *This alternative may be chosen if the Committee has decided to: (a) delete the Governor's recommendation to repeal the*

*exceptions to the JIS surcharge; (b) provide that the JIS surcharge fund would continue to support court interpreter payments; and (c) approve the creation of the state justice assistance grant program from the bill, and the elimination of the law enforcement officer grant program and the child advocacy center grant program.*

<b>ALT D4</b>	<b>Change to Bill</b>
PR	- \$2,763,000

5. Reduce obligations to the JIS surcharge fund by \$1,606,100 PR in 2015-16 and \$1,606,500 PR in 2016-17 through the application of a 17% across-the board reduction in the JIS surcharge fund obligations, not including the fund's lapse requirement. *This alternative may be chosen if the Committee has decided to: (a) delete the Governor's recommendation to repeal the exceptions to the JIS surcharge; (b) provide that the JIS surcharge fund would continue to support court interpreter payments; and (c) delete the creation of the state justice assistance grant program from the bill, and instead retain the law enforcement officer grant program and the child advocacy center grant program.*

<b>ALT D5</b>	<b>Change to Bill</b>
PR	- \$3,212,600

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