



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #403

Youth Diversion Program (Justice)

[LFB 2021-23 Budget Summary: Page 373, #15]

CURRENT LAW

Under s. 165.987 of the statutes, the Department of Justice (DOJ) is required to enter into contracts with organizations for the diversion of youths from gang activities into productive activities, including placement in appropriate educational, recreational, and employment programs. The statutes specifically direct the Department to enter into the following contracts for the following amounts: (a) \$500,000 to an organization which provides services in a county having a population of 500,000 or more (which DOJ has awarded to Milwaukee County); (b) \$150,000 to an organization in Racine County; (c) \$150,000 to an organization in Kenosha County; (d) \$150,000 to an organization in Brown County; and (e) \$100,000 to an unspecified organization (which DOJ has awarded to the City of Racine).

DISCUSSION POINTS

1. Funding for the youth diversion program during the 2019-21 biennium is supported by \$672,400 PR annually. The program revenue funding is provided from the penalty surcharge. Under current law, whenever a court imposes a fine or forfeiture for most violations of state law or municipal or county ordinance, the court also imposes a penalty surcharge of 26% of the total fine or forfeiture.

2. In addition to the budget for youth diversion contracts, the statutes specify that DOJ may not distribute more than \$300,000 PR annually to the organization it has contracted with which provides services to a county with a population of 500,000 or more for alcohol and other drug abuse education and treatment services for participants in that organization's youth diversion program. These funds are provided by the Department of Health Services from federal Substance Abuse and Mental Health Services Administration (SAMHSA) funds that it administers. In recent years, DHS has transferred \$281,600 of these federal funds to DOJ for the youth diversion program.

3. The table below identifies the youth diversion grants awarded in 2019-20, including: the county in which the grantee operates; the amount of the award; and a description of the youth diversion project for 2019-20.

Youth Diversion Grants Awarded in 2019-20

<u>County</u>	<u>Award</u>	<u>Project Description</u>
Brown	\$96,200	The Brown County Ties project is a gang diversion initiative targeting Brown County youth that involves collaboration between local youth service agencies and law enforcement. The Boys & Girls Club of Green Bay’s professional youth development staff target at-risk youth and link them to structured programs that provide positive social and activity outlets. Project activities include educational, recreational, and employment readiness programs. Programming emphasizes good character, leadership, and health and life skills while developing resiliency to gang influences, alcohol, drugs, and other risk behaviors. The Boys & Girls Club subcontracts with Family Services of Northeast Wisconsin to support outreach programming for youth who are susceptible to recruitment by Asian gangs. The Boys & Girls Club also subcontracts with the Green Bay Police Department to establish a positive relationship between youth and law enforcement officers during community based activities such as prevention education presentations, teen events, and resiliency training programs.
Kenosha	\$96,200	The Kenosha County Department of Human Services and two community-based provider agencies use grant funds to provide gang diversion/prevention services to at-risk or gang-involved youth. Prevention/intervention services are designed to reduce gang-risk/involvement and delinquent behavior, and increase participation in pro-social activities.
Milwaukee	\$320,400	The Social Development Commission (SDC) Youth Service’s Gang Diversion program implements best practices and evidence-based models to benefit of under-resourced youth who are involved or at-risk of becoming involved in the juvenile justice system. Gang diversion activities are designed to address the risk factors underlying gang recruitment and gang involvement. The program provides youth with anti-gang and violence diversion strategies. SDC implements individual and family centered approaches to decrease in the number of youth who partake in delinquent behavior or who have used aggression to handle a conflict.
Milwaukee	\$281,600	SDC’s Counseling and Wellness Clinic will provide outpatient treatment services for Alcohol, Tobacco, and Other Drug Abuse (ATODA). The program’s central goals are to educate and treat youth and parents/guardians about ATODA issues and provide them with effective coping skills. SDC staff assists under-resourced youth who struggle with ATODA issues. Staff conduct assessments, develop a treatment plan, and provide case management. Participating youth gain an awareness of the community issues that impact the safety of Milwaukee County residents.
Racine	\$63,400	The City of Racine partners with Safe Haven of Racine, RUSD, Why Gangs LLC, Racine Vocational Ministries and the YMCA to provide specific intervention services to mitigate the adverse impact of gang membership (and gang affiliation) in the City of Racine. Under the administrative oversight of the Executive Director of Safe Haven of Racine, Why Gangs LLC will provide specific gang diversion services as delineated in the evidence-based outcomes documentation. Why Gangs facilitators will work with RUSD school administrators, Racine County HSD youth counselors, YMCA youth program directors to develop a network of services to strategically engage the target population. Racine Vocational Ministries will be contracted to assist with employment opportunities for at-risk youth who are released back into the community from corrections.

<u>County</u>	<u>Award</u>	<u>Project Description</u>
Racine	\$96,200	The Young Leaders Academy (YLA) is a year-round program consisting of three components dedicated to reversing the negative trend of low academic achievement and stereotypical behavior of youth ages 7-18 from low-income communities in Racine, WI. The YLA's mission is to nurture the development of leadership abilities and life skills of inner-city youth, empowering them to improve the quality of their life and assist them in becoming productive citizens. The YLA uses the Search Institutes 40 Developmental Assets as the foundation of its education and leadership philosophy. The Assets are a set of skills, experiences, relationships and behaviors that enable young people to develop into successful and contributing adults.
Total	<u>\$954,000</u>	

4. Assembly Bill 68/Senate Bill 111, would provide \$672,400 GPR and -\$672,400 PR annually for the youth diversion program to replace penalty surcharge funding with GPR. The bill would create an annual GPR appropriation to for program funding. Overall funding for the program would not change. Rather, the purpose in the funding shift is generally to reduce the overall reliance of penalty surcharge funding.

5. Under current law, when a court imposes a fine or forfeiture for most violations of state law or municipal or county ordinance, a penalty surcharge is imposed totaling 26% of the fine or forfeiture. Revenue from the penalty surcharge is deposited in the Department of Justice's (DOJ) penalty surcharge; receipts appropriation (henceforth called the penalty surcharge fund). Penalty surcharge revenue received by the fund is transferred to state agencies to support various programs related to the criminal justice system. In 2020-21, the fund was statutorily required to support the amounts identified in the table below.

Penalty Surcharge Fund Obligations, 2020-21

<u>Obligation</u>		<u>Amount Appropriated in 2020-21</u>
Justice	Law enforcement training fund; local assistance	\$4,364,800
	Law enforcement training fund; state operations	3,267,900
	Drug enforcement intelligence operations	2,199,100
	Reimbursement for county victim-witness services	748,900
	Drug crimes enforcement; local grants	717,900
	Transaction information management of enforcement (TIME) system	730,300
	Youth diversion grant program	672,400
	Law enforcement programs and youth diversion - administration	140,400
Public Instruction	Aid for alcohol and other drug abuse programs	1,284,700
	Alcohol and other drug abuse programs	618,900
Corrections	Correctional officer training	2,612,500
	Victim services and programs	318,600
Circuit Courts	Court interpreters	232,700
Public Defender	Conferences and training	<u>194,400</u>
Total		\$18,103,500

6. In recent years the penalty surcharge fund has operated in deficit. In 2019-20, the penalty surcharge fund concluded the fiscal year with a cumulative deficit of \$17,565,100. The Department of Justice estimates that the penalty surcharge fund will close the 2020-21 state fiscal year with a cumulative deficit of \$20,668,600. Even with the other modifications to the penalty surcharge proposed by the budget bill, the administration estimates that the appropriation will end the 2021-23 biennium with a deficit of \$25,582,400. The table below identifies the condition of the fund from 2016-17 through 2020-21.

Penalty Surcharge Fund Condition, 2011-12 thru 2020-21

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21 est.</u>
Opening Balance	-\$3,701,100	-\$5,601,300	-\$7,971,900	-\$10,631,400	-\$12,607,100	-\$17,565,100
Revenues	15,135,100	14,572,600	14,448,100	15,583,300	13,568,900	15,000,000
Obligations	17,035,300	16,943,200	17,107,600	17,559,000	18,526,900	18,103,500
Ending Balance	-5,601,300	-7,971,900	-10,631,400	-12,607,100	-17,565,100	-20,668,600

7. In order to continue to support youth diversion programming and begin to address the deficit in the penalty surcharge appropriation, the Committee could provide GPR for the youth diversion program. [Alternative 1] This alternative would result in \$672,400 GPR and -\$672,400 PR annually for the youth diversion program to replace penalty surcharge funding with GPR and create an annual GPR appropriation to provide funding for the program.

8. While lessening the potential overdraft of the penalty assessment, shifting the youth diversion program to GPR will not eliminate the appropriation overdraft. As such, any amount of GPR provided for the program will begin to reduce the use of penalty assessment revenues. To this end, a lesser amount of GPR could be provided. For example, to help address the deficit by decreasing demand on the appropriation, the Committee could provide half the amount of GPR, and maintain half the PR funding for the youth diversion program. [Alternative 2] This alternative would reduce the program's reliance on the penalty surcharge and result in \$336,200 GPR and -\$336,200 PR annually for the youth diversion program.

9. On the other hand, the Committee may not wish to create another GPR appropriation and program. As a result, the Committee may choose to take no action. [Alternative 3] Under this alternative, the youth diversion grant program would remain funded from the penalty surcharge.

ALTERNATIVES

1. Provide \$672,400 GPR and -\$672,400 PR annually for the youth diversion program to replace penalty surcharge funding with GPR. Create an annual GPR appropriation to provide funding for the program.

ALT 1	Change to Base
GPR	\$1,344,800
PR	<u>- 1,344,800</u>
Total	\$0

2. Provide \$336,200 GPR and -\$336,200 PR annually for the youth diversion program to replace half of penalty surcharge funding with GPR. Create an annual GPR appropriation to provide supplemental funding for the program.

ALT 2	Change to Base
GPR	\$672,400
PR	<u>- 672,400</u>
Total	\$0

3. Take no action.

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