

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-3845/1	Introduction Number SB-507
Description Providing grants to counties that offer substance abuse treatment and diversion from incarceration and making an appropriation	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input 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	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	
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Date	
2/18/2014	

Fiscal Estimate Narratives

DOJ 2/18/2014

LRB Number	13-3845/1	Introduction Number	SB-507	Estimate Type	Original
Description Providing grants to counties that offer substance abuse treatment and diversion from incarceration and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Overview:

2005 Act 25 created a grant program beginning January 1, 2007, for counties to establish and operate programs that provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs. The program is commonly referred to as the Treatment Alternatives and Diversion (TAD) Program.

Until July 1, 2013, TAD was administered by the former Office of Justice Assistance (OJA) and funded with approximately \$1 million PR annually. That level of funding supported 7 projects in 9 counties, program administration, and the cost of program evaluation for a report due to the legislature by 12/31/11.

2013 Act 20 created s. 165.95, requiring the Department of Justice to make TAD grants to counties. Under Act 20: 1) DOJ shall assist a county receiving a grant in obtaining funding from other sources for its program; 2) DOJ shall inform any county that is applying for a grant whether the county meets the requirements established regardless of whether the county receives a grant; 3) DOJ shall evaluate the grant program every 2 years. (Act 20 also created s. 165.25(10m), requiring DOJ to submit annual reports on TAD and other programs.); and 4) \$1 million GPR annually is provided in addition to the existing \$1 million annual PR program funding.

In sum, while Act 20 transferred TAD to DOJ, doubled the funding for grants, and created two new evaluation and reporting requirements, it did not provide any resources to administer or evaluate the program. It should be noted, Act 20 also created s. 165.955, providing \$500,000/year for new drug courts and an annual evaluation by DOJ. As with the TAD expansion, no resources were provided for administration and evaluation of this new program.

2013 Senate Bill 507 increases the TAD appropriation by another \$1.5 million in each fiscal year of the current biennium. And, in addition to the new evaluation requirements created by Act 20, SB 507 requires DOJ to: 1) annually analyze data counties submit on a monthly basis and prepare a progress report that evaluates the effectiveness of the program; and 2) every 5 years prepare a comprehensive report that analyzes the data counties submit on a monthly basis and the annual progress reports, and that includes a cost benefit analysis.

Should SB 507 become law, the TAD program's appropriation in FY14 and in FY15 will be 350% of what it was in FY13 and the program's evaluation and reporting requirements will have increased significantly. Like Act 20, SB 507 does not provide any resources to administer or evaluate this exponential growth in the program.

Should SB 507 become law, DOJ estimates that it will need the following new positions to fulfill its new administration and evaluation duties: 2 Program and Policy Analyst FTE, 1 Community Services Technician FTE, 1 Grants Specialist FTE, and 1 Research Analyst FTE.

Background:

Subsequent to Act 20, DOJ opened a competitive funding announcement for the new TAD and drug court appropriations available to tribes and counties not currently receiving TAD funding. DOJ received 36 applications: 35 applications from 36 counties (one joint application) and 1 application from 1 tribe. Funding was sufficient to support the top 13 projects, although not all of the approved projects received what they requested. Funding was not sufficient to support the remaining 23 projects. The top 13 projects have well-developed concepts and understand the work needed to plan their project, establish their project, and operate their project. Nonetheless, these projects and existing TAD projects, require ongoing technical assistance from DOJ to ensure program fidelity.

If SB 507 is enacted providing additional funding for many of the projects that didn't receive current funding, DOJ will need to provide even more technical assistance. Several of the unfunded projects are worthy of funding presently, but will likely require a greater level of assistance to establish their projects. Many of these projects are not fully prepared at this time to begin successful operations. It will fall upon DOJ staff to help prepare the counties for implementation.

Two DOJ Program and Policy Analysts are necessary to provide technical assistance to counties and tribes in a variety of areas. A county that receives a TAD grant must create an oversight committee to advise the county in administering and evaluating its project. A DOJ Program and Policy Analyst will assist a county establish and operate their local oversight committee and establish and operate their TAD project. An analyst will monitor a project's progress through site visits and review of project reports. Should a project falter, the analyst will provide assistance in developing a corrective action plan.

The total salary, fringe, supplies, services and other costs for 1 Program and Policy Analyst FTE is approximately \$82,000/year. Costs associated with significant in-state travel could also be expected in the provision of technical assistance to counties and tribes.

A DOJ Community Services Technician (CST) is necessary to provide program administrative support. The CST will serve as a point of contact for projects in their communication with the department. Administrative duties of the CST will include: 1) drafting and posting funding announcements; 2) receiving and processing program reports from projects; 3) coordination between program and fiscal staffs; 4) handling logistics for the TAD Advisory Group; and 5) any general administrative needs of the TAD program.

The total salary, fringe, supplies, services and other costs for 1 CST FTE is approximately \$60,000/year.

A DOJ Grants Specialist is necessary to serve as the primary fiscal staff for the TAD program. The Grants Specialist will be responsible for fiscal oversight of the TAD Program and the financial management of all projects. The Grants Specialist will: 1) review grant applications for compliance with financial requirements; 2) create contracts for subgrantees; 3) provide technical assistance to customers relating to the financial processes throughout the grant period; 4) make payments to subrecipients; and 5) conduct financial reviews and prepare reports to reflect the subgrant and the overall TAD program balances.

The total salary, fringe, supplies, services, and other costs for 1 Grants Specialist FTE is approximately \$60,000/year.

A DOJ Research Analyst is necessary to serve as the primary program evaluation staff. The Research analyst will: 1) design, development, and implement a new evaluation of the TAD program; 2) conduct research, perform statistical analysis, and develop and maintain statistical information reporting systems for the program utilizing the department's web-based, integrated data system (currently under development); and 3) provide analysis and interpretations to the TAD Policy and Program Analysts, TAD Advisory Group, administrators, and policy makers.

Continued high-level evaluation of the TAD program is critical to ensure that grant funds are being used to support quality projects demonstrating quantifiable results from the implementation of evidence-based practices. The current evaluation component is designed to evaluate 7 projects representing 9 counties. The evaluation workload under SB 507 will be dramatically higher than current evaluation demands. Current practice includes the preparation of an annual progress report on the TAD program and a detailed evaluation including cost-benefit analysis performed every five years. The most recent cost-benefit analysis is the report that was provided to the legislature by December 31, 2011 as required under the previous statute. This evaluation work is currently performed by the UW Population Health Institute by a primary evaluator and an assistant. The current contract for the evaluation of the TAD program ends December 31, 2014.

The total salary, fringe, supplies, services, and other cost for 1 Research Analyst FTE is \$82,000/year.

It should be noted, many of the former OJA positions that have been transferred to DOJ are responsible for the administration of multiple federal formula and discretionary awards. Federal rules specifically require that federal awards not be "commingled" with other funding streams. The 2013 Financial Guide from the Office of Justice Programs within the U.S. Department of Justice prohibits award administrators from "commingling funds on either a program-by-program or project-by-project basis." Also, "funds specifically budgeted and/or received for one project may not be used to support another." Staff supported with federal funds may not work on programs or projects for which the federal funds were not awarded. The work associated with the expanded TAD program cannot be performed by existing staff as it would violate the federal commingling prohibitions.

The total salary, fringe, supplies, services, and other costs for 2 Program and Policy Analyst FTE, 1 Community Services Technician FTE, 1 Grants Specialist FTE, and 1 Research Analyst FTE is approximately \$366,000/year.

Long-Range Fiscal Implications