



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

---

May, 2019

Joint Committee on Finance

Paper #126

### **Tribal Youth Wellness Center (Administration -- Division of Gaming)**

[LFB 2019-21 Budget Summary: Page 37, #2]

---

#### **CURRENT LAW**

Under 2017 Act 59, one-time funding of \$200,000 PR from tribal gaming revenue was provided to the Stockbridge-Munsee to study the potential creation of a tribal youth wellness center. In June, 2018, the Great Lakes Inter-Tribal Council published the resulting feasibility study and business plan outlining next steps for building the center.

#### **GOVERNOR**

Create an annual appropriation for a youth wellness center under the Department of Administration (DOA). Provide \$640,000 PR from tribal gaming revenue in 2019-20 to fund architectural plans for a youth substance abuse treatment center led by the Great Lakes Inter-Tribal Council.

#### **DISCUSSION POINTS**

1. Indian gaming receipts are statutorily defined as moneys received by the state from any of the following: (a) tribal reimbursement for state costs of regulation of Indian gaming under Indian gaming compacts; (b) payments by Indian gaming vendors and persons proposing to be Indian gaming vendors as reimbursement for state costs of certification and background investigations; (c) tribal reimbursement for state costs of gaming services and assistance provided by the state at the request of a tribe; and (d) tribal payments pursuant to the Indian gaming compacts.

2. The first draw on tribal gaming receipts is to the following appropriations: (a) a

Department of Administration general program operations appropriation relating to Indian gaming regulation under the compacts (\$1,996,300 PR in 2018-19); (b) a Department of Justice Indian gaming law enforcement appropriation (\$165,800 PR in 2018-19); and (c) an amount necessary to make all of the transfers specified under the DOA Indian gaming receipts appropriation to other state programs (\$25,334,200 PR in 2018-19). Tribal gaming receipts remaining after these allocations are made are credited to the general fund.

3. The agreements between the state and most of the tribes that operate gaming facilities, including the agreement between the state and the Stockbridge-Munsee, include ancillary memoranda of understanding (MOUs) related to government-to-government matters. In most cases, these MOUs specify that tribal gaming revenues, other than payments made to reimburse the state for the costs of regulating gaming and to reimburse DOA and the Department of Justice for the cost of providing services and assistance, should be used for the following four purposes: (a) economic development initiatives to benefit tribes and/or American Indians within Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located.

4. Under 2017 Act 59, the Stockbridge-Munsee was authorized to spend \$200,000 PR in 2017-18 to study the potential creation of a tribal youth wellness center. Reimbursement claims for the project totaled \$187,400. In June, 2018, the Inter-Tribal Council published the resulting "Feasibility Study and Business Plan for a Regional Juvenile Substance Abuse and Mental Health Treatment Facility." The goal of the study was to provide "tribal and urban Native American communities with tools and resources to plan and design a holistic, culturally-based, coordinated wellness center designed to support mental health and wellness for children, youth, and their families."

5. According to the U.S. Department of Health and Human Services (HHS), 8.7% of Wisconsin residents suffer from a substance abuse disorder, exceeding the national average of 7.6%. The Inter-Tribal Council reports that Native youth are two times more likely to use opioids for nonmedical purposes compared to non-Native youth. In addition, from 1999 to 2015, the death rate from opioid overdoses reportedly increased by more than 500% for Native Americans.

6. Further, Native youth in Wisconsin currently have limited treatment options for substance abuse disorders. According to the Inter-Tribal Council, two facilities in Wisconsin (Eau Claire Academy and Rodgers Memorial Hospital) provide residential substance abuse services for adolescents. However, neither facility specializes in treatment for opioid addiction or accepts Indian Health Service (IHS) reimbursements.

7. The Indian Health Service, an agency within HHS, currently funds 12 youth regional treatment centers throughout the U.S. that address substance abuse among Native youth. While IHS provides financial support for patient care, the agency does not provide financing for the construction of facilities. The closest IHS-sponsored youth treatment center to Wisconsin is in South Dakota.

8. The Inter-Tribal Council indicates that the proposed treatment center would provide "tools and programs for addicted youth to enable them to reintegrate themselves back into their communities and re-initiate a constructive life, as well as save young lives that otherwise would be

lost." As proposed, the center would provide 36 beds and the average length of stay would be 40 days. While the center would focus on serving Native adolescents from all tribes, it would also serve non-Native youth in need of treatment. The Inter-Tribal Council recommends establishing the center near Wausau because of the city's central location, highway accessibility to Wisconsin tribes, and relatively inexpensive real estate.

9. The treatment center would use Dialectical Behavioral Treatment in conjunction with Medical Assisted Treatment. According to the plan, interventions would also "incorporate traditional Native cultural and spiritual practices including talking circles, sweat lodges, smudging, praying and dancing." The plan further indicates that the center could be tribally-owned and operated with the assistance of a private healthcare contractor. The Inter-Tribal Council indicates that this model would allow the center to maximize federal assistance available to tribes while providing evidence-based medical treatment.

10. In June, 2018, the President of the Stockbridge-Munsee community sent a letter to DOA requesting one-time financing of \$640,000 to procure architectural designs for the treatment center. According to the request, the "scope of service will include structural, mechanical, electrical, plumbing and site/ civil engineering services, energy modeling/ analysis, food service and energy, technology and security integration and management." Once funds are provided, the administration indicates that the Stockbridge-Munsee Community would post a request for proposals to obtain estimates from design firms and would select a firm with the assistance of the Inter-Tribal Council.

11. The administration indicates that the amount requested (\$640,000) is estimated as 8% of the total cost of the facility (\$8 million). The cost appears to be within the range of the industry standard for procuring architectural plans. The administration recommends providing funding in the first year of the biennium because funds would likely be expended through a single payment to the selected architectural firm. As with the \$200,000 previously allocated for the treatment facility study in 2017-18, funds would be provided to the Stockbridge-Munsee and distributed with the guidance of the Inter-Tribal Council. At this time, the administration indicates that additional construction costs are expected to be funded without additional state support.

12. It could be argued that the requested use of tribal gaming revenues would be consistent with the MOUs regarding the use of tribal gaming revenues because the treatment center would support services for tribal members. Further, given the ongoing need to address substance abuse disorders among Native youth, the Committee could approve the Governor's recommendation to provide \$640,000 PR in 2019-20 to fund architectural plans for a treatment center. [Alternative 1]

13. Tribal gaming revenues that are not allocated to state agencies are deposited in the state's general fund. If the Committee were to provide funding from tribal gaming revenues for the treatment center, the year-end balance of the state's general fund would be reduced by the same amount. Given that the allocation would reduce the amount available to the general fund, the Committee may determine that the current level of allocations is appropriate. As such, the Committee may wish to take no action. [Alternative 2] Under this alternative, the Stockbridge-Munsee would need to secure another fund source in order to procure architectural plans for the center.

## ALTERNATIVES

1. Approve the Governor's recommendation to provide \$640,000 PR from tribal gaming revenue in 2019-20 to fund architectural plans for a youth substance abuse treatment center led by the Great Lakes Inter-Tribal Council.

ALT 1	Change to Base		Change to Bill	
	Revenue	Funding	Revenue	Funding
PR		\$640,000		\$0
GPR-Tribal	-\$640,000		\$0	

2. Take no action.

ALT 2	Change to Base		Change to Bill	
	Revenue	Funding	Revenue	Funding
PR		\$0		-\$640,000
GPR-Tribal	\$0		\$640,000	

Prepared by: Angela Miller