

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** December 28, 2018

**TO:** Theodore Lipscomb Sr., Chairman, Milwaukee County Board of Supervisors

**FROM:** Mary Jo Meyers, Director, Department of Health and Human Services  
*Prepared by: Clare O'Brien, Senior Budget Analyst, DHHS*

**SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to enter into a State/County contract for Community Youth and Family Aids in the amount of \$42,272,979 for 2019**

**ISSUE**

Section 301.031 of the Wisconsin Statutes requires counties to execute an annual contract with the State Department of Children and Families (DCF) for the "Community Youth and Family Aids Program." This program provides State funding for County services to youth offenders as mandated by State and/or Federal law.

Departments must obtain authorization from the County Board in order to execute contracts in excess of \$300,000. The Director, Department of Health and Human Services (DHHS), is therefore requesting authorization to enter into a 2019 contract with the State DCF for the provision of youth justice services mandated by State law. The County cannot receive 2019 revenue from the State until the contract is signed.

**BACKGROUND**

The Community Youth and Family Aids Program, commonly referred to as "Youth Aids," is the State's primary means of providing counties with direct assistance to fund the cost of services of youth involved in the youth justice system. This revenue is used to fund costs in the DHHS Division of Youth and Family Services (DYFS). Counties supplement their youth justice funding needs with property tax levy and various grant revenues to fund the overall costs of the youth justice system.

In 2019, the Youth Aids, Children and Families Allocation (CFA), and AODA funding anticipated in the DCF contract is \$42,272,979.

### *Youth Aids Revenue*

The base Youth Aids funding amount is based on separate allocations contained in s. 301.26, Wis. Stats. The original base allocation, which is based on the initial formula for allocations to counties when Youth Aids was created in 1979, now includes:

- a. Prior Year Refund Revenue - Statutes require that the State provide a refund to counties if the amount paid by counties under the statutory daily rates is greater than the actual costs in the preceding State fiscal year.
- b. The 1999 Act 9 supplemental funding is allocated based on three factors: a) a county's proportion of the statewide youth population for the most recent year available; b) a county's proportion of statewide Part 1 youth arrests under the uniform crime reporting system of the Office of Justice Assistance for the most recent three-year period available; and c) a county's proportion of statewide youths placed in a youth correctional institution, a secure child caring institution or secure group home for the most recent three-year period available;
- c. The 2001 Act 16 supplemental funding is allocated based on the same three factors above, but with an "override" provision that no county receives less than 93 percent nor more than 115 percent of the amount it would have received if the youth placement factor (item "c" above) were the sole factor used to determine county allocations;
- d. The 2007 Act 20 supplemental funding is allocated based on each county's proportion of the number of youths statewide who are placed in a youth correctional facility during the most recent three-year period for which that information is available;

### *Additional Program Funding*

- Alcohol & Other Drug Abuse (AODA) funding is allocated based on each county's Youth Aids spending on community services (defined as the amount of Youth Aids left after state charges); and
- Early Intervention funding is intended to target youths who are at risk of committing delinquent acts or who have committed a minor offense and are at risk of further delinquent behavior.
- The Children and Families Allocation (CFA) may be used for child abuse and neglect, community-based youth justice services, and other children and families target populations.

As shown in the chart below, the 2019 contract for Milwaukee County of \$42,272,979 represents a revenue decrease of (\$355,956), compared to the 2018 contract and DYFS budget of \$42,628,935.

The reduction in the contract is largely the result of the Youth Aids formulae described above in this report. A reduction in placements to Lincoln Hills accounts for \$202,000 of the total decrease of \$355,956. From 2015 to 2017, the number of placements declined by 46 percent.

The remaining amount of the decrease, \$153,000, is due to Early Intervention funding. These funds were not included in the 2019 Youth Aids contract. DCF indicated that the Early Intervention funds had already been included in a 2018 amendment for \$3 million which DHHS applied to 2018 Detention Center costs. The resulting tax levy savings was then transferred to create a capital project approved by the County Board (File No. 18-633) for the construction of a secure youth facility due to the closure of Lincoln Hills as directed by Wisconsin Act 185.

The revenue shortfall of \$355,956 will be covered by a savings in the charge from the Wraparound Program for DYFS youth. This savings is due to a decline in enrollment which reflects a reduced charge of about \$400,000 for 2019.

<b>Youth Aids Contract</b>	<b>2018 Contract</b>	<b>2019 DYFS Budget</b>	<b>2019 State Contract</b>	<b>Variance 2019 State Contract/2019 DYFS Budget</b>	<b>Variance 2019 State Contract/2018 State Contract</b>
Base Allocation	\$35,137,575	\$35,137,575	\$34,934,919	(\$202,656)	(\$202,656)
AODA Funding	\$447,692	\$447,692	\$447,692	\$0	\$0
Early Intervention	\$153,300	\$153,300	\$0	(\$153,300)	(\$153,300)
Children & Families Allocation	\$6,890,368	\$6,890,368	\$6,890,368	\$0	\$0
<b>Total Contract</b>	<b>\$42,628,935</b>	<b>\$42,628,935</b>	<b>\$42,272,979</b>	<b>(\$355,956)</b>	<b>(\$355,956)</b>

**Recommendation**

It is recommended that the Milwaukee County Board of Supervisors authorize the Director of DHHS, or her designee, to enter into a 2019 State/County contract for Community Youth and Family Aids, and any addenda to the contract.

**Fiscal Impact**

A fiscal note form is attached.



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Mary Jo Meyers, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
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