

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: July 15, 2019

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

FROM: Mary Jo Meyers, Director, Department of Health and Human Services
Prepared by: Mark Mertens, Division of Youth & Family Services Administrator

SUBJECT: An informational report from the Director, Department of Health and Human Services, providing an update to Wisconsin Act 185

Background

Over the past few years, the County Executive and Milwaukee County Board have been working with key stakeholders to address the crisis at Lincoln Hills and Copper Lake and have embraced policies surrounding the creation of a local alternative option for Milwaukee County youth to be placed in a safe environment, closer to home.

In March 2018, the Wisconsin State Legislature adopted Act 185 paving the way for the development of local alternatives to Lincoln Hills and Copper Lake. Act 185 directs the closure of Lincoln Hills and Copper Lake for use as youth correctional facilities by January 1, 2021 and authorizes County-operated Secured Residential Care Centers for Children and Youth (SRCCCYs). Under Act 185, the Wisconsin Department of Corrections (DOC) maintains supervision over youth with adult court sentences and youth in the Serious Juvenile Offender Program (SJOP), but the supervision of youth under other correctional placements is now transferred to the counties.

Discussion

Changes to Act 185

In late June 2019, the Legislature passed AB188/SB168 which amended Act 185 and extended the deadline for the closure of Lincoln Hills and Copper Lake to July 1, 2021. The amendments also pushed out the deadline to October 1 by which the Juvenile Corrections Grant Committee must make recommendations and establish a Wisconsin Model of Juvenile Justice Statewide Plan.

The original Act 185 legislation included \$40 million to counties for the planning and construction of SRCCCYs. The 2019-2021 Adopted State Budget increases this allocation by \$40 million for a total of \$80 million.

Eligible construction costs under Act 185 include new construction as well as the renovation of an existing structure. To qualify for the funds, counties were required to submit a grant application to the Juvenile Corrections Grant Committee by July 1, 2019. The original deadline in Act 185 of March 31, 2019 was amended by the Legislature as part of AB188/SB168 in late June.

In order to meet the original March 31 deadline, DHHS submitted an application, approved by the County Board (File No. 19-236), which reflected the construction of a new facility at an estimated cost of \$41 million. It wasn't until mid-June that the DOC released the application for the July 1 submittal.

DHHS revised its application for submittal by this deadline. Changes to the original application are outlined below.

Revised Grant Proposal

As mentioned previously, DHHS submitted a grant application to meet the March 31 deadline (please see the attached application for more detail). This application encompassed a 40-bed SRCCCY and renovation of Vel Phillips Detention Center. On July 1, DHHS submitted a revised application it believes will lead to greater youth justice reform. Funds will be used by the Milwaukee County DHHS to develop and implement a Secure Residential Continuum of Care for Children and Youth to provide treatment and secure care for Milwaukee County youth found delinquent and placed by the court pursuant to Wisconsin Statutes Chapter 938. Funds will provide for remodeling two pods in the county’s exiting Vel R. Phillips Youth Detention Center to serve as Assessment and Crisis units for boys and renovating and/or converting existing building(s) to serve boys and girls in a community-based SRCCCY site or sites. The proposal supports a total of 54 beds – this reflects 22 beds at Vel Phillips and 32 beds (24 boys and 8 girls) as part of the residential site(s).

Component	Description	Beds
Vel Phillips Renovation	Remodel two pods in Vel R. Phillips Youth Detention Center to serve as Assessment and Crisis units for boys	22 existing beds
Residential Site(s)	Renovating and/or converting existing building(s) to serve boys and girls in a community-based SRCCCY site or sites.	32 beds: 24 for boys; 8 for girls

This model asserts that achieving community safety requires much more than simply incarcerating youth for a period of time. Achieving effective community safety requires the delivery of critical pro-social skills that are easily generalized to the community environment, the repairing, restoring, or establishing of a connection to the social contract for youth, and enhancement of the youth’s pro-social support network. Local SRCCCY programs can achieve each of these objectives that are currently unachievable within the current harsh practices and geographic reality of the current large, remote youth correctional institutions.

Investing for the Future

Consistent with this commitment, the proposal includes a significant investment of nearly \$2.9 million for Front-End Diversion and Aftercare Transition programming. This represents an expansion of community-based services that can prevent and mitigate the need for secure placements of youth.

The budget proposed in this request reaffirms the need for state to partner with the county to support investments in a range of prevention, early intervention, and restorative programs such as:

- **A Credible Messenger Program:** supporting and linking individuals with lived experience to serve a mentoring caseload of high-risk youth identified for their involvement in auto theft, robbery, or gun crimes; youth who've been victims of gun violence; or youth identified for involvement with group violence or high-risk group behavior;
- **Restorative Justice/Restorative Practice/Problem Solving Courts:** providing funds for community-based restorative practice programming and conflict resolution training as an acceptable diversion;
- **Culturally Relevant Frameworks/Programming for Addressing Trauma:** supporting the development of culturally relevant curricula and programming to be paired with clinical support both in the SRCCCY, Vel Phillips, and in community-based settings.
- **Youth Advocate Program:** Youth Advocates interface with the DYFS staff and system partners to ensure youth's compliance with court orders and engage families to connect them to services to meet their needs. They serve as both mentor and case manager for high risk youth.
- **Parent & Family Support:** Funds to pair youth supports with programming that engage parents and extended families in their youth's success and address root cause.
- **Girls Programming** to address involvement in sex trafficking: supporting community-based programs to support programming specific to girls at risk, working with our residential care partners and with youth released from placements, including the SRCCCY.
- **Staff & Provider Support:** funds to enhance the capacity of DYFS staff and community-based partners to address secondary trauma, youth development, and culturally relevant program models.
- **Youth Stipend/Employment Support Programming:** supporting youth skills and connections with private and public partners to provide meaningful skill development and opportunities for employment.
- **A Garden/Urban Agriculture program at Vel R. Phillips:** the use of an urban agriculture program creates a tool to work with youth around a host of concepts that can be integrated into the education and health programming, restorative justice/community service opportunities, and community engagement.

Fiscal Impact

The budget provides for the renovation and furnishing a complete SRCCCY program that can serve up to 54 youth. This reflects 22 existing beds at Vel Phillips and 32 beds (24 boys and 8 girls) as part of the residential site(s).

Current staffing plans for the Vel Phillips location provide for maintaining a ratio of one Youth Development Specialist staff for every five youth during waking hours as well as supervision staff on-site that meets or exceeds the requirements of DOC347. The staffing plan developed for the residential site(s) reflects a 1 to 5 ratio for boys and 1 to 3 ratio for girls.

Beyond the construction cost for renovation/creation of space at the Vel R. Phillips Detention Center, the proposal also provides for furnishing, equipment, and needed supplies so youth can be transferred from the Department of Corrections by July 1, 2021. The cost estimates reflect the renovation and additions to the Vel R. Phillips facility and costs associated with renovating a residential site(s) yet to be determined/located. For both facilities, costs include additional owner costs such as additional fees, furnishings/fixtures, specialty equipment for security, and technology as well as operating costs.

Total design and construction costs are anticipated to be \$41,820,770 which includes about \$400,000 in planning and design costs incurred as of June 30, 2019. Total operating costs are anticipated to be \$14,464,876 and start-up costs estimated at \$2,097,588. The ongoing operating gap is estimated to be \$4,466,430 not including the start-up costs. These costs will be modified as the overall SRCCCY program develops. In the coming months, DHHS will work with the Department of Corrections and the Juvenile Corrections Grant Committee to further refine this estimate as more details become known as to the exact locations as well as potential variances to DOC347 that could be granted to achieve cost saving measures as authorized by the amended Act 185.

Vel Phillips & Residential Site(s) Estimated Budget

Capital Category	Projected Cost
Residential Renovation	\$30,727,901
Vel Phillips Construction	\$5,264,037
Fees & General Conditions	\$3,378,832
Owner Costs	\$2,450,000
Total Renovation/Construction Cost*	\$ 41,820,770

One-time Start Up	\$ 2,097,588
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Operating Category	Projected Annual Cost
Personnel	\$5,854,289
Outside Contractual Services	\$3,817,552
Outside Contractual – Programming	\$3,609,208
Commodities/Supplies	\$550,408
Facilities and Admin	\$633,419
Ongoing Operating Costs	\$ 14,464,876

*A true cost analysis is required to refine this figure and final cost estimates still need to be determined. Therefore, this amount is preliminarily based on the percentage of Milwaukee County youth currently held at Lincoln Hills and Copper Lake compared to the overall population.

Program Sustainability

Until the transfer of youth from state facilities is completed, funds through Youth and Community Aids and County levy will continue to be allocated to house youth in juvenile corrections based on a daily rate established by the legislature. Milwaukee County readily acknowledges that the cost for implementing its proposal is higher than the average cost for a DOC placement. However, this is due to the higher staffing ratio, therapy, educational and other programming as well as a critical investment in the front end and aftercare. The operating gap of \$4.5 million to support this new model, which is aligned with the Wisconsin Model, necessitates additional State funding. Counties throughout the State of Wisconsin have expressed concern over the ongoing operating cost of the SRCCCYs and the difficulty in closing future budget gaps. For this reason, Milwaukee County is requesting the State fully fund the additional operating costs estimated as part of its proposal. Without additional funding, the County will need to reduce and/or eliminate its community-based programming and services.

Milwaukee County continues to assert that expanding the state’s investment in proven prevention, early intervention, and community-based services for youth involved in the justice system will help reduce the need for “deep end,” confinement programs and result in better outcomes for our communities and youth. In the long run, the return on investment will reflect outcomes such as sustained reductions in confinement, as well as reductions in court costs, losses to victims, police investigation and apprehension, and probation costs.

In addition to being able to direct local levy and Youth and Community Aids funds to the local program, the County will continue efforts to secure other support, including options for federal funds (e.g. Medicaid, education funds, workforce development, and mental health funds), government and foundation grants to provide facility-based programs and transition supports, and public-private partnerships to support programming and youth’s transition home.

Next Steps

The Grant Committee will now review the applications from July 1 to September 30 and work with applicants to modify their applications. No later than October 1, 2019, the Grant Committee will submit its recommendations as part of the Wisconsin Model of Juvenile Justice Statewide Plan to the Joint Committee on Finance for approval.

Please see the revised timeframe for review of the applications below:

Action	Date*
County Grant Applications Due	July 1
Grants Committee Reviews Applications	July 1– September 30
Grants Committee Submits Recommendations to Joint Finance Committee	October 1

DHHS will return to the County Board with the recommendation from the Grant Committee on Milwaukee County’s application. Resolution File No. 19-236 indicated that once DHHS is notified by the JCF of a grant award, DHHS will submit a second request to the County Board seeking approval of the grant award and will make a recommendation for any gap in funding.

Update on Grant Application Process & State Budget

The State Budget has now been finalized and as mentioned previously, the total funding available to counties for the planning and construction of SRCCCYs is \$80 million, up from \$40 million included in Act 185 originally. Act 185 permits the building commission to authorize general fund supported borrowing to assist counties in establishing or constructing SRCCCYs.

A total of four counties submitted proposals to the Grant Committee: Brown, Dane, Racine and Milwaukee. In March, the committee received seven letters of interest from counties. The letters of interest were submitted by the four counties identified above along with La Crosse, Fond du Lac and the Great Lakes Inter-Tribal Council on behalf of Wisconsin’s Tribes.

Please see a summary below of the proposals submitted by each county on July 1. Also, note that the costs identified for Milwaukee County do not include the \$2.1 million in start-up or \$4.5 million in additional operating costs.

**Act 185 Grants Committee
DRAFT – SRCCCY Application Summary Table**

The table below provides a summary of county requests for funding under Act 185. More specific details can be found in their individual applications.

County	Projected Capacity	Stand alone or Attached	New Construction or Expansion	Single or Multi County	Males / Females	Est. Project Cost (including 5% match)
Brown	24: SRCCCY 32: Short-term detention	New co-located SRCCCY and short-term detention	New construction	Single county proposal but would serve youth across counties.	Both	\$43M
Dane	18 - 23: boys 5 - 6: girls	Attach to current juvenile detention facility	Expansion of existing juvenile detention facility	Single county proposal but would serve youth across counties.	Both	\$3.5 - 4.5M
Milwaukee	54 total: remodel 22 beds at existing juvenile corrections facility and remodel existing buildings for 32 new SRCCCY beds (24 boys, 8 girls)	Both: remodel of existing detention facility and remodel existing spaces for new stand-alone SRCCCY	Expansion / remodel of existing county juvenile detention and community facilities	Single county	Both	\$41.8M
Racine	48 beds (detention and SRCCCY)	Build a new facility to co-locate a SRCCCY with detention	New construction	Single county proposal but would serve youth across counties.	Both	\$45.8M
TOTAL	187 beds					\$134.1 – 135.1 M

The State Budget also implemented new daily rates for youth placed at the State institutes. The daily rate charged by the State to counties for Lincoln Hills, Copper Lake and Mendota Juvenile Treatment Center increased substantially in the State Budget, rising by 34 percent from a rate of \$397 to \$532 as of July 1, 2019.

Daily Rate	7/1/18-6/30/19	7/1/19-6/30/20	7/1/20-12/31/20	1/1/21-6/30/21
Youth Correctional Facilities	\$397	\$532	\$550	\$615

Even though the rate increases in mid-year 2019, this is not expected to have a negative budgetary impact. This is due to the consistent decline in the average daily population (ADP). The 2019 DYFS Budget assumed an ADP of 69 and total DOC charges of about \$10 million. Over the first six months of 2019, the ADP is averaging around 56 and total projected costs are anticipated to be about \$9.4 million assuming no major fluctuation in population.

Recommendation

This report is informational and no action is required.



 Mary Jo Meyers, Director
 Department of Health and Human Services

Attachment (1)

- cc: County Executive Chris Abele
- Hon. Maxine A. White, Chief Judge
- Raisa Koltun, County Executive’s Office
- County Supervisor Supreme Moore-Omokunde
- Steve Cady, Research Director, Comptroller’s Office
- Joshua Scott, Fiscal & Management Analyst, DAS
- Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller’s Office