

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: February 22, 2022

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Shakita LaGrant-McClain, Director, Department of Health and Human Services

Subject: Report from the Director, Department of Health and Human Services, regarding an anticipated 2022 operating deficit due to charges from the State Department of Corrections (DOC) – Division of Juvenile Corrections (DJC)

File Type: Information

POLICY

Ch. 56 of Milwaukee County’s Code of General Ordinances requires county departments to submit a written report to the County Executive, the County Board’s Finance Committee, the Office of the Comptroller and the Department of Administrative Services if a net deficit of at least \$100,000 will occur or is projected to occur.

The State of Wisconsin Department of Corrections (DOC) – Division of Juvenile Corrections (DJC) is responsible for the operation of the Lincoln Hills School for Boys and Copper Lake School for Girls as well as the Mendota Juvenile Treatment Center (MJTC). Per Chapter 301 of the Wisconsin State Statutes, Counties are required to pay a daily rate to the State for the care and supervision of the youth ordered to these facilities.

The 2022 daily rate is currently \$1,154 which reflects an increase of 88% over 2021 and an annual cost of \$421,000 per youth. This rate is set to increase to \$1,178 on July 1, 2022. In addition, Ch. 938 governs the operation of county detention facilities.

Wisconsin State Statutes	Chapter 301, 938.22
Milwaukee County Ordinance	Ch. 56.02

BACKGROUND

DHHS has been providing regular updates to the County Board on the number of youth being ordered to the State facilities. Since 2015, these placements had been steadily declining. However, during the months of January and February, there have been increased placements and coupled with the spike in the daily rate to \$1,154, DHHS is anticipating a budget deficit in Children, Youth and Family Services (CYFS) for 2022.

Financial Impact of Increased ADP & DOC Daily Rate

The 2022 Budget assumed an average daily population (ADP) of 17 and the current census at the time of this report at Lincoln Hills, Copper Lake Schools and Mendota Juvenile Treatment Center is 28. The 2022 Budget for DOC charges is \$7.2 million. Based on the current ADP of 28, the annual cost is projected to be \$11.8 million which reflects a deficit of nearly \$4.6 million.

Further, an increased census in the detention center at the Vel R. Phillips Youth and Justice Center is creating additional costs for overtime and is likely to result in increased food, cleaning, and supply costs. Since September 2021, the census in the detention center has been gradually rising and just recently peaked at 140 on February 21, 2022. This compares to an average census of 89 over the last 10 years.

CYFS is considering placements to the Racine County detention center as a potential option to reduce the census. This would cost \$325 per youth per day.

It is too early in the year to project how much of a fiscal impact the higher detention census will contribute to the overall deficit. DHHS fiscal staff will closely monitor actual costs as these are incurred and report back to the board.

A portion of the overall deficit is expected to be offset by about \$1.6 million in underspending for placements of youth within the Wraparound Program. These placements have been declining over the last few years and actual expenses are anticipated to be less than budget.

Although DHHS leadership is working to develop additional options to address the deficit, it has limited control over the costs driving it. Both the operation of the detention center and the costs charged by the State for Lincoln Hills, Copper Lake Schools and MJTC, are statutorily-required. Unfortunately, with limited flexibility, options to mitigate the deficit are likely to involve a reduction to prevention and community-based investments within CYFS.

Next Steps:

DHHS will continue to monitor the fiscal situation and will keep the board updated on efforts to reduce the projected deficit. In accordance with Ch. 56.02, DHHS will submit a follow-up report in three months.

ALIGNMENT TO STRATEGIC PLAN

By reporting on the potential deficit within this area as early into the year as possible, the department is demonstrating a commitment to protecting the County's fiscal health and sustainability.

FISCAL EFFECT

This report is informational only.

TERMS

N/A

VIRTUAL MEETING INVITES

Shakita LaGrant-McClain, DHHS Director
Kelly Pethke, CYFS Interim Administrator
Clare O'Brien, DHHS Budget & Policy Director

PREPARED BY:

Clare O'Brien, DHHS Budget & Policy Director

APPROVED BY:

Shakita LaGrant-McClain
Shakita LaGrant-McClain, DHHS Director

ATTACHMENTS:

None

cc: County Executive David Crowley
Hon. Mary E. Triggiano, Chief Judge
Sup. Jason Haas, Chairman, Finance Committee
Sup. Felesia Martin, Chairwoman, Health Equity, Human Needs, & Strategic Planning Committee
Scott Manske, Comptroller, Office of the Comptroller
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Aaron Hertzberg, Director, Department of Administrative Services
Joseph Lamers, Director, Office of Strategy, Budget and Performance
Steve Cady, Research & Policy Director, Office of the Comptroller
Pam Matthews, Fiscal & Management Analyst, DAS
Lottie Maxwell-Mitchell, Research & Policy Analyst, Office of the Comptroller