

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** January 10, 2012

**TO:** Supervisor Lee Holloway, Chairman – Milwaukee Co. Board of Supervisors

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by: Eric Meaux, Administrator/Chief Intake Office - Delinquency & Court Services Division*

**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 for 2012 and to accept \$33,260,076 for State Corrections Charges and Community Based Services

**ISSUE**

Section 301.031 of the Wisconsin Statutes requires counties to execute an annual contract with the state Department of Corrections (DOC) for the “Community Youth and Family Aids Program.” This program provides state funding for county services to juvenile offenders as mandated by state and/or federal law.

County ordinances require that departments obtain authorization from the County Board in order to execute contracts. The Director, Department of Health and Human Services (DHHS), is therefore requesting authorization to sign the 2012 contract with the state DOC for the provision of juvenile justice services mandated by state law. The county cannot receive 2012 revenue from the state until this 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 to juvenile delinquents. This revenue is used exclusively to fund costs in the DHHS Delinquency and Court Services Division (DCSD). Counties supplement their juvenile justice funding needs with Basic Community Aids, property tax levy and various grant revenues to fund the overall costs of the juvenile justice system.

On December 29, 2011, DHHS received the actual 2012 contract from DOC for Youth Aids. The state’s 2012 contract will provide Milwaukee County with \$33,260,076 of Youth Aids funding (excluding the DHHS estimate of Corrective Sanctions funding - see Attachment 1, pg. 1 of 1).

### *Youth Aids Revenue*

The state contract allocation consists of three components: 1) the annual state budget amount allocated by several formulae; 2) any surplus amount from “over-charging” counties during the prior state fiscal year for the cost of state Juvenile Institutions compared to DOC’s actual costs; and 3) an allocation for the Corrective Sanctions program. The actual 2012 state funding for Corrective Sanctions will not be determined until January 2012, based on actual usage of the program by each county during 2011.

The attached exhibit lists the Youth Aids funding from 2010 through 2012. The Base Funding amount is based on the seven (7) separate allocations contained in s. 301.26, Wis. Stats. Beginning with 2009, DOC no longer provided the same level of detail regarding the allocations therefore the exhibit has changed slightly from prior years.

The separate allocations are as follows:

- The Original Base Allocation which is based on the initial formula for allocations to counties when Youth Aids was created in 1979;
- Prior Year Refund revenue. Statutes require that DOC provide a refund to counties if the amount paid by counties under the statutory daily rates is greater than DOC’s actual costs in the preceding state fiscal year. The refund would be based on each county’s proportionate share of the days of care provided by DOC.
- The 1999 Act 9 supplemental funding is allocated based on three factors: a) a county’s proportion of the statewide juvenile population for the most recent year available; b) a county’s proportion of statewide Part 1 juvenile 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 juveniles placed in a juvenile correctional institution, a secure child caring institution or secure group home for the most recent three-year period available;
- 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% nor more than 115% of the amount it would have received if the juvenile placement factor (item “c” above) were the sole factor used to determine county allocations;
- The 2007 Act 20 supplemental funding is allocated based on each county’s proportion of the number of juveniles statewide who are placed in a juvenile correctional facility during the most recent three-year period for which that information is available;

- 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
- Corrective Sanctions funding is allocated following the close of the calendar year, based on each county's usage of the 136 total slots authorized by statute.

The DOC 2012 allocation for Milwaukee County of \$33,260,076 (excluding Corrective Sanctions) represents a revenue decrease for DHHS of \$2,925,434, compared to the 2011 Contract (including the adjustment from the State based on the 2011-2013 State Budget) of \$36,185,510. The 2012 DHHS Budget included an estimate of \$34,049,523 in Youth Aids revenue (excluding Corrective Sanctions), which results in a budgeted revenue shortfall of \$789,447 for DHHS in 2012.

In December 2011, DHHS brought an information report to the Board regarding this potential Youth Aids revenue shortfall. Youth Aids revenue is primarily a direct result of the Average Daily Population (ADP) of Milwaukee County juveniles in State Juvenile Correctional Institutions (JCI's). DHHS will continue to monitor the ADP and make projections based on historical data to determine if the \$789,447 deficit can be absorbed within the department or if other actions are necessary. In consideration of the potential deficit, DHHS has taken a very thoughtful and prospective approach to contract recommendations and allocations in 2012 that would best position the Department to respond to emerging challenges and the State revenue reductions.

DHHS will continue to monitor the situation and inform the County Executive and County Board of changes.

### **Recommendation**

It is recommended that the County Board of Supervisors authorize the Director of DHHS, or his designee, to execute the 2012 State/County contract following Department review for Community Youth and Family Aids, and any addenda to that contract.

### **Fiscal Impact**

The 2012 state contract provides \$789,447 less revenue than was anticipated in the 2012 Budget (excluding Corrective Sanctions). A fiscal note form is attached and further corrective actions will be put in place later in 2012 if necessary based on the ADP and spending early in the year.



Héctor Colón, Director

Department of Health and Human Services

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