

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: October 22, 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 July 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.

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 from January 1, 2021 to July 1, 2021. The amendments also pushed out the deadline to October 1 as the date by which the Juvenile Corrections Grant Committee must make recommendations and establish a Wisconsin Model of Youth 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 increased this allocation by \$40 million for a total of \$80 million in State bonding. Per Act 185, the State is to fund 95 percent of the design and construction of SRCCCYs with counties contributing the remaining 5 percent. Grants are to cover 100 percent of the design and construction of facilities for girls.

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 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 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 then revised its application for submittal by the July 1 deadline.

Project Update

As discussed in the September report (File No. 19-23), based on a request from the Grant Committee that counties identify cost-saving proposals due to a significant gap in available funding, DHHS revised its original proposal and submitted two options on September 9.

Option A involves the renovation of Vel Phillips and leased beds in the community and Option B reflects the renovation of Vel Phillips only. It is important to note that these options involve no addition, expansion or renovation of detention facilities. Both options are anticipated to cost the same at \$24,858,203. This cost is dramatically lower than previous estimates of \$41 million.

On October 1, 2019, the Grant Committee recommended Milwaukee County’s proposal along with the proposals from Dane, Brown and Racine Counties to the State Legislature’s Joint Committee on Finance (JCF) as part of the Wisconsin Model of Youth Justice. Per Act 185, the Grant Committee is required to submit this plan for approval to JCF.

Please see the Grant Committee recommendations below:

SRCCCY Grant Recommendations

County	Facility Type	Capacity	Est. Cost
Brown	New stand-alone SRCCCY and short-term detention facility	24 SRCCCY beds: 16 boys; 8 girls	\$43M (State portion: \$40.88M)
Dane	Expansion of existing short-term detention facility	23 - 29 SRCCCY beds: 18-23 boys, 5-6 girls	\$6.7M (State portion: \$6.46M)
Milwaukee	Plan A: Renovation of existing detention facility plus leased space Plan B: Renovation of existing detention facility only	Plan A: 40 beds (boys only) Plan B: 32 beds (boys only)	Plan A: Not to exceed \$24.86M (State portion: Not to exceed \$23.62M) Plan B: \$24.86M (State portion: \$23.62M)
Racine	New stand-alone SRCCCY and short-term detention facility	32 SRCCCY beds	\$40M
TOTAL			\$114.56M (State portion: \$110.96M)

As shown on the table above, the grant proposals total \$114.6 million and the State portion of funding at 95 percent is \$111 million. This reflects a shortfall of about \$31 million compared to the total available State funding of \$80 million. In addition, the Grant Committee stated in its plan to JCF that it is still short by approximately 52 to 66 beds in order to fully place all SRCCCY-eligible youth from Lincoln

Hills and Copper Lake Schools. Further, the plan does not include a facility to serve youth from the western and northern parts of the state to fulfill the closer-to-home model outlined in the Wisconsin Model of Youth Justice.

As of this writing, DHHS has not received notification from JCF or the DOC on the status of its grant proposal. It is unclear how long this review process will take but the Grant Committee and the DOC cannot implement the Wisconsin Model of Juvenile Justice Statewide Plan until it is approved by the JCF.

Unfortunately, if notification is not received soon, this could negatively impact Milwaukee County's ability to transition its youth out of Lincoln Hills and Copper Lake by July 1, 2021.

Program Sustainability & Fiscal Impact

Both Option A and Option B are anticipated to cost about the same at \$24,858,203. This capital cost would be offset by a state grant award of \$23,615,293 based on 95 percent State reimbursement and a local contribution of 5 percent or \$1,242,910 from Milwaukee County. This local match is available in capital project WS124 – Secured Youth Center.

Although there are many unknown factors at this point, the total operating budget is estimated to be \$15 million for Option A and \$12.1 million for Option B. The total amount in the DYFS 2019 Budget for youth placed on DOC orders is about \$10 million. Therefore, both Options A and B represent a significant cost increase over the current budget. One of the major drivers of this cost is the high staff to youth ratio which is 1:4. This high staffing ratio is needed not only to ensure the safety of youth but also to enable a high degree of positive interaction between the staff and youth.

The Grant Committee and DOC representatives have indicated that the only funding available for the SRCCCYs is the \$80 million in bonding for construction. At this time, no additional funding such as Youth Aids is available to support ongoing operating costs for the SRCCCYs and the community-based alternatives which are necessary to implementing a successful youth justice reform model. 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.

DHHS is committed to making this model work within the existing budget of DYFS. Assuming no additional funding is provided by the State, this will require DYFS to carefully assess its community-based contracts as well as the investment that's included in the proposals for Front-End Diversion and Aftercare programming.

Next Steps

DHHS will seek approval from the County Board to receive the grant and make a recommendation for the local match as indicated in March of 2019 (File No. 19-236).

Recommendation

This report is informational and no action is required.



Mary Jo Meyers, Director
Department of Health and Human Services

cc: County Executive Chris Abele
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