

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: March 3, 2020

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. As discussed in its September

2019 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 – the State portion of which is \$23,615,293. This overall cost is dramatically lower than the previous estimate 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. The amount approved by the Grant Committee of nearly \$111 million is about \$31 million more than the State’s appropriation of \$80 million for the construction of the SRCCCYs.

Project Update

On Feb. 12, JCF met to approve the grant proposals and address the funding gap. In order to close this gap, JCF redirected \$22.6 million in funding for the State Type 1 facilities to SRCCCYs. This left a gap of about \$8.4 million which was taken from Milwaukee County’s proposal. No other county received a reduction to its grant amount. Please see the chart below:

<u>Grant Committee Recommendations</u>	State Grant
Brown	\$40,880,400
Dane	\$6,461,306
Racine	\$40,000,000
Milwaukee	<u>\$23,615,293</u>
Total	\$110,956,999
State Budget Allocation for SRCCCYs	\$(80,000,000)
Redirect funding from State Type 1s	<u>\$(22,556,999)</u>
Total Available State Budgeted Funding	\$(102,556,999)
Remaining Gap	\$8,400,000
JCF Cut Approved for Milwaukee County	\$(8,400,000)
Milwaukee County Revised Grant Amount	\$15,215,293

On Feb. 27, the State Building Commission approved the release of the funding recommended by JCF.

Next Steps

Based on the revised grant amount, the total planning and construction budget would be \$16,016,098 which reflects both the State's 95 percent grant amount and the county's 5 percent contribution. At this time, the overall scope of the project that can be supported by this amount of funding is unknown. This budget may be insufficient to support the number of placements required for Milwaukee County youth at Lincoln Hills. For this reason, DHHS has requested DAS-Facilities develop a new scope and cost estimates for the renovation of Vel Phillips.

Prior to receiving any funding, each county must enter into a grant agreement and use restriction agreement with DOC. At this time, DOC has not provided guidance as to when these agreements would need to be approved.

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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