

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: March 17, 2023

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, requesting authorization to accept a State of Wisconsin grant award with a required five percent match and execute a use restriction agreement for the Secure Residential Care Center for Children and Youth (SRCCCY) for Children, Youth and Family Services (CYFS)

File Type: Action

REQUEST

The Director, Department of Health and Human Services (DHHS) is requesting authorization to accept a State of Wisconsin grant award and execute a use restriction agreement for the Secure Residential Care Center for Children and Youth (SRCCCY) for Children, Youth and Family Services (CYFS).

POLICY

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 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) within Type 1 facilities, but the supervision of youth under other correctional placements would be transferred to the counties.

Per 56.06(1) of the Milwaukee County Ordinances, County Board approval is required for the submittal of a grant application or acceptance of grant funding if the grant requires a County match. In March of 2019, the County Board approved File 19-236 which authorized DHHS to apply for a grant from the State of Wisconsin to support the planning, design and construction of a SRCCCY in accordance with Wisconsin Act 185. At the time of this report, DHHS indicated that once a grant award was received, DHHS would submit a second request to the County Board seeking approval of the grant award and provide updated financials. This report serves that purpose.

Wisconsin State Statutes:	Ch. 938; Ch. DOC 347
Milwaukee County Ordinance	56.06(1)
Resolution	19-236

BACKGROUND

Per Act 185, the State is to fund 95 percent of the design and construction of SRCCCYs with counties contributing the remaining 5 percent. To qualify for the funds, counties were required to submit a grant application to a state grant committee. Milwaukee County submitted an initial application along with subsequent revisions and ultimately, received a \$15.2 million grant award which was \$8.4 million short of the total amount requested in State funding needed to modify the detention center at the Vel R. Phillips Youth and Family Justice Center as an SRCCCY.

In July 2020, DHHS received a communication from the DOC requesting that Milwaukee County accept the \$15.2 million grant award. In response, County Executive David Crowley and the DHHS Director submitted a letter to the DOC requesting deferral of the grant award. The reasons for the deferral included the funding gap as well as the uncertainty around the State’s plans for its Type 1 facilities.

On July 8, 2021, Governor Evers signed the 2021–2023 State Budget that excluded his previous youth justice reform proposals and raised the daily rate for youth correctional placements at Lincoln Hills and Copper Lake school from the previous rate of \$615 to \$1,154 per day. The daily rate then increased to \$1,178 per youth as of July 1, 2022 and is proposed to increase again to \$1,246 in July 2023.

Legislation was approved in April 2022 to allocate up to \$41.7 million to construct the new state-run Type 1 correctional facility for boys in Milwaukee. In early August 2022, the Milwaukee Common Council voted to support initiating the process of building a new Type 1 facility on the city’s northwest side near 76th Street and West Clinton Avenue and this facility is now moving forward.

The Milwaukee County Act 185 Steering Committee met on May 5, 2022 to discuss updates around the implementation of Act 185 and to review the decision to defer the grant award. The committee affirmed the deferment decision due to the same concerns as noted above as well as efforts underway to build the continuum of care within Milwaukee for justice involved youth.

It had been discussed that the funds awarded to counties for building local SRCCCYs could be repurposed if counties continued to defer the funds. At the end of July 2022, DHHS met with the DOC to discuss Milwaukee County’s position on an SRCCCY and to advocate for additional funding to meet the capital budget gap. Subsequent to this meeting, DHHS submitted a written request to the DOC for an additional \$15 million for the remodeling and construction costs for

the SRCCCY.

On August 16, 2022 the Wisconsin Legislature's Joint Committee on Finance voted unanimously to reallocate \$13.1 million from Dane and Brown Counties to Milwaukee County based on a recommendation from the State DOC. In combination with the \$15.2 million already approved, the total amount of State funding is \$28,338,351.

The project reflects a 32-bed SRCCCY which provides for a net increase of eight beds. A total of four beds of the 32-bed facility would be dedicated to girls.

The proposed project scope would include the following:

- Renovation of the two existing Milwaukee County Accountability Program (MCAP) pods at Vel R. Phillips
- Education – classrooms, teacher support and offices, a computer/learning lab, vocational programming, testing/consultation, and other multi-media activities
- Mental Health, Health, and Dental Care – space in the main building includes space needed to meet all basic physical, mental and dental health needs, including space if needed for temporary housing of ill youth
- Recreation Space – indoor and outdoor recreation and green space
- Welcome Center, Visitation and Dining - public entry would occur via a welcoming vestibule and include space for family visitation and dining

The SRCCCY Steering Committee met on November 22, 2022 to review the current design and program components. Department of Administrative Services - Facilities Management Division and the architectural and design team continue to meet on a weekly basis with CYFS to move forward with schematic design planning and approval for the SRCCCY.

Milwaukee County, along with the architectural and design team, met with representatives from the City of Wauwatosa on January 26, 2023 for an informational meeting. DHHS has reached out to the City of Wauwatosa Mayor and alderpersons to inform them of the project and be available to answer any questions or concerns.

The current project timeline has construction and remodeling starting in January 2024 with a 24-month construction duration and owner occupancy to occur by January 2026.

Capital & Operating Estimate

At this time, the total estimated capital budget is about \$30 million. After accounting for the \$28.3 million in State grant funding, the remaining balance is \$1.7 million. This amount is already available in existing capital project WS0124 – Secure Youth Facility – Phase 1 and allows the county to more than meet its 5 percent match.

DHHS also analyzed the ongoing operating impact of a new SRCCCY. The budget reflects a ratio of eight staff to one youth - the minimum staffing requirement. In total, the SRCCCY would require about 47 Full-Time Equivalent (FTE) positions which represent a net increase of 34 FTEs, the majority of which are Youth Development Specialist (YDS) staff but also include YDS

Supervisors, clinicians, and clerical support. The YDS position is a new classification requiring experience working with youth and would not be considered a “correctional officer.”

Total costs including staffing, medical and mental health services, programming, education, food, administration, and facilities reflect an estimated annual budget of \$18.2 million offset by \$2.22 million in state revenue (Youth Aids and school lunch/breakfast revenue). Operating costs are anticipated to be incurred starting sometime in 2025 with full annual costs starting in 2026 upon anticipated occupancy in January 2026.

The \$18.2 million budget estimate is based on the most current information available and includes several assumptions such as:

- Increased programming costs of \$3 million
- Higher staffing levels (8:1 vs 12:1 in MCAP)
- Higher medical, training and food costs
- An ongoing financial obligation for youth placed at the Mendota Juvenile Treatment Center (MJTC) at the statutorily-required rate – assumes \$1,246 as reflected in the Governor’s 2023-2025 Budget
- Placements to the 32-bed SRCCCY as well as estimated census at MJTC and potential overflow contingency
- Personnel costs for 34 additional staff, 2023 active fringe and average hourly salary rate
- Savings from the elimination of Lincoln Hills and Copper Lake correctional charges would be reallocated to support the ongoing operation of the SRCCCY

Based on these budget assumptions, the calculated daily rate for the county’s SRCCCY would be \$983. This daily rate factors in the \$3 million in additional programming and services noted above and described in further detail below.

- Dialectical Behavioral Therapy (DBT) coaching and technical support; DBT is a specific form of Cognitive Behavior Therapy (CBT) used to treat suicidal and more acute mental health issues.
- Individualized services for youth:
 - Restorative justice practices, parent advocacy, family therapy
 - Forward Thinking facilitation, DREAM books, poetry, and other arts programs
 - Substance abuse treatment, sexual assault treatment and any other potential needs to ensure adherence to a court order

Assuming the nearly \$15 million in costs for DOC correctional charges included in the CYFS 2023 Adopted Budget can be redirected to the SRCCCY, the current budget is anticipated to be sufficient to operate the SRCCCY in 2023 dollars. However, if reductions are made to future year budgets before the SRCCCY becomes operational, this will create a funding gap.

Grant Agreement and Use Restriction Agreement

Milwaukee County DHHS, Corporation Counsel and the State of Wisconsin Department of Corrections have been working on the execution of the attached Grant Agreement and Use

Restriction Agreement, both of which outline the terms of the grant and SRCCCY. Corporation Counsel and Risk have reviewed both documents.

Approval of the Grant Agreement would allow the county to accept the total grant award of \$28,338,351. The Use Restriction Agreement requires that the facility that is designed and constructed with grant funds continues to be used as a SRCCCY and youth detention facility. Because the grant funds have a restricted purpose, if the use of the facility should change, this will result in the State acquiring an interest in the property equal to the amount of the grant.

Recommendation Summary

DHHS is recommending that the County Board accept the Grant Agreement for \$28,338,351 for a 32-bed SRCCCY and approve the Use Restriction Agreement for the following key reasons:

- 1) To fulfill the collective goal of creating a local alternative option for Milwaukee County youth to be placed in a safe environment, closer to home.
- 2) To establish a youth justice model that emphasizes emotional regulation, pro-social decision making, enhanced social competencies, and family engagement and creates a safe and secure environment.
- 3) To better control secure placement costs for Milwaukee County youth. Even though the Average Daily Population (ADP) of youth detained in the State facilities has declined dramatically by over 70% since 2015, the daily rate has nearly tripled (\$301 to \$1,154) during this same period which has created an unsustainable financial situation for CYFS with 2022 actual costs being \$6.8 million over budget.

Next Steps

The SRCCCY Steering Committee will meet again on March 24, 2023 to receive updates on the SRCCCY design and planning process and review the progress on the current timeline. DHHS will continue to update the County Board on any future changes.

Related File No's:	21-29, 20-21, 19-236, 19-23, 18-924
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ALIGNMENT TO STRATEGIC PLAN

DHHS continues to work toward transitioning youth out of Lincoln Hills and Copper Lake Schools. CYFS has been leveraging its resources toward the ongoing development of community-based programming for justice-involved youth and their families through innovative initiatives, all of which support the zero-youth corrections plan. All of these initiatives are occurring in the Milwaukee community and are focused not only on the youth but also their families. This programming meets the youth where they are in unique ways that are individualized to their needs.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors authorize the Director, Department of Health and Human Services, or her designee, to accept a State of Wisconsin grant award with a required five percent match and execute a Grant Agreement and Use Restriction Agreement for the Secure Residential Care Center for Children and Youth for Children, Youth and Family Services (CYFS).

FISCAL EFFECT

The total requested grant award for acceptance is \$28,338,351. A fiscal note form is attached.

VIRTUAL MEETING INVITES

Shakita LaGrant-McClain, DHHS Director
Kelly Pethke, CYFS Administrator

PREPARED BY:

Kelly Pethke, CYFS Administrator

APPROVED BY:

Shakita LaGrant-McClain
Shakita LaGrant-McClain, DHHS Director

ATTACHMENTS:

Grant Agreement – Attachment 1
Use Restriction Agreement – Attachment 2

cc: County Executive David Crowley
Hon. Mary E. Triggiano, Chief Judge
Sup. Liz Sumner, Chair, Finance Committee
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County
Steve Cady, Research Director, Comptroller's Office
Lottie Maxwell-Mitchell, Sr Budget and Management Analyst, Office of Strategy, Budget & Performance