

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** November 13, 2020

Original Fiscal Note

Substitute Fiscal Note

**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 in the amount of \$41,715,418 for 2021

**FISCAL EFFECT:**

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| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input checked="" type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|---|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure		
	Revenue		(\$457,561)
	Net Cost	\$0	(\$457,561)
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

**In the space below, you must provide the following information. Attach additional pages if necessary.**

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Section 301.031 of the Wisconsin Statutes requires counties to execute an annual contract with the State Department of Children and Families (DCF) for the “Community Youth and Family Aids Program.” This program provides State funding for County services to justice-involved youth as mandated by State and/or Federal law. The Director, Department of Health and Human Services (DHHS), is requesting authorization to enter into a 2021 contract with the State for the provision of youth justice services mandated by State law.

B. The 2021 contract provides \$41,715,418 in Youth Aids funding, which is \$457,561 lower than budgeted in 2021. Given the reduction in the number of placements over the last three years as a proportion to the statewide total, the county’s revenue allocation has likewise been reduced based on the statutorily defined Youth Aids formula in Wis. Stat. § 301.26. When comparing the 2020 and 2021 contracts, the county’s proportion of placements compared to the Statewide total declined from 58 percent to 54 percent.

C. The reduction of \$457,561 is expected to be offset by aggressive efforts being undertaken by DYFS to reduce placements to Lincoln Hills and Copper Lake Schools beyond the budgeted Average Daily Population (ADP) of 29. To cover the revenue shortfall, the actual ADP would need to average less than 29 in 2021. Given that the annual cost per placement averages about \$220,000, to cover the shortfall of \$457,000 would require a consistent ADP of about 27 throughout 2021. This outcome is possible given planned efforts by DYFS to reduce the number of placements. DYFS is in the process of hiring a new Zero-In Project Manager to oversee the development of a Zero-Youth Corrections Road Map. This position was approved by the County Board this past September (File No. 20-577). DHHS will continue to monitor this fiscal issue and update policymakers on the ADP as part of its regular monthly reports on the

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department of Corrections placements. Future sustainability of the community-based alternative programs funded by DYFS will require exploration of new funding models.

D. No further assumptions are made. The revenue amount is reflected in the State contract.

Department/Prepared By: Clare O'Brien, Budget & Operations Manager - DHHS

Authorized Signature Shakita LaGrant-McClain

Did DAS-Fiscal Staff Review?  Yes  No

Did CDPB Staff Review?  Yes  No  Not Required