

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: March 17, 2023

Original Fiscal Note

Substitute Fiscal Note

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)

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input checked="" type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input checked="" type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<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
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	\$28,338,351	\$0
	Revenue	\$28,338,351	\$0
	Net Cost	\$0	\$0

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. ¹ 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. The Department of Health and Human Services is requesting authorization to accept a State of Wisconsin grant award with a five percent match and execute a use restriction agreement for the Secure Residential Care Center (SRCCCY) for Children and Youth for Children, Youth and Family Services (CYFS).

B. 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.

The total projected annual operating budget for the SRCCCY is about \$18.2 million in 2023 dollars and includes staffing, medical and mental health services, programming, education, food, administration, and facilities. This cost is offset by about \$2.22 million in State revenue (Youth Aids and school lunch/breakfast revenue). 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. However, if reductions are made to future year budgets before the SRCCCY becomes operational, this will create a funding gap. Operating costs are anticipated to be incurred starting sometime in 2025 with full annual costs starting in 2026 upon anticipated occupancy in January 2026.

C. The accompanying resolution authorizes an appropriation fund transfer to be processed by the Department of Administrative Services, Office of Strategy Budget and Performance (DAS-SBP), working in conjunction with the Office of the Comptroller, to increase expenditures and revenues by \$28,338,351 for capital project WS12401 to reflect the State grant award.

¹ 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.

D. Numerous assumptions have been identified in the report, including the following:

- 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 as well as a potential overflow contingency for placements that would exceed the capacity of the SRCCCY and/or the Detention Center
- 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

Department/Prepared By Clare O’Brien, DHHS Budget and Policy Director

Authorized Signature *Shakita LaGrant-McClain*

Did DAS-Fiscal Staff Review? Yes No
Did CDPB Staff Review? Yes No Not Required