

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: November 18, 2016

TO: Theodore Lipscomb Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by: Mark Mertens, Administrator - Delinquency & Court Services Division

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 for 2017 and to accept \$35,714,663 for State Corrections Charges and Community Based Services

ISSUE

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 juvenile offenders as mandated by State and/or Federal law.

Departments must obtain authorization from the County Board in order to execute contracts in excess of \$300,000. The Director, Department of Health and Human Services (DHHS), is therefore requesting authorization to enter into the 2017 contract with the State DCF for the provision of juvenile justice services mandated by State law. The County cannot receive 2017 revenue from the State until the contract is signed.

BACKGROUND

The Community Youth and Family Aids Program, commonly referred to as “Youth Aids,” is the State’s primary means of providing counties with direct assistance to fund the cost of services to juvenile delinquents. This revenue is used exclusively to fund costs in the DHHS Delinquency and Court Services Division (DCSD). Counties supplement their juvenile justice funding needs with Basic Community Aids, property tax levy and various grant revenues to fund the overall costs of the juvenile justice system.

In November, DHHS received preliminary notice from DCF of Milwaukee County’s allocation of Youth Aids. In 2017, the Youth Aids and AODA funding anticipated in the DCF contract is \$35,714,663 (excluding the DHHS estimate of Corrective Sanctions funding - see Attachment 1).

Youth Aids Revenue

The attached exhibit lists the Youth Aids funding for 2016 and 2017. The base funding amount is based on separate allocations contained in s. 301.26, Wis. Stats. The original base allocation, which is based on the initial formula for allocations to counties when Youth Aids was created in 1979, now includes:

- a. Prior Year Refund Revenue - Statutes require that the State provide a refund to counties if the amount paid by counties under the statutory daily rates is greater than the actual costs in the preceding State fiscal year. The refund would be based on each county's proportionate share of the days of care provided.
 - b. The 1999 Act 9 supplemental funding is allocated based on three factors: a) a county's proportion of the statewide juvenile population for the most recent year available; b) a county's proportion of statewide Part 1 juvenile arrests under the uniform crime reporting system of the Office of Justice Assistance for the most recent three-year period available; and c) a county's proportion of statewide juveniles placed in a juvenile correctional institution, a secure child caring institution or secure group home for the most recent three-year period available;
 - c. The 2001 Act 16 supplemental funding is allocated based on the same three factors above, but with an "override" provision that no county receives less than 93 percent nor more than 115 percent of the amount it would have received if the juvenile placement factor (item "c" above) were the sole factor used to determine county allocations;
 - d. The 2007 Act 20 supplemental funding is allocated based on each county's proportion of the number of juveniles statewide who are placed in a juvenile correctional facility during the most recent three-year period for which that information is available;
- Alcohol & Other Drug Abuse (AODA) funding is allocated based on each county's Youth Aids spending on community services (defined as the amount of Youth Aids left after state charges); and
 - Funding for the Corrective Sanctions Program (CSP), a Type 2 program developed to transition youth from a correctional institution to intensive community supervision in a private home with the parents, another family member or in a transitional program, will not be determined until sometime in 2017 based on actual usage of the program by each county during 2016. Therefore, this figure is not included in the county's contract at this time. Rather, Corrective Sanctions funding is allocated following the close of the calendar year, based on each county's usage of the 136 total slots authorized by statute.

The DOC 2017 allocation for Milwaukee County of \$35,714,663 (excluding Corrective Sanctions) represents a revenue decrease for DHHS of \$(346,138), compared to the 2016 contract of \$36,060,801. The 2017 DHHS Budget included an estimate of \$36,049,497 (which is consistent with the 2016 contact amount) in Youth Aids revenue (excluding Corrective Sanctions), which results in a budgeted revenue deficit of \$334,834 for DHHS in 2017.

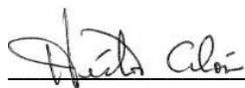
The reduction in the contract is the result of the Youth Aids formulae described above in this report. Most notably, a reduction in JCI placements over 2012 to 2015 as well as a lower increase in the rate of juvenile arrests compared to the rest of the State were the primary drivers of this reduction. This is a concern given that the anticipated reduction in corrections costs leverages a greater investment in juvenile justice alternatives in the 2017 Budget. DHHS will work with the county's Government Affairs Office on proposed changes to the Youth Aids formula so that it's weighted toward an expansion of corrections alternatives.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director of DHHS, or his designee, to enter into the 2017 State/County contract for Community Youth and Family Aids, and any addenda to the contract.

Fiscal Impact

The 2017 Adopted Budget anticipates an Average Daily Population (ADP) at the State institutes of 87. This downward trend in the ADP has been continuing throughout 2016 and the average year-to-date ADP as of September was 85. Therefore, the department anticipates being able to absorb the contract reduction of \$334,834. A fiscal note form is attached.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
County Supervisor Peggy West, Chair
County Supervisor Supreme Moore-Omokunde
Teig Whaley-Smith, Director, DAS
Steve Kreklow, Director, Office of Performance, Strategy & Budget
Steve Cady, Research Director, Comptroller's Office
Lisa Wozny, Fiscal & Management Analyst, DAS
Erica Hayden, Research & Policy Analyst – Comptroller's Office