

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: December 5, 2016

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

FROM: Héctor Colón, Director, Department of Health and Human Services

SUBJECT: Youth Aids Formula

ISSUE

At your request, DHHS has prepared this memo to explain the reduction in the Youth Aids allocation to Milwaukee County for 2017 and the underlying components that comprise the Youth Aids formula.

BACKGROUND

In November, DHHS received preliminary notice from the Department of Children and Families (DCF) of Milwaukee County's allocation of Youth Aids. For 2017, the Youth Aids funding anticipated in the DCF contract is \$35,714,663.

The DCF 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 contract amount) in Youth Aids revenue (excluding Corrective Sanctions), which results in a budgeted revenue deficit of \$334,834 for DHHS in 2017.

The next section explains the components that comprise the overall Youth Aids formula and the metrics that contributed to the reduction in the county's allocation for 2017.

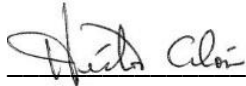
Calculation of Youth Aids Allocation

The Youth Aids revenue allocation is based on a complex series of formulae approved by the Wisconsin State Legislature over the last several years. The initial funding amount is based on separate allocations contained in s. 301.26, Wis. Stats created in 1979. From this base allocation, the overall Youth Aids pot was expanded over time to include several new components. However, this base allocation still represents the majority of the county's Youth Aids funding comprising 71 percent of the overall allocation.

The chart below identifies all of the components that are factored into the overall formula:

	2016	2017	Variance	Description of Allocation
	Contract	Contract		
Base Allocation	\$ 25,228,694	\$ 25,228,694	\$ -	Based on s. 301.26, Wis. Stats. which reflects each county's percentage of: A) Total State Juvenile population in 1979; B) Statewide Juvenile Part 1 arrests from 1975-78; C) JCI placements from 1975-78. Includes override factors to ensure a minimum allocation to smaller counties and an adjustment to weight JCI placements more heavily.
AODA Allocation	\$ 392,545	\$ 419,988	\$ 27,443	This earmarked funding is allocated on the basis of each county's Youth Aids balance available for community expenditures for the previous three calendar years divided by the statewide community programs balance.
Juvenile Correctional Institution (JCI) Supplement	\$ 7,691,588	\$ 7,417,058	\$(274,530)	Allocation governed by Wis. Stats. 48.526(7)(bm) & funds distributed based on the last three years of JCI placements.
1999 Act 9	\$ 1,436,466	\$ 1,385,142	\$ (51,324)	Allocated based on: A) Proportion of Statewide Juvenile Population for most recent year available; B) Proportion of Part 1 Juvenile Arrests for most recent 3-year period; C) Proportion of Juveniles in JCI, Child Caring Institution or Secure Group Home over most recent 3-yr period
2001 Act 16	\$ 1,243,037	\$ 1,196,232	\$ (46,805)	Supplemental funding based on A-C but includes an override that no county receives less than 93% nor more than 115% if item C were the sole factor used to determine the allocation
Foster Care Extension	\$ 68,471	\$ 67,549	\$ (922)	2013 Wisconsin Act 334 extends out of home care to age 21 for youth in the child welfare system, if they are enrolled in school full time under an Individualized Education Plan.
Total 2017 Allocation	\$ 36,060,801	\$ 35,714,663	\$(346,138)	

The \$346,138 reduction in the contract is primarily the result of a decline in JCI placements from 2012 to 2014 – the most recent years used in the formula. Total placements in 2012, 2013 and 2014 were 310, 253 and 264, respectively. This metric impacts the funding generated by the JCI Supplement, 1999 Wisconsin Act 9 and 2001 Wisconsin Act 16.



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 Committee on Finance
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