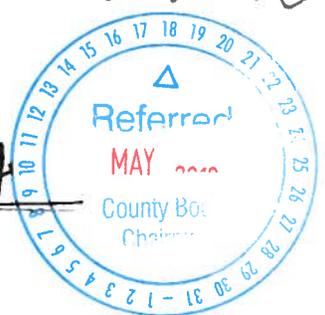


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By Supervisor Holloway

FILE NO. 10-214



File No.

**A RESOLUTION**

supporting changes in the operations of juvenile corrections in the State of Wisconsin that will reduce the rates counties pay for youth sentenced to State corrections and direct additional resources to cost effective and outcome driven community-based programming

WHEREAS, Section 301.031 of the Wisconsin State Statutes requires counties to execute an annual contract with the State Department of Corrections (DOC) for the "Community Youth and Family Aids Program" for the provision of juvenile justice services; and

WHEREAS, the Delinquency and Court Services Division of the Milwaukee County Department of Health and Human Services (DCSD) enters into the annual contract with DOC as DCSD provides the juvenile court with intake and disposition services for youth referred for delinquency and juveniles in need of protection and services; and

WHEREAS, the State Youth Aids payment to Milwaukee County helps fund programs for adjudicated youth as well as court-ordered commitments of Milwaukee County juveniles to State Juvenile Correctional Institutions (JCIs), however the funding has not increased in proportion to the increased cost of providing services to the aforementioned youth; and

WHEREAS, recent studies suggest that youth sentenced to juvenile facilities are no less likely to re-offend than youth supervised in the community and that the realignment of limited resources toward community based interventions is more cost-effective while maintaining public safety; and

WHEREAS, over the last several years DCSD has invested time, effort, and financial resources to develop smart and responsible alternatives to JCI placement, which is the most restrictive response to youth adjudicated delinquent; and

WHEREAS, as a result, DCSD administers a variety of services and programs, serving more than 4,000 youth and families in the community, to improve public safety and provide court referred youth with the opportunity to become more productive citizens by building on the strengths of youth and their families in the most effective, home-like environment consistent with public safety; and

WHEREAS, State-wide the male youth arrest rate is down 22 percent since 2001, and the average daily population at State JCIs has decreased by more than 35 percent between 2001 and 2008; and

45 WHEREAS, the decreasing reliance on secure facility placements supports  
46 indications that early intervention and programming at the local County level can be  
47 consistent with cost-effective public safety; and

48  
49 WHEREAS, the sustained population declines at Wisconsin's JCI's has raised per  
50 capita costs at the State's two male juvenile institutions, Ethan Allen School in Wales and  
51 Lincoln Hills School in Irma; and

52  
53 WHEREAS, over 70 percent of the Youth Aids funding allocation in Milwaukee is  
54 returned to the State to pay for secure juvenile placements and with the annual placement  
55 cost approaching \$100,000 per youth, the reduction in State daily rates is necessary in  
56 order for counties to sustain the responsible trends toward cost-effective community-based  
57 programs that maintain public safety; and

58  
59 WHEREAS, in April, 2010, Governor Doyle appointed a statewide committee to  
60 determine how best to serve juvenile offenders in the future while reducing costs,  
61 including possible consolidation of the two State male JCI's and/or programming; now,  
62 therefore,

63  
64 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby supports  
65 changes in the operations of juvenile corrections in the State of Wisconsin, including the  
66 possible consolidation of State JCI facilities, that will reduce the rates counties have to pay  
67 to send youth sentenced to State corrections; and

68  
69 BE IT FURTHER RESOLVED, that the Milwaukee County Board of Supervisors  
70 supports a Youth and Family Aids Program funding structure where counties, including  
71 Milwaukee County, can direct additional resources to the implementation of cost-effective  
72 and outcome driven community-based programming; and

73  
74 BE IT FURTHER RESOLVED, that the Milwaukee County Clerk shall forward a copy  
75 of this resolution to the Governor of the State of Wisconsin, the Milwaukee County  
76 Delegation in the State Legislature, and Wisconsin Counties Association by June 28, 2010.

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79 H:\Shared\Research Analysts\Collins\Resolutions\2010\WCA JCI Rates\REVISED WCA JCI  
80 Resolution\_Holloway\_May2010.doc

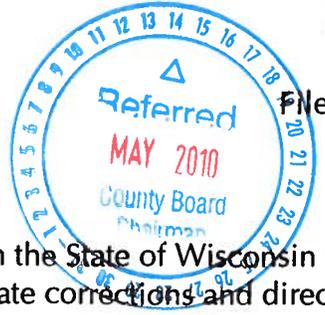
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By Supervisor Holloway

FILE NO. 10-214



File No.

**A RESOLUTION**

supporting changes in the operations of juvenile corrections in the State of Wisconsin that will reduce the rates counties pay for youth sentenced to State corrections and direct additional resources to cost effective and outcome driven community-based programming

WHEREAS, Section 301.031 of the Wisconsin State Statutes requires counties to execute an annual contract with the State Department of Corrections (DOC) for the "Community Youth and Family Aids Program" for the provision of juvenile justice services; and

WHEREAS, the Delinquency and Court Services Division of the Milwaukee County Department of Health and Human Services (DCSD) enters into the annual contract with DOC as DCSD provides the juvenile court with intake and disposition services for youth referred for delinquency and juveniles in need of protection and services; and

WHEREAS, the State Youth Aids payment to Milwaukee County helps fund programs for adjudicated youth as well as court-ordered commitments of Milwaukee County juveniles to State Juvenile Detention Institutions (JCI), however the funding has not increased in proportion to the increased cost of providing services to the aforementioned youth; and

WHEREAS, studies suggest that prolonged institutionalization of youthful offenders may increase the likelihood of further criminal justice involvement and create additional challenges to successful reentry to the community; and

WHEREAS, over the last several years DCSD has invested time, effort, and financial resources to develop smart and responsible alternatives to JCI placement, which is the most restrictive response to youth adjudicated delinquent; and

WHEREAS, as a result, DCSD administers a variety of services and programs, serving more than 4,000 youth and families in the community, to divert youth from court and responsibly provide youth the opportunity to become more productive citizens by building on the strengths of youth and their families in the least restrictive environment that is consistent with public safety; and

WHEREAS, State-wide the male youth arrest rate is down 22 percent since 2001, and the average daily population at State JCIs has decreased by more than 35 percent between 2001 and 2008; and

WHEREAS, the falling rates are clear indications that early intervention and programming at the County level to focus on successful reentry are reducing crime; and

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WHEREAS, the population drop at Wisconsin's JCI's has raised per capita costs at the State's two male juvenile institutions, Ethan Allen School in Wales and Lincoln Hills School in Irma; and

WHEREAS, with the annual cost of placing a youth in JCI's approaching \$100,000, more than 80 percent of the Youth Aids funds allocated to Milwaukee County are sent back to the State to pay for juveniles sentenced by State judges to State JCI's, therefore threatening Milwaukee County's continued ability to fund the more cost effective community-based programs that are succeeding in diverting crime; and

WHEREAS, in April, 2010, Governor Doyle appointed a statewide committee to determine how best to serve juvenile offenders in the future while reducing costs, including possible consolidation of the two State male JCI's and/or programming; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby supports changes in the operations of juvenile corrections in the State of Wisconsin, including the possible consolidation of State JCI facilities, that will reduce the rates counties have to pay to send youth sentenced to State corrections; and

BE IT FURTHER RESOLVED, that the Milwaukee County Board of Supervisors supports a Youth and Family Aids Program funding structure where counties, including Milwaukee County, can direct additional resources to the implementation of cost effective and outcome driven community-based programming; and

BE IT FURTHER RESOLVED, that the Milwaukee County Clerk shall forward a copy of this resolution to the Governor of the State of Wisconsin, the Milwaukee County Delegation in the State Legislature, and Wisconsin Counties Association by June 28, 2010.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** May 14, 2010

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A Resolution supporting changes in the operations of juvenile corrections in the State of Wisconsin that will reduce the rates counties have to pay to send youth sentenced to State corrections and direct additional resources to the implementation of cost effective and outcome driven community-based programming.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" 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 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	0	0
	Revenue	0	0
	Net Cost	0	0
<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.

This resolution supports changes in the operations of juvenile corrections in the State of Wisconsin that will reduce the rates counties have to pay to send youth sentenced to State corrections and direct additional resources to the implementation of cost effective and outcome driven community-based programming.

This resolution has no direct fiscal effect, although staff time will be required to forward copies of the resolution to the Governor, State legislators, and the Wisconsin Counties Association.

Department/Prepared By County Board/Collins

Authorized Signature

Jennifer Collins

Did DAS-Fiscal Staff Review?  Yes  No

<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.

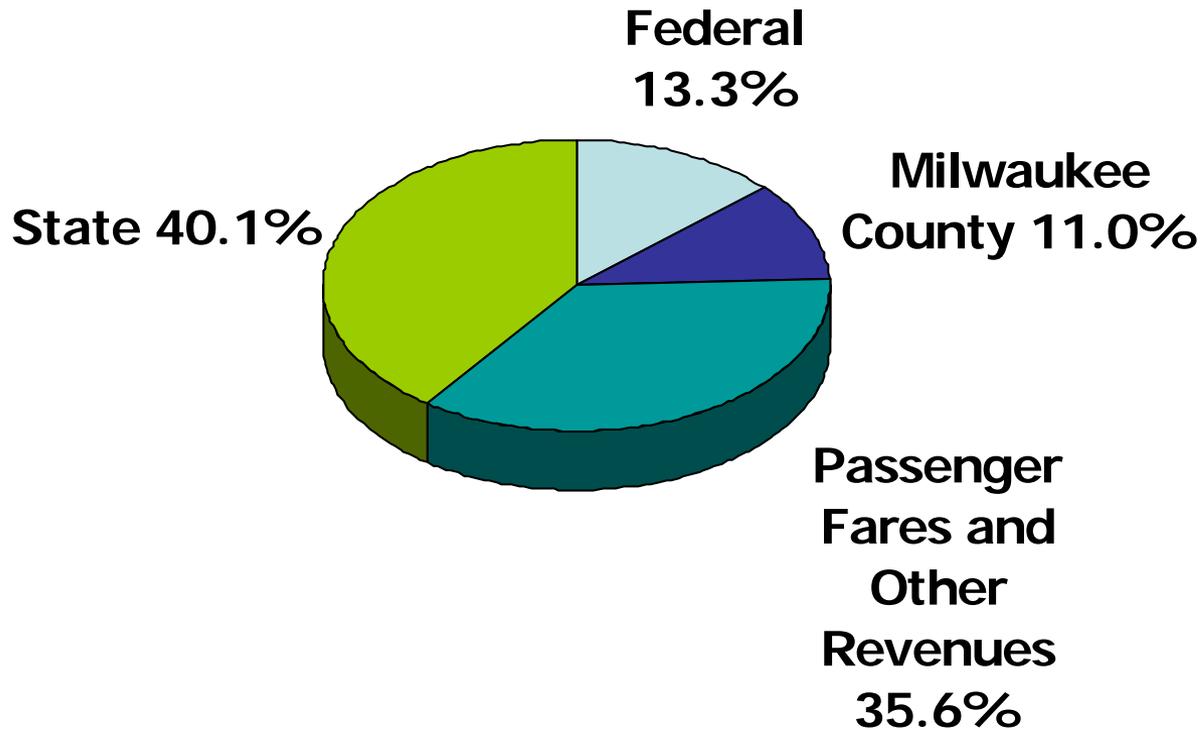


# Milwaukee County Transit System

A System at the Crossroads  
May 2010

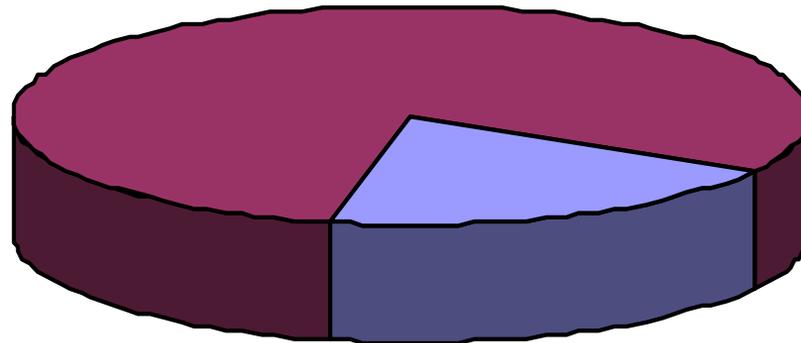
Presented by: Anita Gulotta-Connelly  
Managing Director

# MCTS Operating Budget Revenue Sources



# MCTS Capital Projects Revenue Sources

Federal  
80%



Milwaukee  
County  
20%

# 2010 Operating Budget

## \$ Revenue Sources

- Federal \$23.0 million
- State \$69.5 million
- Passenger Fares and Other Revenue \$61.6 million
- Milwaukee County \$19.1 million

**Total \$173.2 million**

**\$39 million**

**Annual Capital Requirements - \$16-20 million**

- Federal \$16 million
- Local \$ 4 million

# Federal Transit Operating and Capital Assistance

	Average 1999 – 2004	Average 2005 – 2009
Formula Funds	\$17.4 million	\$17.9 million
Earmarks	\$11.0 million	\$ 1.9 million
<b>Total</b>	<b>\$28.4 million</b>	<b>\$19.8 million</b>

# Federal Capital Reserve

- January 2001 \$43.7 million
- January 2005 \$21.1 million
- January 2010 \$ 1.2 million

# Meeting Past Budget Challenges

- Healthcare and Pension

- Eliminated retiree healthcare for all employees hired after 4/1/07.
- Initiated employee premium contributions for healthcare coverage.
- Required that even previously retired individuals must contribute to healthcare costs. *Retirees can pay as much as \$695 per month for out of area coverage.*
- Instituted a smaller network HMO plan with significant deductibles. *Saves several thousand dollars per year per participant.*
- Pension: No drop back provisions. Plan is near fully funded. *Have maintained pension benefits within resources of the fund to pay for those benefits.*
- Employees contribute 15% of the actuarially determined costs of the pension plan.

# Meeting Past Budget Challenges

- Other Actions
  - Use fuel futures to stabilize fuel costs to within budget
  - Non-operating staff reductions
  - Wage freezes
  - Furlough time off
  - Outsourcing vs. internal work
  - Competitive bidding
  - New approaches
  - Overall cost control

# State Audit Conclusions

- Lowest cost per passenger
- Lowest percent of administrative cost
- Highest ridership per capita

# 2011 Budget Gap

$$\begin{aligned} & 2010 \text{ Costs} \\ & + \\ & \text{Increases in Costs Related to Existing} \\ & \text{Employees and Retirees} \\ & + \\ & \text{Increases in Costs for Utilities, Fuel , etc.} \\ & + \\ & \text{Estimated Reductions in Federal and State} \\ & \text{Aids,} \\ & \text{and Other Revenues} \\ & = \\ & 2011 \text{ Budget Gap} \end{aligned}$$

# 2011 Budget Gap

- Assumes no reduction in current service levels
- Assumes no change in staff
- Assumes no Furlough Days in 2011
- Assumes no new services

# 2011 Budget

- The Good News..... ARRA 
  - Transit Capital
  - Low cost financing for local government
- Through the combination of ARRA funds and Milwaukee County Investment, 125 new buses, new fareboxes, a bus stop annunciator system, new roof on the Administration building and new HVAC systems for several MCTS facilities will be purchased in 2010/2011. Local bonding for these projects was done in 2010.
- Total Investment: \$58.4 million
- Federal (including ARRA funds) \$41.2 million
- Milwaukee County \$17.2 million

**\*No other major capital investments are needed for 2011**

**\*Therefore – lack of Federal capital dollars is not an issue for 2011**

# 2011 Budget Gap

## The Challenges:

Adjustment (in millions)  
**Preliminary Estimates**

•2010 Revenue projected to be significantly below budget	\$4.2
•One time adjustment in Medicare Part D revenue in 2010	\$1.7
•Reduction in JARC funding	\$ .7
•Employee/Retiree medical expense	\$3.5
•Fuel	\$1.8
•Expense of Transit Plus ridership increases	\$2.1
•Potential loss of Title XIX funding for Paratransit rides	\$1.8
•Increase in bond interest	\$ .5
<b>Total Increase / Cost to continue</b>	<b>\$16.3</b>

# 2011 Budget Gap

## Known Off-Sets

Adjustment (in millions)  
**Preliminary Estimates**

• Restored Milwaukee County Investment	\$2.1
• Increase in State Revenue	\$1.7
• Non-Operator Employee Reductions made by MCTS	\$1.0
• Pension Contribution Reduction	\$. 6
• Increase in employee/Retiree healthcare Contributions; healthcare plan modifications	\$ .7
<b>Total Known Off-Sets</b>	<b>\$6.1</b>

Budget Gap

\$10.2

# Possible Resolutions

- Additional internal savings
- Additional county investment
- Changes in Paratransit funding
- Changes in Paratransit service area
- Service cuts
- Fare increases
- Other

## Budget Process has just begun.....

- May or may not be able to meet 2011 challenges without impacting service.
- \$10.2 million equals a 14% service cut or 188,000 hours of service per year.
- For 2012, will have similar challenges and will need to purchase additional buses. 30-40 buses with no reserve of Federal dollars – Approximately \$14 million.

Whether the crisis occurs in 2011 or beyond.....

A long term funding solution is required to maintain transit services in Milwaukee.