Scott Walker
Governor

Gary H. Hamblin
Secretary

State of Wisconsin
Department of Corrections

Division of Juvenile Corrections
3099 E. Washington Avenue
Post Office Box 8930
Madison, WI 53708-8930
Telephone (608) 240-5900
Fax (608) 240-3370

Margaret C. Carpenter
Administrator

ADMINISTRATOR'S MEMO TO COUNTIES

MEMO # 11-18

DATE: December 19, 2011

TO: County Departments of Human/Social Services Directors

FROM: Margaret C. Carpenter, Administrator

SUBJECT: **CY 2012 Youth Aids Allocations & Administration**

This memo is to inform you of a number of changes to the CY 2012 Youth Aids Allocations and the administration of Youth Aids. The Youth Aids contracts will be distributed to counties later this month.

Reductions in Youth Aids Funding

There are several reductions in CY 2012 Youth Aids funding. As required under s. 301.031(2g)(b) and s. 301.26(7) of Wisconsin Statutes, Youth Aids allocations cannot exceed available revenues. Therefore, DJC is required to reduce Youth Aids allocations in response to these reductions in funding.

Funding Reductions in 2011 Wisconsin Act 32: $9.8 million

Under 2011 Wisconsin Act 32, the biennial budget act, Youth Aids funding was reduced by $9.8 million per state fiscal year for FY 12 and FY 13. This results in a corresponding decrease in CY 2012 Youth Aids funding of $9.8 million.

Shortfall in Title IV-B Federal Funds: $250,000

As noted in Administrator's Memos to Counties #10-01 and #10-20, the shortfall of Title IV-B federal funds has required the Division of Juvenile Corrections to adjust Youth Aids allocations in order to reflect available revenues. To address the anticipated CY 2012 shortfall, the CY 2012 Youth Aids funding has been reduced by an additional $250,000.

FY 12 & FY 13 Agency Lapses: $3.9 million in CY 12 and $1.7 million in CY 13

The biennial budget act, 2011 Wisconsin Act 32, balanced the budget in part through $174.3 million in anticipated lapses from state agencies. Section 9255(1)(b) of the Act directed the Department of Administration (DOA) to implement the lapses.

In October 2011, DOA Secretary Huebsch released a letter to state agencies requesting agencies to submit plans for the lapses. The Department is developing a lapse plan that will allow it to fulfill its requirement while maintaining fidelity to its mission. The Department also recognizes the counties' need for expedient information

about Youth Aids to fulfill their missions. On balance, the Department is at this time making a reduced allocation available to the counties. It is anticipated that this allocation may be adjusted subsequent to a final determination of the full lapse amount required to balance the state budget and the portion of that lapse assigned to the Department.

DJC has been engaged in ongoing efforts to operate more efficiently and effectively, and in order to meet its share of the lapse requirement, DJC will first use savings generated by those efforts. DJC's largest appropriation outside of Youth Aids is the Juvenile Correctional Services appropriation, which ended FY 11 with a $19.5 million deficit. Because of the deficit, DOC is not permitted to lapse funds from that appropriation. DJC will continue to hold vacancies and reduce expenditures in Central Office and community supervision, in addition to lapsing any cash balances in program revenue appropriations, including the Corrective Sanctions Program appropriation.

However, the available balances and savings are insufficient to meet DJC's anticipated lapse requirement. Therefore, the Department's lapse plan includes reducing Youth Aids funding by an additional $3.9 million for CY 12 and $1.7 million for CY 13. DJC's lapse plans call for lapsing funds from other available appropriations before reducing Youth Aids funding, and we are committed to continuing to seek operating efficiencies in order to do so. We believe this will be in essence, the "worst case scenario" which means that we do not anticipate further reductions. In fact, it is possible that as the economy improves, we may be able to provide additional funding in the future.

In summary, CY 2012 Youth Aids funding will be reduced by:

$	9.8 million	(Act 32 reductions)
$	250,000	(Title IV-B shortfall)
$	3.9 million	(Act 32 lapses)
$	**14.0 million**	**(Total)**

This represents a decrease of 13.8 percent: from $98.2 million in initial CY 2011 allocations to $84.6 million for CY 2012. These reductions in funding will occur through reductions in the Basic State & Community Allocation. In a manner first outlined in Administrator's Memos to Counties #10-01 & #10-20, Youth Aids allocations will be reduced by an amount proportional to each county's share of the 1999 Base Funding amounts. This will distribute the reduction in Youth Aids funding across all counties. The attached schedule includes the allocations to counties, and DJC expects to distribute the CY 12 Youth Aids contracts to counties by the end of December. Again, the Department will make every effort to assure that future adjustments, if any, will be positive.

Changes to the Administration of Youth Aids

In January 2011, the Legislative Audit Bureau (LAB) released a letter report regarding issues found during their work on the State's Comprehensive Annual Financial Report (CAFR). The report identified $5.6 million in Youth Aids expenses that had been incurred in FY 10 but were charged to FY 11 appropriations.

This was a long-standing practice the Department used to manage cash flow between fiscal years, since Youth Aids is funded on a fiscal year basis but administered on a calendar year basis. The entire Basic State & Community Allocation has been available to counties at beginning of the calendar year, and eligible expenses have been reimbursed as reported. In most cases, more Youth Aids funds were spent by counties in the first six months of the calendar year than the last six months.

Through the letter report and the Department's subsequent discussions with DOA & LAB, it was determined that these practices are no longer allowable. Specifically:

- Youth Aids fiscal year expenses cannot exceed fiscal year revenues.
- Youth Aids expenses must be funded in the fiscal year they are incurred.

Therefore, the following changes to the administration of Youth Aids will occur in CY 2012 and will be reflected in the CY 2012 Youth Aids contract:

- The Basic State & Community Allocation will be separated into two portions, one for the period 01/01/12 through 06/30/12, the other for the period 07/01/12 through 12/31/12.
- The Schedule 1 will be modified to reflect the split in the allocation.
- Once the funding allocation portion for the period 01/01/12 through 06/30/12 is exhausted, no further reimbursements will be made until the next funding period begins.
- Only eligible expenses incurred during the appropriate funding period can be reimbursed. For example, expenses incurred in May 2012 would not be eligible for reimbursement from the allocation portion for the funding period 07/01/12 through 12/31/12.
- Any unused Basic State & Community Allocation for the funding period 01/01/12 through 06/30/12 will be carried over into the funding period 07/01/12 through 12/31/12.
- The AODA Allocation will be administered in the same manner as the Basic State & Community Allocation.
- The Corrective Sanctions Program reimbursement will occur semi-annually as opposed to annually.
- Draws of the following year's allocation to pay a balance due from the previous funding year will no longer be allowed.
- In addition, the Department of Administration (as authorized by the Legislature) will be identified as an entity that can modify the budget appropriations of Youth Aids (For example, DOA was authorized to lapse funds in appropriations through 2011 Wisconsin Act 32).

Note that as a result of these changes, the lapse requirements described above must be implemented during the fiscal year in which they are required. Therefore:

- The FY 12 lapse requirement of $3.9 million must be implemented as a reduction in funding available for 01/01/12 through 06/30/12.
- The $1.7 million FY 13 lapse will be implemented in CY 13, as a reduction in funding available 01/01/13 through 06/30/13.

The Department recognizes that these funding reductions will pose a significant challenge to counties. DJC remains committed to partnering with counties in serving the youth under our supervision, and we welcome your suggestions for improving the effectiveness and efficiency of our mutual efforts.

Questions on the memo and attachments should be directed to Shelby McCulley at (608) 240-5957 or Shelby.McCulley@wisconsin.gov.

cc: Gary Hamblin, Secretary, DOC
Chuck Cole, Deputy Secretary, DOC
Dennis Schuh, Executive Assistant, DOC
Silvia Jackson, Assistant Administrator, DOC/DJC
Fredi-Ellen Bove, Administrator, DCF/DSP
Diane Bloecker, Director, Child Welfare Licensing Section DCF/DSP
John Touhy, Director, Bureau of Regional Operations, DCF/DES
Patrick Cork, Director of Area Administration, DHS/OBIP

Greg Van Rybroek, Director, DHS/MJTC
DHS/DCF Area Administrators
DHS/DCF Human Service Area Coordinators
DOC/DJC Management staff
County Youth Aids contacts
Court-attached juvenile court intake offices
Type 2 RCC Providers

DEPARTMENT OF CORRECTIONS
DIVISION OF JUVENILE CORRECTIONS
COMMUNITY YOUTH AND FAMILY AIDS ALLOCATION
CALENDAR YEAR 2012

ATTACHMENT 1

2012 Youth Aids Contract

	1	2	3	4	5
COUNTY	2012 YOUTH AIDS CONTRACT AMOUNT (INITIAL)	RESTRICTED FOR COMMUNITY BASED AODA (INITIAL)	BASIC STATE & COMMUNITY ALLOCATION	BASIC STATE ALLOCATION (RESERVE FOR STATE SERVICES)	BASIC COMMUNITY ALLOCATION
ADAMS	$ 217,505	$ 4,160	$ 213,345	$ -	$ 213,345
ASHLAND	$ 201,045	$ 4,124	$ 196,921	$ -	$ 196,921
BARRON	$ 457,169	$ 8,484	$ 448,685	$ 114,776	$ 333,909
BAYFIELD	$ 127,664	$ 3,606	$ 124,058	$ -	$ 124,058
BROWN	$ 2,172,133	$ 40,573	$ 2,131,560	$ 709,066	$ 1,422,494
BUFFALO	$ 50,266	$ 1,421	$ 48,845	$ -	$ 48,845
BURNETT	$ 173,063	$ 5,254	$ 167,809	$ -	$ 167,809
CALUMET	$ 299,936	$ 5,300	$ 294,636	$ -	$ 294,636
CHIPPEWA	$ 615,666	$ 10,939	$ 604,727	$ 191,955	$ 412,772
CLARK	$ 444,803	$ 9,291	$ 435,512	$ 15,057	$ 420,455
COLUMBIA	$ 367,120	$ 7,124	$ 359,996	$ 202,842	$ 157,154
CRAWFORD	$ 123,611	$ 3,642	$ 119,969	$ -	$ 119,969
DANE	$ 6,130,881	$ 74,973	$ 6,055,908	$ 3,272,340	$ 2,783,568
DODGE	$ 635,544	$ 14,113	$ 621,431	$ 79,647	$ 541,784
DOOR	$ 177,712	$ 5,404	$ 172,308	$ -	$ 172,308
DOUGLAS	$ 943,095	$ 23,752	$ 919,343	$ 14,325	$ 905,018
DUNN	$ 206,250	$ 5,356	$ 200,894	$ -	$ 200,894
EAU CLAIRE	$ 1,055,579	$ 19,965	$ 1,035,614	$ 120,169	$ 915,445
FLORENCE	$ 46,947	$ 1,553	$ 45,394	$ -	$ 45,394
FOND DU LAC	$ 1,027,137	$ 14,471	$ 1,012,666	$ 60,738	$ 951,928
FOREST	$ 77,090	$ 1,417	$ 75,673	$ -	$ 75,673
GRANT	$ 228,873	$ 6,538	$ 222,335	$ -	$ 222,335
GREEN	$ 218,361	$ 5,168	$ 213,193	$ -	$ 213,193
GREEN LAKE	$ 128,832	$ 2,464	$ 126,368	$ -	$ 126,368
IOWA	$ 144,738	$ 4,111	$ 140,627	$ -	$ 140,627
IRON	$ 38,464	$ 1,225	$ 37,239	$ -	$ 37,239
JACKSON	$ 172,776	$ 3,914	$ 168,862	$ -	$ 168,862
JEFFERSON	$ 580,967	$ 13,607	$ 567,360	$ 29,223	$ 538,137
JUNEAU	$ 233,976	$ 6,764	$ 227,212	$ 8,595	$ 218,617
KENOSHA	$ 3,190,826	$ 55,788	$ 3,135,038	$ 811,941	$ 2,323,097
KEWAUNEE	$ 101,743	$ 3,063	$ 98,680	$ -	$ 98,680
LACROSSE	$ 1,225,717	$ 25,197	$ 1,200,520	$ 115,746	$ 1,084,774
LAFAYETTE	$ 67,465	$ 2,156	$ 65,309	$ -	$ 65,309
LANGLADE	$ 345,583	$ 7,851	$ 337,732	$ 102,567	$ 235,165
LINCOLN	$ 355,135	$ 8,502	$ 346,633	$ 160,110	$ 186,523
MANITOWOC	$ 545,724	$ 15,730	$ 529,994	$ -	$ 529,994
MARATHON	$ 1,383,067	$ 30,243	$ 1,352,824	$ 179,922	$ 1,172,902
MARINETTE	$ 487,271	$ 12,383	$ 474,888	$ 59,019	$ 415,869
MARQUETTE	$ 80,146	$ 2,492	$ 77,654	$ -	$ 77,654
MENOMINEE	$ 499,689	$ 10,334	$ 489,355	$ 155,283	$ 334,072
MILWAUKEE	$ 33,260,076	$ 319,200	$ 32,940,876	$ 16,373,292	$ 16,567,584
MONROE	$ 632,406	$ 16,245	$ 616,161	$ -	$ 616,161
OCONTO	$ 339,561	$ 6,042	$ 333,519	$ 83,658	$ 249,861
ONEIDA	$ 551,038	$ 11,089	$ 539,949	$ 148,407	$ 391,542
OUTAGAMIE	$ 1,662,338	$ 35,695	$ 1,626,643	$ 492,780	$ 1,133,863
OZAUKEE	$ 686,470	$ 10,991	$ 675,479	$ 183,933	$ 491,546
PEPIN	$ 54,256	$ 1,471	$ 52,785	$ -	$ 52,785
PIERCE	$ 260,525	$ 7,310	$ 253,215	$ -	$ 253,215

DEPARTMENT OF CORRECTIONS
DIVISION OF JUVENILE CORRECTIONS
COMMUNITY YOUTH AND FAMILY AIDS ALLOCATION
CALENDAR YEAR 2012

ATTACHMENT 1

2012 Youth Aids Contract					
	1	2	3	4	5
COUNTY	2012 YOUTH AIDS CONTRACT AMOUNT (INITIAL)	RESTRICTED FOR COMMUNITY BASED AODA (INITIAL)	BASIC STATE & COMMUNITY ALLOCATION	BASIC STATE ALLOCATION (RESERVE FOR STATE SERVICES)	BASIC COMMUNITY ALLOCATION
POLK	$ 388,380	$ 9,719	$ 378,661	$ -	$ 378,661
PORTAGE	$ 522,758	$ 9,516	$ 513,242	$ 286,704	$ 226,538
PRICE	$ 119,777	$ 3,394	$ 116,383	$ -	$ 116,383
RACINE	$ 4,082,424	$ 70,176	$ 4,012,248	$ 701,925	$ 3,310,323
RICHLAND	$ 100,133	$ 308	$ 99,825	$ -	$ 99,825
ROCK	$ 3,402,420	$ 54,825	$ 3,347,595	$ 665,253	$ 2,682,342
RUSK	$ 200,359	$ 5,467	$ 194,892	$ -	$ 194,892
SAINT CROIX	$ 533,885	$ 12,506	$ 521,379	$ 103,713	$ 417,666
SAUK	$ 607,728	$ 7,091	$ 600,637	$ 103,713	$ 496,924
SAWYER	$ 201,278	$ 3,344	$ 197,934	$ -	$ 197,934
SHAWANO	$ 494,261	$ 11,837	$ 482,424	$ -	$ 482,424
SHEBOYGAN	$ 1,135,407	$ 26,839	$ 1,108,568	$ 314,145	$ 794,423
TAYLOR	$ 196,397	$ 4,494	$ 191,903	$ -	$ 191,903
TREMPEALEAU	$ 127,362	$ 3,760	$ 123,602	$ 61,311	$ 62,291
VERNON	$ 175,902	$ 4,848	$ 171,054	$ -	$ 171,054
VILAS	$ 300,376	$ 3,157	$ 297,219	$ 61,884	$ 235,335
WALWORTH	$ 857,783	$ 18,261	$ 839,522	$ 53,975	$ 785,547
WASHBURN	$ 149,943	$ 4,074	$ 145,869	$ -	$ 145,869
WASHINGTON	$ 1,202,482	$ 23,000	$ 1,179,482	$ 30,942	$ 1,148,540
WAUKESHA	$ 3,251,340	$ 80,720	$ 3,170,620	$ 99,702	$ 3,070,918
WAUPACA	$ 480,896	$ 11,110	$ 469,786	$ 326,037	$ 143,749
WAUSHARA	$ 237,747	$ 6,450	$ 231,297	$ -	$ 231,297
WINNEBAGO	$ 1,685,350	$ 37,502	$ 1,647,848	$ 150,113	$ 1,497,735
WOOD	$ 1,071,329	$ 30,507	$ 1,040,822	$ -	$ 1,040,822
COUNTY TOTAL	$ 84,551,956	$ 1,333,400	$ 83,218,556	$ 26,644,808	$ 56,573,748