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YOUTH AIDS PROGRAM

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 their juvenile delinquency services. In 1998, counties received \$81.2 million in Youth Aids, funded entirely with general purpose revenue.

Before the Youth Aids program was implemented in 1981, the State paid all costs associated with juvenile correctional institutions (JCIs) and each county funded all other juvenile delinquency programs, primarily with state-provided Community Aids and county property tax revenue. There was concern that this system created a financial incentive for counties to place juveniles in JCIs at the State's expense, even when less-restrictive settings were more appropriate. The Youth Aids program, which was created in part to address this concern, provides counties with state aid but also requires counties to assume primary financial responsibility for juvenile delinquency costs.

The Percentage of Costs Covered by Youth Aids Is Declining

During the first several years of the Youth Aids program, available funding allowed counties to cover all costs associated with their JCI placements, as well as services such as programs to prevent delinquency from developing or becoming more serious. Over time, the amount of funding available for services other than secure placements has declined: in 1992, Youth Aids funding covered 64.7 percent of all county juvenile delinquency expenditures. By 1997, the proportion of juvenile delinquency service costs covered by Youth Aids had fallen to 45.4 percent of the \$181.4 million that counties reported spending on these services.

Current Youth Aids Allocations May Not Accurately Reflect Existing Needs

The formula that was developed to allocate Youth Aids funding in 1981 has never been updated with more current data for the three factors upon which it is based: each county's juvenile population, number of juvenile arrests, and number of JCI placements. Using more current data would result in substantial funding changes. This does not indicate that any county is over-funded, only that current state funding levels may not accurately reflect each county's relative need for such aid based on the factors included in the formula.

We found that if each county's 1998 Youth Aids allocation were modified to reflect the most recent data available, several counties would gain funding, including five that would gain over 25 percent. Milwaukee County would receive an additional \$13 million, or 43.6 percent. However, because many other counties would lose funding, the Wisconsin Counties Association opposes any reallocation of existing funds that would lower any county's Youth Aids allocation. Preventing any county from losing funding if the current formula is applied to more current data could cost the State at least \$9.1 million.

Charges for JCI Placements Are Likely to Increase

The Department of Corrections covers the operating costs for the State's six JCIs by charging counties a daily rate for each juvenile residing in a JCI, based upon projected costs and average populations. Counties have raised concerns about the extent to which the daily rate has increased in recent years. From 1992 through 1998, it increased from \$108.75 to \$154.94. This 42.5 percent increase was caused by higher JCI operating costs, the addition of specialized institutions, and declining juvenile populations. Individual counties can reduce their costs by sending fewer juveniles to JCIs, but a smaller average daily population increases the daily rate, which is based primarily on fixed costs such as

maintenance, administration, and security.

The daily rate charged to counties during the 1999-2001 biennium may increase by as much as \$23 per day, or 14.8 percent, when a facility in Prairie du Chien that houses adults becomes a JCI in July 1999. Options for reducing daily rate charges might include eliminating high-cost or specialized JCIs and shifting some JCI costs to other funding sources, but the extent to which any of these options could mitigate daily rate increases varies substantially.

Some Efforts to Reduce County Costs Have Not Been as Successful as Intended

The Legislature has taken steps to assist counties in reducing their juvenile delinquency costs, including increasing the State's responsibility for paying these costs. For example, the Serious Juvenile Offender Program funds the treatment of juveniles who commit specified serious offenses and whose treatment had been funded by counties. To date, however, this program and its predecessor have not been effective sources of financial relief for counties. Placements have been lower than expected, and the programs have been funded, in part, through reductions in county Youth Aids allocations. We estimate the result of these changes has been a decrease in state aid for juvenile delinquency services of \$3.9 million from January 1995 through June 1998.

If counties are to realize the benefits the Legislature intended when it established the Serious Juvenile Offender Program, the Department may need to clarify the program's current legal status in light of a recent Supreme Court ruling, which prohibits the incarceration of juveniles in adult institutions without benefit of jury trials, as had been allowed previously. In addition, the Legislature could consider amending program requirements to make it more likely that counties would make use of the program to reduce their costs.

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