



Legislative Fiscal Bureau

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February 12, 2020

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Type 1 Correctional Facilities -- Agenda Item II

On October 16, 2019, the Department of Corrections (DOC) forwarded a proposal to the Joint Committee on Finance requesting approval for the construction of two Type 1 juvenile correctional facilities. One facility would be sited in the City of Milwaukee, the other in the Town of Hortonia in Outagamie County.

CURRENT LAW -- TYPE 1 CORRECTIONAL FACILITIES

Under 2017 Act 185, the state's 2017-19 building program was modified to enumerate the expansion of the Type 1 facilities at \$25,000,000 general fund supported borrowing. Under 2019 Act 9, bonding authority for Type 1 facilities was transferred to increase bonding authority for local grants to construct secured residential care centers for children and youth (SRCC). Using veto authority, the Governor partially vetoed the language governing \$25 million of bonding authority for a local building project program. The Governor then directed in the veto message that \$22 million of the bonding authority should be used to build Type 1 facilities.

Act 185 created the Juvenile Study Committee in the Department of Corrections to research and develop recommendations no later than November 1, 2018, on optimal locations for the new Type 1 juvenile correctional facilities based on space and security needs, cost, proximity to the populations of juveniles the facilities would serve, and best practices for holding juveniles in secure custody.

The 25-member study committee consisted of the following members: (a) the Corrections Secretary, or designee; (b) the Department of Children and Families (DCF) Secretary, or designee; (c) the Department of Health Services Secretary, or designee; (d) the Superintendent of Public Instruction, or designee; (e) the State Public Defender, or designee; (f) three state representatives, appointed by the Assembly Speaker or the appointed Representative's designee; (g) three state senators, appointed by the Senate Majority Leader or the appointed Senator's designee; (h) two circuit court judges, appointed by the Governor; (i) two district attorneys, appointed by the Governor;

(j) two representatives of law enforcement agencies in Wisconsin, appointed by the Governor; (k) one sheriff, or designee, appointed by the Governor; (L) one representative of a national organization that focuses on eliminating race-based discrimination, appointed by the Governor; (m) one representative of a nonprofit that focuses on issues relating to juvenile justice, appointed by the Governor; (n) one representative of a nonprofit that focuses on best practices for holding juveniles in secured custody, appointed by the Governor; (o) one representative of the county department of social services or human services (“county human services department”) in the county with the highest percentage of juveniles under the supervision of DOC or a county department under ch. 938, Stats., appointed by the Governor; (p) one representative of a county human services department of a county that operates a regional juvenile detention facility that is also an “eligible juvenile detention facility,” appointed by the Governor; (q) one representative of a county human services department of a county other than those previously described, appointed by the Governor; and (r) a resident of the state who has been under Corrections supervision under ch. 938, Stats., or has had a close family member under such supervision, appointed by the Governor. The Corrections and DCF Secretaries served as Co-Chairpersons of the Study Committee and agencies with membership on the Study Committee must provide staff to support the committee functions.

On October 16, 2018, an overview of a Type 1 Prototype was given to the Juvenile Study Committee. Each Type 1 facility would have 32 beds (single occupancy). Each facility was estimated to cost approximately \$30 million to construct. The Committee submitted recommendations on the location of two to three new Type 1 facilities on October 16, 2018, after reviewing a list of state owned properties one located in the Fox Valley area and the other located in Milwaukee. On March 12, 2019, the Governor announced that one Type 1 facility would be located in Milwaukee on county owned property and another in Hortonia in Outagamie County on state owned property.

On May 20, 2019, Corrections presented a capacity analysis to the members of the Juvenile Grant Committee (a 10-member committee created under Act 185) that estimated a capacity need for both SRCC (183) and Type 1 (82) beds based on data from calendar year 2018. On September 16, 2019, updated numbers for both SRCC (177) and Type 1 (73) beds were presented based in part on data from January, 2019, through June, 2019. [Based on data from calendar year 2019, capacity needs are 172 for SRCC's and 83 for Type 1 facilities.]

SUMMARY OF CORRECTION'S REQUEST

On October 16, 2019, Corrections submitted a plan for approval of two Type 1 facilities located in Milwaukee (\$37.2 million) and Hortonia (\$36 million). The proposed Type 1 facilities would cost a total of \$73.2 million in bonding authority and provide a capacity of 64 beds for serious juvenile offenders (SJO) and youth with adult sentences. If the Finance Committee does not approve the plan, the Type 1 facilities cannot be constructed. While the sites and the amount of bonding authority are subject to JFC approval, JFC does not have the authority to provide additional bonding for the project.

The request indicates that based on estimated capacity need for Type 1 facilities, Corrections is requesting approval of two Type 1 facilities. Corrections noted that juveniles in the serious juvenile offender (SJO) program and youth with adult sentences will be the main populations of Type 1 facilities. In addition, Corrections indicates that the number of SRCC beds proposed based on the

statewide plan submitted on October 1, 2019, may not contain sufficient SRCC beds based on estimated capacity need and notes that if there are insufficient SRCC beds, the SRCC youth can be placed in a Type 1 facility. Further, Corrections indicates that the number of youth with treatment needs that can be placed in MJTC is unknown.

The proposed location of the Hortonia Type 1 facility was recommended by the Juvenile Study Committee based on a list of state owned properties. The proposed location of the Milwaukee Type 1 facility is a few blocks from the state owned location recommended by the Juvenile Study Committee and is currently owned by the county. The budget in the request indicates a land acquisition cost in Milwaukee of \$435,500.

The request indicates that the sites will reach substantial completion in November, 2021, and final completion in February, 2022. It is unclear when occupancy of the facilities may occur. While both of these dates are after the July 1, 2021 statutory deadline approval of the request could not extend the statutory deadline.

FUNDING

Under 2017 Act 185 and 2019 Act 9, no bonding is specifically authorized for building Type 1 facilities. The project, however, remains enumerated at \$25 million. Given that Corrections' proposal includes \$73.2 million in bonding authority, \$73.2 million is required to fully fund the proposal. Further, the statutory enumeration would need to be increased if there is support for the proposal as submitted. Legislation could provide the bonding authority and increase the enumeration.

The 2019-21 budget as passed by the Legislature, would have provided \$25 million of general fund supported borrowing for a grant program to assist non-state organizations to carry out construction projects having a public purpose of the \$25 million, of which the bill earmarked \$3 million for a project in the City of Wisconsin Rapids. In exercising his partial veto authority, the Governor left the Wisconsin Rapids project, but the remaining \$22 million would be for "construction projects having a public purpose." In the veto message, the Governor indicated that he is directing the \$22 million to support construction of a Type 1 facility.

The Committee could approve the request to construct the Type 1 juvenile facilities at the City of Milwaukee and Town of Hortonia. However, because construction could not commence without sufficient enumeration and bonding authorization, the Committee could deny the request and consider it once sufficient bonding authority has been provided.

ALTERNATIVES

1. Approve the request to construct two Type 1 juvenile facilities at the locations specified in the City of Milwaukee and the Town of Hortonia.
2. Deny the request.

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