

**2007-2009 STATE BUDGET PUBLIC HEARING**  
**Testimony of Rob Henken, Director**  
**Milwaukee County Department of Administrative Services**  
**March 20, 2007**

Good afternoon. My name is Rob Henken, and I am the Director of the Milwaukee County Department of Administrative Services. Prior to March 1, I was Director of the County's Department of Health and Human Services. Given that the wide range of County issues and concerns has been and will be covered by other County officials, and in light of my previous position, I will focus my remarks today primarily on Human Services.

DHHS' five program areas – Delinquency and Court Services, Disabilities Services, Economic Support, Behavioral Health and County Health Programs – provide services to more than 200,000 people annually, or more than one in five Milwaukee County residents. The Department's total budget exceeds \$400 million, and of that amount, more than \$260 million comes from State and Federal aids. It is obvious, then, why your decisions on the State Budget hold such great importance to the Department and to our community.

I would like to focus my brief remarks today on two areas of concern. By far the greatest – because of its direct budgetary impact – is the **proposed rate increase in the Department of Corrections budget for youth sentenced to State Juvenile Correctional Institutions.**

As you are aware, DHHS is billed by the State for the cost of Milwaukee County juveniles sentenced by the judiciary to one the State's secured correctional facilities. Per State Statutes, DHHS also funds a broad range of additional juvenile delinquency-related services, including probation services and community-based treatment programs. We receive a Youth Aids allocation of \$32.3 million per year to offset some of these costs, but we also will add \$14 million in property tax levy to this area in 2007.

During the past several years, due to a concerted joint effort between Children's Court judges and our juvenile justice staff, Milwaukee County has seen a remarkable decrease in commitments to the State facilities. For example, between 2000 and 2006, we cut our institutional commitments from 354 to 184.

Given that the annual cost of imprisoning a juvenile is \$76,000, and the annual cost of placing a juvenile in one of the County's alternative programs ranges from \$12,000 to \$52,000, this has saved considerable taxpayer dollars. But that is only part of the story. Perhaps an even bigger part is the impressive outcomes for youth served by programs such as FOCUS, Firearm and Serious Chronic Offender. For example, in 2006, 39 youth completed the Firearm program and were discharged successfully, while only 3 ended up in Corrections.

Unfortunately, our ability to provide more cost effective and better treatment options for delinquent youth is threatened by the huge JCI rate increase contained in the Governor's budget. This increase – from \$209 per day to \$269 in the first year of the

biennium, and \$279 in the second year – would increase the cost of an annual placement to \$102,000 per year. The fiscal impact on Milwaukee County would be approximately \$3.5 million in 2007 and \$6.4 million in 2008.

Of course, we are quite thankful for the significant proposed increase in Youth Aids funding of \$27.7 million over the biennium, but our preliminary calculations indicate that Milwaukee County's share of this increase would barely cover the cost of the rate increases. This would essentially preserve the existing situation in which more than \$14 million of property tax levy is required to fulfill the State-mandated responsibility of serving delinquent youth.

Our bottom line request to the Joint Finance Committee is to do exactly what you did two years ago – re-examine the proposed JCI rate increase and bring it more in line with the rate of inflation. On top of that, please preserve a significant increase in our Youth Aids allocation to make up for several years of flat funding and to ensure that we continue to have the wherewithal to invest dollars in community-based programs that provide a better deal for taxpayers and better outcomes for troubled youth.

The second area of concern that I would like to briefly highlight is **Income Maintenance funding**. On its face, the Governor's budget provides level funding for the base IM appropriation. However, similar to the scenario that emerged after submission of the Governor's 2005-07 Budget, the 2007-09 Budget does not take into account the need for \$4.1 million in supplemental IM funding in each year of the biennium to truly make counties whole. This could mean a shortfall for Milwaukee County of between \$1.3 million and \$2.7 million each year, depending on the method utilized by DHFS to distribute the cut.

Two years ago, the Joint Finance Committee approved an amendment to provide \$3.7 million of the \$4.1 million for the first year of the biennium. With that extra boost, DHFS was able to identify the dollars to make counties whole for each year of the biennium. We urge you to take similar action in this Budget. As our Milwaukee legislators know all too well, our Economic Support Division already is well short of the resources it needs to properly service its huge IM caseload, despite the infusion of more than \$2 million in property tax levy in this mandated function. We simply cannot absorb additional cuts without a devastating impact to those who depend on us to promptly determine and sustain their eligibility for desperately needed Food Share, Child Care and Medicaid benefits.

Finally, I would like to put my Administrative Services hat back on just long enough to urge you to support the Pension Obligation Bond language in the Governor's Budget. The ability to issue long-term POB's could be a critical component of our efforts to right the County's financial ship by giving us the ability to finance our unfunded pension obligation in a responsible and meaningful fashion. In 2003, the State took similar steps to finance its unfunded prior service liabilities for employee pensions, and we are simply looking for the same flexibility.

Thank you for the opportunity to appear before you this morning. I wish you well in the difficult task that is before you.