Secure Residential Care Centers for Children and Youth (SRCCCY)

Issue Paper

I. Background

In 2017, the Wisconsin Legislature enacted Act 185 to reform the state's juvenile corrections system by replacing Lincoln Hills/Copper Lake with smaller, regional Secure Residential Care Centers for Children and Youth (SRCCCYs). The goal was to place youth closer to home, in safer and more treatment-focused environments, while maintaining strong community ties and supporting successful reentry.

Act 185 required the closure of Lincoln Hills and Copper Lake by January 1, 2021, or once all youth had been transferred to SRCCCYs or new Type 1 facilities. Although that deadline has passed, both facilities remain open under interim arrangements. Building county-operated SRCCCY capacity is essential to fully carry out the Legislature's mandate and end reliance on the large, outdated institutions.

Racine County opened the Jonathan Delagrave Youth Development and Care Center (JDYDCC) in May 2025, becoming the state's first operational SRCCCY. Milwaukee County will soon open the second. Together, these facilities represent the first practical test of Wisconsin's new youth justice model.

As implementation begins, Racine and Milwaukee Counties have identified statutory ambiguities and fiscal pressures that, if left unaddressed, could jeopardize the success of Act 185. These include unclear authority for housing youth under different placement statutes, the higher cost of female programming, and the structural mismatch between daily rates and actual operating expenses. Without clarification and targeted support, counties may be forced to divert Youth Aids away from community-based programming undermining both the original intent of Act 185 and the state's broader youth justice

reform-while still falling short of counties' funding needs to support and sustain the SRCCCYs.

II. FY25 One-Time Start-Up Stabilization Funding

As Wisconsin's first SRCCCY, the JDYDCC has incurred unanticipated start-up expenses that place the facility at risk of a structural deficit. Two major factors contributed:

- The Department of Corrections reduced the daily rate at Lincoln Hills, making the state facility temporarily more cost-competitive and reducing JDYDCC enrollment below projected levels.
- Because Racine was the first to open a SRCCCY, it faced start-up costs that future counties will be able to avoid once standards are established.

Racine County's current operating deficit is $2.5 million-- nearly one-quarter of the center's annual budget. Without one-time support, JDYDCC will enter FY26 in a structural deficit, undermining the viability of Wisconsin's first SRCCCY and the Legislature's broader reform goals under Act 185.

Request: Allocate $2.5 million in one-time state resources in FY25 to stabilize JDYDCC operations during this critical first year. This investment will ensure the state's first SRCCCY succeeds and provide a stronger foundation for Milwaukee County and future operators as the Act 185 model expands.

III. Ongoing Operational Funding and Youth Aids Bonus

Youth Aids were created to support community-based prevention and intervention programs, not correctional operations. Under current funding structure, SRCCCY operations must be paid from the same Youth Aids allocation. This diverts dollars away from the very programs aimed at keeping youth out of secure care, undermining the Legislature's original intent.

Act 185 attempted to address this by creating a Youth Aids "bonus" for counties operating SRCCCYs, capped at $750,000 or 15% of the county's prior-year allocation, whichever is less. In practice, this means many counties, including Racine, receive insufficient funding that is significantly less than the maximum allocation, even though their operating costs remain the same. Without a correction, Milwaukee could face the same inequity when its SRCCCY opens, despite carrying comparable costs.

Meanwhile, the state pays the full operating costs of its own facilities like Lincoln Hills/Copper Lake while counties must fund SRCCCY operations out of Youth Aids. As a result, counties that stepped forward to implement Act 185's reforms are penalized, while state facilities continue to operate with dedicated support.

To preserve the integrity of Youth Aids and ensure SRCCCYs can operate sustainably, we propose establishing a separate state-funded operational support allocation for SRCCCYs, consistent with how the state funds its own facilities. This also requires clarifying that Milwaukee County is eligible for the same maximum bonus payment to avoid inequities created by the current formula.

Racine County Request:

- An additional $1.5 million in annual operational support to ensure safety and security services are able to be preserved with unpredictable regional demand.
- Preserve the full $750,000 bonus Youth Aids allocation for Racine to support community-based programs, ensuring those funds continue to provide prevention and community-based services that keep youth out of detention in the first place.

Milwaukee County Request:

- An additional $4 million in ongoing operating support is needed to expand and strengthen critical rehabilitative programming within the SRCCCY to ensure the necessary staffing level for kids in secure care as they transition to the community.

This investment will enable us to fulfill the Wisconsin Model of Juvenile Justice which envisions evidence-based treatment to support desistance, reduce recidivism, and improve the safety and outcomes for participants and staff. Due to increased out-of-home rates and a higher number of youth placed in out of home care as well as future uncertainty around the State's daily rates, Milwaukee County cannot fully implement this model without additional resources.

Service Descriptions for Milwaukee County's Request:

1. **Fully implement Dialectical Behavior Therapy (DBT)**

   DBT is an evidence-based treatment shown to reduce self-harm, behavioral incidents, and psychiatric crises while improving emotional regulation and interpersonal functioning.

   Staffing requirement: To deliver DBT with fidelity, we must maintain a 4:1 participant-to-staff ratio. Meeting this standard requires adding 21 direct-care and clinical positions.

2. **Programming/Services**

   Sexual Behavior Treatment Therapy: Provides targeted intervention for individuals at high risk of reoffending, supporting community safety and rehabilitation.

   Substance Use Disorder Treatment: Evidence-based programming would address addiction to reduce relapse and future justice involvement.

   Restorative Justice: Facilitates accountability, victim-centered healing, and community reintegration, lowering recidivism.

   Anger Management and Art Therapy: Improves emotional regulation, coping skills, and prosocial behavior.

3. **Culinary Arts Program and Vocational Readiness**

   Culinary arts provide practical job skills and workforce experience to improve a youth's ability to secure employment upon release. Vocational career exploration and readiness services (career counseling, job placement support, resume and interview training) reduce barriers to employment and support a youth's transition to the community.

IV. Female Housing – Operational Deficit

Female housing presents a unique challenge for SRCCCYs. Because the female population is smaller, centers must operate with a lower census but require higher staffing ratios, more intensive supervision, and specialized programming. This

combination results in increased per-bed costs and creates a structural deficit that counties cannot absorb without sufficient state support.

As identified in statute, counties cannot simply raise rates to cover the gap. Female placements are low in number, which means high staffing and program costs must be spread across a very small census. If rates are increased to reflect the true cost of care, other counties will avoid placements they cannot afford under their limited Youth Aids allocations. This presents a “catch-22” for counties in housing female youth, leaving a gap counties can’t fix on their own that requires state support.

Milwaukee and Racine County Request: Clarify the mechanism to ensure counties can be reimbursed timely to cover operating deficits in female SRCCCY units. This will provide ongoing stabilization funding to ensure parity between male and female housing. Coordination with Milwaukee County should also be considered to align statewide practice and ensure equitable access to secure programming for girls.

V. Staff Training - Standards with Act 185

Act 185 was created to move Wisconsin away from a corrections-only model and toward trauma-informed, treatment-oriented care for youth. Yet current staff training requirements for SRCCCYs mirror those for adult jail staff, relying heavily on enforcement-focused academies such as Principles of Subject Control (POSC). While POSC provides important safety tools, it does not adequately address child and adolescent brain development, trauma-informed practices, or evidence-based behavioral interventions.

As a result, counties are forced to “tack on” social-service components after the fact, leaving staff to reconcile competing approaches rather than receiving training in an integrated model. This undermines the very goals Act 185 was designed to achieve.

Milwaukee and Racine County Request:

- Direct the Department of Corrections to develop a statewide SRCCCY training standard that integrates trauma-informed care, youth brain development, cognitive-behavioral and behavioral principles with de-escalation tailored for minors.
- Provide funding for either a state-developed curriculum (similar to the current jail academy) or a regional training consortium that counties could access together.

- Ensure new staff training standards are consistent with the treatment-oriented vision of Act 185, positioning SRCCCYs as fundamentally different from adult jails.

VI. Requested Action

The goals of Act 185 are still achievable, but they depend on legislative clarification and support. Counties cannot close these gaps alone and swift legislative action is needed. Racine and Milwaukee counties request the following actions:

1. FY25 One-Time Start-Up Stabilization Funding

Allocate $2.5 million in one-time funding in FY25 to stabilize JDYDCC operations during its first year. As Wisconsin's first SRCCCY, Racine faced unexpected start-up costs and enrollment shortfalls that should not be allowed to undermine the success of Act 185.

2. Ongoing Operational Funding and Youth Aids Bonus

Establish a separate, state-funded operational support allocation of $1.5M for Racine and $4M for Milwaukee; clarify Milwaukee's eligibility for the same bonus as Racine, and preserve the existing bonus of $750,000 in Youth Aids in order to appropriately invest in prevention/community programs.

3. Female Housing - Operational Deficit

Determine a timely reimbursement mechanism from the Department of Corrections to cover operating deficits in female SRCCCY units. This ensures equitable access to secure programming for girls in Southeastern Wisconsin.

4. Staff Training Standards

Direct the Department of Corrections to create an SRCCCY-specific training curriculum that integrates trauma-informed care, youth brain development, CBT/DBT principles, and de-escalation for minors—rather than relying solely on adult jail academies like POSC.

Issue/Existing Law	Barrier Created	Proposed Change
Start-Up Costs (Racine's JDYDCC)	First-mover disadvantage; enrollment suppressed by temporary lower Lincoln Hills rates; $2.5M current deficit.	Provide one-time $2.5M stabilization funding in FY25.
Ongoing Operational Funding	SRCCCY operations draw from the same pool as prevention programs; Act 185 "bonus" capped at $750k/15% of prior year's allocation, often far less. Creates inequity vs. fully state-funded facilities.	Establish a separate, state-funded operational support allocation ($1.5M for Racine and $4M for Milwaukee). Clarify Milwaukee is eligible for full bonus. Preserve Racine's bonus with a full $750k allocation in Youth Aids for prevention/community work.
Female Housing Operational Deficit	Low and unpredictable female census leads to operational deficit.	Define mechanism for DOC to cover the deficit directly so female units are sustainable and equitable.
Staff Training Standards	Current requirement mirrors adult jail academy (POSC), misaligned with trauma-informed, youth-focused care.	Direct DOC to develop an SRCCCY-specific curriculum integrating CBT/DBT, trauma-informed practices, youth brain development, and de-escalation for minors.

VII. Fiscal Summary (Preliminary)

- One-time FY25 request (JDYDCC start-up stabilization): $2.5 Million
- Ongoing operational support :
  - $4M ongoing operational support for Milwaukee County
  - $1.5M ongoing operational support for Racine County
  - Preserve the full $750K bonus for Racine County to utilize Youth Aids as intended for community-based work.
  - These allocations should be subject to annual increases based on CPI.

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