



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #240

Juvenile Population Estimates, Daily Rates and Population-Related Cost Adjustments (DOC -- Juvenile Corrections)

[LFB 2005-07 Budget Summary: Page 133, #1, Page 134, #2, and Page 139, #10]

CURRENT LAW

Daily rates for juvenile care in a given biennium are specified in statute by fiscal year for secured correctional facilities, the corrective sanctions program, state aftercare supervision, and for each type of alternate care setting: residential care centers for children and youth, group homes, treatment foster homes and foster homes. An average daily rate is calculated for secured correctional facilities, state aftercare supervision, and the corrective sanctions program based on the projected annual cost and the estimated average daily population (ADP) for each type of care. Alternate care rates are determined by applying percentage adjustments to prior daily rates for each type of care.

GOVERNOR

Reestimate the juvenile secured correctional facility ADP from 800 in 2004-05 to 650 in both 2005-06 and 2006-07, as shown in Table 1. Population projections for the corrective sanctions program, aftercare services, and alternate care are also included in Table 1. The population projections include juveniles in the state-funded serious juvenile offender (SJO) program. Under the bill, the population projections in the table are used in the calculation of daily rates for each type of care, excluding alternate care.

TABLE 1
Juvenile Average Daily Population

<u>Type of Placement</u>	<u>Year-to-Date ADP thru March 31, 2005</u>	<u>Projected ADP</u>	
		<u>2005-06</u>	<u>2006-07</u>
Secured Correctional Facilities	660	650	650
Other Placements			
Corrective Sanctions	141	136	136
Aftercare Services	<u>130</u>	<u>167</u>	<u>167</u>
Subtotal -- Other	271	303	303
Total ADP	931	953	953
Alternate Care*	84	114	114

*Alternate Care is a subset of Aftercare Services and includes residential care centers, group homes, foster homes and treatment foster homes.

Include the following population-based cost adjustments in the cost basis for determining the statutory daily rates: (1) -\$192,000 PR in 2005-06 and -\$180,500 PR in 2006-07 for food costs at juvenile correctional institutions; (2) -\$164,700 PR annually for variable non-food costs (such as laundry, clothing and personal items) for institutionalized juveniles; and (3) \$183,900 PR in 2005-06 and \$343,600 PR in 2006-07 to reflect juvenile health care cost increases.

Table 2 summarizes the statutory daily rates that would be established under the bill based on the Governor's population projections and total funding recommendations. These daily rates would be charged to counties or to the state (for certain serious juvenile offenders) for juvenile correctional services provided or purchased by the Department.

TABLE 2
Statutory Daily Rates

<u>Type of Placement</u>	<u>Statutory Rates</u>	<u>AB 100</u>	
	<u>7-1-04 thru 6-30-05</u>	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Secured Correctional Facilities*	\$187.00	\$218.00	\$224.00
Corrective Sanctions	87.00	89.00	91.00
Aftercare Supervision	26.00	27.00	27.00
Residential Care Centers	239.00	227.00	235.00
Group Homes	149.00	170.00	179.00
Treatment Foster Homes	92.00	85.00	89.00
Regular Foster Homes	49.00	51.00	54.00

*Including transfers from a secured correctional facility to the Mendota Juvenile Treatment Center.

DISCUSSION POINTS

1. The secured facilities include Ethan Allen School, Lincoln Hills School, Southern Oaks Girls School, the SPRITE adventure-based education program, and the Mendota Juvenile Treatment Center. In 2003-04, an ADP of 693 juveniles was under state supervision in a secured correctional facility. Through March 31, 2005, the 2004-05 ADP of juveniles placed at secured correctional facilities is 660.

2. Under the corrective sanctions program, certain juveniles are placed in the community following release from a juvenile correctional facility and are provided with intensive surveillance and a range of community-based treatment services. The intensive surveillance component of the program must be available 24-hours-a-day, seven-days-a-week, and DOC may provide electronic monitoring of program participants. In 2003-04, an ADP of 161 juveniles was under corrective sanctions supervision. Through March 31, 2005, the 2004-05 ADP of juveniles placed in corrective sanctions is 141.

3. Aftercare supervision is provided to juveniles under state supervision following release from a juvenile correctional facility. A juvenile provided with aftercare supervision may be placed in an alternate care setting, a relative's home or the juvenile's own home. In 2003-04 an ADP of 178 juveniles was under aftercare supervision. Through March 31, 2005, the 2004-05 ADP of juveniles placed in aftercare is 130.

4. Alternate care includes residential care centers for children and youth, group homes, foster homes and treatment foster homes. The average daily population for alternate care is a subset of aftercare services. In 2003-04 an ADP of 121 juveniles received alternate care services. Through March 31, 2005, the 2004-05 ADP of juveniles placed in alternate care settings is 84. [The alternate care population projections and costs are discussed in Paper #241.]

5. Each type of state-provided care (secured correctional facilities, corrective sanctions program, and aftercare services) has a different mix of annual costs that must be determined as accurately as possible during each budget cycle. An average daily rate is then calculated for each type of care for each year based on these projected annual costs and the estimated ADP during each year for that type of care.

6. Either the counties or the state are charged the resulting daily rate for each juvenile provided with the service. In the case of the counties, this daily rate may be paid through GPR youth aids allocated to each county on a calendar year basis, or through other county funding, if state youth aids funding is not available. The care and treatment of certain extended jurisdiction and serious juvenile offenders is paid by the state from the GPR-funded serious juvenile offender appropriation.

7. The projected juvenile population for a given budget cycle is a critical determination since it affects the rates charged to counties and to the state's serious juvenile offender appropriation. When the costs of care remain relatively fixed, it is the variation in juvenile population projections that most affects changes in the daily rates. If the population is projected to

increase, the average daily rates will decrease. Conversely, if juvenile populations are projected to decline, the daily rates will increase.

Juvenile Institutional Population

8. Juvenile populations in secured correctional facilities have varied over time. A dramatic five-year growth period occurred in the years 1991-92 through 1995-96, when the ADP for institutional care grew from 671 to 1,038. Table 3 summarizes the changes to juvenile populations that have occurred in the 10 fiscal years since that time.

TABLE 3

Juvenile ADP Changes (1995-96 through 2004-05)

<u>Year</u>	<u>ADP</u>	<u>% Change</u>
1995-96	1,038	--
1996-97	946	-8.9%
1997-98	925	-2.2
1998-99	965	4.3
1999-00	949	-1.7
2000-01	953	0.4
2001-02	869	-8.8
2002-03	799	-8.1
2003-04	693	-13.9
2004-05*	659	-4.9

*Estimated, based on actual ADP data through March 31, 2005.

9. The decline to 946 juveniles in 1996-97 and to 925 juveniles in 1997-98 may be attributed, in large part, to a statutory change, effective January 1, 1996, that treated 17-year-old offenders in Wisconsin as adults. The population decline in recent years is more likely the result of several other interrelated factors.

10. First, declining juvenile arrest statistics are likely to have contributed to this trend. Between 1992 and 1996, juvenile arrests for violent crime averaged 2,410 annually, and juvenile arrests for serious property crime averaged 29,581 annually. In the period 1997 through 2003, juvenile arrests for violent crime averaged 2,111 annually (a 12.4% decrease), and juvenile arrests for serious property crime averaged 21,830 annually (a 26.2% decrease). As a result of these trends, it would be expected that placements at secured juvenile correctional facilities would also decline.

11. Second, the total number of juveniles within the juvenile age cohort is generally declining in Wisconsin. According to DOA demographic projections, juvenile populations are expected to decline for the 10 to 16 year old age cohort by 0.7% between 2000 and 2005, and by

7.1% between 2000 and 2010. This decline in juvenile population is expected to continue until about 2013, before trending upward again.

12. Finally, some of the decline in ADP at the secured juvenile correctional facilities may be due to counties attempting to limit placements at state institutions and instead placing some juveniles in less expensive local, community settings. Presumably such placements would not occur for juveniles committing more serious offenses, but could be a factor in the placement of juveniles who commit somewhat less serious offenses. In these less serious cases, courts may have more discretion to select different care and treatment options and may choose a less expensive setting for certain appropriate juveniles. There is no data available to assess the importance of this factor, but news accounts have reported such occurrences as a response to the increasing costs for state institutional care of juveniles and the fiscal pressures on county budgets.

13. The Governor's ADP estimate for secured juvenile correctional facilities (650 in both 2005-06 and 2006-07) is identical to that made in DOC's biennial budget request. The Department's estimate was developed in the summer of 2004 and was based on the population trends experienced in 2002-03 and 2003-04.

14. In 2002-03, the ADP for secured juvenile correctional facilities totaled 799 juveniles. In the first half of 2003-04, the period July through December, 2003, this ADP declined to 703. In the final half of the fiscal year, January through June, 2004, the ADP continued to fall to 682. This decline in ADP continued from July through December, 2004, with ADP totaling 653. The projections under the bill of an ADP of 650 annually are based on this history of decline.

15. However, in the first three months of 2005, this ADP has averaged 672 juveniles (although preliminary data for April and early May indicates a somewhat lower average ADP of 656). Arguably, the decline observed over the past two years may have halted. Based on this more recent data, it would not be unreasonable to assume that the juvenile ADP may have stabilized at a level somewhat higher than the 650 ADP estimated under the bill.

16. Consequently, the Committee could act to modify the projections under the bill by utilizing an annual ADP of 660 based on this more recent population data. Such an increase in the ADP estimate would also require that expenditure authority be adjusted for certain population-related costs by an additional \$34,300 PR in 2005-06 and \$36,800 PR in 2006-07 (\$4,900 annually for food, \$11,000 annually for variable non-food costs, and \$18,400 in 2005-06 and \$20,900 in 2006-07 for juvenile health care costs).

17. Notwithstanding these population-related cost increases, this alternative would result in somewhat lower daily rates for institutional care. This ADP adjustment would lower the daily rates from \$218 under the bill to \$215 in 2005-06 and from \$224 to \$221 in 2006-07.

18. As noted above, daily rate calculations also depend on the total projected costs for each type of care. The cost basis used for the calculation of institutional daily rates under the bill reflects the sum of base funding for the juvenile correctional services appropriation, standard budget adjustments made to this appropriation, and those additional changes to base funding that are

proposed under the bill. Potential changes to the estimates of the cost basis underlying the daily rate calculations are addressed by the Committee under separate papers on: (a) population-related position reductions and reallocations (Paper #242); and (b) the juvenile correctional services program revenue deficit (Paper #246). The Committee's decisions on these issues may further affect the daily rates for juvenile care.

19. Finally, it should be noted that standardized population-related variable costs (food, variable non-food, and health care) for institutionalized juveniles under the bill are based on assumptions about the number of juveniles residing at each secured juvenile correctional facility. The assumptions included under the bill are not supported by more recent placement data and should be reestimated.

20. Expenditure authority under the Governor's recommendation should be reduced by \$9,000 PR in 2005-06 and \$9,100 PR in 2006-07 to reflect the following adjustments: (a) -\$9,000 in 2005-06 and -\$9,100 in 2006-07 for food costs at secured juvenile correctional facilities; (b) \$100 annually for variable non-food costs; and (c) -\$100 PR annually for juvenile health care costs.

Corrective Sanctions Program

21. DOC is required by statute to provide a corrective sanctions program to serve an ADP of 136 juveniles in not less than three counties, including Milwaukee County. The Department may also serve an average daily population of more than 136 juveniles, if the corrective sanctions appropriation is supplemented and the number of authorized positions for the program is increased, or if funding and positions to serve a higher number are otherwise available. The Department is required to place program participants in the community, provide intensive surveillance of each participant, and provide an average of not more than \$3,000 per year per placement to purchase community-based treatment services for each participant.

22. As noted previously, the actual ADP for the corrective sanctions program in 2003-04 totaled 161. In 2004-05 the ADP has been steadily declining and, through March 31, 2005, the total ADP is now 141. The ADP projection under the bill of the statutorily required number of juveniles (136) appears to be reasonable at this time, given these trends and the general decline of institutional populations of juveniles in state care.

Aftercare Supervision

23. Finally, aftercare supervision, which is provided to juveniles under state supervision (including those in alternate care settings) following release from a juvenile correctional facility, had an ADP of 178 juveniles in 2003-04. Through March 31, 2005, the 2004-05 ADP of juveniles placed in aftercare is 130, and for the three-month period January through March, 2005, the aftercare ADP has been 117. It appears that the decline in juvenile populations experienced at the secured facilities is also affecting aftercare populations.

24. At this time, the aftercare ADP estimate under the bill of 167 annually in 2005-06 and 2006-07 does not appear to be supported by recent data. Based on current aftercare placement data and further discussions with Departmental officials, an aftercare ADP totaling 125 juveniles

annually in 2005-06 and 2006-07 would appear more reasonable for budgeting purposes. A decrease in ADP to this level would increase daily rates for aftercare supervision from \$27 under the bill to \$36 in both 2005-06 and 2006-07, an increase of \$9.

ALTERNATIVES

1. Approve the Governor's recommended average daily population estimates for juvenile care, as follows: (a) 650 juveniles in both 2005-06 and 2006-07 at secured correctional facilities; (b) 136 juveniles in both 2005-06 and 2006-07 for the corrective sanctions program; and (c) 167 juveniles in both 2005-06 and 2006-07 under aftercare supervision. In addition, modify the Governor's recommendation by deleting \$9,000 PR in 2005-06 and \$9,100 PR in 2006-07 to reflect a reestimate of the following population-related variable costs: (a) -\$9,000 in 2005-06 and -\$9,100 in 2006-07 for food costs; (b) \$100 annually for variable non-food costs; and (c) -\$100 PR annually for juvenile health care costs. Establish the following statutory daily rates for state-provided services.

	<u>Statutory Rates</u>	
	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Secured Correctional Facilities	\$218.00	\$224.00
Corrective Sanctions	89.00	91.00
Aftercare Supervision	27.00	27.00

<u>Alternative 1</u>	<u>PR</u>
2005-07 FUNDING (Change to Bill)	- \$18,100

2. Provide \$34,300 PR in 2005-06 and \$36,800 PR in 2006-07 (\$4,900 annually for food, \$11,000 annually for variable non-food costs, and \$18,400 in 2005-06 and \$20,900 in 2006-07 for juvenile health care) and reestimate average daily population estimates for juvenile care at secured correctional facilities at 660 juveniles in both 2005-06 and 2006-07. Maintain the ADP estimates under the bill for the corrective sanctions program (136 juveniles annually) and aftercare supervision (167 juveniles annually). Provide the following statutory daily rates for state-provided services. *[This alternative adjusts the ADP for secured correctional facility placements and modifies the associated daily rates. No changes are made to the ADPs or daily rates for the corrective sanctions program or for aftercare supervision.]*

	<u>Statutory Rates</u>	
	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Secured Correctional Facilities	\$215.00	\$221.00
Corrective Sanctions	89.00	91.00
Aftercare Supervision	27.00	27.00

Alternative 2	PR
2005-07 FUNDING (Change to Bill)	\$71,100

3. Provide \$34,300 PR in 2005-06 and \$36,800 PR in 2006-07 (\$4,900 annually for food, \$11,000 annually for variable non-food costs, and \$18,400 in 2005-06 and \$20,900 in 2006-07 for juvenile health care) and reestimate average daily population estimates for juvenile care, as follows: (a) 660 juveniles in both 2005-06 and 2006-07 at secured correctional facilities; and (b) 125 juveniles in both 2005-06 and 2006-07 under aftercare supervision. Maintain the ADP estimates under the bill for the corrective sanctions program (136 juveniles annually). Provide the following statutory daily rates for state-provided services. *[This alternative adjusts the ADP for secured correctional facility placements and for aftercare supervision and modifies the associated daily rates. No changes are made to the ADPs or daily rates for the corrective sanctions program.]*

	<u>Statutory Rates</u>	
	<u>7-1-05 thru 6-30-06</u>	<u>7-1-06 thru 6-30-07</u>
Secured Correctional Facilities	\$215.00	\$221.00
Corrective Sanctions	89.00	91.00
Aftercare Supervision	36.00	36.00

Alternative 3	PR
2005-07 FUNDING (Change to Bill)	\$71,100

Prepared by: Art Zimmerman