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June, 2019

Joint Committee on Finance

Paper #255

Mendota Juvenile Treatment Center -- Expansion and Funding Transfer from DOC (Corrections -- Juvenile Corrections)

[LFB 2019-21 Budget Summary: Page 105, #4; Page 210, #3; and Page 218, #14]

CURRENT LAW

Mendota Juvenile Treatment Center. The Mendota Juvenile Treatment Center (MJTC) is a Type 1 juvenile correctional facility that provides psychiatric evaluation and treatment for male juveniles transferred from the juvenile correctional system whose behavior is highly disruptive and who have not responded to standard services and treatment at the Department of Corrections' (DOC) secure correctional facility at Lincoln Hills. MJTC treatment and programming includes therapy for anger management, treatment to address substance abuse, sexual offense, or mental illness, and academic support. Treatment is designed to improve behavior and manage any mental health conditions to permit a transfer back to Lincoln Hills. MJTC, which is on the campus of the Mendota Mental Health Institute in Madison, has been in operation since 1995.

MJTC has 29 staffed beds in single-occupancy secure rooms. MJTC has 50.5 dedicated positions, but is also supported by Mendota Mental Health Institute staff for evening and overnight shifts. The salary and fringe benefit costs for the dedicated positions are funded by the Department of Corrections, through an annual transfer from DOC's juvenile justice budget. A portion of this transfer is from DOC's GPR appropriation for MJTC and a portion is made from DOC's PR appropriation for juvenile correctional services. DOC collects revenue for this appropriation from counties for juveniles placed under DOC supervision. In 2018-19, DOC is required to transfer a total of \$4,298,100 for MJTC, composed of \$1,365,500 GPR and \$2,932,600 PR. The food and non-food supplies and services (medical services, medical supplies, prescription drugs, and clothing) for MJTC is funded from the budget for the Mendota Mental Health Institute.

Juvenile Justice Provisions under 2017 Act 185. Under provisions of 2017 Act 185, DHS is required to expand MJTC to accommodate no fewer than 29 additional juveniles, subject to

approval of the Joint Committee on Finance. The act authorized \$15.0 million in general fund-supported general obligation bonds for capital costs related to the expansion. Act 185 includes various other changes to juvenile justice system, including a requirement that DOC close the state's existing juvenile correctional facilities at Lincoln Hills--the Lincoln Hills School for males and Copper Lake School for females--by January 1, 2021. The act provides \$25 million for the construction of one or more new DOC juvenile correctional facilities for serious juvenile offenders and \$40 million in general obligation bonds for the construction of county-based residential care centers for other juvenile offenders (a "secure residential care center for children and youth," or SRCCCY). Upon closure, the juveniles housed at Lincoln Hills and Copper Lake will be transferred to a new Type 1 juvenile correctional facility or to a SRCC.

Act 185 changed various provisions related to the responsibility for supervision of juveniles with correctional placements, and the transfer of juveniles between correctional facilities. DOC maintains supervision of all juveniles adjudicated as "serious juvenile offenders" and youth under the age of 18 with an adult sentence. These juveniles will remain in a Type 1 juvenile correctional facility. Once Lincoln Hills and Copper Lake are closed, Act 185 specifies that counties have supervision of all other juveniles with a correctional placement. These juveniles may be placed in a SRCC or a grandfathered 365-day program in a county juvenile detention facility. Under certain circumstances, such as an SRCC is unable to meet the treatment needs of the juvenile, the county may petition the court for a change of placement order to a state Type 1 juvenile correctional facility, including MJTC. In these cases, a juvenile may be transferred to MJTC only upon recommendation of DHS. Likewise, a juvenile under DOC supervision may only be transferred to MJTC upon recommendation of DHS.

GOVERNOR

MJTC Expansion Funding and Positions. Provide \$3,159,500 PR and 50.5 PR positions, beginning in 2020-21, to expand the staffed capacity of the Mendota Juvenile Treatment Center (MJTC) by 14 beds, from 29 beds currently to 43 beds. The funding increase includes \$2,465,500 for salary and fringe benefits, \$539,100 for supplies and services associated with the staff positions, and \$154,900 for food and variable non-food costs (such as medication and medical services, laundry, and linens) associated with the additional youths that would receive services.

Placement of Juveniles at MJTC. Modify provisions enacted as part of 2017 Act 185 that authorize courts to place a juvenile at MJTC upon recommendation of DHS, to instead authorize a court to transfer a juvenile to MJTC with the approval of DHS. Specify that only the Director of MJTC or his or her designee is authorized to make decisions regarding the admission of juveniles to, and treatment of, juveniles at MJTC and the release and return of juveniles to the appropriate state or county facility. Prohibit a court from ordering DHS to accept a juvenile placement at MJTC that the Department has not approved. Modify a provision that authorizes the Department of Corrections to object to the transfer of a juvenile from a SRCC to a Type 1 juvenile correctional facility, to specify that this authority does not apply to transfers to MJTC. Specify that these provisions first apply to a juvenile adjudicated delinquent by a court and placed at a county SRCC on the general effective date of the bill.

Program Revenue Appropriation for Direct County Placements. Modify the program revenue appropriation for the institutional operations of the mental health institutes to incorporate the operations of MJTC in the expenditure authority and the collection of payments from counties for the care of juveniles at MJTC in the appropriation's revenue sources. Require counties to reimburse DHS at a rate specified by the Department for the cost of care of juveniles placed at MJTC. Specify that any juvenile under supervision of a county in a secured treatment center who is transferred to MJTC remains under the supervision of that county.

Joint Committee on Finance Approval of Expansion. Repeal a provision created in Act 185 that requires approval of the Joint Committee on Finance to the Department's MJTC expansion.

Funding Transfer from DOC. Modify a statutory provision that identifies the amount of funding that the DOC is required to transfer to DHS to support the costs of the Mendota Juvenile Treatment Center, to require transfers of \$3,224,100 in 2019-20 and \$5,878,100 in 2020-21 from the DOC PR appropriation for juvenile correctional services.

DOC Appropriation Adjustment for MJTC Transfer. Provide \$291,500 PR in 2019-20 and \$2,945,500 PR in 2020-21 related to payments to DHS for juveniles placed at the Mendota Juvenile Treatment Center.

DISCUSSION POINTS

1. This paper provides a discussion of several inter-related provisions related to the Mendota Juvenile Treatment Center, arranged in the following sections: (a) background on MJTC and the decision made with the enactment of 2017 Act 185 to expand the facility; (b) a discussion of the Department's expansion proposal in the context of other Act 185 provisions and trends in juvenile corrections more broadly; (c) a description of the bill's position and funding proposal for the 2019-21 biennium; (d) a description of the Department's plan for future expansion of MJTC; (e) a discussion of some potential alternatives related to the expansion for the Committee's consideration; (f) a discussion of the transfer funding mechanism for MJTC costs; and (g) a description of the bill's proposed statutory changes to MJTC referral and admission policies.

Background on MJTC

2. In considering changes to the state's juvenile justice system during the 2017 session, the Legislature sought to use MJTC as a component of the reform strategy. Proponents argued that the MJTC treatment and education model has shown considerable success at reducing violent and antagonistic behavior in troubled juveniles. But while MJTC has an effective treatment model, they argued that it is underutilized and so an expansion was warranted. Act 185 requires DHS to expand MJTC by at least 29 beds, which would double its current capacity.

3. MJTC provides treatment to boys whose psychopathy, coupled with violent and aggressive behavior, makes them difficult to manage in a normal correctional setting. The MJTC model is based on the finding that for some juveniles, a punitive approach to corrections reinforces antisocial behavior, rather than serving as a deterrent. MJTC uses a system of rewards for positive

behavior as an incentive to participate in treatment and programming. Through counseling, academic support, and group therapy, the MJTC model aims to strengthen the youths' connections to others, including authority figures, and to adopt more positive attitudes toward desirable social behaviors. Although not a primary focus of MJTC programming, the boys also receive substance abuse and mental health treatment as needed.

4. The average amount of time that boys are in treatment at MJTC is nine months. Upon completion of treatment, boys may be returned to Lincoln Hills or may be ready for release. In some cases, the MJTC treatment ends because the boy reaches the end of his term of commitment, rather than a determination that the boy has progressed to a point where further treatment would not be necessary or beneficial. In cases where a juvenile is released to the community, MJTC works with county caseworkers on transition planning.

5. To demonstrate the effectiveness of MJTC, DHS points to published studies that have compared recidivism outcomes for youth who had received MJTC treatment and youth who received standard juvenile correctional rehabilitation services. In one such study, MJTC youth were found to be at least 50% less likely to commit a violent crime than similar youth who were not referred for MJTC treatment. Based on this finding, the study authors found that MJTC treatment is highly economical, with estimated savings in future correctional costs of seven times the amount spent for treatment. For this reason, the MJTC model is nationally recognized as a promising approach to juvenile offender rehabilitation.

6. When initially built, MJTC operated 43 beds in three units. One 14-bed unit was closed in 2001, reducing the capacity to the current level of 29 beds. In 2016, the 14-bed unit that had previously been used for MJTC was converted to use for forensic patients committed to the Mendota Mental Health Institute. The forensic patients will be moved out of the MJTC unit upon completion of a renovation project to new forensic beds in an adjacent building. The first phase of the proposed MJTC expansion would begin by utilizing these vacated beds. This transition is expected to occur in the fall of 2020, and is the basis of the administration's funding and position proposal.

Discussion of Act 185 Provisions Related to Juvenile Placements and Potential Impact on Admissions to MJTC

7. The Department's MJTC expansion proposal is based, broadly, on the assumption that there will be more juveniles admitted to MJTC to fill the proposed beds. The Department believes that the Act 185 provisions relating to the placement of juveniles at MJTC directly from SRCCs, as well as opening a treatment unit for girls, could significantly expand the placement of juveniles at MJTC. Likewise, the Department believes that once DOC opens a new juvenile correctional facility to replace Lincoln Hills, DOC could have a higher number of referrals to MJTC.

8. Traditionally, MJTC been fully utilized, with an average daily population approaching the maximum staffed capacity of 29. More recently the daily population has declined and has generally remained below 25 since the beginning of calendar year 2019. DHS indicates that the facility is undergoing painting and minor renovations that have taken some beds out of use, which accounts for some of the decline. In addition, DHS indicates that the transitions occurring at Lincoln Hills and at the county level in the wake of Act 185 has reduced the number of juveniles transferred

to MJTC. The Department believes that the changes are temporary. The table below shows the average daily population (ADP) from calendar year (CY) 2014 through 2018.

**MJTC Youth ADP by Commitment
(CY 2014 - 2018)**

Commitment Type/Facility	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	Average (<u>2014-18</u>)	<u>Dec-18</u>
Juvenile (County)	23.47	24.61	22.20	16.85	14.24	20.27	10.77
Serious Juvenile Offender (SJO)	5.23	3.46	5.73	9.58	9.47	6.69	11.16
Adult	<u>0.00</u>	<u>0.12</u>	<u>0.55</u>	<u>1.97</u>	<u>2.81</u>	<u>1.09</u>	<u>3.00</u>
Total	28.70	28.19	28.48	28.40	26.52	28.05	24.93

9. More recently, in March, 2019, MJTC had an ADP of 22.35 juveniles. It should be noted that despite declining average daily populations, there are points in time where more beds at MJTC are in use. Given the populations that are served by MJTC, it is important that when there is a juvenile appropriate to receive treatment at MJTC, there be an open bed for that juvenile.

10. However, given current population trends, it is unclear that on January 1, 2021, an additional 14 beds will be required, in addition to the approximately four or five beds that are currently available. On the other hand, even though the beds will not be filled, given the juvenile populations that MJTC works with, it can be important to the treatment of individual juvenile as well as the safety of staff to have a wing of beds that is separated by a physical barrier from the rest of the MJTC population.

11. The uncertainty around when and if SRCCs will be built and be occupied adds another level of difficulty to estimating MJTC populations. Delay in SRCC building and occupation complicates who will fill beds at MJTC on January 1, 2021, but once the buildings are completed it is estimated that a maximum of an additional 62 extra juveniles from 180-365 day programs may be evaluated for placement at MJTC. A portion of estimated 62 juveniles are likely female and, thus, ineligible for placement at MJTC at this time. However, if counties decide to not build SRCCs and keep juveniles in 180-365 day programs in juvenile detention facilities, the juveniles will not be eligible for transfer to MJTC.

12. An increase in beds and, thus, staffing, without increase in population in Type 1 facilities will result in an increase in DJC's daily rate charged to counties and Corrections GPR appropriations since the calculation for the daily rate includes MJTC costs. Thus, counties and the state will be responsible for the costs, but may not have juveniles to place in the available beds.

Description of the Administration's 2019-21 Position and Funding Proposal

13. The bill would create 50.5 positions and provide funding for salary and fringe benefits,

supplies and services associated with the staff positions, and variable non-food (such as medication and medical services, laundry, and linens) and food costs associated with the additional youths who would be housed in the 14-bed expansion. The following table shows the funding by function.

	<u>2020-21 Funding</u>
Salaries	\$1,688,300
Fringe Benefits	777,200
Staff Supplies and Services	539,100
Variable Non-Food Supplies and Services	137,700
Food	<u>17,200</u>
Total	\$3,159,500

14. The funding for MJTC is budgeted in the Department's Division of Care and Treatment Services' "interagency and intra-agency programs" PR appropriation. This appropriation provides the expenditure authority for programs, like MJTC, that are funded with revenues transferred from other agencies or from other appropriations within the Department. Providing the funding in this appropriation does not also provide the revenue. The revenue to support MJTC expenditures is provided through a transfer from the Department of Corrections, an issue that is addressed in more detail in a later section of this paper.

15. Of the additional 50.5 positions, 42.5 would staff the expansion unit, while 8.0 would serve as program staff for the whole facility, including the Department's proposed future expansion (discussed in the following section of this paper). The unit staff include primarily psychiatric care technicians, psychiatric care supervisors, and nursing staff. In addition, the unit would have treatment and program staff, such as psychiatrist and psychologist, a teacher, and social worker. The 8.0 facility program staff includes a facility treatment director, and facility supervisors for education, nursing, and psychiatric care functions.

16. With 42.5 positions, the new unit would have approximately 3.0 staff per bed. By comparison, the existing 29 bed facility has approximately 1.7 staff per bed, although this ratio excludes any staffing assistance provided from Mendota Mental Health Institute staff. The Department determined that a higher staffing level was needed for the new unit, since it would be used primarily or exclusively for the juvenile boys with the greatest propensity for violence and maladaptive behaviors. The Department believes that the additional beds in a separate unit would allow MJTC staff to more effectively isolate these boys to avoid adversely affecting those who are currently conforming to treatment.

17. The salary and fringe benefit calculations are based on the positions being filled for nine months, while the food and variable non-food costs are based on six months of occupancy. The Department anticipates being able to open the new unit for MJTC use around the beginning of 2021, but would fill the positions three months in advance so that staff could be fully trained before opening.

Proposed Future MJTC Expansion

18. As noted above, the initial 14-bed expansion would utilize existing space within the MJTC facility. To meet the Act 185 requirement to expand by at least 29 beds, DHS would need to construct an addition to the existing building. Act 185 provided \$15 million in general obligation bonds to construct new MJTC units. However, working on the assumption that the MJTC treatment model would play a prominent role in future juvenile justice policy, DHS has proposed a larger expansion, with a total increase of 64 beds, instead of 29 beds. The Department's capital budget request included an additional \$34.0 million to build the full addition at a total estimate cost of \$49.0 million.

19. In addition to the MJTC building project, the Department's capital budget request included two other projects that have some relation to the proposed MJTC expansion, although also have broader purposes. First, the Department has proposed a \$20 million project to replace and relocate utilities, including steam and chilled water, electrical, water, storm sewer, and sanitary sewer lines. Although this project is a comprehensive project for utilities serving the whole Mendota campus, a portion of the relocation and replacement is necessary to accommodate the expanded MJTC facility, since the building expansion would sit above the existing utility facilities. Second, the Department proposed a \$28.9 million renovation of the Mendota food service building. In addition to general building renovations to continue to serve all Mendota operations, the Department indicates an expansion of food service capability would be needed to adequately serve an expanded MJTC.

20. The expanded facility would have space for 50 beds, which when added to the 43 beds in the existing building (29 currently-staffed plus 14-bed unit staffed under the bill), would provide a total of 93 beds. In addition to housing units, the building addition would include program rooms, nurses stations, and examination space. Construction would also involve modifications to the existing building to meet current standards for safety and security in psychiatric treatment facilities.

21. The units in the building expansion would consist of two 15-bed units for males and two 10-bed units for females. The female units would be separated from the male units, although the building would be configured so that both females and males could utilize common spaces at staggered times.

22. MJTC does not currently accept females for treatment. Providing equal access to treatment was one reason cited for the need for MJTC expansion during deliberations on Act 185. DHS indicates that the same basic treatment approach would be used for girls, although some adaptations may be required as treatment staff gain experience with the female juvenile population.

23. The Department indicates that if the expanded facility is not fully utilized for juveniles in the MJTC treatment program, the additional space could be used for other purposes. This could include, for instance, adult forensic patients admitted to the Mendota Mental Health Institute or juveniles currently admitted as civil patients at the Winnebago Mental Health Institute.

24. The bill would repeal a provision of Act 185 that requires the Joint Committee on Finance to approve the MJTC expansion. With this change, the full Legislature's decision to approve or modify and approve the staffing proposal in the budget bill, as well as the authorization of any

bonding for construction, would serve as the approval of the expansion. The Building Commission would have final approval of the issuance of bonds for construction.

25. Since no Building Program amendment has been introduced to the bill, the Committee would need to amend the existing enumeration to provide the additional bonding for construction of the MJTC expansion.

Alternatives for Consideration Regarding the 14-bed Staffing Proposal and Future Facility Expansion

26. The Department's proposal to expand MJTC capacity by 14 beds during the 2019-21 biennium, and the proposal to proceed with construction of an expanded facility, is in response to the following factors: (a) the Act 185 directive to expand MJTC by at least 29 beds; (b) the Department's assessment that the Act 185 changes will result in significantly higher demand for MJTC services through transfers from SRCCs; and (c) a determination that female juveniles should be offered the same treatment program currently only offered to males.

27. In considering the proposals for both the short-term (14-bed) and longer-term expansion (new facility), the Committee is faced with several interrelated decisions without having the benefit of full knowledge of how the Act 185 changes will affect demand for MJTC treatment services. In addition, any potential changes in the disposition of juvenile offenders could be further affected by other decisions that the Legislature makes during the 2019 legislative session with respect to juvenile justice policies, as well as how counties respond to new responsibilities.

28. With the passage of Act 185, the Legislature anticipated that MJTC would play a greater role in the treatment of juvenile offenders. In some respects, however, the expanded utilization of MJTC results from, and therefore is secondary to, the decentralization of juvenile corrections policy envisioned with Act 185. Until all of these changes are implemented, the role that MJTC plays in that overall policy will remain somewhat uncertain.

29. The Committee may determine that, despite some level of uncertainty, MJTC will play an expanded role in future juvenile corrections policy and the state should proceed with the expansion as soon as possible by opening an additional 14-bed unit, and by providing more MJTC program staff for the purpose of additional expansion in the future. In this case, the Committee could approve the administration's position and funding proposal. [Alternative A1]

30. The Committee could, alternatively, decide to proceed with the 14-bed expansion by providing 42.5 positions for unit staffing, but defer the decision on future expansion until more information is available regarding the county demand for MJTC services. In this case, funding could be adjusted by removing the 8.0 additional program staff associated with the future expansion, and funding could be reduced by \$514,400 PR in 2020-21 for the salary, fringe benefits, and supplies and services associated with the positions. [Alternative A2]

31. The Committee could also decide to defer all decisions related to MJTC expansion, including whether to add staff to increase the MJTC staffed capacity by 14 beds. In this case, all positions and funding in the bill for MJTC expansion could be deleted. [Alternative A3]

32. If the Committee decides to defer action on future MJTC expansion (either Alternative A2 or A3), the Act 185 requirement that requires DHS to expand MJTC by at least 29 beds could be repealed, on the grounds that the decision to expand MJTC ultimately lies with the Legislature and not the Department. That is, it is not within the Department's power to expand MJTC without the funding and positions to do so. Both of these alternatives include the repeal of the statutory expansion directive.

DOC Transfer to DHS for MJTC Costs

33. The Department of Corrections is required to make a funding transfer to DHS to support the salary and fringe benefits costs of MJTC positions. The amount of this transfer is specified by statute and is typically adjusted with each biennial budget to reflect anticipated salary and fringe benefit changes.

34. DOC transfers are made from a GPR appropriation and a PR appropriation. The PR transfer is made from DOC's appropriation for juvenile correctional services, which receives revenue from daily rate charges levied on counties. In 2018-19, the total statutory transfer is \$4,298,100, composed of \$1,365,500 GPR and \$2,932,600 PR.

35. In addition to the normal adjustment for the existing facility, the bill would increase the transfer in 2020-21 to account for the proposed MJTC expansion. The following table shows the transfers in the 2019-21 biennium by component.

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Base Transfer			
GPR	\$1,365,500	\$1,365,500	\$1,365,500
PR	<u>2,932,600</u>	<u>2,932,600</u>	<u>2,932,600</u>
Base Transfer	\$4,298,100	\$4,298,100	\$4,298,100
Bill Increase			
PR Existing Facility	--	\$291,500	\$355,200
PR Expansion	--	<u>0</u>	<u>2,590,300</u>
Total Increase	--	\$291,500	\$2,945,500
Proposed Transfer			
GPR	\$1,365,500	\$1,365,500	\$1,365,500
PR	<u>2,932,600</u>	<u>3,224,100</u>	<u>5,878,100</u>
Total	\$4,298,100	\$4,589,600	\$7,243,600

36. The use of the same DOC transfer mechanism that has been traditionally been used to fund MJTC costs as a means of financing the costs associated with the MJTC expansion raises several potential problems:

- The transfer calculation has typically been based on the assumption that MJTC would be fully staffed, and with the expectation that all 29 beds would be filled or mostly filled. Following past practice, the calculation for the 2020-21 transfer is based on the assumption that DHS will be

fully staffed for the 14-bed expansion. However, since the juvenile justice system will be undergoing transformations within the next two years, there is more uncertainty regarding the demand for the new MJTC beds. If the 14-bed expansion is fully utilized and staffed beginning in 2021, then the transfer as proposed by the bill may be appropriate. However, if not all 14 beds are not consistently filled, DOC would, in effect, be paying for unfilled beds, a cost potentially exceeding the amount it could support with county collections.

- The increase in the transfer effectively makes DOC financially responsible for the full staffing costs of the 14-bed expansion. However, some of the juveniles placed at MJTC will be transferred directly from SRCCs. Since DOC will not be able to collect fees from counties for these juveniles, the Department would not have the revenues to support the full transfer.

- The bill would modify the DHS PR appropriation for institutional operations to credit revenues collected from counties for juveniles transferred directly from SRCCs to MJTC. Because it is uncertain how many juveniles would be transferred from SRCCs to MJTC, both the amount of the revenue collected and the amount of MJTC costs that could be supported with county collections is unknown. Though, as shown in the MJTC population table above, can be assumed to be approximately 15 juveniles.

- As discussed in LFB Issue Paper #253, the juvenile PR appropriation is currently in deficit.

- The portion of the proposed DOC transfer related to the 14-bed expansion includes a staff training period, during which no beds would be occupied. During this time, DOC would, in effect, be paying for vacant beds, but would also retain financial responsibility for the juveniles who remain in direct DOC custody.

- Under current practice, the DOC transfer is based on MJTC staffing costs, but does not include food, variable non-food, and other supplies and services costs associated with the facility. Instead, these costs are funded as part of the GPR-funded budget for the Mendota Mental Health Institute. Although the bill would include expenditure authority in the Department's interagency and intra-agency programs PR appropriation for the non-personnel costs associated with the 14-bed expansion (totaling \$694,000), no funding would be provided in the Mendota GPR budget to provide the PR revenue to support these costs.

37. The uncertainty associated with the changes to the juvenile justice system occurring over the course of the next two years, combined with the current deficit in the DOC PR appropriation for juvenile justice means that there is considerable risk associated with relying on the DOC transfer mechanism to fully fund MJTC's ongoing and expansion costs. In order to provide a viable financing mechanism for the 14-bed MJTC expansion, it may be necessary to fund a portion of the cost with GPR. Although several approaches would be possible, the following points outline some alternatives:

- Provide GPR in the budget for the Mendota Mental Health Institute for the food, variable non-food, and other supplies and services costs associated with the MJTC expansion. [Alternative B1]

- Provide GPR to finance the portion of the MJTC expansion position costs associated with employee training period. [Alternative C2]
- Provide GPR to finance 50% of the additional position costs, effectively equivalent to half of the new beds. [Alternative C3]
- Provide GPR to finance the full cost of the 14-bed expansion. [Alternative C4]

38. The GPR increases needed for these alternatives depend upon the Committee's decision on the number of positions to provide (50.1 positions under Alternative A1 or 42.5 positions under Alternative A2). The following table shows the GPR increase in 2020-21 corresponding to each of these alternatives. With each alternative, the statutory PR transfer and DOC PR appropriation would be adjusted accordingly.

	Alternative A1 (50.5 FTE)	Alternative A2 (42.5 FTE)
Food, Non-Food, and Other Supplies and Services (B1)	\$694,000	\$608,600
DOC Transfer Alternatives		
Fund Training Period with GPR (C2)	\$863,400	\$713,700
Fund Training Plus 50% of Expansion Beds with GPR (C3)	1,726,800	1,427,400
Fund Full Expansion with GPR (C4)	2,590,300	2,141,200

39. If the Committee does not approve the 14-bed expansion at this time, the statutory transfer from the DOC PR appropriation could be adjusted to account only for projected costs of the current MJTC operations. In this case, the PR appropriation transfer would be increased by \$291,500 in 2019-20 and \$355,200 in 2020-21, compared to the base year transfer. [Alternative C5]

40. The statutory transfer is based on the assumption that all MJTC authorized positions will be filled throughout the year, with certain other adjustments, including overtime pay. However, actual MJTC personnel expenses may vary, and in the future a portion of MJTC costs will presumably be paid through direct county charges, rather than through the transfer from DOC. Instead of specifying the precise amount of the transfer by statute, the Committee could establish a different mechanism for funding DOC's share of MJTC costs. DHS could determine the estimated personnel cost attributable to juveniles under DOC supervision following the third quarter of each fiscal year and, in consultation with DOC, submit a request to the Committee under a 14-day passive review process to transfer only the amount of the estimate. [Alternative D1] This alternative may result in more accurate estimates of expenses, especially for the second year of the biennium. In addition, as Act 185 is implemented, it could allow for more flexibility due to changing populations.

Proposed Modifications to Statutory Provisions Related to Admission of Juveniles to MJTC

41. In addition to the funding and positions for the expansion, the bill includes several statutory changes to Act 185 provisions related to placement of juveniles at MJTC. The Department

believes that these changes are necessary to allow MJTC control over which juveniles are admitted for treatment, for both programmatic and facility capacity reasons.

42. Currently juveniles may only be placed at MJTC directly from Lincoln Hills. Although DHS operates MJTC, juveniles who are admitted for treatment remain formally under the supervision of DOC.

43. Act 185 allows a juvenile to be transferred from an SRCC to a juvenile correctional facility, including MJTC, under certain circumstances relating to the SRCCs ability to meet the juvenile's needs. A transfer to MJTC under these provisions may occur only upon recommendation of DHS. All transfers from a SRCC to a correctional facility must be approved by a court.

44. The Department indicates that the DOC and MJTC staff collaborate to determine which juveniles are appropriate subjects for treatment, relying on over twenty years of experience. The Department believes it is important to continue to use the same admission criteria once juveniles can be placed directly from county supervision.

45. Although transfers from county facilities to MJTC can only occur upon DHS recommendation, the Department is concerned that courts could, nevertheless, direct the Department to accept juvenile transfers without consideration of the appropriateness for treatment, or the available capacity or, alternatively, that MJTC would be required to continue treatment for a juvenile at MJTC after the treatment has been completed or is no longer beneficial. The bill would make a series of changes to ensure that the MJTC treatment director or designee makes the final decisions regarding admission, treatment, and release of juveniles to the appropriate state or county facility. Although this appears to have been the intent of the Act 185 provisions, the Department believes that the proposed changes would ensure that the transfer process operates as intended. [Alternative E1]

ALTERNATIVES

A. Funding and Positions for Initial Expansion

1. Approve Governor's recommendation to provide \$3,159,500 PR and 50.5 PR positions, beginning in 2020-21, to provide unit staff for a 14-bed expansion of MJTC (42.5 positions) and program staff (8.0 positions) for a full 64-bed expansion.

ALT A1	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
PR	\$3,159,500	50.50	\$0	0.00

2. Modify the Governor's recommendation by reducing funding by \$514,400 PR and position authority by 8.0 PR positions in 2020-21 to provide a total of \$2,645,000 PR and 42.5 positions in 2020-21 for unit staff for a 14-bed expansion of MJTC, but no positions and funding for additional program staff for future expansion of MJTC. Repeal statutory provisions enacted as part of Act 185 that require DHS to expand MJTC by not less than 29 beds.

ALT A2	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
PR	\$2,645,000	42.50	- \$514,400	- 8.00

3. Take no action. Repeal statutory provisions enacted as part of Act 185 that require DHS to expand MJTC by not less than 29 beds.

ALT A3	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
PR	\$0	0.00	- \$3,159,500	- 50.50

B. Food, Variable Nonfood, and Other Supplies and Services

1. Provide GPR funding in 2020-21 in the budget for the Mendota Mental Health Institute for the food, variable nonfood, and other supplies and services costs associated with the 14-bed expansion of MJTC, as follows: (a) \$694,000 GPR corresponding to Alternative A1 (50.5 positions); or (b) \$608,600 GPR corresponding to Alternative A2 (42.5 positions).

ALT B1a	Change to	
	Base	Bill
GPR	\$694,000	\$694,000

ALT B1b	Change to	
	Base	Bill
GPR	\$608,600	\$608,600

2. Take no action.

C. Department of Corrections Funding for MJTC Costs

1. Approve the Governor's recommendation to provide \$291,500 PR in 2019-20 and \$2,945,500 PR in 2020-21 in DOC's PR appropriation juvenile correctional services for MJTC costs and increase the statutory transfer from the appropriation to total of \$3,224,100 in 2019-20 and \$5,878,100 in 2020-21, to fund estimated cost of the current 29-bed facility and a 14-bed expansion in 2020-21.

ALT C1	Change to	
	Base	Bill
PR	\$3,237,000	\$3,237,000

2. Modify the Governor's recommendation by providing GPR instead of PR funding in DOC's appropriation for MJTC to fund the portion of the MJTC expansion associated with the employee training period, as follows: (a) an increase of \$863,400 GPR and corresponding PR decrease in 2020-21, for Alternative A1 (50.5 positions); and (b) an increase of \$713,700 GPR and a decrease of \$1,162,800 PR in 2020-21, for Alternative A2 (40.5 positions).

ALT C2a	Change to	
	Base	Bill
GPR	\$863,400	\$863,400
PR	<u>2,373,600</u>	<u>- 863,400</u>
Total	\$3,237,000	\$0

ALT C2b	Change to	
	Base	Bill
GPR	\$713,700	\$713,700
PR	<u>2,074,200</u>	<u>- 1,162,800</u>
Total	\$2,787,900	- \$449,100

3. Modify the Governor's recommendation by providing GPR instead of PR funding in DOC's appropriation for MJTC to fund the portion of the MJTC expansion associated with the employee training period plus 50% of the new beds, as follows: (a) an increase of \$1,726,800 GPR and corresponding PR decrease in 2020-21, for Alternative A1 (50.5 positions); or (b) an increase of \$1,427,400 GPR and a decrease of \$1,876,500 PR in 2020-21, for Alternative A2 (40.5 positions).

ALT C3a	Change to	
	Base	Bill
GPR	\$1,726,800	\$1,726,800
PR	<u>1,510,200</u>	<u>- 1,726,800</u>
Total	\$3,237,000	\$0

ALT C3b	Change to	
	Base	Bill
GPR	\$1,427,400	\$1,427,400
PR	<u>1,360,500</u>	<u>- 1,876,500</u>
Total	\$2,787,900	- \$449,100

4. Modify the Governor's recommendation by providing GPR instead of PR funding in DOC's appropriation for MJTC to fund the full costs associated with the MJTC expansion, as follows: (a) an increase of \$2,590,300 GPR and corresponding PR decrease in 2020-21, for Alternative A1 (50.5 positions); or (b) an increase of \$2,141,200 GPR and a decrease of \$2,590,300 PR in 2020-21,

for Alternative A2 (40.5 positions).

ALT C4a	Change to	
	Base	Bill
GPR	\$2,590,300	\$2,590,300
PR	<u>646,700</u>	<u>- 2,590,300</u>
Total	\$3,237,000	\$0

ALT C4b	Change to	
	Base	Bill
GPR	\$2,141,200	\$2,141,200
PR	<u>646,700</u>	<u>- 2,590,300</u>
Total	\$2,787,900	- \$449,100

5. Modify the Governor's recommendation by reducing DOC's MJTC appropriation by \$2,590,300 PR in 2020-21, to remove the portion of the transfer associated with MJTC expansion.

ALT C5	Change to	
	Base	Bill
PR	\$646,700	- \$2,590,300

D. Funding Mechanism

1. Remove the transfer between DHS and DOC from statute and instead have the transfer approved by a 14-day passive review process submitted by DHS by March 1 of each year. Specify that DHS shall submit a request, in consultation with DOC, based on personnel costs attributable to juveniles under DOC supervision who are transferred to MJTC.

2. Take no action. [Under this alternative, the statutory transfer will be adjusted in accordance with the Committee's decision under Part A.]

E. Statutory Modifications Related to MJTC Admissions Policy

1. Approve the Governor's recommendation to modify provisions enacted as part of 2017 Act 185 that authorize courts to place a juvenile at MJTC upon recommendation of DHS, to instead authorize a court to transfer a juvenile to MJTC with the approval of DHS.

2. Take no action.

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