



Legislative Fiscal Bureau

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2017

Joint Committee on Finance

Paper #251

Juvenile Statutory Daily Rates, Serious Juvenile Offenders, and Contract Beds (Corrections -- Juvenile Corrections)

[LFB 2017-19 Budget Summary: Pages 146 #2]

CURRENT LAW

Statutory Daily Rates

Daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile correctional facilities. These daily rates are calculated based on the projected annual cost and the estimated average daily population. The current daily rates are \$292 for juvenile correctional facilities, \$152 for corrective sanctions, and \$48 for aftercare supervision. The daily rates for juvenile correctional facilities currently include a \$6 add-on to address the juvenile operations appropriation deficit.

There are four ways to moderate the costs that counties experience for juvenile care provided through the Division of Juvenile Corrections (DJC): (a) increase the populations under DJC's supervision; (b) reduce expenses; (c) more fully utilize state funded programming; and (d) partially fund costs through GPR thus reducing the PR costs to counties.

Serious Juvenile Offender (SJO) Program

Corrections administers the SJO program for juveniles adjudicated delinquent and ordered to participate in the program. Under the program, a juvenile is subject to supervision, care and rehabilitation that is more restrictive than ordinary supervision in the community. The program provides for component phases (various sanctions) that are intensive, highly structured, and based on both public safety considerations and the juvenile's needs. A juvenile is subject to a SJO placement as follows: (a) if the juvenile is 14 years of age or more and has been adjudicated delinquent for committing a delinquent act that is equivalent to certain Class A, Class B, or Class C felony offenses; or (b) the juvenile is 10 years of age or more and has been adjudicated

delinquent for attempting or committing first-degree intentional homicide, or for committing first-degree reckless homicide or second-degree intentional homicide. A SJO disposition may only be made for these juveniles if the judge finds that the only other disposition that would be appropriate is placement in a juvenile correctional facility.

The SJO appropriation reimburses juvenile correctional facilities, corrective sanctions providers, aftercare providers, and alternate care providers for costs incurred for juveniles who receive a SJO disposition. All components of the SJO disposition are state-funded. Base funding for the SJO appropriation is \$14,933,400 GPR.

GOVERNOR

Statutory Daily Rates

Specify the following statutory daily rates be established for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations, or paid by the state through the serious juvenile offender appropriation. The table below shows the expenses included in the calculation of the daily rate and resulting daily rate.

Juvenile Rates 2017-2019 -- Governor

	<u>2017-18</u>	<u>2018-19</u>
Base	\$30,902,000	\$30,902,000
Standard Budget Adjustments	-666,000	-666,000
Operating Reserves	584,300	1,259,800
Rent	6,500	7,400
PR Reestimate	-257,400	-252,400
Risk Management Premium	80,300	80,300
MJTC Re-Estimate*	-229,500	-162,800
Food, VNF, and VNF-Health	326,800	358,600
Juvenile Mental Health Services	256,100	300,500
Juvenile Medication Administration	93,500	65,900
PREA Compliance at LHS	653,400	656,000
Unallotted Reserve: Juvenile Mental Health Services	1,700	4,700
Unallotted Reserve: PREA Compliance at LHS	<u>4,200</u>	<u>11,300</u>
	\$31,755,900	\$32,565,300
Daily Rate	\$344.00	\$352.00

* On May 23, 2017, the Committee reviewed a paper on MJTC -- Funding Transfer from DOC (Paper #361) and modified the statutory provision that identifies the amount of funding that Corrections is required to transfer to DHS to support the costs of the MJTC, which affects the statutory daily rate.

	Statutory Rates	Governor	
	7-1-14 thru <u>6-30-17</u>	7-1-17 thru <u>6-30-18</u>	7-1-18 thru <u>6-30-19</u>
Juvenile Correctional Facilities*	\$292	\$344	\$352

* Includes: (a) transfers from a juvenile detention facility to the Mendota Juvenile Treatment Center; and (b) approximately 18 transfers from adult institutions if the age is increased to 18 as proposed under the bill.

Specific rates for corrective sanctions and aftercare supervision were deleted under the 2015 Act 55 and combined into the juvenile community supervision program effective July 1, 2017. These rates will be established under a 14-day passive review by the Joint Committee on Finance starting July 1, 2017.

Serious Juvenile Offender Program

The estimated ADP for the SJO population would be 166 in 2017-18 and 165 in 2018-19. Base funding for the program is \$14,933,400 GPR annually. No increase for population is provided.

SJO Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>	
	<u>2017-18</u>	<u>2018-19</u>
Juvenile Corrections Facilities	47	53
Community Supervision Program	<u>119</u>	<u>112</u>
Total ADP	166	165
Alternate Care ¹	65	64

* Corrective sanctions and aftercare supervision made part of the community supervision program beginning 7/1/16.

¹ A subset of the community supervision program (corrective sanctions and aftercare supervision) program that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

Contract Beds

Increase contract bed funding for youth under 18 with adult sentences from \$838,000 GPR (for eight youth) to \$4,164,700 GPR annually (for 35 youth). Contract bed funding is provided under the Division of Adult Institutions and calculated using the daily rate.

DISCUSSION POINTS

The average daily populations for juvenile placements and adjustments for funding population-related costs were reestimated and modified in a separate paper. This is a modification

paper that, as a result of the reestimated populations, adjusted costs, and other decisions, modifies the statutory daily rates and funding for the Serious Juvenile Offender program.

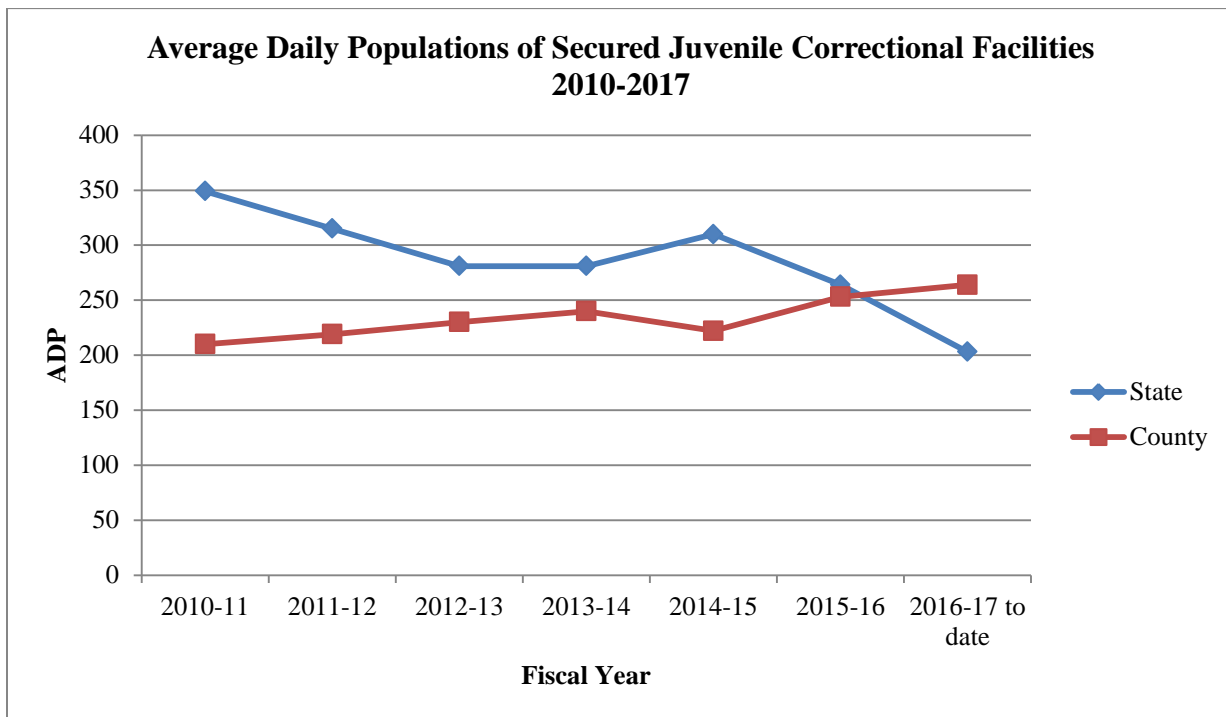
Juvenile Population and Inflationary Costs

1. The estimated population projections for juveniles in the 2017-19 biennium would include 220 juveniles annually in the juvenile facilities (or 202 if the Committee decides not to allow the placement of 18 year olds in juvenile correctional facilities). This paper uses the 220 populations for estimating purposes. The population projections include juveniles in the SJO program.

Statutory Daily Rates

2. During the public hearings on the budget, a number of county representatives indicated that the daily rates at Lincoln Hills and Copper Lake made the schools less accessible. If daily rates are too high, counties may be reluctant to send juveniles and the rates will increase even more due to the decrease in population.

3. Legislation has passed in the last two biennia that has allowed counties to keep juveniles at county facilities longer. The average ADP of county and state facilities from 2010-11 through 2016-April of 2017 is shown in the chart below.



4. On May 23, 2017, the Committee reviewed a paper on Mendota Juvenile Treatment Center -- Funding Transfer from DOC (Paper #361) and modified the statutory provision that identifies the amount of funding that Corrections is required to transfer to DHS to support the costs

of the Mendota Juvenile Treatment Center, which affects the statutory daily rate. Amounts were modified to \$2,869,200 PR in 2017-18 and \$2,932,600 PR in 2018-19, to reflect a reestimate of the MJTC salary and fringe benefit costs in the 2017-19 biennium.

5. The daily rates are calculated utilizing the population projections and estimated costs of each program. Total costs, as modified for population and cost adjustments are \$31,687,100 in 2017-18 and \$32,488,600 in 2018-19 for juvenile correctional facilities. The table below shows the expenses and the way that expenses are divided by the reestimated population and number of days in a year to determine the daily rate.

Population Modified Juvenile Rates 2017-2019

	<u>2017-18</u>	<u>2018-19</u>
Base	\$30,902,000	\$30,902,000
Standard Budget Adjustments	-666,000	-666,000
Operating Reserves	584,300	1,259,800
Rent	6,500	7,400
PR Reestimate	-257,400	-252,400
Risk Management Premium	80,300	80,300
MJTC Re-Estimate	-128,400	-65,000
Food, VNF, and VNF-Health	156,900	184,100
Juvenile Mental Health Services	256,100	300,500
Juvenile Medication Administration	93,500	65,900
PREA Compliance at LHS	653,400	656,000
Unallotted Reserve: Juvenile Mental Health Services	1,700	4,700
Unallotted Reserve: PREA Compliance at LHS	<u>4,200</u>	<u>11,300</u>
Reestimated ADP	\$31,687,100	\$32,488,600
Daily Rate	\$395	\$405

6. Based on the reestimated populations and population-related cost adjustments, the statutory daily rates would be modified as follows:

	<u>Governor</u>		<u>Modification</u>		<u>Difference</u>	
	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>
Juvenile Correctional Facilities	\$344	\$353	\$395	\$405	\$51	\$52

7. The reestimated daily rates represent a change to the administration's recommended rates for juvenile correctional facilities, \$51 in 2017-18 and \$52 in 2018-19. Subsequent papers address various issues which may additionally adjust the daily rate.

8. Current statutory language provides that if monies generated by the daily rate exceed actual costs by more than 2%, all monies in excess of 2% must be remitted to the counties or the Department (for daily rates paid for serious juvenile offenders) in the subsequent calendar year.

Serious Juvenile Offender Program

9. The SJO appropriation supports costs associated with juvenile correctional facilities, corrective sanctions providers, aftercare providers, and alternate care providers for services for juveniles who receive a SJO disposition. All components of the SJO disposition are state-funded, based on the projected ADP and daily rate for each type of care. Base funding for the SJO appropriation is \$14,933,400 GPR. The average SJO program ADP through April, 2017, was 150.

SJO Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>	
	<u>2017-18</u>	<u>2018-19</u>
Juvenile Corrections Facilities	66	73
Community Supervision Program	<u>94</u>	<u>86</u>
Total ADP	160	159
Alternate Care ¹	51	49

* Corrective sanctions and aftercare supervision made part of the community supervision program beginning 7/1/16.

¹ A subset of the community supervision program (corrective sanctions and aftercare supervision) program that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

10. As a result of modifying the daily rates and the distribution of juveniles between institutional and field populations, funding for the SJO program would be modified by \$2,906,000 GPR in 2017-18 and \$4,319,900 GPR in 2018-19, as follows: (a) \$1,735,200 GPR in 2017-18 and \$3,010,900 GPR in 2018-19 for juvenile correctional facilities; and (b) \$1,207,700 GPR in 2017-18 and \$1,345,900 GPR in 2018-19 for field populations.

Contract Beds

11. The Department's Division of Adult Institutions pays DJC for the placement of young offenders, sentenced as adults in the juvenile school. As a result of the modification in the daily rate increased contract bed funding of \$881,400 GPR in 2017-18 and 1,009,200 GPR in 2018-19 (from \$4,164,700 GPR annually to \$5,046,100 GPR in 2017-18, and \$5,173,900 GPR in 2018-19) would be necessary to reflect the modified daily rate.

12. The Committee, in taking action on the following papers (#252 thru #255), is likely to make modifications to the juvenile operating budget that would affect these daily rate estimates. Following Committee action on these papers, this office will provide a memorandum to the Committee which will indicate the statutory daily rate for the juvenile facilities for 2017-18 and 2018-19. In addition, the memorandum will address reestimates the serious juvenile offender appropriation, which must also reimburse the Division of Juvenile Corrections for the costs of care provided to certain state-funded juvenile offenders. Therefore, the individual papers will not include alternatives that will modify the daily rate, SJO and contract beds.

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