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TABLE OF CONTENTS

	Page
INTRODUCTION	1
OVERVIEW OF MICHIGAN'S JUVENILE JUSTICE SYSTEM.....	2
FAMILY COURTS AND THE DETERMINATION OF PLACEMENTS.....	3
OVERVIEW OF RESIDENTIAL PLACEMENT OPTIONS.....	5
Juvenile Justice Expenditures	6
Secure Placements.....	7
Nonsecure Placements.....	9
THREE PUBLIC JUVENILE FACILITIES.....	9
Summary of Juveniles Sentenced to State Facilities	10
Per Diem Calculation for State Facilities	11
IN-STATE PRIVATE RESIDENTIAL FACILITIES.....	11
ADULT PRISON	12
OUT-OF-STATE PRIVATE RESIDENTIAL FACILITIES	14
WAYNE COUNTY.....	14
COUNTY DETENTION FACILITIES	15
JUVENILE JUSTICE VISION 20/20	15
CONCLUSION	16
APPENDIX A: OTHER EXPENSES	17
APPENDIX B: PER DIEM COSTS IN OTHER STATES.....	18
APPENDIX C: DESCRIPTION OF THE PUBLIC FACILITIES	19

INTRODUCTION

Over the past 10 years, the State of Michigan has closed all but three of its public facilities that house juveniles who have received an order of disposition for, or been convicted of, a criminal offense. The facilities that remain open are Bay Pines Center, W.J. Maxey Training School, and Shawono Center. Efforts to decentralize and privatize juvenile justice services have reduced the State's role in providing direct services. As a result, more authority has been placed at the local level. Limiting the State's role in this way has increased the flexibility of localities to determine programs and placements. At the same time, however, these efforts have resulted in a lack of unity among some stakeholders in the juvenile justice system.

Several outstanding issues regarding the State-run juvenile facilities persist. For example, when compared with the costs of the numerous privately operated facilities—both in-State and out-of-State—the per diem costs of the State's facilities appear to be considerably higher. Another concern is whether the State should continue to maintain the three public facilities in order to provide treatment in a secure environment. The author does not draw conclusions in this regard. Rather, this paper provides a basis for comparing the three public facilities to the other residential placement options available, in terms of per diem cost, security level, and capacity of the facilities.

This paper has two goals: 1) to provide a current assessment of the juvenile justice residential placement options; and 2) to offer a brief discussion on opportunities and challenges in the system.

This paper begins with an overview of the State juvenile justice system, followed by a description of the role of the Family Division of the Circuit Court in determining placements.¹ The paper continues with a focus on secure and nonsecure residential placements, as these placements are responsible for the bulk of juvenile justice expenditures. There are four broad categories of residential placement that are considered in this paper: State-run facilities, in-State private facilities, out-of-State private facilities, and adult prison. The local, county-operated detention centers are for the most part temporary, and are treated as a separate issue. In order to compare the costs of residential treatment in a meaningful way, it is critical to make the distinction between a secure and nonsecure facility; this distinction is also described in detail. For the sake of consistency, the per diem costs of the facilities are used as a comparison method. (Appendix A addresses other potential costs that could affect this comparison.) Finally, opportunities and challenges are discussed within the context of a strategic planning process that is currently taking place at the local level, the Juvenile Justice Vision 20/20 project. To date, this process has identified problems in the system as well as initial goals to address some of the concerns.

As there is no uniform method employed throughout the State to identify the treatment needs of juveniles, or data to compare the outcomes of the placements, both of these significant issues must remain outside of the scope of this report. Reliable recidivism data are also unavailable. While diversion programs, such as probation and other community-based programs comprise the vast majority of juvenile dispositions, they are discussed only briefly so the focus remains on residential placements.

¹ If relevant statutory references are known, they are included throughout the paper. The references are by no means an exhaustive list of the laws that might grant a particular authority, however.

OVERVIEW OF MICHIGAN'S JUVENILE JUSTICE SYSTEM

When welfare reform took place at the Federal level in the mid-1990s, states began to explore mechanisms that could be implemented at the local level to result in further reduced costs. Two of the primary trends to come out of these efforts were the privatization and decentralization of social services. Michigan's juvenile justice system is a decentralized system, with most of the residential services privatized. Another significant factor in the way the system is structured is that most of the authority resides with the Family Division of the Circuit Court. The courts "speak" through their court orders and thus engage the private providers/partners as the orders relate to case management and treatment.

At the close of calendar year (CY) 2010, a total of 13,291 juvenile delinquents were under the supervision of the courts, the Department of Human Services (DHS), and Wayne County.² Approximately 74% of these juveniles were diverted from placement and ordered by the court into a program such as probation or other in-home and community-based program. The remaining 26% were ordered by the court into a residential facility, whether secure or nonsecure. Additionally, 934 individuals had been incarcerated in adult prison as "juvenile waivers" as of June 2011.³

The Family Division of the Circuit Court determines all juvenile justice placements for delinquent and child welfare cases. The 57 courts maintain jurisdiction over all supervised youths, including those who are placed under State supervision. The State plays primarily an administrative role, rather than a role in providing direct services, by maintaining contracts with private providers, sharing many of the costs with the counties, managing three public facilities, and providing oversight with regard to licensing standards. Direct services are overwhelmingly provided by the counties and private providers.

According to a DHS Policy and Procedures Manual, the purpose of the juvenile justice system is to provide safe and proper care that is appropriate to the youth's individual needs while taking into account community safety. This purpose is attained through a treatment model. According to the manual, "The treatment model seeks to provide youth and families with the knowledge and skills needed to reduce delinquency behaviors. The model also promotes appropriate attitudes and strengthens the youth's capacity for self-sufficiency, enabling them to function responsibly in their home communities. Service delivery strategies seek to build upon client strengths fostering an attitude of mutual respect and responsibility."

Although community- and home-based program options are not the focus of this report, a brief description of these programs is important for context. Nationwide, states are shifting from state-run and private residential programs to community-based programs, a trend that is based on best-practice recommendations for low-risk offenders. The U.S. Department of Justice recommends that states implement alternative programs to incarceration, as incarceration is expensive and does not improve outcomes for low-level, nonviolent offenders.⁴ Alternative programs include probation, community-based supervision, family intervention services, independent living, psycho-educational programs, community service, alternatives to detention programs, tether monitors, foster care, and

² Michigan Supreme Court Annual Report, 2010: Statewide Circuit Court Summary.

³ It is difficult to obtain data on the juvenile justice system. Due to the restrictions on data availability, some of comparisons in this report use data and cost estimates that are similar, but not necessarily entirely equivalent. This estimate of the number sentenced to adult prison is based on point-in-time data as of June 2011. Data on the other facilities represent the FY 2009-10 population totals.

⁴ Austin, Johnson, and Weitzer. Juvenile Justice Best Practices Bulletin: Alternatives to the Secure Detention and Confinement of Juvenile Offenders. *U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention*, 2005.

others. These programs are often used in conjunction with one another. They are less expensive than residential treatment and the duration of court/program involvement is usually much shorter than the average 12-month placement reflected among this State's residential options. The quality and capacity of these programs vary among Michigan counties, however. It is also important to note that, in some cases, the courts prefer a residential option for a juvenile, despite the higher cost. (Please see "Family Courts and the Determination of Placements", below, for more information.)

The payment structure of Michigan's juvenile justice system is largely based on a 50-50 cost share between the State and the counties (MCL 803.305; MCL 400.117a; and MCL 400.117c).⁵ Using the Child Care Fund, the State reimburses the per diem costs of community-based programs, residential treatment, or detention for juveniles under court supervision, to the county/court at a 50% rate. Under this funding mechanism, the counties pay the up-front costs and are reimbursed by the State. Counties are allowed to claim some indirect costs in addition to the per diem expenses. Funding for juveniles under State supervision is provided through the State Ward Board and Care Fund, also a 50-50 split between the State and the counties. Through this mechanism, the State pays the costs up front and is then reimbursed by the counties. In cases in which a juvenile has been waived into the adult prison system, 100% of the costs are paid by the State. (Please see Appendix A for more information about other costs that might not be included in the per diem, including medical coverage and educational expenses.)

While an estimated 26% of the youths in juvenile delinquency cases are placed in residential facilities, these placements make up the most significant proportion of the total juvenile justice spending. The section, "Overview of Residential Placement Options" provides more information about the costs of residential placements and the distribution of spending.⁶

FAMILY COURTS AND THE DETERMINATION OF PLACEMENTS

As discussed above, the Family Division of Circuit Court determines the dispositions and placements for formally adjudicated juveniles (MCL 712A.16). For the most part, juveniles are placed in diversion programs, including probation or community-based programs.⁷ In fewer cases, the court determines that a residential placement, though more costly, is the preferred treatment option.⁸ This section briefly describes some of the considerations that guide residential placement determination.

Operating under broad Department guidelines, each of the 57 courts has its own process for determining the type of placement. There is no one, uniform way to determine placements and, therefore, the process depends on a given court's choice, as well as the resources and funding

⁵ Youths who are detained in a secure residential facility are not eligible for Medicaid, Title IV-E funding, or Federal education funding. The availability of these funding sources for those placed in nonsecure facilities varies significantly depending on circumstances, and data are not readily available.

⁶ An estimate of the total spending on alternative placements is not available, as the data are not available.

⁷ The Federal Juvenile Justice and Delinquency Prevention Act of 1974 defines community-based as "a small, open group home or other suitable place located near the juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning operation, and evaluation of their programs which may include, but are not limited to, medical, educational, vocational, social, and psychological guidance, training, special education, counseling, alcoholism treatment, drug treatment, and other rehabilitative services."

⁸ The Office of Juvenile Justice and Delinquency Prevention notes that there is not one universal definition to describe residential facilities. The website generally describes such placements as facilities that offer treatment and 24-hour supervision. <http://www.ojjdp.gov/mpg/residential.aspx>. Retrieved on 1/9/12.

available. Generally speaking, the court administrator works with several people, such as probation officers and others who are involved in the youth's life; examines evaluative or assessment information; and gathers as much information as possible relating to the youth's past offense history, performance, ability, and family, to determine the type of placement that is in the best interest of the youth, where the community and the youth is most likely to succeed. The courts also decide whether a youth needs a secure placement or a nonsecure placement, and whether a youth will experience better outcomes in a public facility.

More specifically, the court administrators work with the group to consider a variety of complex and mitigating factors in order to make a recommendation to the judge. Some of the issues typically taken into consideration include previous convictions in a juvenile's record, the degree of family support in the juvenile's life, availability of space at specialized private facilities, cost of a facility, and whether specialized treatment, such as substance abuse or sex offender rehabilitation, is recommended and available. Other factors that may determine the security level, such as a violent crime, and whether the youth is being adjudicated for a new crime, are also taken into consideration.

When recommending a residential placement, the courts use the private facilities far more often than other placements. In fiscal year (FY) 2009-10, an estimated 88% of juveniles who received disposition to residential placement were placed in private facilities, compared with 6% placed in the public facilities.⁹ Private facilities are under no obligation to accept any case, however, and nearly 40% of the juveniles detained in State facilities as of May 2011 had been rejected by private facilities.¹⁰ In cases in which a judge believes the treatment at a State facility is preferable to the treatment that is available in the private facilities, or when the private facilities have rejected a youth, the judge will recommend the youth to the State facility, despite the higher costs. The courts are also permitted to use out-of-State placements if "desirable or necessary" (MCL 712A.18a). None of the out-of-State facilities used by the counties in FY 2009-10 were secure, however.

In Michigan, youthful offenders aged 16 and under are considered juveniles and will be adjudicated as such; in some cases, however, juveniles are tried in the adult criminal justice system. While State statute lays out general parameters for trying a juvenile as an adult, it gives courts and prosecutors discretion to make the decision, depending on the offense alleged and the juvenile's age. If a juvenile aged 14 or older is accused of a violation that would be a felony if committed by an adult, the Family Division of Circuit Court may waive jurisdiction to a court of general criminal jurisdiction (MCL 712A.4). If a youth is accused of a "specified juvenile violation", the prosecutor may choose to designate the case as one in which the juvenile will be tried as an adult in a court of general criminal jurisdiction; if the alleged offense is not a specified juvenile violation, the prosecutor may request the court to make that designation (MCL 712A.2d). (Juveniles tried as adults are referred to as "juvenile waivers".) When a youth is tried as an adult and convicted, the court may sentence him or her to imprisonment (or order a different disposition), and a youth committed to an adult prison may be under the jurisdiction of the Department of Corrections. Under Federal law, juveniles waivers must remain separate from the general prison population until the age of 17.

As the courts maintain jurisdiction over juvenile offenders, they are also responsible for reviewing the progress of the individual. Depending on the process set up at the local level, courts review

⁹ Figure 1 provides an approximate distribution of the juvenile population when adult prison placements are included.

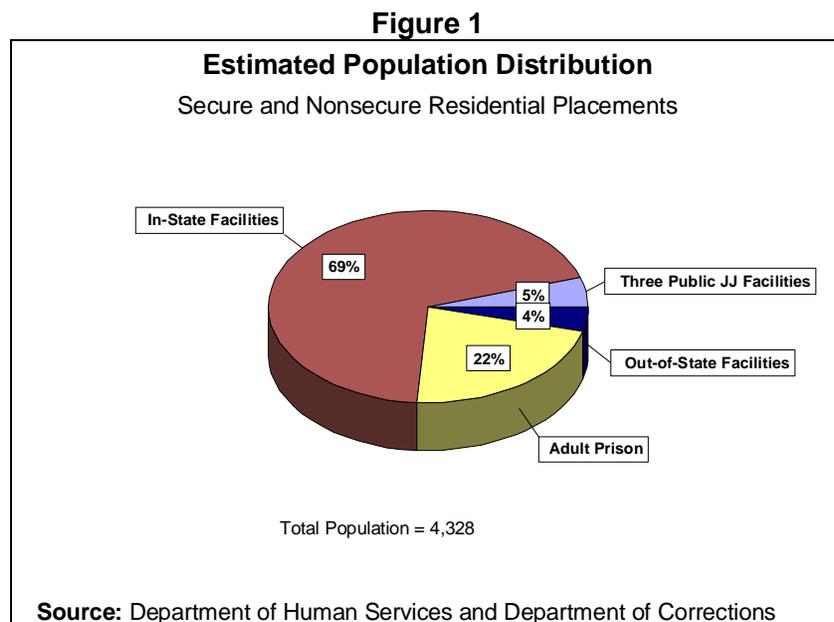
¹⁰ The State, but not the court, operates under a "private-first" mandate, meaning that private facilities must receive priority over the three public juvenile facilities (MCL 400.115o(b)). Another factor that the State must take into consideration is the mandate to give priority to in-State private providers over out-of-State providers (MCL 45.627 and MCL 400.115o(a)).

cases at a determined interval of time to determine the next steps in managing a case and identifying the success of a placement.

OVERVIEW OF RESIDENTIAL PLACEMENT OPTIONS

Residential placement options include both secure and nonsecure facilities. It is possible to obtain a general sense of the way the population is distributed among the facilities, even if the data for juvenile delinquency cases are not precisely aligned with the data on adult prison.¹¹ In CY 2010, 3,394 juveniles were placed in residential facilities. As of June 2011, 934 juvenile waivers were serving sentences in adult prison. If adult prison is included as a placement option, the estimated total population of individuals who were juveniles when placed in both secure and nonsecure residential facilities was 4,328. Of these 4,328 juveniles, 2,997 were placed in in-State, private facilities (69%), 934 in adult prison (22%), 218 in public facilities (5%), and 179 in out-of-State facilities (4%).¹² Wayne County's population is included in these figures.¹³

Figure 1 approximates the statewide population distribution in both secure and nonsecure residential placements in FY 2009-10 and uses point-in-time data as of June 2011 for those sentenced to adult prison. Data on other placements are not point-in-time; rather, they reflect the total population count for the year. Due to the different methods used to account for the population, Figure 1 should be interpreted as a rough distribution. It is important also to note the distribution is somewhat skewed due to variations in sentencing. For example, the juvenile waivers in adult prison as of June 2011 received a median sentence of eight years and an average sentence of 11.3 years. Placements in the private and public juvenile facilities, on the other hand, average 12 months.



¹¹ These data are also point in time, rather than average daily caseload or new intakes in a given year.

¹² The number of juveniles sentenced to adult prison is based on point-in-time data as of June 2011. Data on the other facilities represent the total number of youths who were at detained in a residential facility during FY 2009-10.

¹³ The estimate for Wayne County's private, in-State residential placements comes from the Wayne County Department of Children and Family Services Juvenile Justice Services. The total population in FY 2009-10 was 1,877. This figure was combined with data provided by the DHS showing that the number of residential placements elsewhere in the State was 1,120 in FY 2009-10.

Juvenile Justice Expenditures

An estimate for total spending on the juvenile justice system and juvenile waivers is not available due to lack of data. This report uses the per diem as an approximation of the expenses with the understanding that more information is needed. The per diem spending does not include medical and educational expenses, which vary and are treated as separate issues in Appendix A.

Based on FY 2009-10 figures, the total per diem costs are estimated to range from \$342.0 million to \$503.3 million – including residential and community-based placements and adult prison. Total spending on the per diem costs of residential placements alone is estimated at \$342.0 million. This figure includes both State and county spending, which means that the State share of spending is considerably less than \$342.0 million. The total costs of the community-based programs ranged from \$0 to \$161.4 million in FY 2009-10 (the range is used because these expenses are not clearly identified as being attributable to either foster care or juvenile justice costs under the Child Care Fund.)

Figure 2 estimates the distribution of total spending by residential facility type.

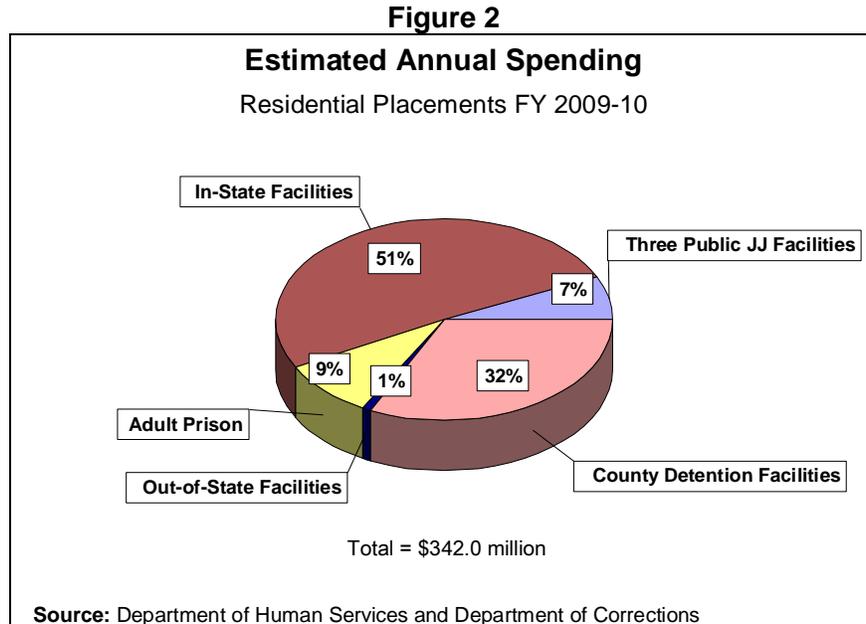


Table 1 shows the estimated total per diem spending on each type of residential facility in FY 2009-10.¹⁴ These estimates are based on Child Care Fund and State Ward Board and Care Fund data from the DHS, budget appropriations and actual expenditures in the State's Business Objects system, and Department of Corrections per diem costs.

Table 1

FY 2009-10 Estimated Total Per Diem Spending on Residential Placements (includes both State and county spending)					
	Three Public JJ Facilities	In-State Private Facilities	Adult Prison	Out-of- State Facilities	County Detention Facilities
Average Per Diem	\$385 - \$667	\$202	\$87	\$165	N/A*
Total Per Diem Spending	\$22,974,100	\$174,600,000	\$29,659,200	\$4,808,200	\$109,900,000

*The county detention facilities vary in terms of placement options. Some are exclusively temporary holding cells, while others offer longer-term treatment programs.

Source: Department of Human Services, Department of Corrections, and appropriations reports

Two additional considerations bring more context to the spending trends and the per diem expenses. The first is the State spending by the average length of the stay in each placement. [Figure 3](#) compares the average spending by length of stay at each secure placement. Adult prison sentences vary considerably from the other residential placements. The second consideration is how the per diem residential costs compare to those of other states. (Please see [Appendix B](#) for more information about other states.)

Secure Placements

The Federal Juvenile Justice and Delinquency Prevention Act of 1974 defines a secure correctional facility as "any public or private residential facility which includes construction fixtures designed to physically restrict the movements and activities of juveniles or other individuals held in lawful custody in such facility; and is used for the placement, after adjudication and disposition, of any juvenile who has been adjudicated as having committed an offense or any other individual convicted of a criminal offense".

Based on this definition, the State has limited options in terms of secure facilities, those that have construction features that physically restrict the movements of individuals detained within their walls. Secure placement options include the State's three public juvenile detention facilities, adult prison, Wolverine Family Services (a private facility serving the State), and Spectrum Family Services (a private facility serving Wayne County). In FY 2009-10, the total capacity of the secure facilities – not

¹⁴ The figure for the three public facilities is from the FY 2009-10 actual spending and encumbrances. The figure for the in-State private residential facilities is from the DHS. It is the total spending in FY 2009-10 from the Child Care Fund, the State Ward Board and Care Fund, and Title IV-E claims, and includes Wayne County. The figure for the adult prison population is based on the per diem rate at the Thumb Facility plus the additional food/health-care/transportation per diem in FY 2009-10 multiplied by the total population of 934. The figure for the out-of-State facilities is from the DHS, and includes Child Care Fund spending and Title IV-E claims.

including adult prison, mental health institutions, or county-run facilities – was 360 beds.¹⁵ Currently, there are two additional private placement options for female juveniles: Detroit Behavioral Institute operates its Harmony Program for adjudicated adolescent girls and Vista Maria operates a secure program for girls only. The local, county-run detention facilities are also secure facilities, but they are primarily used for temporary placements.

The per diem costs of the secure facilities, excluding the adult prisons, are higher than the costs of nonsecure placements. (This difference in pricing holds true in other states, as well.) Sentences to adult prison, however, are longer than the terms of the other placements, so the base per diem does not provide an adequate comparison. The costs to the State to incarcerate a youth in adult prison are generally higher, as the State pays 100% of these costs.

Table 2 compares the per diem costs of the secure facilities, the average length of a placement, the cost per individual placement, and the State's share of the costs. In the case of the three public juvenile justice facilities and the private facilities, the State and the county share equally in the costs. Costs for the three public facilities are based on calendar year 2011. The private and adult prison costs are based on FY 2010-11 per diems.

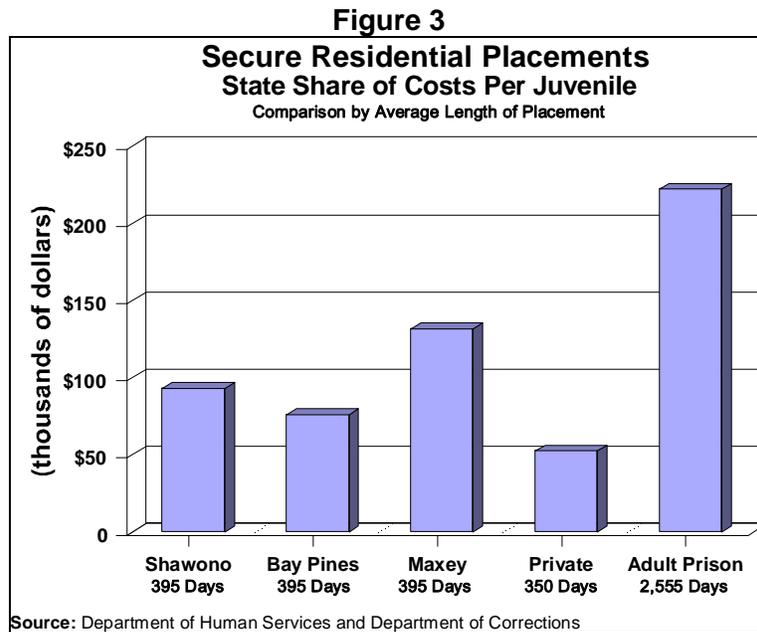
Table 2

Comparison of Per Diem Costs Secure Residential Placements					
	Public: Shawono	Public: Bay Pines	Public: Maxey	Private: Average of Wolverine & Spectrum	Adult Prison
Base Per Diem Costs	\$473	\$385	\$667	\$301	\$87 ^a
Average Placement in Days	395	395	395	350	2,555 ^b
Estimated Cost per Individual Placement	\$186,800	\$152,100	\$263,500	\$105,400	\$222,300
Estimated State Share of Costs	\$93,400	\$76,000	\$131,700	\$52,700	\$222,300
^a This figure includes both the base per diem rate and the average food and transportation costs for the Thumb Correctional Facility, where a substantial number of juvenile waivers are placed. ^b This figure is based on Department of Corrections data, which show that seven years is the average sentence of the top five sentences as of February 2012.					

Source: Department of Human Services and Department of Corrections

¹⁵ As most county detention facilities are intended to be temporary until a youth is placed with a longer-term facility, they are not comparable to the full residential placement options. The counties do not use any secure, out-of-State facilities.

Figure 3 displays the State share of costs for the secure placements by the average number of days. (For more information about the costs and lengths of the sentences at adult prison, please see the section, "Adult Prison" on page 12.)



Nonsecure Placements

Nonsecure residential placement options include both in-State and out-of-State private facilities. Most of the placements used by the courts are nonsecure. For the sake of clarification, many nonsecure facilities describe their services as "staff secure"— meaning that there is 24-hour staff supervision and the doors are locked, but the facilities themselves are not comparable to secure facilities, as they do not have "construction fixtures designed to physically restrict the movements and activities" of the juveniles placed there.

The average per diem cost of in-State placements is \$202, and ranges from \$133 to \$317.¹⁶ Currently, there are 49 in-State private agencies providing juvenile justice treatment. According to a data pull conducted by the DHS, the average per diem cost for out-of-State facilities, of which there were 17 nonsecure in FY 2009-10, was \$165.¹⁷ The variation in the per diem costs is, in part, due to the type of treatment being provided to the individual. For example, a juvenile receiving intensive mental health or behavioral treatment is going to be more expensive than one whose needs are less severe. As previously discussed, the per diem costs of these facilities are split 50-50 by the State and the counties.

THREE PUBLIC JUVENILE FACILITIES

The State currently operates three facilities for juvenile offenders: Bay Pines Center, Shawono Center, and W.J. Maxey Training School.¹⁸ The combined capacity at the three facilities was 160

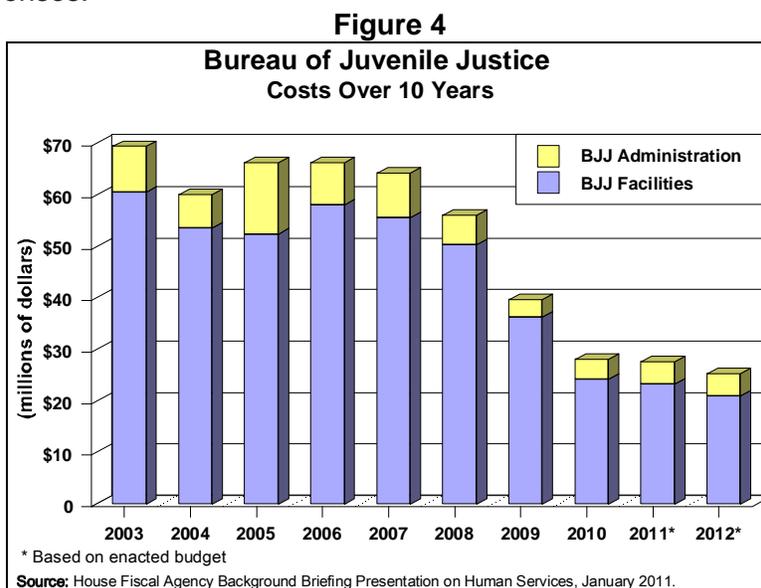
¹⁶ DHS "Rates for Child Care Institutions and Placement Agencies". <http://www.mfia.state.mi.us/olmweb/ex/html/>. Retrieved on 11/17/11.

¹⁷ DHS legislative report required by Public Act 190 of 2010, Section 513(3).

¹⁸ Descriptions of the facilities are from the DHS website.

beds in FY 2009-10 and 140 beds in FY 2011-12. The public facilities hold youths who have been designated as State wards under the provisions of the Youth Rehabilitation Services Act, Public Act 150 of 1974. While the "Act 150 wards", as they are known, are under State supervision, the courts maintain jurisdiction over the cases. (Please see [Appendix C](#) for a more detailed description of the three facilities.)

In the past 10 years, the closure of several public facilities has brought the annual public facility and administrative costs down from nearly \$70.0 million in FY 2002-03 to \$23.0 million in the FY 2011-12 DHS appropriations budget. This movement may have contributed to the expansion of community-based programs developed by the courts, which treat juveniles within their community versus placing them in facilities. [Figure 4](#) shows the change over time, separating facility costs from administrative expenses.



Summary of Juveniles Placed in State Facilities

In FY 2009-10, the public facilities housed a total of 218 juveniles. The average length of each placement was 395 days. The juveniles who were placed in these secure facilities as of January 2011 had the following characteristics:¹⁹

- 39% had been rejected by the private facilities, which are not required to accept the juveniles who are referred to them by the courts.
- 47% had previous placements in secure facilities, which can make them more difficult to place in nonsecure facilities.
- 4.4 was the average number of previous placements (secure and nonsecure) per youth, and the number ranged from zero to 22 placements. Only five youths did not have previous placements.
- 64% of the youths had been placed most recently for committing violent crimes, including assault, a criminal sexual conduct offense, and murder.

¹⁹ DHS data pull on youth demographics at the three public facilities as of January 2011.

Per Diem Calculation for State Facilities

The per diem rates for each facility are calculated for the calendar year and, historically, have been based on either the capacity of the facility or the projected occupancy. Since FY 2006-07, the rate has been calculated using projected occupancy, resulting in an increased per diem rate at all three facilities. The language in statute is flexible and open to interpretation, allowing for either calculation, and the determination of cost therefore is a matter of Department policy (MCL 803.305(2)). As the costs of detaining a State ward in the public facilities is shared 50-50 by the State and the county from which the juvenile was court-ordered into placement, the counties have a disincentive to send youths to the facilities due to the higher costs in recent years.

Table 3 displays the calendar year 2011 per diem rate for each facility and how the calculations compare when based on projected occupancy or capacity of the facility.²⁰ The per diem rate for Maxey Training School was reduced to \$572 in CY 2012.

Table 3

Comparison of Per Diem Calculations in Calendar Year 2011			
	Bay Pines	Maxey Training School	Shawono Center
Per Diem: Projected Occupancy	\$385	\$667	\$473
Per Diem: Capacity of the Facility	\$383	\$418	\$370
Difference	\$2	\$249	\$103

Source: Department of Human Services

IN-STATE PRIVATE RESIDENTIAL FACILITIES

According to a DHS Policy and Procedures Manual, as of November 2011, there were 49 private facilities throughout the State providing residential services for youths in the juvenile justice system. Most of these placements serve low-level offenders and are less expensive than the secure facilities. Of these 49 facilities, there is only one secure, non-mental health institution for juvenile males: Wolverine Buena Vista. Vista Maria and Detroit Behavioral Institute also offer secure placements for females.

Most facilities offer specialized treatment programs to address the presenting issues a juvenile manifests, such as substance abuse treatment or sex offender rehabilitation. Residential facilities are known to provide both 24-hour supervision and a 24-hour treatment environment. The courts determine which services and placements are most likely to result in successful outcomes for the juveniles and place them accordingly. The following is a brief overview of the in-State private facilities:

- In FY 2009-10, 2,997 juveniles were placed in residential, in-State private facilities (including those in Wayne County).

²⁰ The calculation to arrive at the per diem cost of detention takes the appropriation for the facility, divides this number by either projected occupancy or capacity, and then divides the annual cost of detention for an individual by 365 days.

- 12 months is the average length of placement at both the secure and nonsecure facilities.
- \$202 is the FY 2010-11 average per diem of the nonsecure facilities.
- \$287 is the FY 2010-11 per diem of the secure placement at Wolverine Buena Vista.
- 79% of the juveniles at Wolverine Buena Vista had three or more previous placements.
- 100 beds for males aged 12 to 21 is the capacity of Wolverine Buena Vista.²¹
- 50% of the juveniles had been placed most recently for committing violent crimes, including assault, a criminal sexual conduct offense, and murder.

ADULT PRISON

Michigan is one of 13 states where all juveniles who are prosecuted for committing a crime at age 17 or older are tried as adults, regardless of the type of crime committed.²² As discussed above, youths who commit crimes under the age of 17 are considered juveniles unless the court or the prosecutor decides that a youth should be tried as an adult, which allows the court to sentence the youth to an adult facility (MCL 712A.4 and MCL 712A.2d).

As of June 2011, there were 934 individuals in adult prison who committed their crimes as juveniles (age 16 or younger), including 193 serving life sentences.²³ As noted above, these individuals are known as "juvenile waivers". Pursuant to the Federal Juvenile Justice and Delinquency Prevention Act of 1974 as amended, juveniles age 16 and younger must be kept separate from the general adult prison population by both sight and sound. Most youths are sentenced to the Thumb Facility, which has the capacity to house the juvenile waivers. The State is required to provide educational services to the young offenders. Aside from standard medical care, treatment services are not required by Federal law and are not provided. Once juveniles turn age 17, they may be transferred to the general population.

It is widely believed that prosecutors reserve their discretion to try a juvenile as an adult for the most serious, violent crimes. The circumstances depend on the individual, however, as many youths who commit violent crimes are sent to either the State juvenile facilities or the secure, private facility. For example, 64% of the juveniles who were placed at one of the State facilities in January 2011 had been most recently charged for committing crimes such as assault, murder, or criminal sexual conduct. The youths placed at Wolverine Buena Vista in CY 2010 demonstrated similar trends — 50% were sentenced for similar crimes.

According to point-in-time data (as of February 2012) from the Department of Corrections, the population of juvenile waivers shows the following characteristics:

- Sentences range from one day to 75 years (not including life sentences).

²¹ Data provided by Wolverine Secure Treatment Center Information fact sheet, 2011.

²² The Department of Corrections operates several diversion programs for low-level young offenders, including Holmes Youthful Trainee ACT (HYTA) and Special Alternative Incarceration program (SAI). The diversion programs separate younger offenders from the general population and offer additional programs that are not otherwise available in the prison system. Not all young offenders are sent to these diversion programs, however. Point-in-time data from June 2011 show that 153 younger offenders were in these programs. These 153 young offenders are not included in the total juvenile waiver population of 934, as most of them were over the age of 17 when they committed their crimes, and are therefore considered adults. As of February 2012, just 5 juvenile waivers were participating in these programs.

²³ Point-in-time population data as of August 2011 provided by the Department of Corrections.

- Seven years is the average sentence of the top five most frequent sentences (Table 4).
- 43% of the individuals were previously placed in the juvenile justice system.
- 58% were previously on probation as juveniles.
- 91% had committed a violent crime, including assault, murder, or a sexual offense.
- 9% had committed a nonviolent crime or drug offense.
- 209 are serving a life sentence.
- 58 were new admissions from January to June 2011.
 - Six years was the median sentence of these new 2011 admissions, with sentences ranging from 0.9 to 31.2 years (not including one life sentence).

Although the adult prisons have a lower per diem cost than other placements, this rate structure does not necessarily translate into savings for the State. The per diem cost of the Thumb Correctional Facility, where most youthful offenders are serving their sentence, was \$65.51 in FY 2009-10. Additional per diem costs for food, health care, and transportation averaged \$21.44, resulting in a total per diem of \$86.95.

Use of the adult prisons is more expensive for the State than the public juvenile and private secure placements in the long run for two reasons. The first is that the State covers 100% of the costs associated with incarcerating juvenile waivers in adult prison. Unlike the funding structure in place for other placements, counties are not responsible for the 50-50 cost share. Additionally, Federal funding does not support states' base corrections costs.

The second reason the costs of adult prison are higher to the State is that the average sentence served is much longer than in other juvenile placements. According to the Department of Corrections, the most frequent sentence averages seven years. When compared to the secure public facilities and Wolverine Buena Vista, the costs of adult prison are lower initially, but the savings begin disappearing in year two. For example, Table 4 demonstrates that an individual sentenced to the Thumb Facility for two years would cost the State approximately \$63,500. At four years, the costs exceed the average State cost share for all of the other secure placements, except for Maxey Training School, which costs the State \$131,700 per sentence. (See Table 3 for a comparison of the State share of costs for secure placements.) If the most frequent sentence averages seven years, the State could expect to spend approximately \$222,300 for every youth sentenced to adult prison.

Table 4

Most Frequent Adult Prison Sentences for Juvenile Waivers and Average Costs*		
	Sentence	Cost Per Individual
	3 years	\$95,300
	2 years	\$63,500
	5 years	\$158,800
	10 years	\$317,600
	15 years	\$476,300
Average	7 years	\$222,300

*Department of Corrections data from February 2012. The top five sentences represent 26% of the total sentences, which range from 1 day to life. Costs are based on a total per diem of \$87 at the Thumb Facility in FY 2009-10.

OUT-OF-STATE PRIVATE RESIDENTIAL FACILITIES

Out-of-State placements account for a small fraction of the total residential placements — just 4% in FY 2009-10. Out-of-State facilities are used when the treatment program is expected to have successful outcomes for a youth and is aligned with the youth's rehabilitation goals. In FY 2009-10, there were a total of 179 Michigan juveniles placed out of State. Of these 179 youths, 170 were under court supervision and nine were under DHS supervision.

None of the out-of-State facilities used in FY 2009-10 were secure placements. The facilities are considered to be "staff secure", meaning the facilities are staffed 24 hours a day and that the doors are locked. The out-of-State placements are therefore comparable to in-State, nonsecure residential programs. Also similar to the in-State facilities, the out-of-State facilities are not required to admit any juvenile, and can reject the court's recommendation due to any number of reasons, including a juvenile's need for costly psychotropic medication.

At the county level, 16 out of 83 counties used out-of-State residential placements. The five counties with the highest number of youths placed out of State were: Genesee (50); Kent (48); Macomb (21); Muskegon (18); and Ingham (16). The counties used 11 out-of-State placement facilities. The most frequently used were Glen Mills Schools in Pennsylvania (86); Boystown in Nebraska (21); and Clarinda Academy in Iowa (18).²⁴

The costs of these placements averaged \$165.22 a day in FY 2009-10 and the average length of stay was 373 days. Similar to the in-State rate structure, the State splits the costs with the counties 50-50 through the Child Care Fund.

WAYNE COUNTY

In Wayne County, realignment of the State juvenile justice services to the county took place in 2000. A memorandum of understanding between the county and the State does not grant the authority for the realignment of services, but rather expresses the spirit of cooperation. In terms of cost sharing with the State, Wayne County is like every other county in that it shares the costs of care with the State 50-50.

Wayne County primarily uses private facilities for its residential placements. The county system is decentralized so that no government employees are involved in providing direct services, which are all provided by private facilities. Wayne County maintains a contract with a secure, private facility for high-risk youths, Spectrum Services. Spectrum maintains 80 beds for Wayne County at a \$315 per diem. During FY 2009-10, there were a total of 1,877 juveniles in private residential facilities (with an average daily caseload of 853), two youths in a State juvenile facility, and no youths out-of-State. The number of juvenile waivers from Wayne County who were in adult prison was 436. It is important to keep in mind that the figure for adult prison placements is not indicative of new admissions to the adult prison, but rather includes those who are serving sentences that average seven years for the most frequent sentences. There is less turnover in adult prison than in the other residential placements, as the juvenile waivers tend to accumulate in the system.

²⁴ DHS report to the Legislature, pursuant to Public Act 190 of 2010, Section 513(3), February 15, 2011.

COUNTY DETENTION FACILITIES

In FY 2009-10, the total State and county spending on county detention facilities through the Child Care Fund was \$109.9 million. Additional data regarding county detention facilities were not included in this report due to a number of factors. The primary reason for the omission is that these local, secure facilities are, for the most part, used as temporary holding cells until a juvenile is able to be transferred to serve his or her disposition in a given program. Detention centers are therefore not comparable to the other residential placements. Some counties, however, operate various treatment programs at their detention facilities; this is not consistent among all counties. For example, Ottawa County has a 30-day substance abuse program as well as a four-month residential program for females only. If a county chooses to operate such programs, they also vary in terms of the length of average placement and treatment. Another significant reason for the omission is that there is no way to obtain information about these programs without researching each county on an individual basis since there is no central source with this information; that task was outside of the scope of this paper.

JUVENILE JUSTICE VISION 20/20

With a decentralized juvenile justice service model in place, the State and counties are in a position to re-evaluate the juvenile justice system and develop a more unified vision for the future.

The Juvenile Justice Vision 20/20 initiative began in August 2011 with funding from the State Justice Institute (SJI) and support from the Michigan State Court Administrative Office, the DHS, Grand Valley State University, and the 20th Judicial Circuit Court. The first step was to evaluate the current juvenile justice system through the administration of a survey; this resulted in a 51% return rate. By gathering input from individuals involved at various levels of the juvenile justice system (i.e., court administrators, judges, probation officers, administrators, private agency staff, law enforcement personnel, educators, and DHS workers), an initial survey identified some key problem areas and opportunities for change:

1. The top cited concern was the need for more and higher-quality prevention, intervention, and treatment programs. Mental health services are a high priority. The need for affordable programs was also noted.
2. The second-most noted area concerned various public policy and legislative issues. Some of the comments referred to items such as the sex offender registry, juvenile waivers, and the flexibility of the courts.
3. Adequate funding was also a top priority.
4. Other issues included training for staff, the difficulty in obtaining data, the need for a statewide database, and outcome evaluations.

The second step was to conduct the strategic planning process. Approximately 35 juvenile justice professionals from the courts and a variety of stakeholders that included the private, nonprofit agencies, State agencies, professional organizations, and law enforcement engaged in a strategic planning process to build a collective voice and an action agenda for juvenile justice in Michigan. Through this process, the initiative established a core tenet/mission, vision, core values, goals, objectives, and first-year priority projects. As of November 30, 2011, five Strategic Focus Area Action Teams, which include over 75 professionals from across the State, began work on identified strategic issue projects; currently, the initiative is in full implementation phase.

Included in the Strategic Plan are the following five strategic focus areas under which the identified strategic focus area projects fall:

1. The Unique Purpose of the Juvenile Court;
2. Effective Outcomes for Juveniles, Families, and Communities;
3. Juvenile Court Operational Performance;
4. Adequate and Sustainable Funding; and
5. Strong Juvenile Justice Work Force.

The strategic plan is in place for CY 2012 through CY 2014 and will be updated on an annual basis, reflecting the accomplishments of each of the five Strategic Action Teams and establishing updated strategic focus area projects for the new year.

CONCLUSION

While decentralization of services has increased local control of the system and allowed the courts to be flexible in determining placements for juvenile offenders, it also has left a gap in terms of unified planning and a way to track information on this population. The shifting of the juvenile population to community-based programs and private residential facilities has contributed to the complexity of the system.

There is an opportunity to re-evaluate current spending patterns in order to maximize both the outcomes for juveniles and the available resources. Several issues contributing to the current patterns warrant a more thorough review. First, most of the juveniles under supervision are court-ordered into less expensive, community-based programs, yet the majority of the costs are incurred from the 30% of the population that is placed in residential facilities and adult prison. Second, the per diem costs for the public juvenile facilities are currently calculated for occupancy rather than capacity. Third, another cost consideration is the number of juveniles who are waived into adult prison, as the costs are borne entirely by the State and the sentences at such placements are longer. Finally, gaps in medical coverage are often covered by the counties or the private agencies. It is also important to note, looking at costs exclusively does not account for the outcomes of youths who are treated in a community-based program compared to a residential facility.

An opportunity to re-evaluate the range of placement options available and to identify potential gaps in services is also present. The current distribution of services allows for various community-based models, as well as specialization of treatment services among the residential facilities. As so many of the youths under supervision are directed to a residential facility, there is an opportunity to review the range of treatment options available, take a survey of the gaps in services, re-evaluate the funding structure, and consider assessments for juveniles and the criteria for placing them in the various facilities and security levels. The capacity and need for secure placements, and the goals of such placements, should also be identified. Opportunities to develop both the capacity and quality of community-based programs also exist.

The State and courts are now in a position to identify the next steps in developing Michigan's decentralized model and how to implement any needed changes. With many options available to the already flexible system, one of the biggest challenges will be narrowing the focus in order to set a course.

APPENDIX A: OTHER EXPENSES

Medical Coverage

There are gaps in medical coverage among juveniles in residential facilities, but the extent of this circumstance is unknown. At the time this paper was written, statistics on the number of juveniles in residential care who were eligible for and also received Medicaid were not available. Juveniles in secure facilities, including county juvenile detention facilities, are not eligible for Medicaid, which means that if they are not covered under a parent's or guardian's insurance, they probably do not have insurance and the facilities must provide for the medical needs at their cost. At a Senate Appropriations Human Services Subcommittee hearing on December 13, 2011, Sandi Metcalf from the Michigan Association of Family Court Administrators testified that there is a gap in medical coverage for many of the detained juveniles. Juveniles in nonsecure facilities could presumably be eligible for Medicaid, but this is not always the case. It is possible that, in some cases, private insurers drop juveniles from a plan because they are under the supervision of a residential facility. This is not to say that uninsured juveniles do not receive any medical care, however. If an uninsured juvenile needs and receives medication or dental work, counties or the private agencies pay the costs. In some cases, they are reimbursed by the State. As there are no statistical data available and these medical claims are not tracked at either the State or local level, the author cannot determine either the extent to which the costs are paid at the local level or the frequency with which juveniles who need medical care are not receiving treatment.

Additionally, the level of services and medical expenses drive the differences between the public secure facilities and most of the private agencies. For example, the cost of psychotropic medications for Maxey in fiscal year 2010-11 was \$227,867.

Educational Expenses

The Michigan Department of Education (MDE) provides some funding for educational expenses to juvenile justice facilities through intermediate school districts or local educational institutions. This funding is not distributed equally among all localities, however. In FY 2009-10, Public Act 121 of 2009, Sections 24 and 24(a), allocated \$8.0 million to several local county detention facilities and private agencies for education. These costs were accounted for in the Court Placed Children line item in the School Aid budget. Additionally, the budget allocated \$1,478,300 to the three public juvenile justice facilities. (The total allocation for the Juvenile Detention Facilities line item was \$1,751,300, but included Nokomis Center, which has since closed and was not considered in this paper.)

The MDE also provides a small allocation of funding to the DOC. Through the Individuals with Disabilities Education Act (IDEA) fund, the DOC received \$57,000 and through the Enhancing Opportunities for Students with Disabilities grant, the DOC received \$30,000 in FY 2011-12.

APPENDIX B: PER DIEM COSTS IN OTHER STATES

Comparing the average per diem costs of Michigan's residential treatment options to those in other states is a challenging task, as the data are not readily available and, in instances where the data are available, they are not comparable in terms of fiscal year. The per diem costs of Michigan's private, nonsecure placements currently range from \$133 to \$316. In comparison — based on the limited data available from 2005 to 2008 — the per diem costs for nonsecure placements ranged from \$117 to \$286 in the following states: Texas,²⁵ Wisconsin,²⁶ Virginia, Georgia,²⁷ Missouri, and North Carolina. Michigan's secure (excluding adult prison) placement facilities ranged from \$287 to \$667 in FY 2010-11. The same studies showed that secure placements in Wisconsin, Colorado, Minnesota, Ohio, and Pennsylvania ranged from \$169 to \$363. Based on this limited information, there are indications that Michigan's public and private, and secure and nonsecure placements are more expensive than those in other states. These basic figures, however, do not account for potential differences in the quality of treatment or in the way that the per diem rates are calculated (e.g., some rates might include educational expenses while others do not). Further, these figures do not include county or court-operated detention facilities.

Another example is New York. Similar to the use of Michigan's Child Care Fund, New York bills back to counties for 50% of their share of the costs at the end of the calendar year (not including any of the Federal money New York received through Medicaid and Title IV-E). The per diem is calculated by billable care days within a calendar year (7 months, 12 months, etc.). Net costs/care days for that period equal the per diem rate. New York also uses an interim rate to allow it to send quarterly billings, which are reconciled at the end of the year. There are six different per diem rates for six different types of facilities. The most current rate available is New York's 2010 interim rate. The rate for secure care was \$624.70/day.²⁸

²⁵ Levin, Mark. *Getting Less for More: Innovative and Cost-Effective Approaches to Reduce Crime, Restore Victims, and Preserve Families*. Texas Public Policy Foundation, 2010.

²⁶ *Cost-Effectiveness of Juvenile Correctional Institutions: Analysis and Options*. Wisconsin Department of Corrections, 2007.

²⁷ Department of Juvenile Justice: Comparison with Other States' Juvenile Offender Population and Average Costs. Georgia Department of Audits and Accounts: Performance Audit Operations, 2009.

²⁸ Information provided by the Michigan Department of Human Services, April 2012.

APPENDIX C: DESCRIPTION OF THE PUBLIC FACILITIES

Bay Pines Center (Escanaba) serves a dual role in providing both a regional detention service and a regional training school service. This 40-bed, secure facility provides treatment for both females and males. The treatment program uses special education instruction, family work, substance abuse, medical, psychological, and religious services. Aside from adult prison, Bay Pines is the only secure public facility currently available to the courts that accepts females.

Shawono Center (Grayling) serves a dual role in providing both a regional detention service and a regional training school program service for the northern portion of the Lower Peninsula. The Shawono Center detention service is a secure facility for males who have been ordered into the facility through their county family or adult court. The treatment approach uses a group modality with a cognitive-behavior emphasis for sex offenders, and also serves violent offenders. The Center's capacity is 40 beds.

W. J. Maxey Training School (Whitmore Lake) is a residential treatment facility for delinquent male youths, 12 to 21 years of age. The facility's capacity was reduced from 80 beds to 60 beds in the 2011-12 fiscal year. Maxey is a secure facility with specialized treatment for severe emotional and developmental disabilities, significant mental health issues, and serious or chronic violent offenders, including chronic sex offenders.

