V10A
Department of Juvenile Services

Operating Budget Data

($ in Thousands)

	FY 06 Actual	FY 07 Working	FY 08 Allowance	FY 07-08 Change	% Change Prior Year
General Fund	$194,334	$216,623	$222,657	$6,034	2.8%
Special Fund	2,157	4,143	203	-3,940	-95.1%
Federal Fund	14,211	15,007	14,737	-270	-1.8%
Reimbursable Fund	498	3,132	449	-2,683	-85.7%
Total Funds	**$211,200**	**$238,906**	**$238,046**	**-$860**	**-0.4%**

- There are $14.5 million in deficiencies in the Department of Juvenile Services (DJS), $7.6 million for fiscal 2006 bills rolled into fiscal 2007, and $6.9 million for fiscal 2007. However, DJS rolled almost $9.0 million of bills into fiscal 2007 and other deficits not covered by the fiscal 2007 deficiency appropriation loom large.

- The budget for the department falls slightly between the fiscal 2007 working appropriation and fiscal 2008 allowance. Although there would be growth if distortions for employee and retiree health care one-time savings are considered, deficiency appropriations attributed to fiscal 2007 essentially offset those savings resulting in a budget drop of $724,000, or 0.3% between fiscal 2007 and 2008.

- The fiscal 2008 allowance also contains significant shortfalls, primarily in the area of funding for residential per diem placements.

Personnel Data

	FY 06 Actual	FY 07 Working	FY 08 Allowance	FY 07-08 Change
Regular Positions	2,080.85	2,079.85	2,088.85	9.00
Contractual FTEs	177.49	144.20	144.20	0.00
Total Personnel	**2,258.34**	**2,224.05**	**2,233.05**	**9.00**

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	62.67	3.00%
Positions Vacant as of 12/31/06	134.40	6.46%

Note: Numbers may not sum to total due to rounding.

For further information contact: Simon G. Powell Phone: (410) 946-5530

- The budget includes 13 new regular full-time equivalent (FTE) positions (10 FTE for new committed programming at Backbone Youth Center, and 3 FTE to improve the collection of educational records). This increase is offset by 4 FTE abolitions.

- The budgeted turnover rate, 3%, is exceedingly low for DJS. However, the department is having better success in hiring employees.

Analysis in Brief

Major Trends

Residential Placements: The use of committed residential placements continues to fall, but secure detention populations rose sharply in recent months. Out-of-state placements are also rising.

Pending Placements: The number of youth who have been adjudicated delinquent and are pending a committed placement continue to be a problem for the department. Average length of stays for these youth in secure detention rose in fiscal 2006.

Recidivism Rates: Outcomes, as measured by recidivism rates from residential placements, continue to remain stubbornly unmoved despite the considerable investments made in treatment services and aftercare in recent years.

Issues

Unanswered Questions: With the change in administration, the policy direction for the department as outlined in its recently developed Facilities Master Plan needs to be re-affirmed or refined.

Drug Courts Work! Or Not?: Recent evaluations of juvenile drug courts for both the Judiciary and DJS raise questions about the efficacy of the significant investments made in juvenile drug courts in recent years.

Performance-based Contracting in DJS: DJS has been actively trying to insert performance measures into its contracts. An assessment of that effort is provided.

Bowling Brook: Placement decisions by DJS following a recent incident at Bowling Brook raise questions.

Maximizing Federal Fund Attainment for Behavioral Health Assessments: The *Joint Chairmen's Report* from 2006 asked DJS to investigate the possibility of claiming additional federal Medicaid dollars for behavioral health assessments provided by DJS in community settings. The delivered report prompted more questions than answers.

Recommended Actions

		Funds	Positions
1.	Increase the turnover rate for new positions to 25%.	$ 97,000	
2.	Reduce funding for cell phone expenditures.	100,000	
3.	Reduce funds for independent verification and validation.	150,000	
4.	Reduce funding for the installation of an education trailer at O'Farrell.	66,000	
5.	Reduce funding for two teacher positions and one teacher's aide based on the relinquishment of responsibility for education at the Carter Center to the Maryland State Department of Education.	188,000	3.0
6.	Add language restricting funds for an evaluation of community-based sex offender treatment.		
7.	Add language withholding funds pending the receipt of a report prepared jointly with the Department of Health and Mental Hygiene to maximize Medicaid claims for behavioral health assessments and other mental health services.		
8.	Reduce expansion of non-residential sex offender treatment services.	300,000	
9.	Delete funds for evening reporting centers.	520,000	2.0
10.	Adopt narrative requesting that the new leadership of the Department of Juvenile Services respond to the policy direction established by the 2006 Facilities Master Plan.		
11.	Adopt narrative concerning educational programming provided to Department of Juvenile Services' youth placed at the Regional Institute for Children and Adolescents – Southern Maryland.		
12.	Adopt narrative concerning the independent verification and validation of the Department of Juvenile Services' caseload management system.		
13.	Reduce funds for security services at the Hickey School based on actual contract costs.	165,000	

14.	Delete funds for grants to non-traditional community providers.	230,000	
	Total Reductions to Fiscal 2007 Deficiency Appropriation	**$ 395,000**	
	Total Reductions to Allowance	**$ 1,421,000**	**5.0**

Updates

Civil Rights of Institutionalized Persons Act (CRIPA) Investigations: The status of ongoing CRIPA investigations and agreements at DJS facilities is provided.

Attracting and Retaining Direct Care Workers: The fiscal 2006 budget withheld funds pending the development of plan to help the department attract and retain employees. The plan was submitted after fiscal 2007 budget deliberations and is reviewed.

Gang Prevention Funding: The legislature restricted over $4 million in the Rainy Day Fund and added almost $650,000 in general obligation funding in the fiscal 2007 operating and capital budgets for gang prevention activities. The status of that funding is provided.

V10A
Department of Juvenile Services

Operating Budget Analysis

Program Description

Functionally, the Department of Juvenile Services (DJS) is broken down into two major areas: Leadership Support and Restorative Services Operations.

The Leadership Support area is essentially headquarters operations that provide guidance and centralized services to the other part of the agency. It consists of two areas:

- **Office of the Secretary**; and

- **Departmental Support** which includes such functions as human resources, capital planning, property management, procurement, information technology (IT), professional development and training; and professional responsibility and accountability (for example, audits, professional standards, and quality assurance).

The Restorative Services Operations area consists of programs delivering services to youth. It consists of three areas:

- **Health Services** which both provides and oversees the delivery of somatic and mental health, substance abuse, and nutrition services to DJS youth;

- **Residential Operations**, including private and State residential facilities as well as related services; and

- **Community Services Supervision**, including intake, probation, aftercare, and community detention utilizing a five-area configuration with field offices throughout the State.

The key goals of the department are public safety, juvenile offender accountability, and the development of a level of competency in juvenile offenders to reduce the risk of recidivism.

Performance Analysis: Managing for Results

Maryland Juvenile Arrest Data

Exhibit 1 presents certain Maryland juvenile arrest data for calendar 2001 through 2005. The data uses distinctions found in the *Uniform Crime Reports.* Part 1 arrests are those for murder, manslaughter, rape, robbery, felonious assault, breaking or entering, larceny-theft, motor vehicle theft, and arson. Part 2 arrests are all other arrests and include such things as vandalism, drug abuse violations, weapons offenses, and fraud. The exhibit also distinguishes Part 1 arrests between violent and serious property crimes.

Exhibit 1
Juvenile Arrest Data (Age 10 through 17) – Maryland
Calendar 2001-2005

	2001	2002	2003	2004	2005	Annual % Change 2001-05	Annual % Change 2004-05
Total Arrests	48,318	46,503	50,741	51,649	49,849	0.8%	-3.5%
Arrest Rate	7,700	7,288	7,855	7,926	7,626	-0.2%	-3.8%
Part 1 Arrests	14,993	14,526	15,582	15,910	15,036	0.1%	-5.5%
Part 1 Arrest Rate	2,389	2,277	2,412	2,442	2,300	-0.9%	-5.8%
Part 1 Arrests:							
a. Violent Crimes	3,244	3,081	3,199	3,285	3,213	-0.2%	-2.2%
Violent Crime Rate	517	483	495	504	492	-1.3%	-2.5%
b. Property Crimes	11,749	11,445	12,383	12,625	11,823	0.2%	-6.4%
Property Crime Rate	1,872	1,794	1,917	1,938	1,809	-0.9%	-6.6%
Part 2 Arrests	33,325	31,977	35,159	35,739	34,813	1.1%	-2.6%
Part 2 Arrest Rate	5,311	5012	5,443	5,485	5,326	0.1%	-2.9%

Note: Arrest rates are per 100,000 juveniles age 10 through 17.

Source: U.S. Census; *Uniform Crime Reports*; Department of Legislative Services

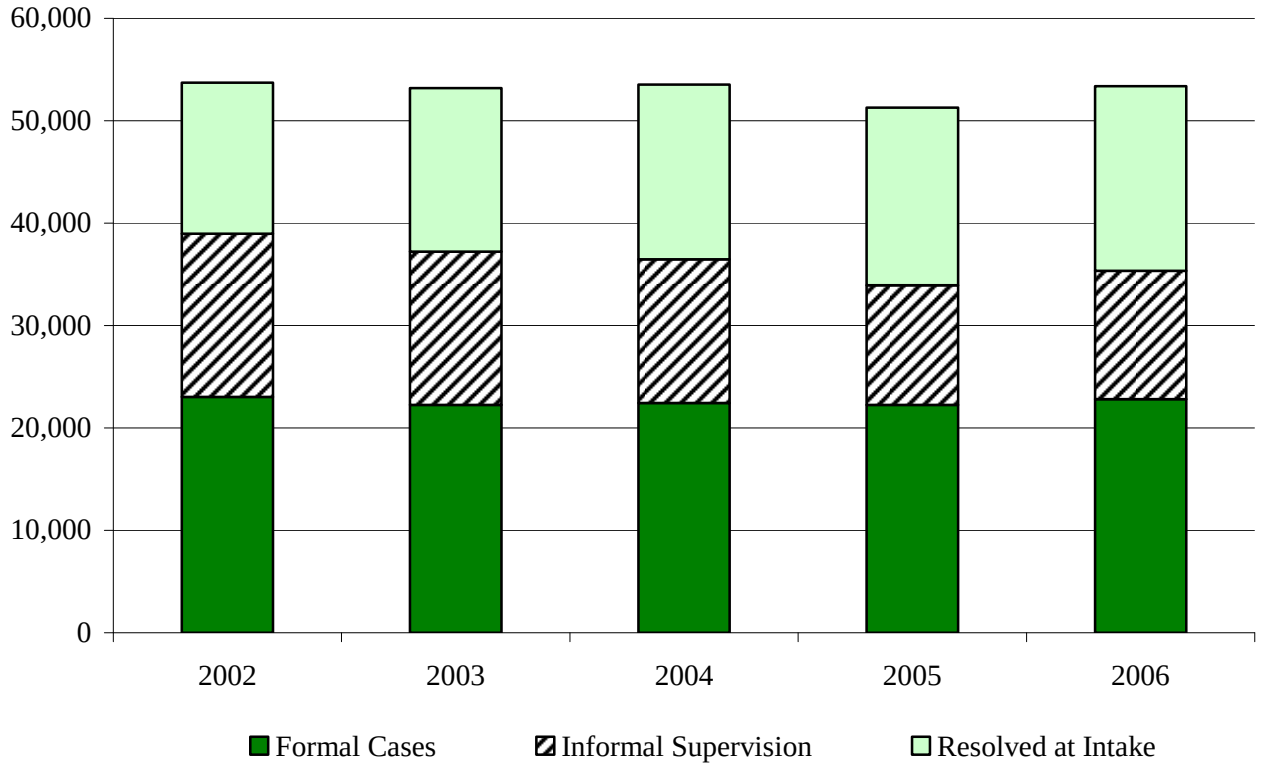
In the discussion of this data during fiscal 2007 budget deliberations, it was noted that short-term trends in all categories (both rates and absolute number of arrests) were negative. The opposite is true this year, with all short-term trends showing improvement. Long-term trends are also mainly positive, especially in the more important arrest rate categories.

DJS Complaint Totals and Complaint Disposition

DJS handled 53,507 total complaints in fiscal 2006, an increase of 4% over fiscal 2005. **Exhibit 2** provides details on disposition for those cases for which the complaint disposition was known. The fiscal 2006 data continues trends that have become apparent in recent years:

- Formal cases, those complaints determined by an intake officer as requiring formal court action in order to protect the public and ensure offender accountability, are virtually unchanged over the five-year period, although they rose 2.5% between fiscal 2005 and 2006.

Exhibit 2
Department of Juvenile Services Complaint Disposition
Fiscal 2002-2006



Note: In fiscal 2002 through 2006, the Department of Juvenile Services was not able to confirm the complaint disposition of 533, 308, 192, 167, and 126 complaints, respectively. Fiscal 2006 data is considered preliminary.

Source: Department of Juvenile Services

- Complaints resolved at intake, those complaints determined by an intake officer to require no further intervention by DJS or the court to protect the public or help the youth, continue to increase and now represent one-third of all dispositions. DJS has come virtually full circle from the late 1990s when an effort was made to limit cases resolved at intake – underscoring the notion within the juvenile justice system that actions have consequences.

- The trend in complaints resolved at intake is countered by the trend in complaints resolved through informal supervision. Informal supervision occurs when an intake officer determines that the youth, or the youth's family, is required to seek assistance in preventing further legal violations, but where the youth does not require and/or may not benefit from judicial intervention or long-term formal supervision. However, after falling sharply between fiscal 2004 and 2005 (16.8%), informal supervision actually grew by 7.4% between fiscal 2005 and 2006.

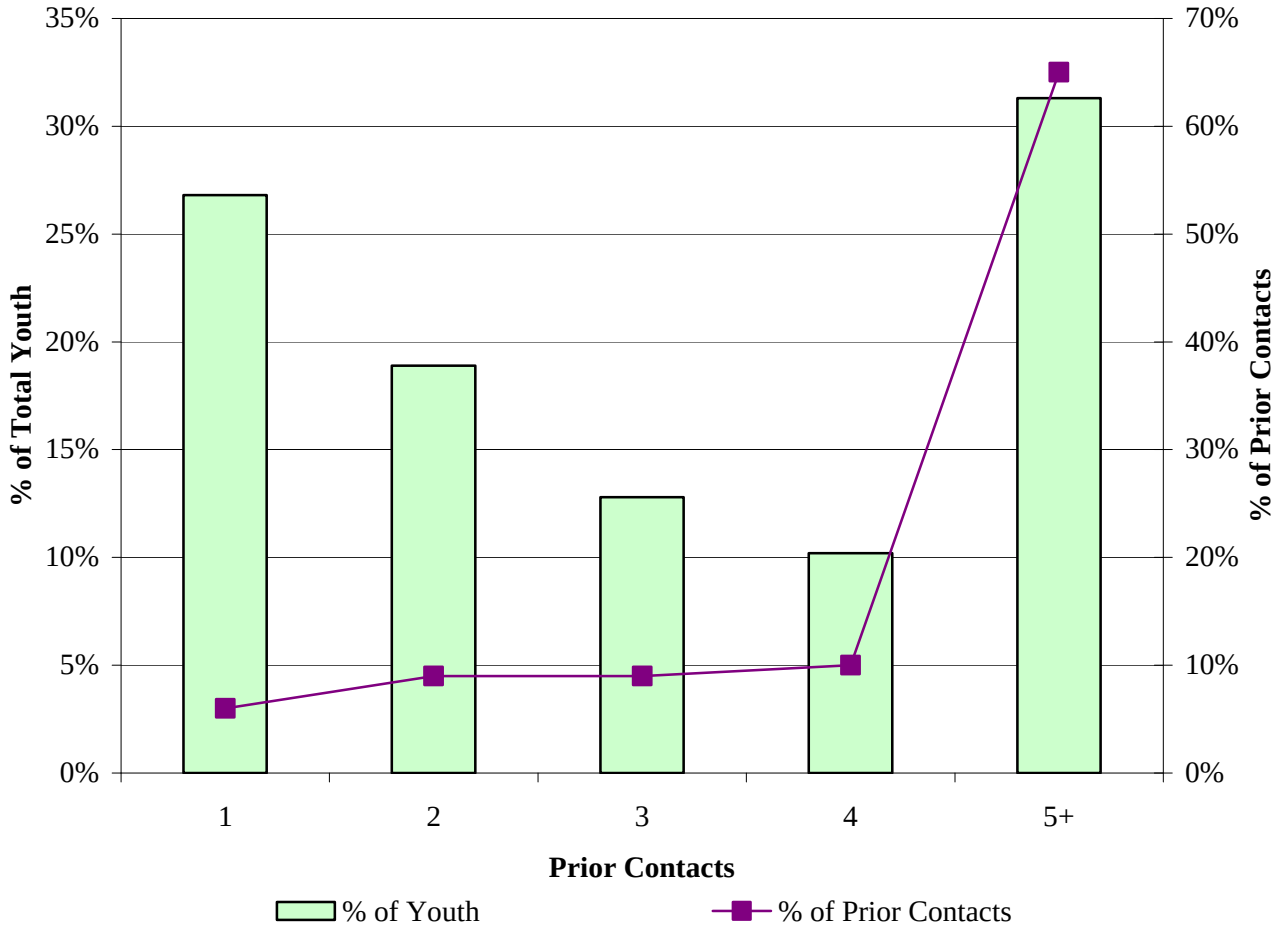
It should also be noted that amongst the youth receiving formal dispositions, there are a cadre of chronic repeat offenders. For example, as shown in **Exhibit 3**, looking specifically at the 8,802 youth involved in formalized cases in fiscal 2006, just over a quarter had only one prior contact with DJS, or 6% of the total prior contacts with the department for all youth receiving formal dispositions in fiscal 2006. Conversely, a relatively small group of youth (one-third of the total number of youth receiving formal dispositions) had 5 or more contacts with DJS, accounting for almost two-thirds of the total prior contacts.

Placement Trends

Non-residential Placement Trends

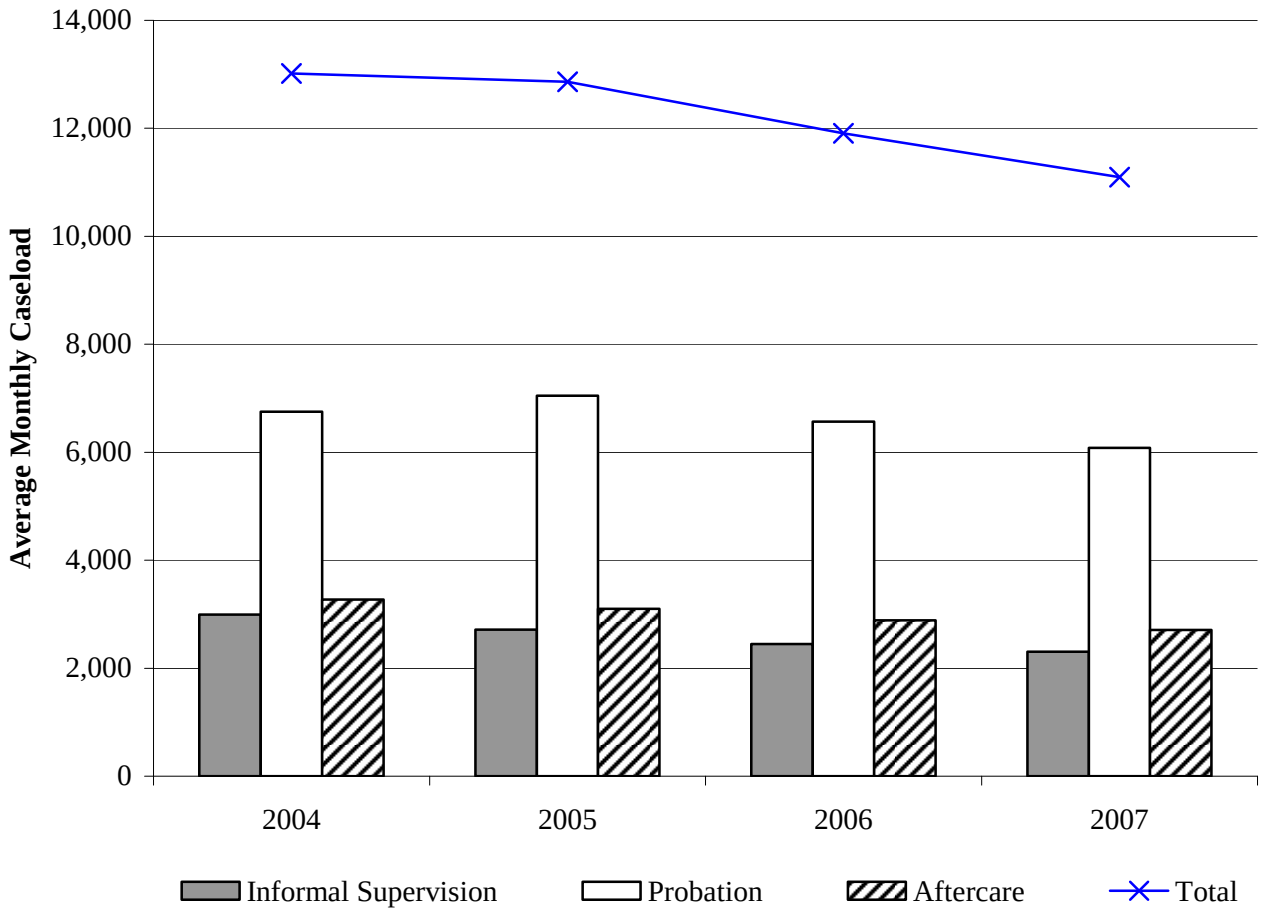
As shown in **Exhibit 4**, the average monthly caseload on informal supervision has fallen in recent years (consistent with the data shown in Exhibit 2 above at least through fiscal 2006 when the total informal caseload actually increased slightly). Probation (court-authorized supervision) and aftercare (post-residential placement programming) caseloads are also falling. The trend in probation is the most interesting as significant additional dollars were added to the DJS budget in fiscal 2006 for non-residential committed programming as an alternative to residential placement. Even with that program change, fewer youth are being served by the department on a monthly basis.

Exhibit 3
Department of Juvenile Services – Fiscal 2006 Formal Dispositions
Prior Contacts with the Department of Juvenile Services



Source: Department of Juvenile Services; Department of Legislative Services

Exhibit 4
Department of Juvenile Services
Various Non-residential Placement Trends
Fiscal 2004-2007



Source: Department of Juvenile Services; Department of Legislative Services

Residential Placement Trends

Between fiscal 2005 and 2006, DJS's residential placement trends are mixed: pre-adjudication/pending placement populations were increasing, especially the use of secure detention and the pending placement population; while the use of committed residential placements fell sharply.

Through the first seven months of fiscal 2007, overall placement trends are reasonably stable in terms of both the pre-adjudication/pending placement and committed populations. The only major change is an increased use of secure detention while the pending population has fallen.

It is unclear why the use of secure detention is increasing. The trends in pending placement and committed populations relate to the closure of committed capacity at the Hickey School, and in particular the secure committed programming at that facility. However, it is not certain if the extent of the pending placement population increase may only be explained by the closure of Hickey School committed programs. Other contributing factors may include the department's reluctance to utilize private per diem placements to the same extent as in the past, not least because its budget for these placements in fiscal 2006 was so significantly underfunded. Alternatively, the issue may relate to the specific placement types required by youth in pending placement. Most likely, it is a combination of all three.

Additional detail on these placement trends is provided below.

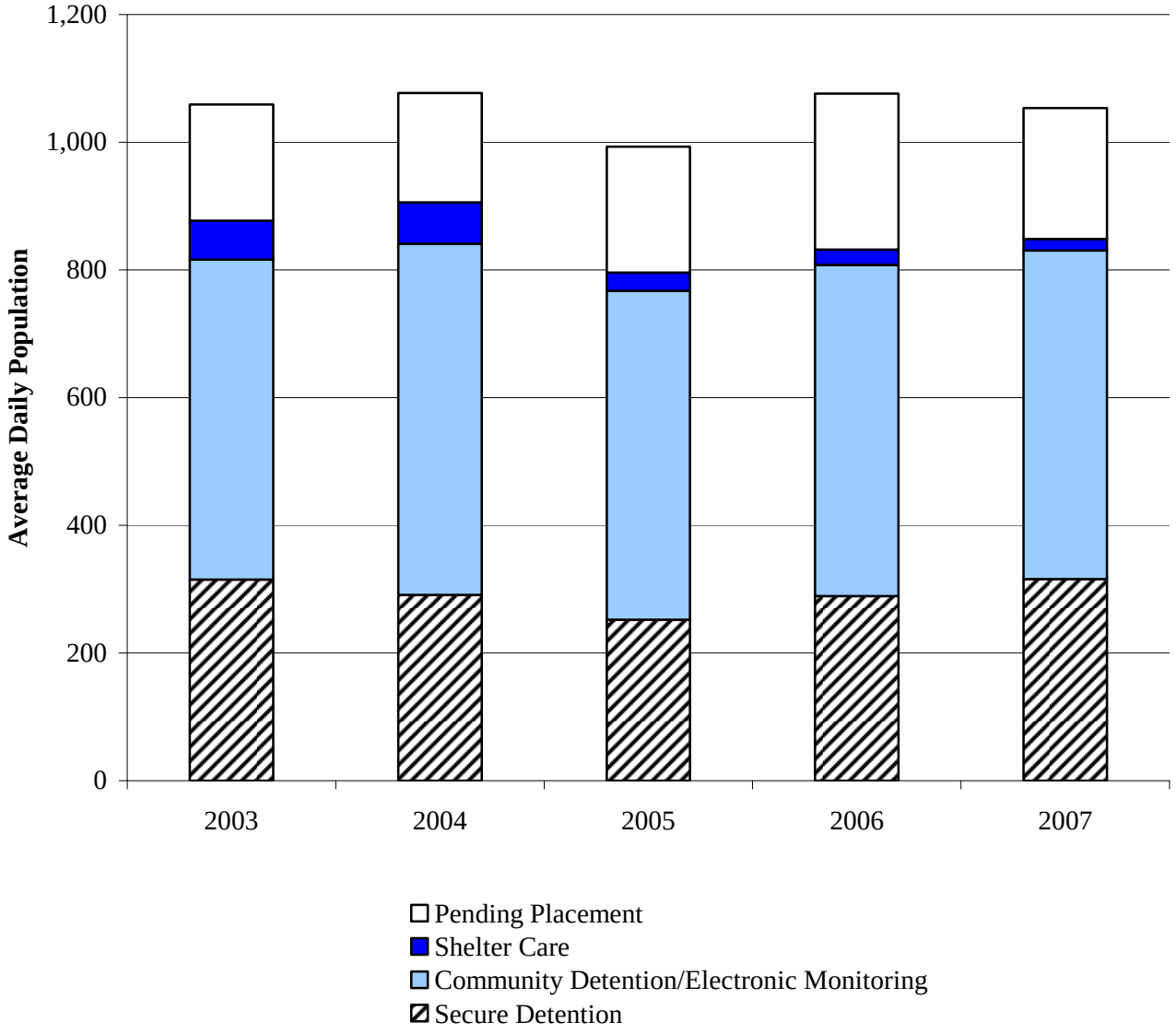
Pre-adjudication/Pending Placement Population: **Exhibit 5** details average daily population (ADP) trends for DJS's more intensive pre-adjudication programs (including non-residential community detention/electronic monitoring) as well as the pending placement population (youth who have been adjudicated delinquent and are held in secure detention, community detention usually in combination with electronic monitoring, or shelter care pending a permanent committed placement). A number of points may be made from this chart:

- The utilization of secure detention through the first seven months of fiscal 2007 has increased by 9% over 2005, although utilization is flat between fiscal 2003 and 2007.

- Shelter care utilization appears to fall sharply. However, that is misleading. Prior to fiscal 2005, DJS did not distinguish its use of shelter care between pre-adjudication and pending placement. Now that distinction is made. Taken together, pre-adjudication and pending placement utilization of shelter care is actually increasing, particularly for youth pending placement.

- Pending placement trends continue to be of concern. As shown in **Exhibit 6**, although pending placement numbers have fallen from the spike seen in fiscal 2006, such placements are still higher in fiscal 2007 than at any time between fiscal 2003 and 2005. Not surprisingly, with fewer placements to residential per diem commitments and the closure of committed programming at the Hickey School, average-length-of-stay (ALOS) for youth in secure detention pending placement increased sharply in fiscal 2006. For fiscal 2006, the ALOS of 46 days for youth pending placement in secure detention was almost twice that of the 25 days that remains the articulated goal for ALOS.

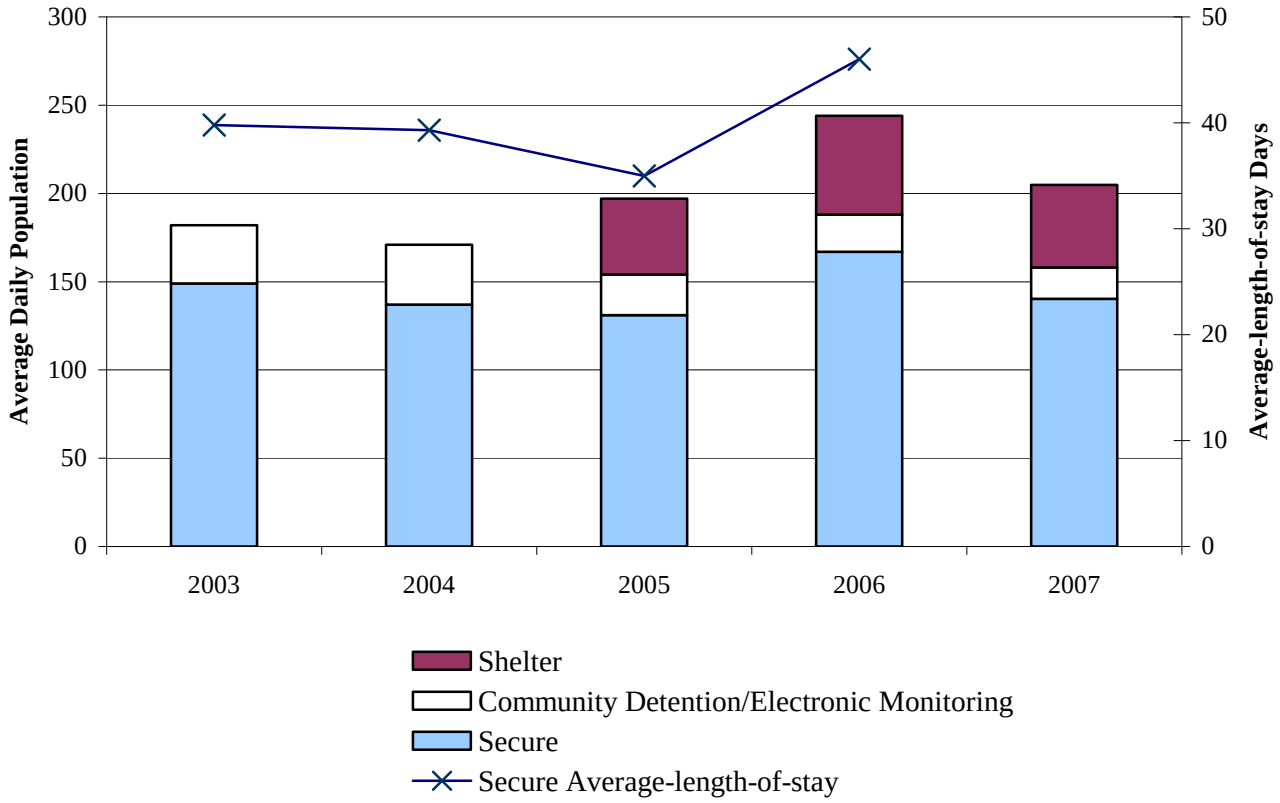
Exhibit 5
Various Pre-adjudication and Pending Placement Data
Fiscal 2003-2007



Note: Fiscal 2007 data are through January 2007. Prior to fiscal 2005, shelter care data did not distinguish between pre-adjudication and pending placement status.

Source: Department of Juvenile Services; Department of Legislative Services

Exhibit 6
Department of Juvenile Services Pending Placement Population
Fiscal 2003-2007



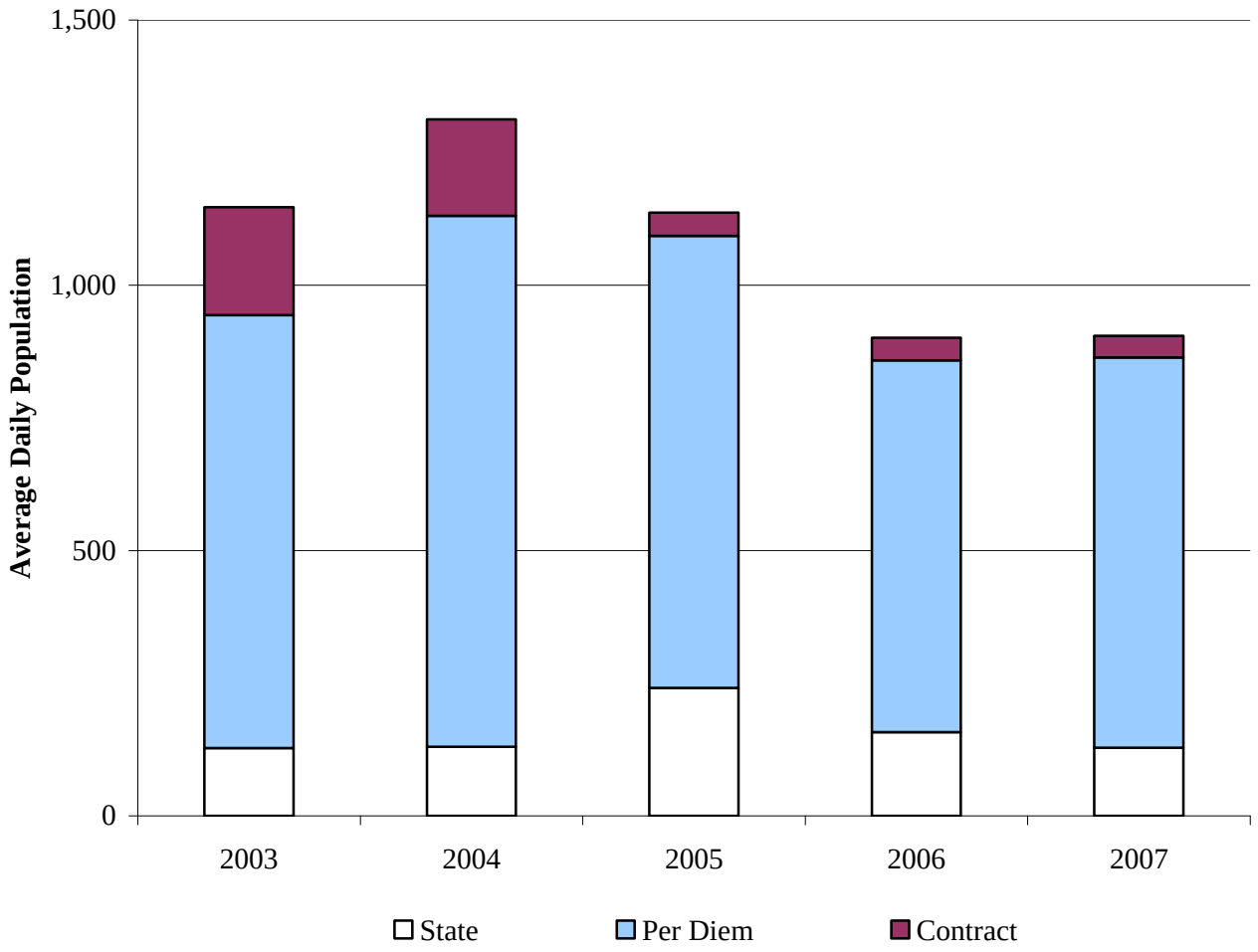
Note: Fiscal 2007 data through January 2007

Source: Department of Juvenile Services

- The combination of pre-adjudication and pending placement populations in secure detention continue to put pressure on the secure detention facilities. For example, in fiscal 2006, the ADP at the Baltimore City Juvenile Justice Center (BCJJC) was 124 youth (compared to the 72 youth that the recent Facilities Master Plan indicated was the maximum population for that facility), Cheltenham 117 youth (well over the operating goal of 70 youth), and Noyes 58 (again, over the operating goal of 48).

Committed Residential Population: As shown in **Exhibit 7**, through the first seven months of fiscal 2007, the ADP of youth in committed residential programs appears to have stabilized at fiscal 2006 levels. The fiscal 2006 ADP of youth in residential placements was at its lowest level in the period shown.

Exhibit 7
Committed Residential Populations Average Daily Population
Fiscal 2003-2007



Note: Fiscal 2007 data are through January 2007. Data does not include average daily population for drug treatment. This data has been unreliable in recent years.

Source: Department of Juvenile Services; Department of Legislative Services

The exhibit also illustrates a change in the mix of service delivery for this population. With the State takeover of programming at the Hickey School, only one major residential committed program is now operated by a private contractor at a State-owned facility – O'Farrell. The closure of the Hickey School committed programming is also evident in the fiscal 2006 and 2007 data with regard to State-run programming. The majority of youth committed to residential placements, 81% in

fiscal 2007, continue to be placed in private per diem facilities (a mix of foster care, group homes, and residential treatment centers (RTCs)). After falling from fiscal 2005 through 2006, the number of per diem placements rose slightly in fiscal 2007, almost exactly offsetting the decline in placements at State-operated facilities.

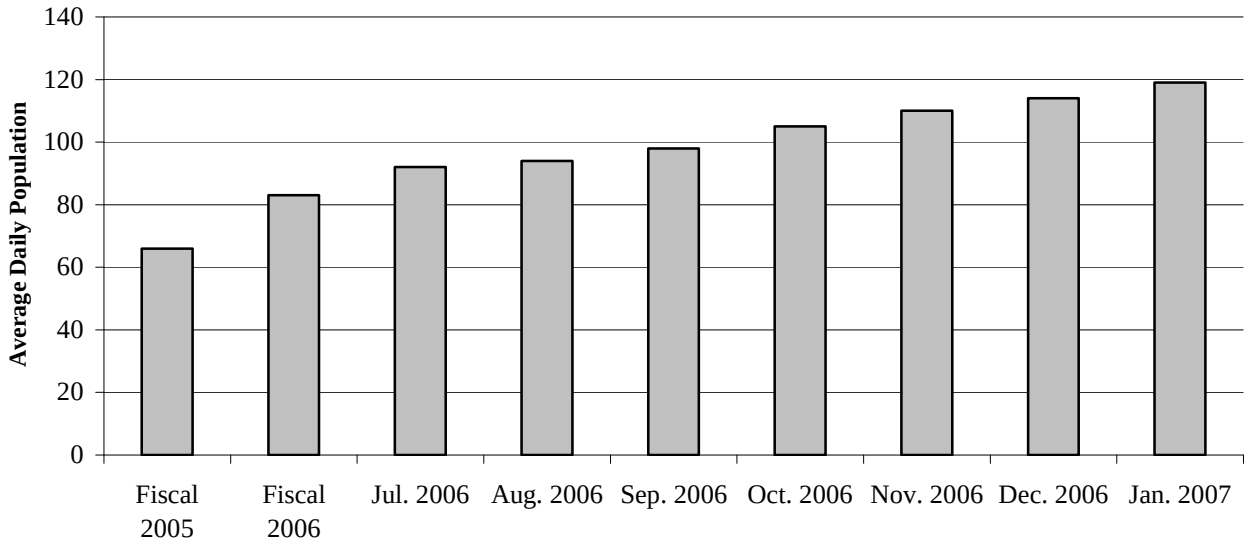
This split clearly marks a very different policy choice for committed youth in residential placement versus youth in secure detention. The State operates a largely privatized system for the former, while having no private vendors for secure detention.

DJS is increasingly reliant on out-of-state placements. As shown in **Exhibit 8**, the department's use of such placements is rising sharply, averaging 83 on any given day in fiscal 2006 and continuing to increase year-to-date in fiscal 2007. Some of this has to do with the lack of maximum security programming for males with the closure of committed programming at the Hickey School. For example, of the 119 ADP placed out-of-state in January 2007, 29 were in maximum security settings and likely would have been placed at the Hickey School prior to the closure of maximum security programming at that facility. Of the others, 48 were considered to be in intermediate-security settings, 33 in RTCs, with the remainder in a variety of other treatment settings.

Exhibit 8

Out-of-state Committed Residential Populations Average Daily Population

Fiscal 2005 – January 2007



Source: Department of Juvenile Services; Department of Legislative Services

Recidivism Rates

Exhibit 9 presents recidivism rates for youth released from residential placements within two and three years. While recidivism is only one measure of the impact of a residential placement on a youth, it a widely used measure. Recidivism includes both the juvenile and adult criminal justice system and represents the fuller picture of recidivism for those older youth who age-out of the juvenile justice system. Data reflects the most serious subsequent penetration of the juvenile or criminal system by a youth.

Exhibit 9
Recidivism Rates to the Juvenile Justice and Criminal Justice System for Youth Released from Residential Placements within Two and Three Years
Fiscal 2001-2004

	2001		2002		2003		2004	
	2 Years	3 Years	2 Years	3 Years	2 Years	3 Years	2 Years	3 Years
Re-referral Juvenile/Criminal	69	75	70	76	64	73	66	
Re-adjudication/Conviction	44	57	45	62	43	59	46	
Re-commitment/Incarceration	31	38	29	44	27	43	27	

Source: Department of Juvenile Services; Department of Legislative Services

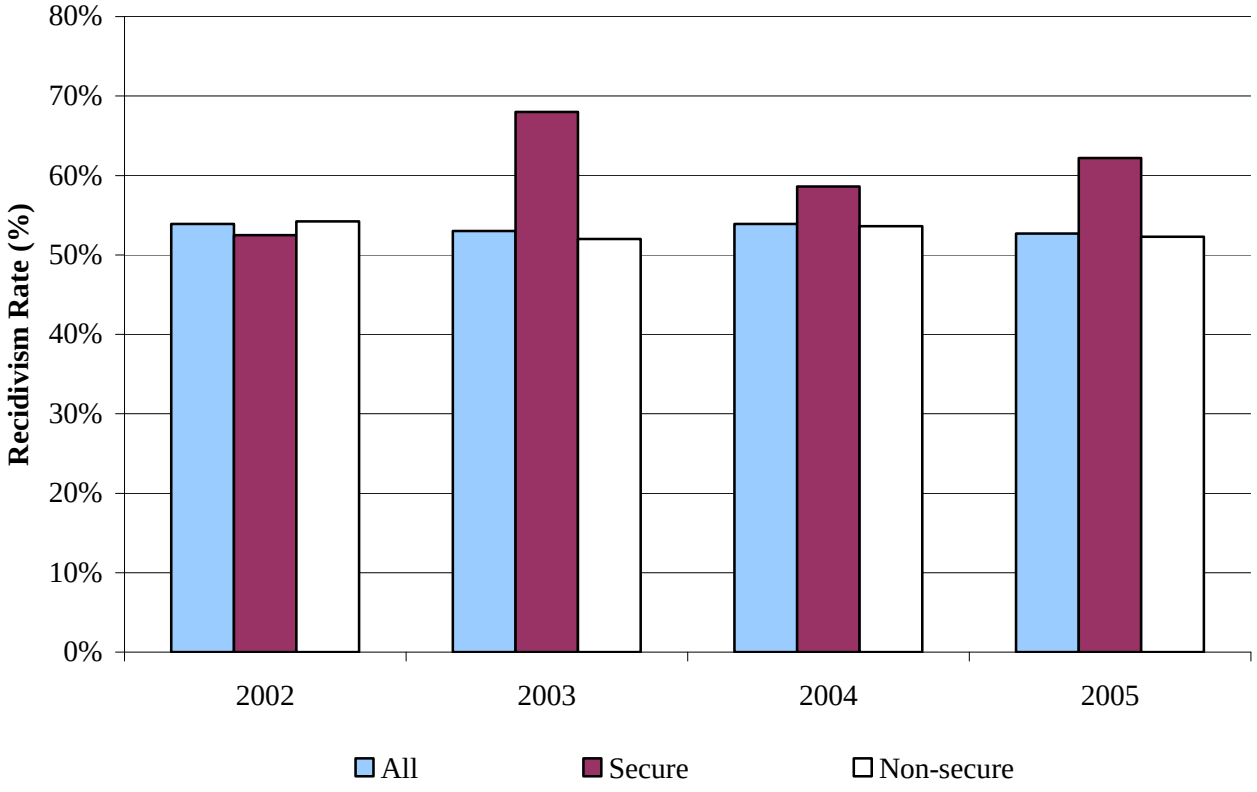
A number of points may be made from the exhibit:

- Long-term trends (fiscal 2001 to 2004) for recidivism after two years of release show a slight improvement in terms of re-referrals and recommitment/incarceration, but a slight worsening in terms of re-adjudication/conviction.

- If three-year recidivism data is used, trends (fiscal 2001 to 2003) improve in terms of re-referrals, but worsen for recommitment/incarceration and re-adjudication/conviction.

Looking only at one-year trends for the most recent years, the recidivism picture is mixed. As shown in **Exhibit 10,** recidivism within one year of release from a residential program in terms of re-referral/arrest is flat. Recidivism from secure programs (which make up 20% of the releases in

Exhibit 10
Re-referrals to Adult or Juvenile System within One Year of Release from a Residential Placement
Fiscal 2002-2005



Source: Department of Juvenile Services

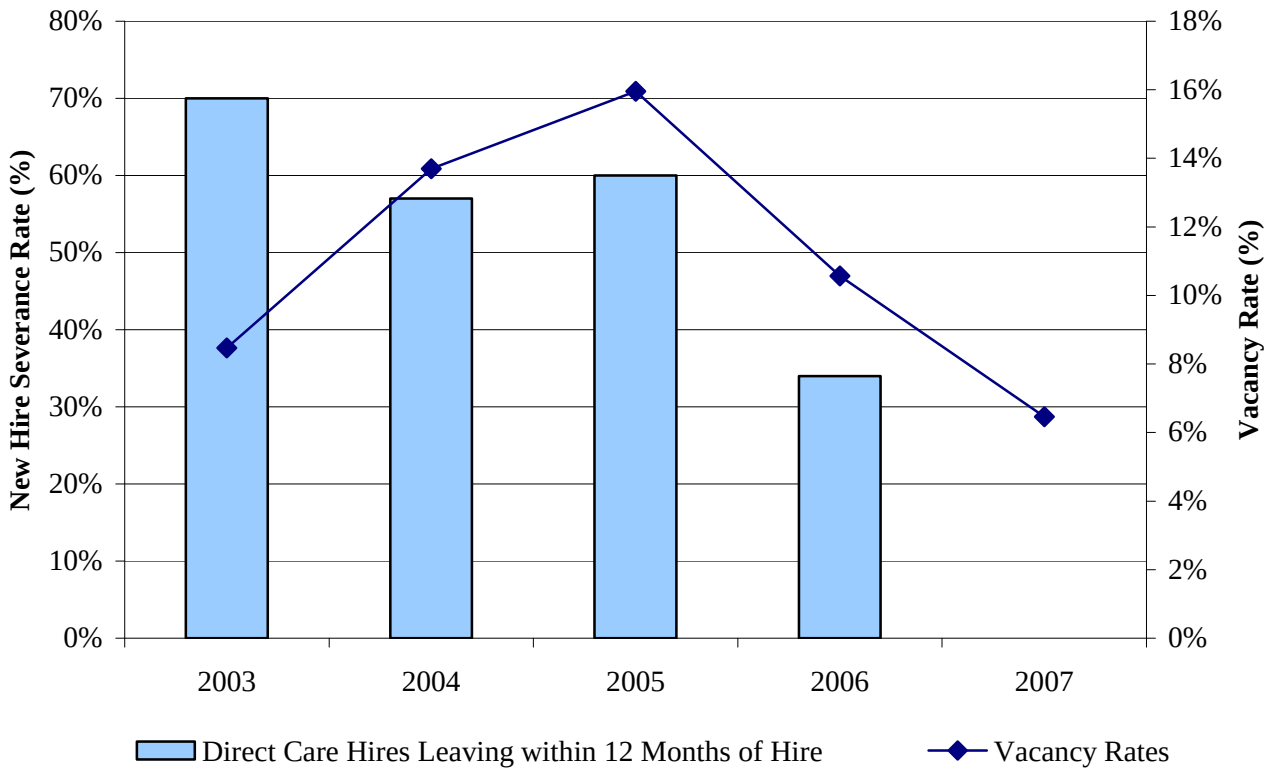
fiscal 2002 down to 4% in fiscal 2005) is up over the four-year period. Although down from a high in fiscal 2003, at 62% in fiscal 2005, recidivism from secure programs is somewhat higher in fiscal 2005 compared to fiscal 2004.

Other Managing for Results (MFR) measures used by DJS give some different insight into the outcomes achieved by youth in residential programming, for example, improved educational scores. However, there is little data to illustrate that the State is getting improved outcomes for the substantial investments made in recent years to mental health and substance abuse programming and improved aftercare programming. Certainly, nothing in the recidivism data would give the impression that the significant investments into DJS in the past six years have changed this basic measure of success.

Staffing Issues

One of the key problems for DJS in recent years has been attracting and retaining staff. As shown in **Exhibit 11**, the most recent staffing trends are encouraging: vacancy rates are at their lowest rate for some years and the percent of new direct care hires (regular and contractual employees) leaving within 12 months, while still high at one-third, is certainly much better than in fiscal 2003 when only one-third were staying for 12 months. Unfortunately, DJS is unable to get exit interview information from departing staff to see why people leave. However, the department believes that increasing regular employment at the expense of contractual employment has been a prime reason for lower turnover. This explanation would make sense, and speaks to why past over-reliance on contractual employment was not a sound policy.

Exhibit 11
Department of Juvenile Services – Various Staffing Trends
Fiscal 2003-2007



Note: Vacancy rates are as of the end of the fiscal year, except for fiscal 2007, where the vacancy rate is as of December 28, 2006.

Source: Department of Juvenile Services

In terms of meeting caseload standards (which vary by type of service being provided and also by facility) the department is making mixed progress:

- For community case managers, the department was staffing at 91% of the total required to fully meet standards in fiscal 2006, up from 84% in fiscal 2005;

- For residential direct care staff, the department was staffing at 74% of the total required to fully meet standards in fiscal 2006, down slightly from 76% in fiscal 2005.

Fiscal 2007 Actions

Proposed Deficiency

As shown in **Exhibit 12**, the fiscal 2008 budget includes just under $14.5 million in deficiency appropriations for DJS. Of this amount, $7.6 million relates to general fund payables from fiscal 2006 that were rolled into fiscal 2007, with almost $6.9 million relating to underfunding in the fiscal 2007 budget. A number of points may be made from this exhibit:

- DJS actually reported almost $9.0 million in general fund payables from fiscal 2006 to the Comptroller's Office – almost $1.4 million more than provided for in the fiscal 2007 deficiency. Much of this additional funding for fiscal 2006 was for residential per diem placements. As shown in **Exhibit 13**, the fiscal 2007 deficiency is still digging DJS out of the budget hole it dug itself into in fiscal 2006 when the department increased non-residential programming to committed youth by $3.5 million and anticipated unrealistic savings in residential placements. An analysis of the adequacy of fiscal 2007 and 2008 funding for these placements is provided in the next section of the analysis.

- The largest deficiency item for fiscal 2007 is $1.98 million for salaries, in particular for overtime at the facilities. While the department has been more successful in hiring staff, it is still reliant on contractual support and overtime to meet its staffing needs. Overall, based on most recent projections, taking into account current vacancy rates versus budgeted turnover rates, DJS is estimating a $2.90 million shortfall in regular salaries. The deficiency funding appears to address most but not all of the agency's projected problem.

- $1 million is added for additional facility repair and maintenance, including $632,000 for basic infrastructure at the Hickey School.

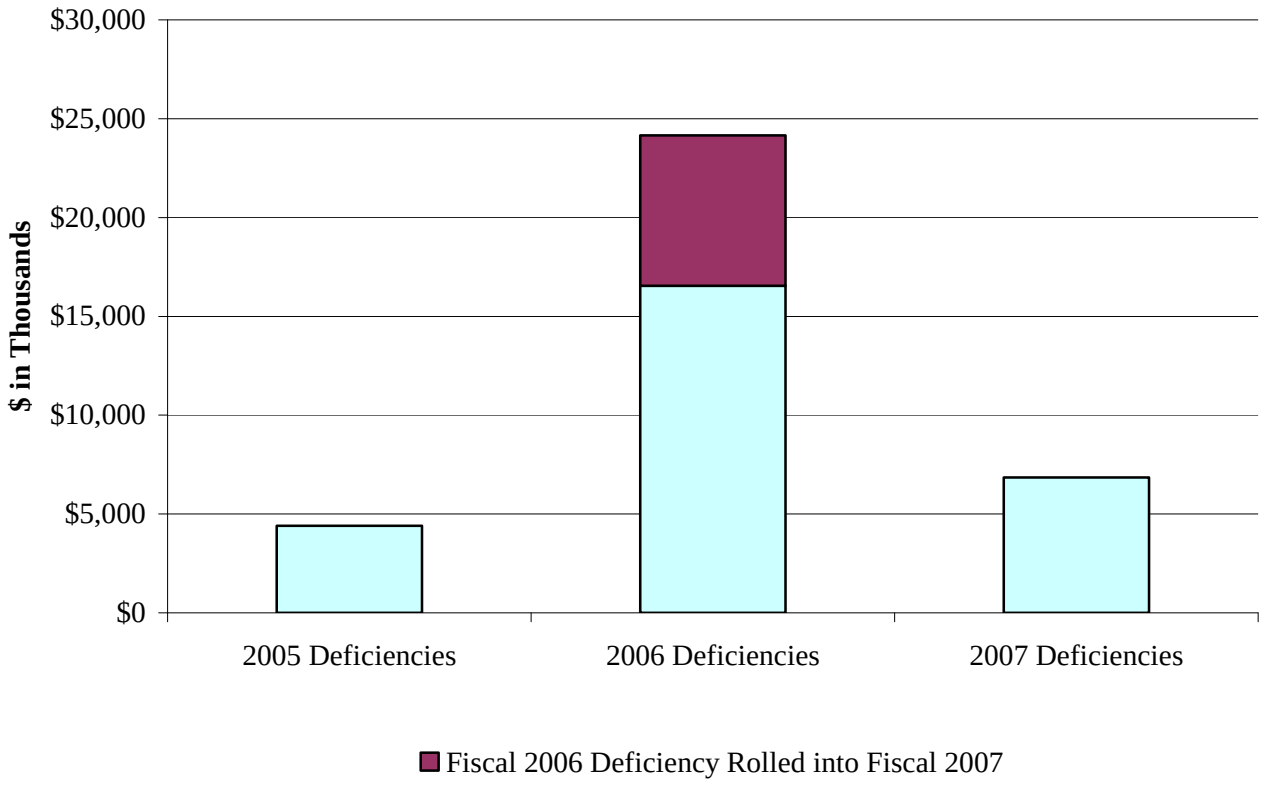
- A number of the deficiency items relate to higher-than-budgeted contracts for residential and other contractual services as well as the provision of perimeter security services at the Hickey School through a contract that was not included in the fiscal 2007 budget.

Exhibit 12
Department of Juvenile Services
Fiscal 2007 General Fund Deficiencies

Unit	Item	Amount
Fiscal 2006 General Fund Payables Rolled into Fiscal 2007		
Community Services	Residential per diem placements	$4,945,000
Western Region	Residential per diem placements and other expenses	1,545,000
Departmental Support	Various information technology improvements, training expenses, and other expenditures	455,000
Health Services	Medical and food services and behavioral assessments	447,000
Youth Centers	Health services and other expenses	208,000
Subtotal		***$7,600,000***
Fiscal 2007 Deficiencies		
Facilities	Regular and contractual salaries and overtime	1,980,000
Departmental Support	Facility repair and maintenance	1,000,000
Western Region	Higher than budgeted contract expenses for O'Farrell Youth Center and Sykesville structured shelter care	913,260
Hickey School	Supplemental security services	732,203
Facilities	Higher than budgeted utility costs	700,000
Health Services	Medications	417,000
Western Region	Back-filling of reduction of federal substance abuse prevention and treatment block grant funding	324,000
Cheltenham	Behavioral health services	276,000
Community Services	Community-based juvenile sex offender treatment	246,000
Community Services	Operating grants to non-traditional community service providers in Baltimore City	230,000
Community Services	Replacement server for community detention electronic monitoring programs	35,000
Subtotal		***$6,853,463***
Total		**$14,453,463**

Source: Department of Budget and Management

Exhibit 13
Department of Juvenile Services Deficiency Appropriations
Fiscal 2005-2007



Source: Department of Budget and Management; Department of Legislative Services

Governor's Proposed Budget

The fiscal 2008 allowance for DJS shows a relatively small decline over the fiscal 2007 working appropriation – $860,000, or 0.4%. Even when taking into consideration the impact of one-time savings in employee and retiree health insurance (just under $7 million), deficiency appropriations proposed for fiscal 2007 essentially offset the impact of these savings, slightly reducing the decline from the working appropriation to the allowance to $724,000, or 0.3%.

Major changes in the budget are shown in **Exhibit 14**. Key elements of changes are discussed below.

Exhibit 14
Governor's Proposed Budget
Department of Juvenile Services
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2007 Working Appropriation	$216,623	$4,143	$15,007	$3,132	$238,906
2008 Governor's Allowance	222,657	203	14,737	449	238,046
Amount Change	$6,034	-$3,940	-$270	-$2,683	-$860
Percent Change	2.8%	-95.1%	-1.8%	-85.7%	-0.4%

Where It Goes:		
Personnel Expenses	**-$83**	
Increments and other compensation		$2,864
Turnover adjustments		2,671
Retirement contributions		2,021
Workers' compensation premium assessment		819
New positions (13 full-time equivalents (FTEs))		504
Other fringe benefit adjustments		4
Abolished positions (4 FTEs)		-205
Miscellaneous adjustments		-348
Employee health insurance costs understated in fiscal 2008		-1,424
Employee and retiree health insurance one-time savings		-6,989
Infrastructure Improvements	**$1,327**	
Building maintenance and repairs		1,198
Vehicle replacement		129
Information Technology	**-$1,643**	
Various network and disaster recovery equipment		422
Computer maintenance		283
Independent verification and validation		250
One-time upgrades at Cheltenham and to the Statewide Voice Network		-1,298
Statewide education network		-1,300
Major Programming Changes	**-$1,927**	
Residential – Contractual		
O'Farrell Youth Center		745
Mt. Clare House		81

Where It Goes:		
Victor Cullen Academy		-3,000
Residential – Private		
Committed residential per diem placements		2,323
Western region Sykesville Structured shelter care		190
Residential – State-operated Facilities		
Security contract at the Hickey School		755
Behavioral health services contract at Cheltenham		665
Special education teachers at Cheltenham and Noyes		87
Non-residential Programming		
Non-residential purchase of care		1,044
Non-residential per diems		229
Non-residential expansion of community capacity in the Western Region		72
Transfer of upstream delinquency prevention funding to the Governor's Office of Children (reimbursable funds)		-1,118
Gang prevention grants		-4,000
Miscellaneous Changes	**$1,406**	
Medicines and medical supplies		474
Fuel and utility costs		285
Institute of Governmental Services and Research contract		205
Food		205
Maryland Environmental Service charges		195
Cell phone expenditures		167
In-state travel (aligning to actual)		154
New and replacement equipment (various)		142
Contractual employment		136
Vehicle maintenance and associated costs		104
Lease payments to the Office of the Treasurer		64
Laboratory testing services		-127
Rent to the Department of General Services		-165
Insurance coverage		-433
Other Changes		
Other		60
Total		**-$860**

Note: Numbers may not sum to total due to rounding.

Personnel Changes

There is a net growth of 9 full-time equivalent (FTE) regular positions in the fiscal 2008 allowance. This increase is derived from:

- An increase of 10 FTE positions to expand committed programming at Backbone Youth Center. This expansion will increase ADP capacity by 10 youth.

- An increase of 3 FTE positions to facilitate the retrieval and transfer of educational records for youth placed in a DJS facility. These positions are intended to correct what DJS identifies as a deficiency in this area. Currently, there are 3 FTE staff available for this function and DJS has indicated that it is experiencing a backlog in obtaining required records.

  Even though the Maryland State Department of Education (MSDE) is gradually taking over responsibility for education at DJS-operated facilities (and the fiscal 2008 allowance for MSDE includes taking over educational responsibilities at the Carter Center) and at those facilities MSDE has its own records staff, DJS is still required to do educational recordkeeping functions for the eight facilities (including four youth centers) where it provides education. The department also argues that improvement in this function is important to meet the requirements of recent CRIPA agreements to promptly screen and identify youth with disabilities admitted to its facilities.

- The abolition of 4 FTE positions.

The budgeted turnover rate for the department is exceedingly low compared to recent history, 3%. Even with its better recent track record in hiring employees, this turnover rate is likely too low compared to the vacancy rate. However, any savings generated from higher vacancy rates will be eaten up by higher overtime costs.

One unusual item in the DJS personnel expenditure detail is the understatement of fiscal 2008 employee health insurance costs. After discussion with DJS and DBM, it appears that the fiscal 2008 allowance underfunds employee health insurance costs by $3.45 million. DBM argues, however, that statewide the total amount budgeted for health insurance is sufficient to meet estimated health insurance costs. Obviously, this means that some agencies have overstated health insurance costs and ultimately DBM will have to transfer funds from agencies with surplus health insurance funds to DJS to cover its deficit. If insufficient funds are available to cover DJS's costs, then the agency will require a deficiency appropriation.

Infrastructure Improvements

The fiscal 2008 allowance continues to address basic infrastructure needs in DJS that have been neglected in recent years. The almost $1.2 million increase in building maintenance and repairs will provide the department with a total of almost $2.9 million for such activities in fiscal 2008. Major proposed projects include:

- $725,000 for additional upgrades at the Hickey School;
- $450,000 for bathroom improvements at Waxter;
- $415,000 for projects at BCJCC, primarily handrail improvements;
- $370,000 for a variety of maintenance contracts; and
- $221,000 for site improvements and utility work associated with the installation of a trailer for educational space at Noyes.

Reviewing this list of projects it should be noted that:

- Despite the opening of three new detention facilities in recent years, the department still has an inventory of old and decrepit buildings that for the most part are no closer to being replaced than they were seven years ago when the legislature first called for the development of a Facilities Master Plan; and
- A significant amount of expenditures are still being made to BCJJC, one of the department's newer facilities, expenditures that speak to a deficit in the initial planning and development of that facility.

There is also an increase in the amount of funding in the fiscal 2008 allowance for vehicle replacement, $129,000 over fiscal 2007, or just over $1.1 million in total. As noted last year, DJS's vehicle fleet is aged, and prior to the current fiscal year little replacement funding had been available.

Information Technology

While information technology spending in the department goes down by just over $1.6 million between fiscal 2007 and 2008, there is still a significant amount of IT expenditures occurring. The decline in the budget is driven by the removal of almost $2.6 million of costs associated with 3 one-time projects funded in fiscal 2007: one-time upgrades at Cheltenham and to the Statewide Voice Network, and the development of a statewide education network. Most of the ongoing expenditures relate to the replacement of obsolete equipment, upgrading network capacity, and maintaining software licenses.

Major Programming Changes

From a programming standpoint, the changes in the fiscal 2008 allowance can be broadly grouped into three categories:

- The alignment of fiscal 2008 expenditures to actual contract costs, for example for O'Farrell, Mt. Clare House, Sykesville Shelter Care, and the behavioral health services contract at Cheltenham, or in the case of the security contract at the Hickey School, a new contract cost that is actually taking place in fiscal 2007 but not yet reflected in the working appropriation.

- The removal from the DJS allowance of three items:

  - $3 million for a residential program at Victor Cullen. DJS had originally committed to having the Request for Proposals (RFP) for this programming developed by December 2005. The RFP eventually got posted in August 2006. While the department did receive proposals, it has decided not to award a contract at this time. It is not certain, but the reluctance to move forward may be the need to amend statute if DJS wants to operate a program at Victor Cullen with a private vendor. Specifically, uncodified language added by Chapter 421 of 2004 required Victor Cullen along with other identified facilities to be operated by DJS by July 1, 2007. HB 1521 of 2006 provided DJS with an exception to this requirement, but the bill did not receive a vote in the Senate after having passed the House. At the time of writing, no bill had been introduced to again provide this exception and the status of future programming at Victor Cullen remains uncertain.

  - Just over $1.1 million in upstream delinquency prevention funding. This funding had been budgeted in DJS prior to fiscal 2007 and then moved to the Subcabinet Fund under the oversight of the Governor's Office of Children (GOC) in the fiscal 2007 budget. Subsequently, GOC and DJS agreed that for fiscal 2007 only, it made more sense for DJS to continue to oversee these grants, and the funding was transferred back to DJS.

  - $4 million in gang prevention grants. As detailed in the Updates section below, GOC and DJS have developed a strategy for spending these funds, but that funding will not happen until later in this fiscal year. Thus, no additional funding is requested in fiscal 2008.

- Expanded programming. The two major areas of program expansion are:

  - Non-residential purchase of care, increasing by just over $1 million. Of this amount, $750,000 is primarily for additional community-based sex offender treatment and represents a substantial increase over current funding levels for this kind of treatment (just over $600,000 in the working appropriation) enabling DJS to expand the programming statewide.

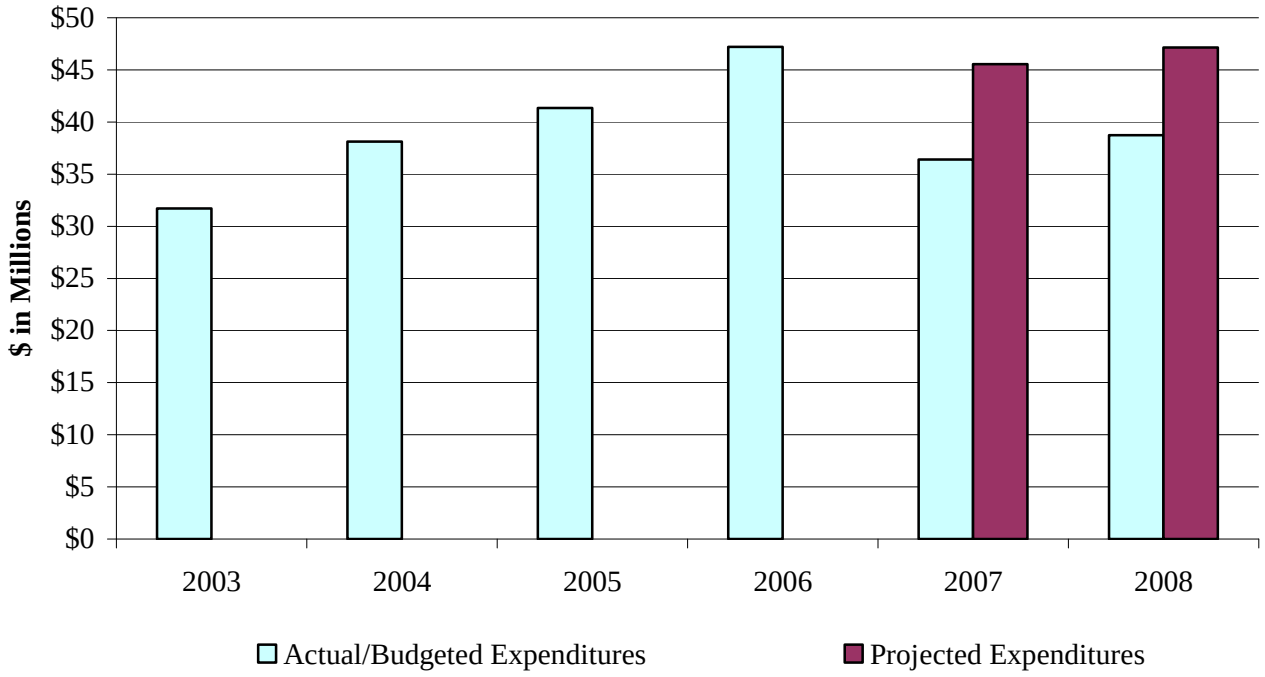
    According to a 2005 task force report on sex offenders published by DJS, in 2004 the department had 195 juvenile sex offenders in residential placements, and 275 were living at home and being treated in the community. National research has indicated that juvenile sex offenders are more responsive to treatment than adults – typically do not engage in predatory behavior – and have lower recidivism rates than adults.

    The Department of Legislative Services (DLS) would note that while DJS has collected some data on its sex offender programs, the department does not know how effective its programs are relative to the national studies. DJS points to programming in Baltimore County, for example, as being well developed and working well. However, no rigorous evaluation of current programming has been conducted.

- Increased funding for residential per diems. However, as shown in **Exhibit 15**, even with this increased funding, DJS is facing a large budget deficit for residential per diem expenditures. Specifically, based on the most recent actual monthly expenditures, the fiscal 2007 working appropriation for residential per diem placements is $9.2 million below projected expenditures; allowing for no growth in placements and a 3.5% rate increase, the allowance is almost $8.5 million below projections. While DJS has $3.0 million in funding intended to develop programming at Victor Cullen available in fiscal 2007 to offset this year's deficit, that will solve only a small fraction of this problem.

  DJS is not clear why expenditures on residential per diem placements have increased. As noted above, the number of youth in those placements has been falling in recent years while expenditures have largely kept growing. The department speculates that it may have to do with the mix of placements changing to more expensive programming.

Exhibit 15
Department of Juvenile Services – Residential Per Diem Placements
Actual Budgeted and Projected Expenditures
Fiscal 2003-2008



Source: Department of Juvenile Services; Department of Legislative Services

Miscellaneous Changes

As shown in Exhibit 14, the allowance makes numerous small changes across various miscellaneous categories of spending. DLS would point out only two – cell phone expenditures and utility costs.

The fiscal 2008 allowance includes $350,000 for cell phone expenditures, an increase of $167,000 over the working appropriation. However, this is well below the $518,000 spent on cell phones in fiscal 2006. In fiscal 2006, over 700 cell phones were issued to DJS staff, almost one-third of the staff. DJS indicates that it has reduced the number of issued cell phones by 44% but usage fees for those remaining phones are significant. The department indicates that with the Department of Budget and Management's (DBM) assistance, it moved existing services to a more economical plan (DBM's current plans range from $16.40 to $65.59 a month).

A review of cell phone expenditures in the department reveals:

- the monthly charges being incurred by the department on some phones were extravagant to say the least, up to $1,200 per month (almost $15,000 annually); and

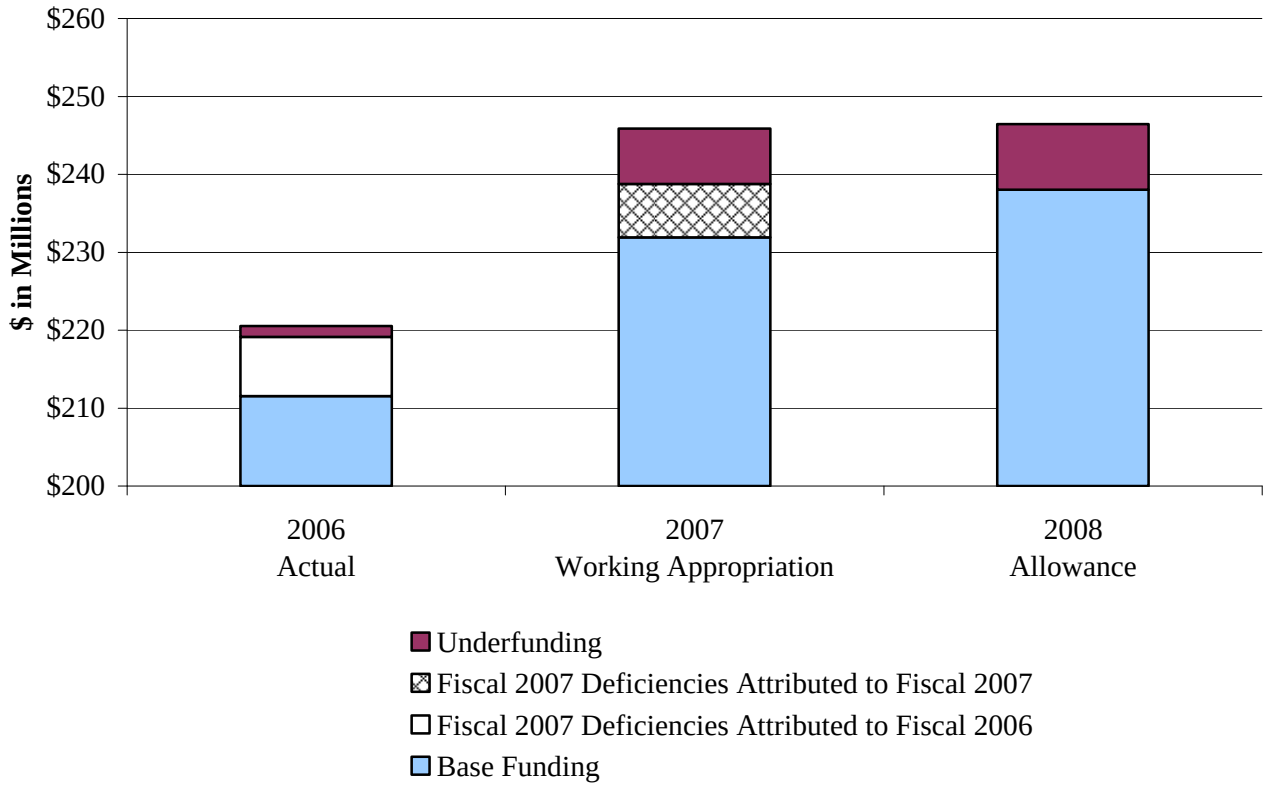
- while cell phones may be appropriate for many field staff, even with the reduced number of cell phones proposed by DJS, there are still too many administrative positions at DJS Headquarters and Facility staff that have departmental cell phones.

In terms of utility costs, the fiscal 2008 allowance shows a $285,000 increase over the fiscal 2007 working appropriation for fuel and utilities, including $217,000 for electricity charges, a 16% increase. However, it should be noted that in other agencies, 38% increases have been budgeted over the most recent actual, apparently leaving DJS with a potential $260,000 shortfall.

Summary

The fiscal 2008 budget leaves DJS with significant challenges, most especially underfunding of residential per diem placements. Potential levels of underfunding for fiscal 2006 to 2008 are shown in **Exhibit 16**. DLS estimates it would require additional appropriations of $17 million to address the accumulated shortfalls, excluding the underfunding of health insurance.

Exhibit 16
Department of Juvenile Services Funding – An Alternative View
Fiscal 2006-2008



Note: Base funding in fiscal 2006 excludes $3 million PAYGO appropriation. An adjustment is made to the base funding in fiscal 2007 to reflect one-time employee and retiree health care savings included in the fiscal 2008 allowance.

Source: Department of Legislative Services; Department of Budget and Management

Issues

1. Unanswered Questions

With the change in Administration and the appointment of a new Secretary of Juvenile Services, there are a number of unanswered questions in terms of the policy direction for DJS as well as the operation of specific programs.

Implementation of the Facilities Master Plan

In the 2004 session, the General Assembly approved $500,000 in the Subcabinet Fund to be used for the development of a new DJS Facilities Master Plan. Language in both Chapters 431 and 432 of 2004 laid out timelines and guiding principles for the development of such a plan. The final Facilities Master Plan was delivered to the legislature in January 2006. The key proposals of the Facilities Master Plan were essentially three-fold:

- design programming around four regions and enhance regional control of that programming;
- expand State-contracted bed capacity to reduce reliance on residential per diems; and
- expand State-operated bed capacity to reduce reliance on residential per diems.

Regionalization

Maryland is considered to utilize a centralized model to oversee the State's juvenile justice system. That model offers numerous potential advantages.

- The establishment of uniform statewide standards for service delivery. For example, DJS has established statewide detention standards for its detention facilities.
- The establishment of uniform statewide standards for employment. For example, all new DJS employees receive standard background checks, undertake psychological assessments, and are trained through the Maryland Correctional Training Commission.
- The ability to take advantage of economies of scale. This is an obvious benefit in the area of contracting. It is also important in terms of planning for the delivery of services that might be otherwise impossible to deliver on a localized basis, for example, residential sex offender beds.
- The investment of resources in data collection and program evaluation. For locally based programs, the ability to invest in meaningful research and evaluation to guide continual improvement of programs and policies can be difficult.

At the same time, a centralized approach may contain weaknesses.

- a "one size fits all" approach may not reflect local concerns;
- it may inhibit the development of locally based community partnerships;
- an overly bureaucratic central authority may undermine the ability of individual programs to effectively function; and
- if the policy direction of the centralized authority is misguided, weak, or simply constantly changing, it may serve to undermine the whole system.

While Maryland's juvenile justice service delivery system is considered centralized, DJS has certainly made an effort to infuse regional or local characteristics into that system. The current organizational structure has numerous elements of regionalization within it, for example, many community services are organized around regions, and the department has been building a network of regional detention facilities.

DJS has previously indicated that it is going to consolidate the existing regional structure into four rather than five areas as follows:

- ***Region 1:*** Greater Baltimore (Baltimore City and Baltimore County);
- ***Region 2:*** Southern Maryland (Anne Arundel, Prince George's, Calvert, Charles, and St. Mary's counties);
- ***Region 3:*** Western Maryland (Montgomery, Howard, Carroll, Frederick, Washington, Allegany, and Garrett counties); and
- ***Region 4:*** Eastern Shore (Cecil, Kent, Queen Anne's, Caroline, Talbot, Dorchester, Wicomico, Somerset, Harford, and Worcester counties).

This decision was not well-met in certain quarters, in particular in Baltimore County (under the previous field office structure, Baltimore City was a region unto itself).

During fiscal 2007 budget deliberations, DJS indicated that it would be piloting a more fully developed regional approach in Region 3 before finalizing a regionalization plan by January 1, 2007. Concern about the regionalization concept prompted the budget committees to adopt *Joint Chairmen's Report* narrative requesting an evaluation of the regionalization initiative. That report was due October 1, 2006, but has not been submitted. Thus, there is little way to know what exactly regionalization in the pilot program actually entailed beyond a rearrangement of the way the budget was presented, and whether it produced meaningful changes.

Expand State-contracted Bed Capacity and Reduce Reliance on Residential Per Diems

As shown in **Exhibit 17**, the Facilities Master Plan called for a significant expansion of residential capacity, an overall increase of 236 beds. Detention beds would fall while all other types of beds expanded. The key change is the addition of 210 beds for committed care, including the development of capacity for traditionally hard-to-place youth. These beds should ease the State's pending placement problem and will also reduce reliance on private per diem residential placements.

Exhibit 17
Current and Proposed Bed Capacity by Program Type

	Current Capacity		Proposed Capacity		Capacity Change		
Programming	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Overall**
Detention	402	43	390	48	-12	5	-7
Shelter	58	10	66	35	8	25	33
Youth Centers	156	0	230	0	74	0	74
Committed and Special Populations	117	30	261	22	144	-8	136
Subtotal	***733***	***83***	***947***	***105***	***214***	***22***	***236***
Total	**816**		**1,052**				

Source: Department of Juvenile Services Facilities Master Plan as submitted by DSG, Inc.

The department hoped to begin this expansion of State-contracted committed capacity in fiscal 2007 with two projects:

- A specific proposal contained in the fiscal 2007 budget was the development of a 48-bed secure committed program, most likely to be housed at the Victor Cullen Academy (although a vendor could choose to locate the programming at its own facility). As noted above, that project has not moved forward and is not funded in the fiscal 2008 budget.

- The Facilities Master Plan called for two new 24-bed staff secure facilities for special needs populations. No specific funding was included in the fiscal 2007 budget, but DJS hoped to use funds resulting from a lower reliance on residential per diems. That was always a doubtful proposition and proved to be the case.

  As noted above, the fiscal 2008 does expand State-operated committed capacity by 10 beds. However, those beds are not for special needs youth.

Expand State-operated Bed Capacity and Reduce Reliance on Residential Per Diems

To regionalize and expand State-operated residential capacity, the Facilities Master Plan proposed to construct 11 new facilities, and make major renovations to 4 other facilities. While the cost estimates provided in the Facilities Master Plan appeared low, as shown in **Exhibits 18** and **19,** based on actions taken in fiscal 2007 and as provided for in the 2007 *Capital Improvement Program* (CIP), there is a large gap between the funding for projects proposed in the Facilities Master Plan and what is currently available in the fiscal 2008 budget and the CIP through 2012.

As shown in the exhibits, there is no funding for State projects for DJS in the fiscal 2008 capital bill. While the replacement of Cheltenham is slated to move forward in fiscal 2010, there is no funding in the current year. At the time of writing, DJS was still in the process of developing Part I (project justification and project scope) and Part II (sufficient detail to procure architectural and engineering services and guide design) programs, and no funding has been expended. Similarly, as suspected during fiscal 2007 budget deliberations, renovations to BCJJC to accommodate an increase in the educational space are anticipated to be much more costly than originally estimated. Construction on that project has been pushed out until fiscal 2010.

DLS recommends adopting narrative requesting DJS's new leadership to update the committees on the key policy directions it intends to take once it has reviewed the Facilities Master Plan and the department's ongoing programs and activities.

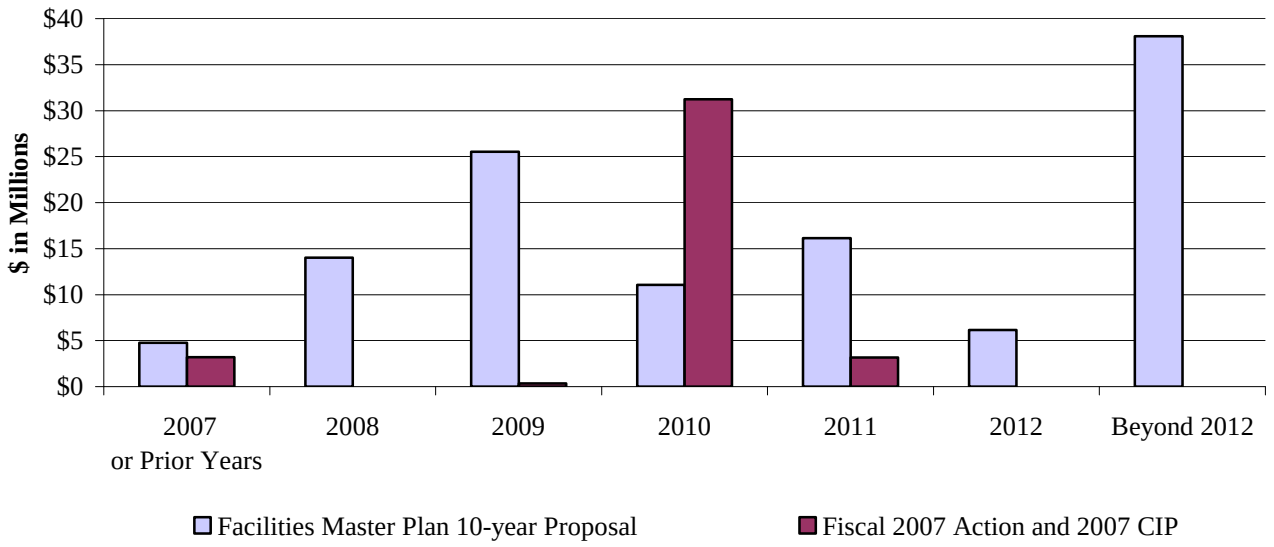
Exhibit 18
Department of Juvenile Services Capital Funding

	FY 2007 or Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Beyond 2012	Total
Facilities Master Plan 10 Year Proposal								
New Baltimore County Juvenile Detention Center	$1,781,250	$12,587,500	$13,354,079	$596,656				$28,319,485
BCJJC educational renovations	3,000,000							3,000,000
Maryland Youth Residence Center renovations		279,840	3,995,072	90,967				4,365,879
Replace Cheltenham		1,152,750	8,146,100	8,642,197	$386,131			18,327,178
New shelter care facility			45,506	643,149	14,792			703,447
Two new youth centers				578,834	8,180,851	$188,160		8,947,845
New Waxter committed facility				223,316	3,156,192	72,592		3,452,100
One new youth center				289,417	4,090,425	94,080		4,473,922
Replace Thomas O'Farrell Center					306,782	4,335,851	$99,725	4,742,358
One new youth center						270,991	3,918,092	4,189,083
Replace Noyes						1,204,403	18,877,401	20,081,804
Replace Carter							12,685,810	12,685,810
New shelter care facility							2,510,322	2,510,322
Total	**$4,781,250**	**$14,020,090**	**$25,540,757**	**$11,064,536**	**$16,135,173**	**$6,166,077**	**$38,091,350**	**$115,799,233**
Fiscal 2007 Action and 2007 CIP								
Replace Cheltenham	3,000,000			25,000,000	2,500,000			30,500,000
BCJJC educational renovations	198,000		350,000	6,250,000	650,000			7,448,000
Total	**$3,198,000**	**$0**	**$350,000**	**$31,250,000**	**$3,150,000**	**$0**		**$37,948,000**

BCJJC: Baltimore City Juvenile Justice Center

Source: Department of Juvenile Services Facilities Master Plan as submitted by DSG, Inc.; Department of Budget and Management; Department of Legislative Services

Exhibit 19
Department of Juvenile Services Capital Spending
Fiscal 2007-2012 and Beyond



Source: Department of Juvenile Services Facilities Master Plan as submitted by DSG, Inc.; Department of Budget and Management; Department of Legislative Services

2. Drug Courts Work! Or Not?

One of the key juvenile justice programmatic initiatives of recent years has been the expansion of juvenile drug courts. Supporters of juvenile drug courts point to them as valuable and cost-effective tools in reducing juvenile delinquency. However, at the national level, there have been few evaluations of juvenile drug courts that point to lasting benefits. The number of juvenile drug courts in Maryland has proliferated in recent years to 14 jurisdictions, with 9 of these programs beginning since calendar 2004.

Two recent evaluations of juvenile drug courts in Maryland were recently completed. The results were at best mixed.

Evaluation of Harford County Juvenile Drug Court Program

The more extensive evaluation was funded by the Judiciary. The evaluation had originally intended to cover both Harford County and Baltimore City. However, data issues in Baltimore City limited the full evaluation to Harford County. Established in 2000 as a pilot project, Harford

County's Juvenile Drug Court formally began in October 2001 supported by a federal grant. The federal grant funding has since been replaced with State and local funds.

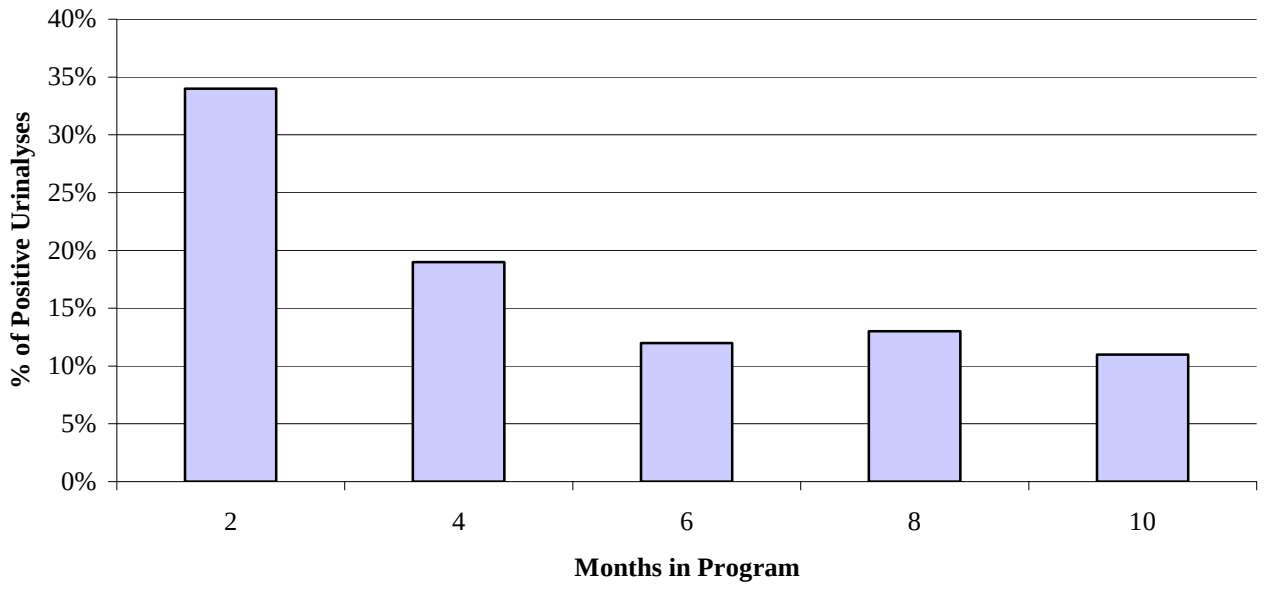
The evaluation was broken down into two parts:

- a process evaluation of the specific operation and practice of the Harford County Juvenile Drug Court; and
- an outcomes/cost evaluation.

Focusing on the outcomes/cost evaluation, the data compared drug court participants to youth similar to the drug court participants (in terms of age, gender, race, and juvenile justice history) and eligible for the drug court but who did not enroll. Key observations include:

- ***Reduction in Substance Abuse Use:*** Data from urinalysis testing for participants in the drug court program showed a drop in positive urinalyses the longer a participant was in the program (see **Exhibit 20**). For this particular measure there was no comparable data with the control group.

Exhibit 20
Harford County Juvenile Drug Court
Positive Urinalysis Over Time



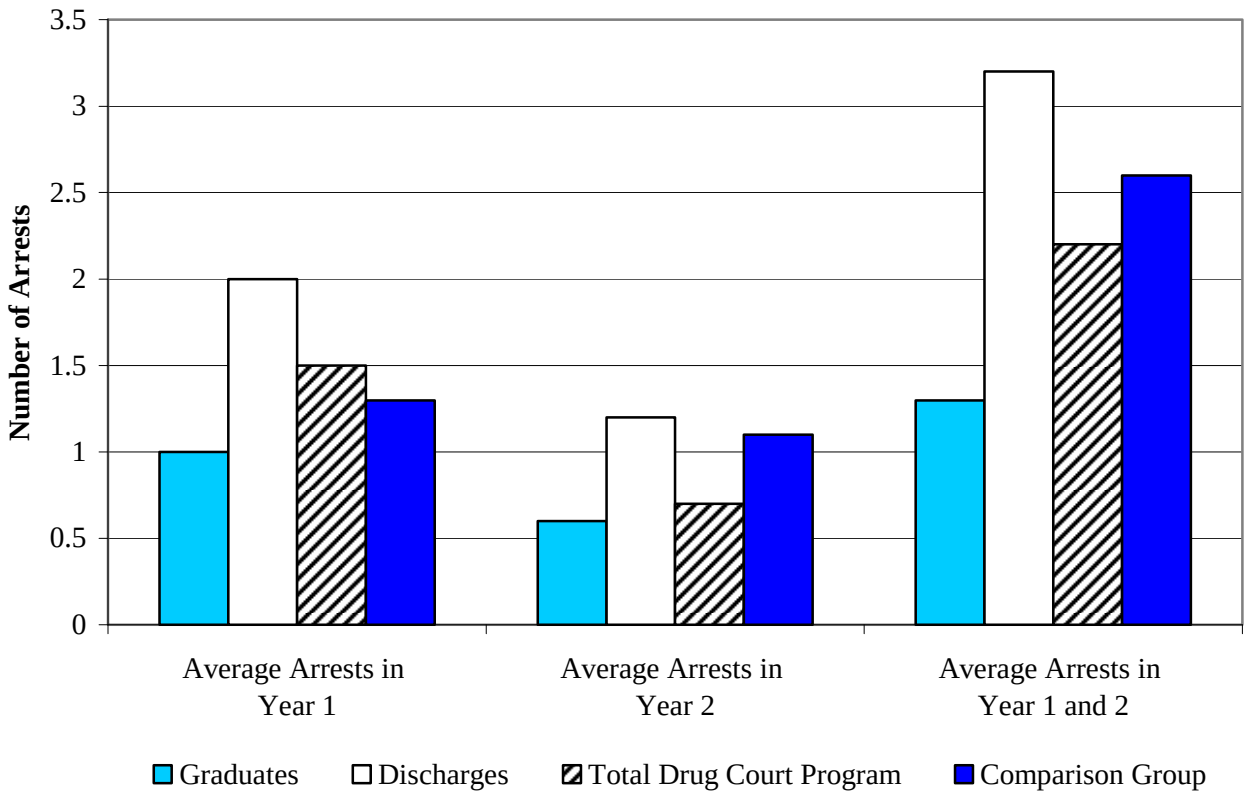
Source: Harford County Juvenile Drug Court Performance Evaluation, Final Report, NPC Research

- ***Recidivism:*** The evaluation looked at a variety of recidivism measures. These included not simply subsequent contact with the juvenile and adult justice systems. As shown in **Exhibit 21**, in terms of re-arrests, the results are mixed:

  - In all three scenarios (year 1, year 2, and years 1 and 2 combined), the data for youth who graduate from the program is promising, with the average number of arrests below that of the comparison group.

  - For those youth that do not complete the drug court program, outcomes are poor. Despite the interventions received, arrests are greater than those not enrolled in the program.

Exhibit 21
Harford County Juvenile Drug Program
Average Juvenile and Adult Arrests



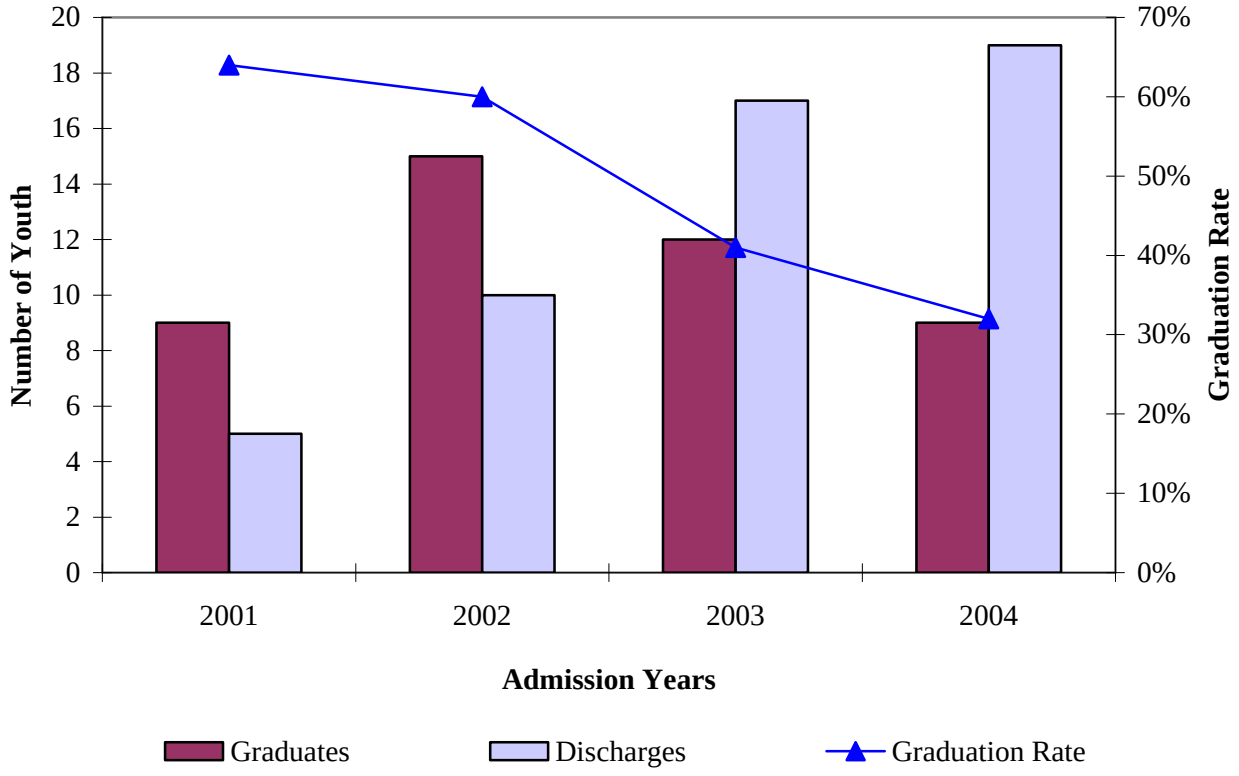
Note: The sample size for each group varies from 37 to 99 as only youth with two full years of outcome data were used to generate the year 2 outcomes.

Source: Harford County Juvenile Drug Court Performance Evaluation, Final Report, NPC Research

- When graduates and discharges are combined, drug court participants have a higher average number of arrests in year one but lower in year two and in years one and two combined.

- ***Graduation Rates:*** As shown in **Exhibit 22**, graduation rates have been falling. This fall is attributed to tightening of program criteria and the increasingly chronic drug problems of program participants. This fall is important because the beneficial impact of the good outcomes demonstrated by program graduates will increasingly be undermined as more participants fail to graduate. Thus, for example, conclusions that are drawn from data on the earlier years of the program – the data for the year 2 analysis – are based on the relatively good graduation rates of the earlier program years and do not reflect the poorer graduation rates of 2004.

Exhibit 22
Harford County Juvenile Drug Court
Graduation Rates



Source: Harford County Juvenile Drug Court Performance Evaluation, Final Report, NPC Research

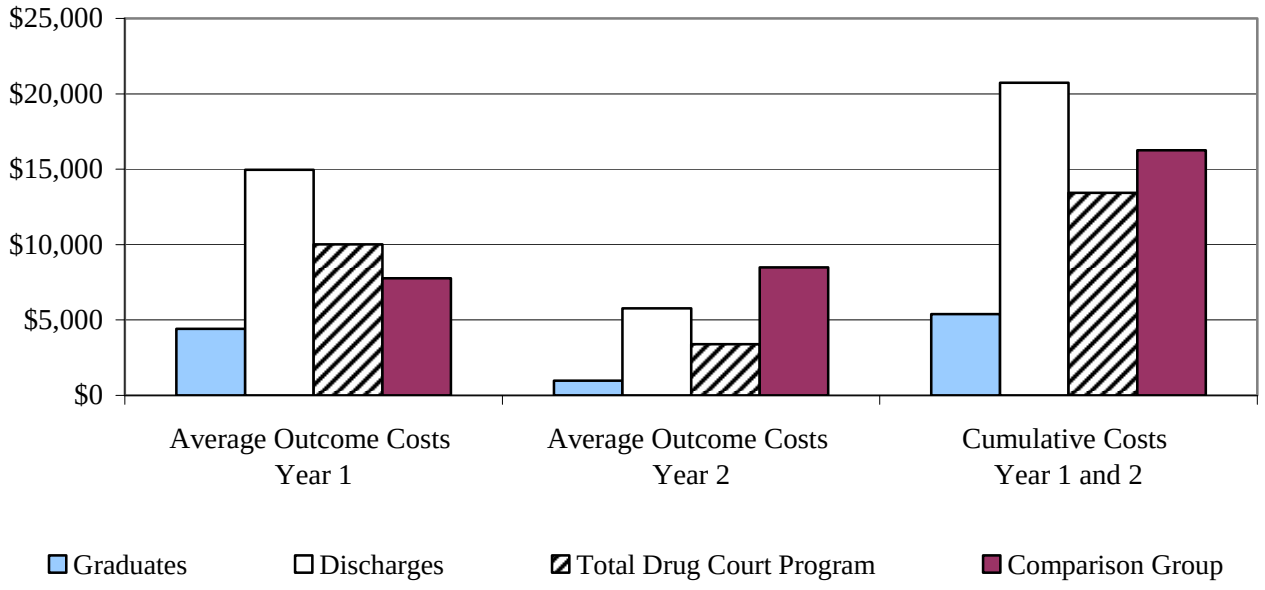
- ***Cost Evaluation:*** The evaluation calculates program costs for the Harford County Program. Those costs include drug court appearances, case management, drug and alcohol treatment sessions, drug testing, mental health treatment, and job and education training sessions. On average the program costs $11,689 per participant (or $41 per participant per day). This is set against costs related to interventions in or out of the program for program participants or all interventions for the comparison group. As shown in **Exhibit 23**, the costs mirror earlier data:

  - For youth that successfully complete the program relative to youth in the comparison group, program costs are offset by the beneficial outcome costs.

  - The costs associated with youth discharged from the program exceed youth in the comparison group.

  - Overall, year 1 outcome costs for program participants are greater than the comparison group but lower in year 2 and cumulatively. In other words, the financial benefits associated with the investment in drug courts do not begin to occur until the second year.

Exhibit 23
Harford County Juvenile Drug Court
Outcome Costs



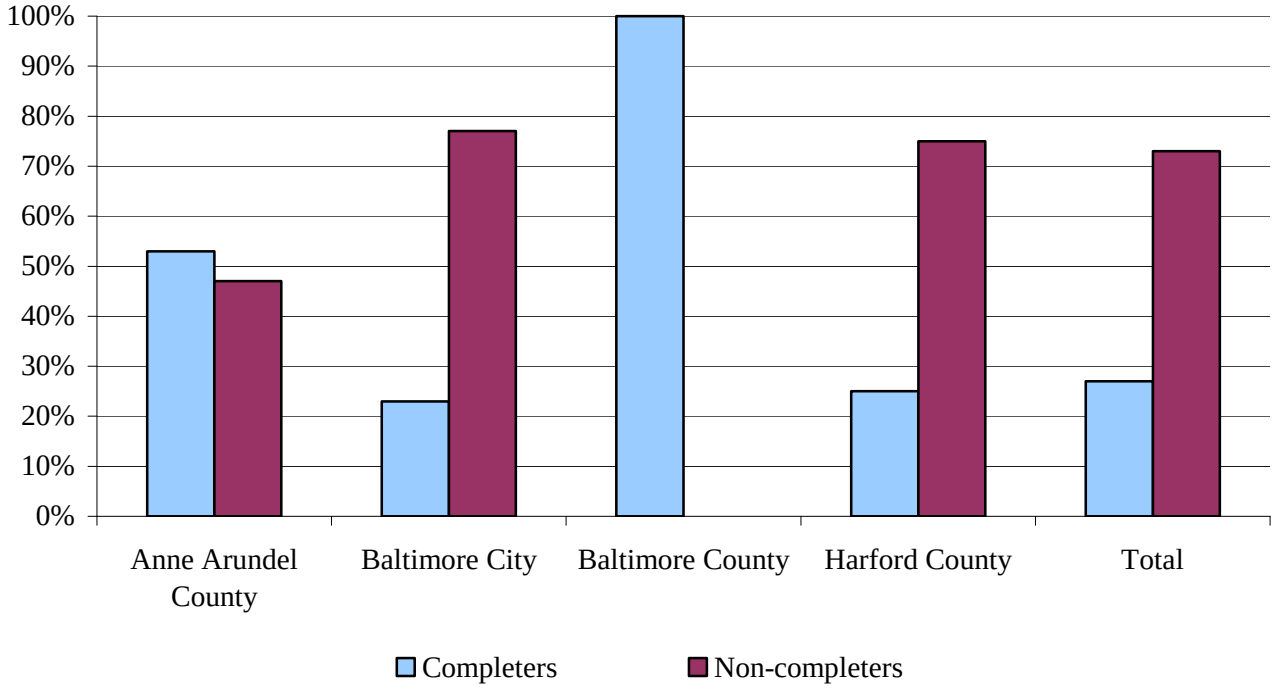
Source: Harford County Juvenile Drug Court Performance Evaluation, Final Report, NPC Research; Department of Legislative Services

- The evaluation concludes that if year 2 financial benefits continue to play out, the investment in the drug court program will ultimately be repaid in lower future intervention costs. However, as noted earlier, there is little data on the continued long-term impact of drug courts generally and in the Harford County program; the increasing number of youth who fail to graduate from the program may limit the extent of future cost savings.

Evaluation of DJS Drug Courts

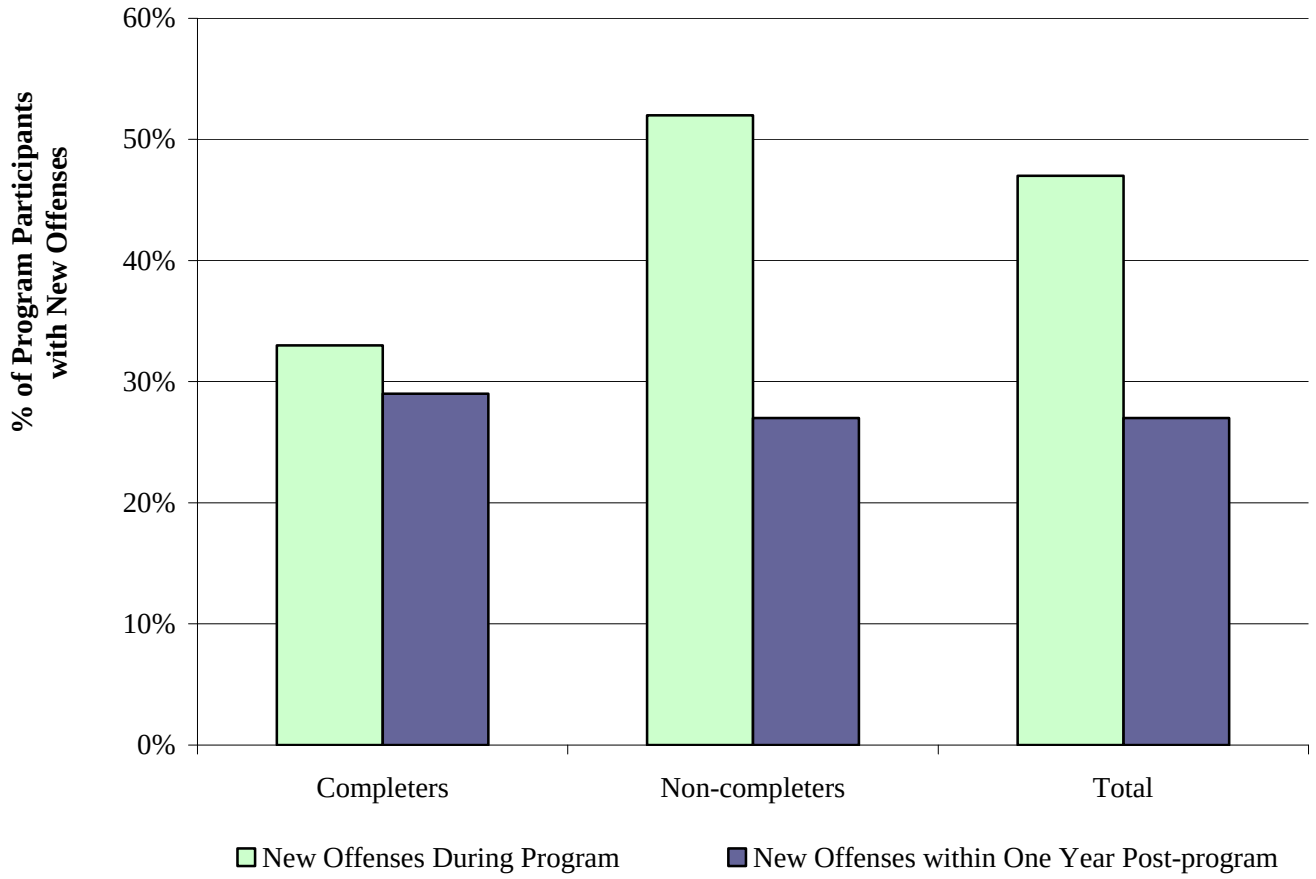
Indeed, the more positive elements found in the Harford County juvenile drug court evaluation are undermined by the results of a separate evaluation of Baltimore City, Anne Arundel, Baltimore, and Harford counties that was done for DJS and completed in April 2006. As shown in **Exhibit 24**, graduation rates from these programs were poor. Further, as shown in **Exhibit 25**, while non-completers were more likely to re-offend while in the program, there is little difference in terms of recidivism between completers and non-completers within one-year of the program.

Exhibit 24
Department of Juvenile Services Juvenile Drug Court Evaluation
Completion Rates



Source: Department of Juvenile Services

Exhibit 25
Department of Juvenile Services Juvenile Drug Court Evaluation
Selective Outcomes



Source: Department of Juvenile Services

Conclusions

Based on a review of the data provided in the Judiciary's evaluation of the Harford County Drug Court, it is fair to note that participation in the drug court program in Harford County has yielded some positive results: reduced levels of drug use while in the program; positive outcomes for youth able to graduate from the program; and for graduates, the additional program investment appeared to be recouped by the subsequent level of interventions required in the juvenile and adult systems. However, this positive picture is tempered by the poor results, more expensive subsequent interventions shown by those who are discharged from the program, and the increasingly poor

outcomes as the program has matured. Further, the evaluation of multiple programs conducted for DJS compounds doubts about the programs.

If anything is clear from the recent evaluations it is that the State's heavy investment in juvenile drug court programs is not likely to be a panacea. Indeed, experience demonstrates that most youth do not graduate from these programs. This most likely indicates the need for a wider treatment strategy in order to serve those youth for whom drug courts are not the answer.

DJS should be prepared to comment on why the State should persist with its investment in drug court programming and offer alternative substance abuse treatment uses for the drug court funding.

3. Performance-based Contracting in DJS

In recent years, at all levels of government, greater emphasis has been placed on the effectiveness of government programs. In Maryland State government, this emphasis is best reflected in the Managing for Results process. A natural adjunct of MFR with its development of performance goals and the measurement of outcomes is the concept of performance-based contracting.

Performance-based contracting means different things to different people. However, at its core, performance-based contracting is intended to change the behavior of contractors (and by extension, the agencies overseeing those contracts and contractors) to focus more on performance. Supporters of performance-based contracts point to such potential benefits as the encouragement of contractors to be innovative, increased emphasis on better outcomes and lower costs, and increased accountability (on the part of the contracting agency as well as the contractor). Skeptics note that performance-based contracts are best used for contracts that are well defined, have accepted metrics, and have a reasonably predicted time-frame for achieving the desired outcomes, something often absent.

A number of major contracts awarded by DJS (including the purchase of residential care, non-residential care, and behavioral health services provided in facilities) were reviewed to assess the extent to which they contain performance elements. The following observations may be made based on that review:

- DJS has increasingly been inserting specific performance elements into its contracts.

- Performance measures included within the contracts include both outcomes (for example, the attainment of General Education Diplomas (GED) and recidivism measures) as well as outputs such as meeting reporting requirements and achieving certain staffing levels.

- Incentives and penalties are clearly articulated in the contracts. It should be noted that:

    - These incentives/penalties are typically tied to a single performance point.

- Incentives are capped at a maximum dollar level. For example, incentives in the residential contracts for O'Farrell and the proposed programming at Victor Cullen are capped at $26,500 per contract year; incentives in the non-residential contracts are capped at $5,250 per year; and incentives in the behavioral services contract at Cheltenham are capped at $2,500 per year.

- Given the scale of the contracts, the level of incentives offered is minimal. The incentive level on the O'Farrell contract is only 0.7% of the contract's value.

- DJS does require some of the incentives earned by the vendor to be split with the youth in the program. For example, the O'Farrell contract provides that the $200 incentive relating to youth earning a GED or high school diploma is to be split between the contractor and the youth.

- To date, few incentives/penalties have been paid/collected on contracts. DJS reported imposing $3,600 in penalties and awarding just under $42,000 in incentives based on a review of 22 contracts.

- Effective performance-based contracts emphasize the importance of agency oversight of performance. The department's monitoring of contracts as well as its own facilities has frequently come under criticism. However, it should be noted that DJS has built monitoring into its MFR, detailing the rate of contract violations in residential contracted programs. The rate of violations increased from 4% in fiscal 2005 to 17% in fiscal 2006.

- DJS collects plentiful data through monthly reports required of vendors and utilizes those reports to impose penalties/provide incentives. However, it is unclear if the wealth of data that can be collected from these reports is influencing decision-making in terms of vendor choice.

- DJS State employees perform the same service as contractors, for example, providing committed residential care. However, those State employees do not have similar incentives or penalties tied to certain performance outcomes. At this point the department did not indicate that it was thinking about moving in that direction.

- One major area of DJS programming, residential per diems, remains outside of the department's efforts to inject performance into contracts because rates are established by the Interagency Rates Committee (IRC). Efforts to inject performance into those rates have been hampered by the lack of an outcomes evaluation system. According to IRC, that system needs to be in place in order to define and generate performance-based data that can be used as a basis for making rate decisions. Since IRC sets rates for certain residential placements used by different state agencies, all of those agencies need to develop and collect outcome data. It appears that DJS may be collecting the required data, but others agencies are not.

In summary, a review of DJS's contracts shows an effort to link performance to contract payments. The major misgiving is whether the incentives are sufficient to promote real change in vendor behavior.

4. Bowling Brook

On January 23, 2007, a DJS-committed youth placed at Bowling Brook Preparatory School died after being restrained by staff. The incident is currently under investigation by the Carroll County Police Department.

The purpose of this issue is not to discuss the specific incident, but rather to make an observation about what has happened to other DJS committed youth being served at the facility. Specifically, DJS was able to provide DLS with data on the disposition of 66 youth who were being served at Bowling Brook at the time of the incident. As shown in **Exhibit 26**, based on the DJS recommendation for disposition of each youth (rather than the actual disposition):

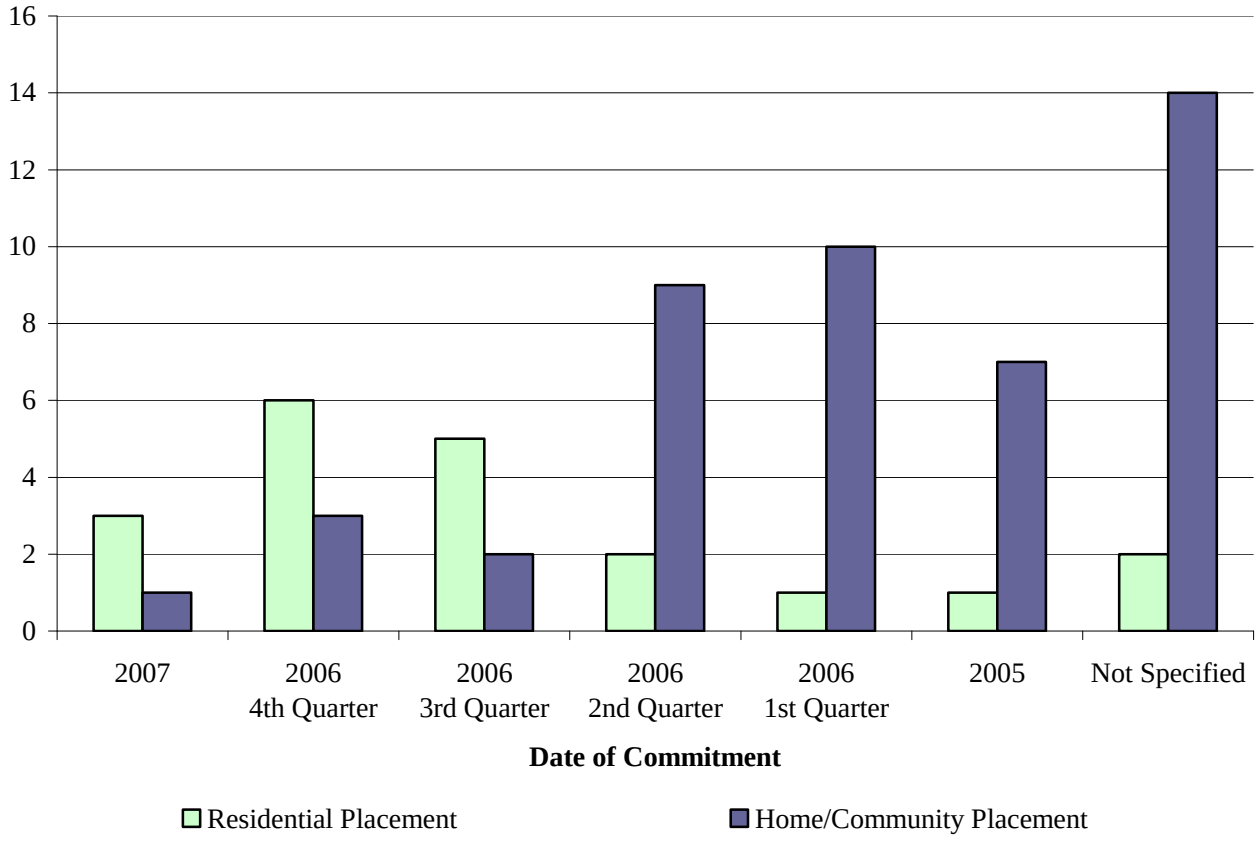
- 20 of the youth (30%) were recommended for subsequent residential placement; and

- 46 of the youth (70%) were recommended for placement at home, most of them with aftercare services although in some cases simply released.

As might be expected, the longer the youth had been in commitment, the more likely he was to be released to the community. The question that remains unanswered is why, absent the incident at Bowling Brook, DJS was allowing 70% of the youth at that facility to remain there when based on reviews immediately following the incident the department was recommending that the youth be served in the community? **DJS should be prepared to comment on its review process for youth in residential placements and to explain why so many youth in residential placements at Bowling Brook were deemed eligible for community placement.**

Looking specifically at the available data on actual court dispositions for 50 of the youth, 8 were either returned to Bowling Brook or were in another residential placement, and 42 were returned home to be treated in the community or released.

Exhibit 26
Department of Juvenile Services
Disposition Recommendations for the Department of Juvenile Services Youth Committed at Bowling Brook
February 2007



Source: Department of Juvenile Services; Department of Legislative Services

5. Maximizing Federal Fund Attainment for Behavioral Health Assessments

The fiscal 2007 budget bill included language withholding funds from DJS pending the receipt of a report asking the department to investigate the possibility of maximizing Medicaid reimbursement for behavioral health assessments provided in community-based settings. This report was to be developed in consultation with the Department of Health and Mental Hygiene (DHMH).

DHMH and DJS met to discuss this issue. It was agreed that behavioral health assessments conducted in community-based settings by Medicaid providers could be billed to Medicaid, although pre-approval is required via the Administrative Services Organization that administers mental health services in Maryland. However, based on sample evaluation reports developed under the rates provided for evaluations under Medicaid, DJS concluded that:

- the evaluations were insufficiently comprehensive to meet the demands of juvenile courts;
- the evaluations were insufficient to develop adequate treatment plans; and
- scheduling and pre-approval issues would inhibit DJS's ability to meet dispositional hearing schedules and do appropriate treatment planning.

This response raises two concerns:

- Is there a qualitative difference between assessments done for DJS as opposed to any other youth getting such an assessment under Medicaid, especially in terms of DJS's concern about appropriate treatment planning? DHMH notes that these assessments are used for treatment planning for children's services under the public mental health system and are appropriate. The department does not believe that reimbursement rates for these assessments under Medicaid are inadequate. Rather, DHMH noted that the Judiciary needs to be better educated about what kind of mental health assessments are appropriate for youth. It notes that all-too-often judges require full psychological evaluations that are not necessary.
- DJS and DHMH appear to be operating parallel mental health systems (and expending administrative resources to do so).

DLS remains unconvinced that DJS has fully explored the possibility of claiming Medicaid dollars for behavioral health assessments, although DLS understands that DJS has been focused more on maintaining federal Title IV-E claims as well as expanding Medicaid attainment under the rehabilitation waiver option. **Nevertheless, DLS recommends withholding funds until DJS and DHMH jointly prepare a report detailing ways to maximize Medicaid claims and also specifically addressing the concern that current behavioral health assessments conducted for the courts may be inappropriate and if so, how to educate the Judiciary on what is and is not an appropriate assessment.**

It should also be noted that DJS has recently begun to expend more resources on two evidence-based practices for delinquent youth with mental illness: Functional Family Therapy and Multisystemic Therapy. Evidence-based practices are therapies that have demonstrated positive outcomes for participating youth based on scientific evaluations. Both of these services involve community-based interventions of three to five months duration, Multisystemic therapy being the more intensive intervention. In a recent report, the Maryland Disability Law Center (MDLC) points to the importance of widening the availability of these two therapies as well as a residential evidence-based practice (Multidimensional Treatment Foster Care currently unavailable in Maryland)

in order to best address the needs of delinquent youth with mental illness. MDLC notes that this kind of programming is currently not included in the State Medicaid Plan as covered services, and therefore, federal Medicaid funds cannot be claimed for them. If DJS intends to more widely avail of these services, then perhaps it should consider discussing with DHMH including these services under the State Medicaid Plan.

Recommended Actions

		Amount Reduction		Position Reduction
1.	Increase the turnover rate for new positions from the budgeted 3% to the traditional 25%.	$ 97,000	GF	
2.	Reduce funding for cell phone expenditures. The department is in the process of reducing the number of cell phones issued and switching to lower cost plans.	100,000	GF	
3.	Reduce funds for independent verification and validation (IV&V). The allowance provides $250,000 for IV&V of the Department of Juvenile Services' caseload management system and an in-development network to support education services. $150,000 for IV&V of the education network is included in the Major Information Technology Development Project Fund. The reduction leaves $100,000 for IV&V of the caseload management system.	150,000	GF	
4.	Reduce funding for the installation of an education trailer at O'Farrell. Rather than purchasing the trailer, the Department of Juvenile Services can lease the trailer. O'Farrell is included in the facilities master plan for replacement.	66,000	GF	
5.	Reduce funding for two teacher and one teacher aide positions based on the relinquishment of responsibility for education at the Carter Center to the Maryland State Department of Education (MSDE). The fiscal 2008 allowance includes 6 positions for MSDE to assume responsibility for education at the Carter Center (3 teaching positions, including a principal, 2 teachers' aides and 1 registrar). The Department of Juvenile Services indicated that it proposes to add the existing positions to the MSDE positions for a teaching complement of one principal, 5 teachers, plus 3 teachers' aides, a doubling of teaching capacity. The fiscal 2006 average daily population (ADP) at the	188,000	GF	3.0

Carter Center was 20, although the ADP may rise to 25. The proposed reduction would leave 4 teachers and 2 teacher's aides, including the principal, increasing teaching capacity by 50%.

6. Add the following language to the general fund appropriation:

, provided that $200,000 of this appropriation may only be used to fund an evaluation of community-based sex offender treatment currently provided by the Department of Juvenile Services. The evaluation shall include a discussion of the availability of evidence-based practices for these services, fidelity to those standards by Maryland programs, as well as an analysis of outcomes in Maryland-based programs to national models. The department shall submit the evaluation to the budget committees by December 1, 2007, and the committees shall have 45 days for review and comment.

Explanation: The fiscal 2008 allowance proposes a significant increase in funding for community-based sex offender treatment. However, the department has not conducted any rigorous analysis of its currently funded programs. The language restricts funds for such an evaluation.

Information Request	**Author**	**Due Date**
Evaluation of current community-based sex offender programming	DJS	December 1, 2007

7. Add the following language to the general fund appropriation:

, provided that $100,000 of this appropriation may not be spent until the Departments of Juvenile Services (DJS) and Health and Mental Hygiene report on strategies to maximize federal Medicaid claims for behavioral health assessments and other mental health services provided by DJS in community-based settings. The report should include specifics as to what behavioral health assessments are required to provide juvenile court judges with information necessary to make appropriate dispositions of youth and, if necessary, strategies for educating those judges as to what is an appropriate assessment. The report shall be provided to the budget committees by November 1, 2007, and the committees shall have 45 days to review and comment.

Explanation: Language in the 2006 *Joint Chairmen's Report* on ways to maximize federal fund claims for behavioral health assessments indicated some disagreement between the Departments of Juvenile Services (DJS) and Health and Mental Hygiene (DHMH) about whether evaluations funded by Medicaid were sufficient to meet the requirements of juvenile court judges. This language withholds funds until the departments jointly reconsider this issue. In addition, DJS and DHMH should examine if evidence-based therapies for delinquent youth currently funded by DJS but not covered by the State Medicaid Plan should be covered.

Information Request	Author	Due Date
Federal fund claims for mental health services	DJS DHMH	November 1, 2007

		Amount Reduction		Position Reduction
8.	Reduce expansion of non-residential sex offender treatment services until the department undertakes an evaluation of the efficacy of the programs currently providing these services.	300,000	GF	
9.	Delete funds for evening reporting centers. The legislature deleted funding for evening reporting centers in fiscal 2003 because of a lack of participation. In fiscal 2005, the Department of Juvenile Services (DJS) indicated that it would like to re-visit evening reporting centers and, through technical assistance provided by the Annie E. Casey Foundation, would re-focus these centers as detention alternative programs. DJS planned to serve 28 youth on a daily basis. Enrollment in the programs has been disappointing, and in February 2007 at one point the two centers were serving just 10 youth and the department indicated that it was struggling to hire staff for the programs. Average enrollment in fiscal 2007 is 17.	520,000	GF	2.0

10. Adopt the following narrative:

Facilities Master Plan: After many years, the Department of Juvenile Services (DJS) completed a Facilities Master Plan in 2006. That plan sets a clear policy direction for the department in terms of both its delivery of services regionally (including a restructuring of the current regional configuration) and also a reduction in its reliance on private committed residential placements. Underpinning that plan are significant capital and operating commitments that at this point remain largely unfunded. The committees request that the new leadership team at DJS evaluate the policy direction established by this plan and report back to them on how it intends to proceed, if at all, with its implementation.

Information Request	Author	Due Date
Evaluation of 2006 Facilities Master Plan	DJS	September 1, 2007

11. Adopt the following narrative:

Education Programming for Committed Youth at the Regional Institute for Children and Adolescents (RICA) – Southern Maryland: For almost two years, the Department of Juvenile Services (DJS) in cooperation with the Department of Health and Mental Hygiene (DHMH) has developed special programming (Extended Diagnosis and Initial Treatment (EDIT)) for delinquent youth at RICA – Southern Maryland. However, while other youth in the residential program at RICA – Southern Maryland attend classes in the adjacent school building owned by the State but operated as a special education facility by the Prince George's public school system (Prince George's County schools), DJS youth in the EDIT program are served in a cramped space and receive only 4.5 hours of education per day (up from 3 hours per day in 2005). This level of programming is below the standard of 5 hours per day set by DJS for its own facilities and the 6 hours per day in MSDE-operated programs. Further, the range of programming is severely limited by the resources (human and physical) available to this program. The committees request DJS work with DHMH, Maryland State Department of Education (MSDE), and Prince George's County schools to improve the educational opportunities afforded to the youth in the EDIT program. The committees request an update on progress made by October 1, 2007.

Information Request	**Authors**	**Due Date**
Education Programming in EDIT program	DJS in consultation with DHMH, MSDE, and Prince George's County schools	October 1, 2007

12. Adopt the following narrative:

Caseload Management System: The fiscal 2008 allowance includes funding for independent verification and validation (IV&V) of modifications and enhancements made to the Department of Juvenile Services' (DJS) caseload management system. Given the importance of this system to the department's operations, the committees request the department to provide them with a written summary of the conclusions reached by any IV&V analysis undertaken in fiscal 2008.

Information Request	**Author**	**Due Date**
IV&V of DJS' caseload management system	DJS	Within 30 days of the completion of any IV&V analysis

		Amount Reduction		Position Reduction
13.	Reduce funds for security services at the Hickey School based on actual contract costs. Only $567,000 will be needed to support this contract in fiscal 2007.	165,000	GF	
14.	Delete funds for grants to non-traditional community providers. The funding is intended to provide small grants to programs serving both delinquent youth and youth at-risk of delinquency. Services to delinquent youth are described as those youth choose to participate in rather than those required of them. While the programming may be laudable, the department has problems funding programming it is required to provide.	230,000	GF	
	Total Reductions to Fiscal 2007 Deficiency	**$ 395,000**		
	Total General Fund Reductions to Allowance	**$ 1,421,000**		**5.0**

Updates

1. Civil Rights of Institutionalized Persons Act (CRIPA) Investigations

Cheltenham and the Hickey School

On August 30, 2002, the U.S. Department of Justice Civil Rights Division informed then Governor Parris Glendening that the U.S. Department of Justice (DOJ) was investigating the conditions at Cheltenham and the Hickey School. The focus of the investigation was the physical safety of residents; medical and mental health care and education; and if the care provided at those facilities involved systemic violations of the Constitution or federal law. DOJ investigators conducted inspections of the Hickey and Cheltenham facilities between April and June 2003 and issued a findings letter in April 2004. In June 2005, the State and DOJ entered into an agreement concerning the CRIPA investigation.

The CRIPA agreement calls for a series of improvements in a number of programmatic and physical areas. The agreement is in effect for three years, and the burden is on the State to ensure compliance with the agreement.

Part of the agreement calls for DJS to pay for an independent evaluation of the State's CRIPA response. Since the agreement calls for additional investment in certain programmatic areas, but neither quantifies what those investments should be, nor does it make an assessment of the impact of the significant investments and program changes made by the State at the Hickey School and Cheltenham since the initial DOJ investigation took place in 2003, such an independent evaluation is important to providing insight into the department's progress in meeting DOJ's concerns.

The most recent report from the independent evaluation team was for the period July 1, 2006, through December 31, 2006. The findings of that report are summarized in **Exhibit 27**:

Based on a comparison of compliance ratings between the second and third independent evaluation report on 56 action items:

- at the Hickey School, there was slippage on one item (implementation of the suicide prevention policy), no change on 33, and progress/compliance on 22; and

- at Cheltenham there was no change on 28 items and progress/compliance on 28 others.

Exhibit 27
CRIPA
Overall Compliance, by Substantive Area

Substantive Area	Total Provisions	Substantial Compliance		Partial Compliance		Non-compliance	
		Hickey	CYF	Hickey	CYF	Hickey	CYF
Protection from Harm	17	5	6	9	8	3	3
Suicide Prevention	9	4	3	2	6	3	0
Mental Health	10	4	0	6	9	0	1
Medical	5	1	1	3	4	1	0
Special Education	8	4	5	4	3	0	0
Fire Safety	1	0	0	1	1	0	0
Total Facility – Level	**50**	**18** **36%**	**15** **30%**	**25** **50%**	**31** **62%**	**7** **14%**	**4** **8%**
Mental Health	1	1		0		0	
Medical	1	1		0		0	
Quality Assurance	4	0		3		1	
Total Agency – Level	**6**	**2** **33%**		**3** **50%**		**1** **17%**	

CYF: Cheltenham Youth Facility

Source: Settlement Agreement between the State of Maryland and the United States Department of Justice Third Monitor's Report

Baltimore City Juvenile Justice Center

During the 2005 interim, it was announced that BCJJC is also now subject to a CRIPA investigation. In August 2006, DOJ released the finding of its investigation. Findings were grouped around three broad areas:

- ***Inadequate Protection from Harm:*** The investigation revealed inadequate protection from youth-on-youth violence including an inadequate behavior management plan and environmental security hazards and inadequate protection from risks of suicide including environmental suicide risks and inadequate suicide watch and seclusion monitoring.

- ***Inadequate Mental Health Care:*** The investigation revealed inadequate mental health screenings and assessments; inadequate mental health treatment and case management; inadequate communication and recordkeeping; and inadequate confidentiality safeguards.

- ***Inadequate Educational Instruction of Youth with Disabilities:*** The investigation revealed inadequate access to special education and inadequate development of individualized education plans.

DJS unleashed a lengthy response to these findings in November 2006, providing point-by-point detail of the improvements that have taken place at BCJJC between the time DOJ concluded its investigation and the present. At this point, however, the department is waiting on new leadership to determine next steps.

2. Attracting and Retaining Direct Care Workers

Chapter 443 of 2005 (the fiscal 2006 budget bill) included language withholding $625,000 pending the development of a plan (utilizing these funds) to help the department attract and retain direct care workers. The language was added by the General Assembly based on its concern that retention of direct care workers has been a major problem for DJS in recent years. DJS submitted its spending plan in May 2006. The plan details various recruitment and retention strategies including:

- increasing base salaries for initial hires;

- hiring and referral bonuses for certain key job categories, *e.g.*, nurses and social workers;

- tuition assistance/student loan repayment programs;

- attendance and retention bonuses for all direct care staff; and

- geographically based recruitment and retention bonuses.

For the most part, these strategies were not new. Indeed, the plan noted that some have been available to DJS for some years (for example, hiring and referral bonuses for nurses and social workers and tuition reimbursement) but have not been funded. Of all of these strategies, one raised significant policy issues – the geographically based recruitment and retention bonuses. Specifically, DJS proposed to provide a $1,250 bonus to employees:

- at two detention facilities experiencing particularly severe recruitment and turnover problems (Noyes Center in Montgomery County and the Carter Center in Kent County); and

- for employees at field offices in Silver Spring and Rockville in Montgomery County because of the high cost of living in that county.

While the two geographically based bonuses attempted to address specific problems, they also raised different concerns:

- The facility-specific bonus proposed differential compensation for the same work at the same kind of facilities.

- The bonus for field offices in Silver Spring and Rockville because of the high cost of living in Montgomery County raised broader issues because the State does not have pay differentials based on geographic cost-of-living indices.

Ultimately, the budget committees declined to approve the geographic recruitment and retention bonuses and $321,000 in withheld funds reverted to the general fund.

3. Gang Prevention Funding

The fiscal 2007 operating and capital budgets included $4 million in the Rainy Day Fund restricted to operating and capital funding targeted to the prevention of gangs and gang activities, plus an additional $647,414 in general obligation (GO) bond financing. This funding was restricted/added to the fiscal 2007 budget by the legislature. In so doing, the legislature established that the funding was to be administered by DJS, although grant awards are to be approved by the Legislative Policy Committee prior to award. Other restrictions also applied.

In correspondence to the budget committees in July 2006, DJS and GOC indicated that they intended to combine the DJS funding with other delinquency prevention funding in GOC and award it under the rubric of gang reduction plans being developed by Local Management Boards as provided for under Chapter 445 of 2006. DJS and GOC indicated that DJS will ultimately approve the gang-related grants funded from the Rainy Day Fund as well as the GO bond-funded capital grants and that these grants will target jurisdictions with the greatest gang-related problems – Anne Arundel, Baltimore, Harford, Montgomery, Prince George's, and Wicomico counties, and Baltimore City.

At this time, no operating or capital awards have been made. GOC and DJS are looking to make the initial awards toward the end of fiscal 2007. At this point, the agencies indicate that they intend to utilize the $4 million in DJS grants over two fiscal years, and this is reflected in the lack of funding requested for these activities in fiscal 2008.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
Department of Juvenile Services
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2006					
Legislative Appropriation	$175,451	$253	$16,897	$306	$192,907
Deficiency Appropriation	17,951	0	0	0	17,951
Budget Amendments	1,254	2,020	0	429	3,703
Reversions and Cancellations	-323	-116	-2,686	-237	-3,362
Actual Expenditures	**$194,334**	**$2,157**	**$14,211**	**$498**	**$211,200**
Fiscal 2007					
Legislative Appropriation	$214,442	$143	$15,007	$306	$229,898
Budget Amendments	2,181	4,000	0	2,826	9,008
Working Appropriation	**$216,623**	**$4,143**	**$15,007**	**$3,132**	**$238,906**

Note: Numbers may not sum to total due to rounding.

Fiscal 2006

The fiscal 2006 legislative appropriation for DJS was increased by just over $18.6 million. This increase was derived as follows:

- Deficiency appropriations added almost $18.0 million, all general funds, to the legislative appropriation. This amount excludes another $3.0 million in PAYGO funded provided for the renovation of educational space at BCJJC. The deficiencies were in two areas:

  - $13.0 million based on an expected shortfall in per diem placements. This shortfall was expected given that DJS's fiscal 2006 budget was built on an unrealistic assumption of savings to be realized from increasing non-residential alternatives to these residential placements. However, it should be noted that part of this deficiency was actually for just over $4.4 million in unprovided for general fund payables reported by DJS to the General Accounting Division at the end of fiscal 2005. Not all of this fiscal 2005 deficit was in per diems – just over $2.8 million was for per diem residential expenditures with $1.6 million for a variety of other costs.

  - Just under $5.0 million for what was stated as being required to support regular personnel expenditures based on lower than anticipated turnover and higher than anticipated overtime. In fact, as detailed in DLS's fiscal 2007 analysis for DJS, the department's regular personnel budget was adequate. However, the department had created deficits in other areas. For example, it expanded programming to serve youth that would otherwise have been served at the Hickey School but for the closure of committed programming at that facility as well as continuing to utilize contractual employment at levels well beyond that provided for in the budget.

- Budget amendments added a little over $4.0 million to the legislative appropriation. Specifically:

  - General fund budget amendments added almost $1.3 million representing the department's share of the fiscal 2006 cost-of-living adjustment (COLA) originally budgeted in DBM.

  - Special fund budget amendments increased the legislative appropriation by just over $2.0 million. Virtually, this entire amount ($2.0 million) represented a transfer from the Dedicated Purpose Account as authorized by the fiscal 2006 budget bill for expenditures relating to the State's response to the U.S. Department of Justice CRIPA investigation of the Hickey School and Cheltenham Youth Facility. The remaining $20,000 was grant funds for mediation and conflict resolution skills training at BCJJC.

  - Reimbursable fund budget amendments increased the legislative appropriation by $779,000. The major increases included $350,000 in Violent Offender Incarceration and Truth-in-Sentencing Incentive Grant funds for security enhancements to the

Baltimore City Juvenile Justice Center pursuant to a security review conducted in 2001; $199,881 in Byrne – Justice Assistance Grant funds for information technology enhancements to improve data collection regarding juvenile drug courts; and $140,000 in federal Juvenile Accountability Block Grant funds to develop a program statement for a detention facility to replace that currently housed at the Hickey School. A variety of other grants supported expenditures for improvements at Cheltenham and mental health programming at various Baltimore City facilities.

- Reversions and cancellations trimmed just under $3.4 million from the increase to the legislative appropriation made by budget amendment. General fund reversions totaled $323,000. Of this, $321,000 related to fiscal 2006 budget bill language added by the legislature withholding funds pending the development of recruitment incentives. Specifically, DJS proposed, amongst other things, to offer geographic recruitment and retention bonuses. These bonuses were not approved by the budget chairs, and the withheld funds intended to support these bonuses, $321,000, were not released and instead reverted to the general fund.

  Of the cancellations, almost $2.7 million was federal funds, virtually all of that being federal IV-E funds. Attainment of those funds was much lower than anticipated.

Fiscal 2007

To date, the fiscal 2007 legislative appropriation has been increased by just over $9.0 million. Of this amount:

- Just under $2.2 million is in general funds, derived from the addition of $1,924,163 representing DJS's portion of the fiscal 2007 COLA and just under $300,000 transferred from DBM for annual salary review adjustments, marginally offset by a reduction of $28,407 for DJS's share of the statewide salary study.

- $4.0 million is in special funds, derived from a transfer from the Rainy Day Fund for gang prevention activities.

- Just over $2.8 million is from reimbursable funds. Of this, just over $1.2 million is transferred from the Subcabinet Fund for juvenile delinquency prevention programming. This was actually funding that prior to fiscal 2007 had been in DJS's budget but was budgeted in the Subcabinet Fund in fiscal 2007. Apparently, GOC and DJS decided that for fiscal 2007, DJS would continue to administer this funding. It is not included in the DJS budget in fiscal 2008. A further $1.3 million is funding transferred from the Major Information Technology Development Project Fund to support the technology needs of education programming in the department. The remaining funds are for a variety of purposes throughout the department.

Object/Fund Difference Report
Department of Juvenile Services

Object/Fund	FY06 Actual	FY07 Working Appropriation	FY08 Allowance	FY07-FY08 Amount Change	Percent Change
Positions					
01 Regular	2,080.85	2,079.85	2,088.85	9.00	0.4%
02 Contractual	177.49	144.20	144.20	0	0%
Total Positions	**2,258.34**	**2,224.05**	**2,233.05**	**9.00**	**0.4%**
Objects					
01 Salaries and Wages	$ 117,646,639	$ 123,758,864	$ 123,675,853	-$ 83,011	-0.1%
02 Technical and Spec. Fees	5,631,651	4,638,588	4,774,203	135,615	2.9%
03 Communication	2,206,313	2,696,727	2,881,148	184,421	6.8%
04 Travel	773,977	560,000	721,900	161,900	28.9%
06 Fuel and Utilities	3,128,252	2,984,656	3,464,981	480,325	16.1%
07 Motor Vehicles	1,307,822	2,108,424	2,332,873	224,449	10.6%
08 Contractual Services	68,729,195	86,513,364	87,954,971	1,441,607	1.7%
09 Supplies and Materials	5,405,571	4,517,154	5,311,498	794,344	17.6%
10 Equipment – Replacement	232,314	1,033,000	1,085,000	52,000	5.0%
11 Equipment – Additional	723,128	1,258,572	1,489,390	230,818	18.3%
12 Grants, Subsidies, and Contributions	301,402	4,313,000	358,000	-3,955,000	-91.7%
13 Fixed Charges	5,105,780	4,523,209	3,996,162	-527,047	-11.7%
14 Land and Structures	7,529	0	0	0	0.0%
Total Objects	**$ 211,199,573**	**$ 238,905,558**	**$ 238,045,979**	**-$ 859,579**	**-0.4%**
Funds					
01 General Fund	$ 194,333,505	$ 216,623,023	$ 222,657,000	$ 6,033,977	2.8%
03 Special Fund	2,157,208	4,143,000	203,000	-3,940,000	-95.1%
05 Federal Fund	14,210,861	15,007,321	14,736,979	-270,342	-1.8%
09 Reimbursable Fund	497,999	3,132,214	449,000	-2,683,214	-85.7%
Total Funds	**$ 211,199,573**	**$ 238,905,558**	**$ 238,045,979**	**-$ 859,579**	**-0.4%**

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

Fiscal Summary
Department of Juvenile Services

Program/Unit	FY06 Actual	FY07 Wrk Approp	FY08 Allowance	Change	FY07-FY08 % Change
Office of the Secretary	$ 1,313,244	$ 4,572,177	$ 2,098,281	-$ 2,473,896	-54.1%
Departmental Support	22,422,203	29,604,427	30,637,006	1,032,579	3.5%
Residential Services	47,066,951	46,219,690	45,697,004	-522,686	-1.1%
Health Care Services	18,349,431	22,402,841	23,540,835	1,137,994	5.1%
Community Justice Supervision	78,139,967	87,852,206	84,527,011	-3,325,195	-3.8%
Western Region	43,907,777	48,254,217	51,545,842	3,291,625	6.8%
Total Expenditures	**$ 211,199,573**	**$ 238,905,558**	**$ 238,045,979**	**-$ 859,579**	**-0.4%**
General Fund	$ 194,333,505	$ 216,623,023	$ 222,657,000	$ 6,033,977	2.8%
Special Fund	2,157,208	4,143,000	203,000	-3,940,000	-95.1%
Federal Fund	14,210,861	15,007,321	14,736,979	-270,342	-1.8%
Total Appropriations	**$ 210,701,574**	**$ 235,773,344**	**$ 237,596,979**	**$ 1,823,635**	**0.8%**
Reimbursable Fund	$ 497,999	$ 3,132,214	$ 449,000	-$ 2,683,214	-85.7%
Total Funds	**$ 211,199,573**	**$ 238,905,558**	**$ 238,045,979**	**-$ 859,579**	**-0.4%**

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.