

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1083
 Judiciary

(Delegate Zirkin, *et al.*)

Budget and Taxation

Department of Juvenile Services - Reorganization and Regionalization

This bill requires the Department of Juvenile Services (DJS) to designate at least five operational regions within the State. The Secretary of Juvenile Services must appoint a regional director for each region, and each region must include at least one detention facility, a sufficient number of committed facilities to serve children in the region to the extent practicable, and step-down aftercare services. The bill also requires DJS to develop a Facilities Master Plan by January 15, 2006, and the Comprehensive Juvenile Services Three-year Plan that DJS is required to submit annually must include more detail about the use of facilities. DJS must also implement a program of volunteer mentoring for all children in DJS facilities, and by July 1, 2006, a pilot program for year-round educational programming outside the public school system for children in two group homes. Finally, the bill requires DJS to assume control of operations at the Charles H. Hickey, Jr. School by July 1, 2007.

Fiscal Summary

State Effect: Supplemental Budget No. 1 for FY 2005 includes \$1 million for DJS to develop a Facilities Master Plan, although DJS advises that the plan could be developed for \$500,000. General fund expenditures would increase by an estimated \$189,300 in FY 2007 to implement pilot education programs in two group homes. FY 2008 and FY 2009 expenditure estimates reflect salary increases, inflation, and the completion of the pilot program evaluation midway through FY 2008. General fund expenditures could increase significantly for the State to operate the Hickey School beginning in FY 2008.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	500,000	0	189,300	178,600	171,600
Net Effect	(\$500,000)	\$0	(\$189,300)	(\$178,600)	(\$171,600)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill declares that it is the intent of the General Assembly that children in the juvenile services system are served by programming that meets the following principles:

- the safety of the community and the children is ensured;
- services are delivered regionally;
- detention and commitment facilities do not contain more than 48 children;
- detention and commitment facilities are geographically and operationally separate and distinct; and
- children awaiting disposition are not held with children who are awaiting placement after disposition.

The Facilities Master Plan developed by DJS must be consistent with these principles and must include a timetable for establishing and operating facilities in each region that are necessary to diagnose, care for, train, educate, and properly rehabilitate all children who need the services. By December 31, 2004, DJS must report on the population it intends to serve in its facilities, the manner in which it will serve the population, and the outcome measures that will be used to assess service delivery. The Facilities Master Plan must implement the ideal service delivery system identified by DJS and must address specific facility needs, including renovation and new construction needs.

Following the approval of the Facilities Master Plan by the Department of Budget and Management, the construction of new DJS facilities and the placement of children in the custody of DJS must be consistent with the plan. The Secretary of Juvenile Services must develop policies to provide for uniform practices and standards of training for employees at juvenile facilities and uniform practices and standards for the treatment of children at DJS facilities.

The Maryland State Department of Education (MSDE) must evaluate the pilot program for year-round educational programming that DJS must implement in two group homes. The evaluation must compare educational outcomes for children in the program to outcomes for children committed to DJS group homes who attend public schools. MSDE must report on the evaluation by January 1, 2008.

Current Law: Although the Secretary of Juvenile Services has the authority to designate operational regions, it is not required by State law.

DJS may establish and operate facilities necessary to diagnose, care for, train, educate, and properly rehabilitate children who need these services. DJS may also place children in group homes and institutions that are operated by private providers and reimburse the providers for the services. DJS may not, however, place a child in a facility that is not operating in compliance with State licensing laws.

Children committed to group homes by DJS attend the appropriate local public schools.

Background: The treatment of youths in DJS facilities and the conditions of DJS facilities have been in the news frequently over the last several years. In particular, reports of abuses at the Charles H. Hickey, Jr. School and Cheltenham Youth Facility have repeatedly caught the attention of the Office of the Independent Juvenile Justice Monitor (OIJJM) within the Office for Children, Youth, and Families. OIJJM has cited numerous problems – including child abuse, violence, overcrowding, a lack of appropriate services, and understaffing – at the institutions.

Hickey School is currently run by a private vendor, but the contract with the vendor is set to expire March 31. DJS has issued a Request for Proposals (RFP) for the operation of Hickey beginning July 1, 2004, with the current vendor operating the program until then. Proposals were due February 9.

Unlike Hickey, Cheltenham is operated by DJS. Through the opening of the Baltimore City Juvenile Justice Center, DJS has been able to close three of seven cottages at Cheltenham. DJS advises that it is also redesigning the facility in order to provide more mental health and addictions services.

The U.S. Department of Justice is currently investigating conditions at Hickey and Cheltenham. The investigation, which began in August 2002, is focusing on the physical safety of residents at the facilities, as well as the health and educational services provided at the facilities.

State Fiscal Effect: The proposed Supplemental Budget No. 1 for fiscal 2005 includes \$1 million for DJS to develop a Facilities Master Plan. Both the House and the Senate have reduced this amount to \$500,000, but DJS advises that this amount would be sufficient to prepare the required plan.

Depending on the recommendations in the Facilities Master Plan and the implementation of the plan, costs to build and renovate DJS facilities could be significant. However, no timelines are given for the implementation of the plan or for the realization of the

principles established in the bill for DJS facilities. Costs would be incurred over a number of years through the normal budgeting process.

In addition to costs associated with DJS facilities and the Facilities Master Plan, general fund expenditures would also be incurred to implement and evaluate pilot education programs at two group homes beginning in fiscal 2007 and to operate Hickey beginning in fiscal 2008.

Pilot Education Programs

By July 1, 2006, DJS must develop pilot education programs at two group homes. General fund expenditures would increase by an estimated \$189,305 in fiscal 2007 to implement the programs. This estimate reflects the cost of hiring two full-time year-round teachers to provide educational services to children committed to DJS group homes and one half-time contractual education specialist at MSDE to evaluate the pilot program. Salaries, fringe benefits, one-time start-up costs, school supplies, and ongoing operating expenses are included in the estimate. The information and assumptions used to calculate the estimate are stated below:

- The group home teachers would be paid from the same salary schedule as correctional education teachers.
- The group homes chosen to participate in the pilot program would be small, holding five to 10 children each.
- The MSDE evaluator would be a contractual employee hired for fiscal 2007 and the first half of fiscal 2008. The evaluation would be complete by January 1, 2008.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Teacher Salaries and Fringe Benefits	\$143,830	\$152,013	\$160,759
Contractual Salary and Fringe Benefits	29,217	15,281	0
School Supplies and Equipment	9,000	9,000	9,000
Other Operating Expenses	<u>7,258</u>	<u>2,308</u>	<u>1,862</u>
Total State Expenditures	\$189,305	\$178,602	\$171,621

DJS Assumption of Hickey Operations

The bill requires the State to operate the Charles Hickey School by July 1, 2007. It is generally assumed that it is more costly for the State to operate facilities than it is to contract for facility operations. The proposed fiscal 2005 State budget includes \$17.1 million for a new contractor to operate Hickey, and this amount does not include the \$10.1 million that is proposed for MSDE to manage educational programming at Hickey. Any additional costs that the State could incur for operating Hickey cannot be reliably estimated at this time, but would not be incurred until fiscal 2008.

Step-down Aftercare

The bill requires DJS to implement step-down aftercare by January 1, 2008. DJS currently provides aftercare services to children released from committed facilities. Assuming the bill does not require DJS to upgrade its current services significantly, a program of step-down aftercare could be implemented with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 768 (Senator Giannetti) – Budget and Taxation and Judicial Proceedings.

Information Source(s): Department of Legislative Services

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