

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 768 (Senator Giannetti)
Budget and Taxation and Judicial Proceedings

Department of Juvenile Services - Reorganization and Regionalization

This bill requires the Department of Juvenile Services (DJS) to establish by January 1, 2006 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, and step-down aftercare.

Fiscal Summary

State Effect: General and special fund expenditures would increase significantly beginning in FY 2005 to pay for the debt service on bonds issued for DJS facilities. General fund expenditures would increase significantly to provide for additional managerial, aftercare, correctional, and educational personnel at DJS. Approximately \$2 million in State Use Industries funds would be transferred annually from the Division of Correction to DJS for use towards DJS facilities.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Regional Directors

Each regional director must develop: (1) a regional facilities plan that ensures that facilities meet the needs of all children in the region; and (2) a program of volunteer

mentoring for children in the region who are in DJS facilities. A regional director must also conduct an outcomes evaluation for each facility in the region and report the findings annually to the Secretary of Juvenile Services. By January 2008, a network of programs that helps to ease the transition of children from the custody of DJS back to their homes and communities (*i.e.*, step-down aftercare) must be implemented in every region.

Department of Juvenile Services Facilities

Beginning January 1, 2006, DJS may not initiate a new contract with a private provider to operate a facility, although DJS may continue to contract with an existing provider if the facility: (1) has an education center; (2) exceeds DJS standards for outcomes and recidivism; and (3) fits within the regional facilities plan. By January 1, 2008, DJS must ensure that all children in the custody of DJS are either in facilities that meet these requirements or facilities operated by the State.

All DJS facilities must have education centers and the facilities must be geographically separate, remote, and distinct from other DJS facilities. By January 1, 2008, DJS facilities may not contain more than 40 youths.

Juvenile detention facilities may only be used for juveniles who are detained while awaiting disposition or juveniles who are awaiting placement following a disposition. Juveniles may not remain in a detention facility for the specific act for which they were detained for more than 25 days after disposition. The juvenile court may extend this period for a period of 25 days if the extension is necessary for the appropriate placement of the child. An individual may bring a court action to enforce this rule.

The Secretary of Juvenile Services must adopt regulations 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.

Each year, the Secretary of Juvenile Services must submit a report detailing conditions at each DJS facility, the number of children at each facility, and an outcomes assessment for each facility.

Funding for the Department of Juvenile Services

The bill authorizes the juvenile court to order child support payments to be made to DJS. In addition, any surplus income generated by State Use Industries must be dedicated to DJS facilities.

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.

After giving parents a reasonable opportunity to be heard, a juvenile court may order a child's parents to pay child support for a child under the jurisdiction of the court. State Use Industries may establish a revolving special fund to be used for general operating expenses and the purchase of capital assets for the program. Surplus funding is not dedicated to DJS.

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: Specific dollar amounts necessary to implement the bill would require a considerable amount of planning and coordination by DJS. This fiscal and policy note does not attempt to identify specific costs but instead attempts to recognize some of the potential new costs that would have to be considered in a plan to implement the bill.

- ***New DJS Facilities***

The bill requires each of at least five regions in the State to “include a sufficient number of committed facilities that are necessary to diagnose, care for, train, educate, and rehabilitate properly every child in the custody of DJS from that region.” Furthermore, each facility must include an education center, must be geographically separate from other facilities, and may not hold more than 40 youths. All facilities must meet these criteria by January 1, 2008. DJS has not provided cost estimates for the new facilities but advises that establishing the necessary facilities in each region would be a serious concern. If the State issued 15-year bonds to finance \$100 million in capital expenditures for DJS, debt service on the bonds would amount to an estimated \$9.5 million to \$10.0 million annually in general or special funds.

DJS advises that the regional detention requirements could be met at the present time. There are nine detention centers placed strategically around the State.

The bill also requires any surplus revenues collected from State Use Industries to be dedicated to DJS facilities. From fiscal 2002 to 2004, \$2 million annually has been transferred from State Use Industries to the State’s general fund. It is assumed that this amount could instead be dedicated to DJS facilities each year.

- ***Department of Juvenile Services Personnel***

Regional Directors: It is not known whether the current DJS structure includes managerial employees comparable to the regional directors defined in the bill. If it does not, at least five new relatively high-level positions would have to be created to meet the requirements of the bill.

Director Support: Several responsibilities are identified for each director: an annual outcome evaluation, development of a regional facility plan, development of a volunteer mentoring program, and implementation of step-down aftercare. It is assumed that each director would need at least one full-time manager to oversee each of these four functions. To the extent that these positions and responsibilities are covered by existing DJS personnel, no new costs would be incurred.

Aftercare Caseworkers: The bill requires step-down aftercare, a more intense version of the service, to be provided in all regions. Intensive aftercare supervision is currently provided to some youths. To the extent that the service would have to be expanded to meet the requirements of the bill, additional aftercare caseworkers would be needed.

Youth Facility Workers: The bill requires all or almost all committed facilities to be operated by the State. This would require a variety of employees, including youth

supervisors, counselors, nurses or other medical personnel, cooks, and other support staff. The cost of hiring individuals to fill these roles would be offset by the current cost of contracting for juvenile commitment facilities. The proposed fiscal 2005 State budget includes \$22.7 million in general funds to support contractual residential operations.

Teachers: The bill requires all residential juvenile facilities to include an education center, a service not currently provided in many committed placements. Depending on the size of the facility (no more than 40 youths), it is assumed that each would require one to four full-time, year-round teachers.

Small Business Effect: In order to continue operations, existing small business providers of juvenile facilities would have to meet the strict requirements for nonstate providers established in the bill and many would be forced to halt operations in the State. After January 1, 2006, no new small business providers would be permitted in the State.

Additional Information

Prior Introductions: None.

Cross File: HB 1083 (Delegate Zirkin, *et al.*) – Judiciary.

Information Source(s): Department of Legislative Services

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