

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 981 (Delegate Zirkin)
 Judiciary

Department of Juvenile Services - Regional Youth Facilities

This bill requires the Department of Juvenile Services (DJS) to establish and operate four regional wilderness-based treatment facilities by January 1, 2008.

The bill states that it is the intent of the General Assembly that, beginning in fiscal 2006, the Governor include sufficient funds in the State budget to fully implement the provisions of the bill by January 1, 2008.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$800,000 in FY 2006 and 2007 for construction costs on the four new facilities. Future years reflect personnel and operating costs. Revenues will not be affected.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	.8	.8	10.9	5.7	6.8
Net Effect	(\$.8)	(\$.8)	(\$10.9)	(\$5.7)	(\$6.8)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: This bill requires DJS to establish and operate four regional, wilderness-based treatment facilities on or before January 1, 2008.

The facilities may not contain more than 50 beds and must be located in:

- the Victor Cullen Center in Frederick County;
- the Palmer State Park in Harford County;
- the Cedarville State Forest in Prince George's and Charles counties; and
- the Pocomoke River State Forest in Worcester County.

The Secretary of Juvenile Services must develop policies to provide programs in each facility for youth who, among other things:

- are at least 12 years old, but under the age of 18;
- are assessed as low to moderate risk;
- reside in close proximity to the facility;
- have been adjudicated delinquent for a nonviolent offense;
- are drug and alcohol free;
- have no prior escape history; and
- have a parent, guardian, or legal custodian who agrees to actively participate in the program.

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.

Background: The treatment of youths in 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.

In April 2004, the Justice Department sent a detailed report to the Governor outlining many of the “unconstitutional” conditions at Hickey, including several documented incidents of physical abuse of youth by staff, unsafe restraint practices, youth violence as a result of inadequate staff training, failure of staff to report youth violence, and inadequate supervision of youth.

State Expenditures: General fund expenditures could increase by an estimated \$800,000 in fiscal 2006 and 2007. These costs reflect renovation construction costs of \$400,000 per facility.

Net general fund expenditures could increase by an estimated \$10,865,834 in fiscal 2008. This estimate reflects (1) hiring 316 employees, 79 per facility, for staffing and administrative operations; and (2) savings from youths diverted from private group homes. DJS estimates that 100 employees would be required to staff each facility, at an approximate 2:1 staff to youth ratio. Legislative Services bases its estimate on the staffing at the Charles Hickey, Jr. School, which has an approximate 1.5:1 staff to youth ration. Total expenditures will decrease by an estimated \$12.3 million annually to account for per diem costs to keep 192 youth in private group homes. The decrease in general fund expenditures for fiscal 2008 will be \$6.2 million to account for only a half years’ costs. This estimate includes salaries, fringe benefits, and ongoing operating expenses, as shown below.

Salaries and Fringe Benefits	\$15,795,121
Other Operating Expenses	1,220,713
Reduction in per diem expenditures	<u>(6,150,000)</u>
Total FY 2008 Expenditures	\$10,865,834

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover and (2) 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Juvenile Services, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2005
ncs/jr

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