



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #246

Juvenile Population Estimates, Daily Rates and Population-Related Cost Adjustments (Corrections -- Juvenile Corrections)

Bill Agency

[LFB 2007-09 Budget Summary: Pages 115-116, #1, Page 116, #2, and Page 121, #8]

CURRENT LAW

Daily rates for juvenile care in a given biennium are specified in statute by fiscal year for secured correctional facilities, the corrective sanctions program, state aftercare supervision, and for each type of alternative care setting: residential care centers for children and youth, group homes, treatment foster homes and foster homes. An average daily rate is calculated for secured correctional facilities, state aftercare supervision, and the corrective sanctions program based on the projected annual cost and the estimated average daily population (ADP) for each type of care. Alternate care rates are determined by applying percentage adjustments to prior daily rates for each type of care.

GOVERNOR

Reestimate the juvenile secured correctional facility ADP from 660 in 2006-07 to 771 in both 2007-08 and 2008-09, as shown in Table 1. Population projections for the corrective sanctions program, aftercare services, and alternate care are also included in Table 1. The population projections include juveniles in the state-funded serious juvenile offender (SJO) program. Under the bill, the population projections in the table are used in the calculation of daily rates for each type of care, excluding alternate care.

TABLE 1

Juvenile Average Daily Population

	Year-to-Date ADP	Projected ADP	
	<u>Through April 30, 2007</u>	<u>2007-08</u>	<u>2008-09</u>
Juvenile correctional Facilities	576	560	560
Other Placements			
Corrective Sanctions	135	136	136
Aftercare Services	<u>84</u>	<u>75</u>	<u>75</u>
Subtotal -- Other	219	211	211
Total ADP	795	771	771
Alternate Care*	78	54	54

*Alternate care is a subset of aftercare services and includes residential care centers, group homes, foster homes and treatment foster homes.

Include the following population-based cost adjustments in the cost basis for determining the statutory daily rates: (a) -\$132,900 in 2007-08 and -\$119,200 in 2008-09 for food costs at juvenile correctional institutions; (b) -\$109,900 annually for variable non-food costs (such as laundry, clothing, and personal items) for institutionalized juveniles; and (c) -\$695,500 in 2007-08 and -\$639,300 in 2008-09 to reflect juvenile health cost reductions.

Table 2 summarized the statutory daily rates that would be established under the bill based on the Governor's population projections and total funding recommendations. These daily rates would be charged to counties or to the state (for certain serious juvenile offenders) for juvenile correctional services provided or purchased by the Department.

TABLE 2

Statutory Daily Rates

	Statutory Rates	Governor	
	7-1-06 thru <u>6-30-07</u>	7-1-07 thru <u>6-30-08</u>	7-1-08 thru <u>6-30-09</u>
Juvenile correctional Facilities*	\$209.00	\$269.00	\$279.00
Corrective Sanctions	82.00	99.00	101.00
Aftercare Supervision	33.00	40.00	41.00
Residential Care Centers	244.00	277.00	296.00
Group Homes	163.00	165.00	172.00
Treatment Foster Homes	87.00	132.00	145.00
Regular Foster Homes	50.00	67.00	74.00

*Including transfers from a juvenile correctional facility to the Mendota Juvenile Treatment Center.

DISCUSSION POINTS

This is a modification paper that reestimates the average daily populations at 583 annually for juvenile care at juvenile correctional facilities and at 85 annually for juveniles under aftercare supervision. As a result, the daily rate calculations in the bill are also modified.

State-Provided Juvenile Care

1. *Juvenile Correctional Facilities.* The secured facilities include Ethan Allen School, Lincoln Hills School, Southern Oaks Girls School, the SPRITE adventure-based education program, and the Mendota Juvenile Treatment Center. In 2005-06, an ADP of 596 juveniles was under state supervision in the juvenile correctional facilities. Through April 30, 2007, the 2006-07 ADP of juveniles placed in juvenile correctional facilities is 576.

2. *Corrective Sanctions.* Under the corrective sanctions program, certain juveniles are placed in the community following release from a juvenile correctional facility and are provided with intensive surveillance and a range of community-based treatment services. The intensive surveillance component of the program must be available 24 hours per day, seven days a week, and the Department may provide electronic monitoring of program participants. In 2005-06, an ADP of 139 juveniles was under corrective sanctions supervision. Through April 30, 2007, the 2006-07 ADP of juveniles placed in corrective sanctions is 135.

3. *Aftercare Supervision.* Aftercare supervision is provided to juveniles under state supervision following release from a juvenile correctional facility. A juvenile is provided with aftercare supervision may be placed in an alternate care setting, a relative's home or the juvenile's own home. In 2005-06, and ADP of 90 juveniles was under aftercare supervision. Through April 30, 2007, the 2006-07 ADP of juveniles placed in aftercare is 84.

4. *Alternate Care.* Alternate care includes residential care centers for children and youth, group homes, foster homes and treatment foster homes. The average daily population for alternate care is a subset of aftercare services. In 2005-06, an ADP of 72 juveniles received alternate care services. Through April 30, 2007, the 2006-07 ADP of juveniles placed in alternate care settings is 78. [The alternate care population projections and costs are discussed in a separate budget paper.]

5. Each type of juvenile care has a different mix of annual costs that must be determined as accurately as possible during each budget cycle. An average daily rate is then calculated for each type of care for each year based on these projected annual costs and the estimated ADP during each year for that type of care.

6. Either the counties or the state are charged the resulting daily rate for each juvenile provided with the service. In the case of counties, this daily rate may be paid through youth aids allocated to each county on a calendar year basis, or through other county funding, if state youth aids funding is not available. The care and treatment of serious juvenile offenders is paid by the state from the GPR-funded serious juvenile offender appropriation.

7. The projected juvenile population for a given budget cycle is a critical determination since it affects the rates charged to counties and the state's serious juvenile offender appropriation. When the costs of care remain relatively fixed, it is the variation in juvenile population projections that most affects changes in the daily rates. If the population is projected to increase, the average daily rates will decrease. Conversely, if juvenile populations are projected to decline, the daily rates will increase.

Juvenile Correctional Facility Population

8. The number of juveniles placed in detention facilities has been declining in the last six years. Table 3 identifies juvenile ADP populations since 1996-97.

TABLE 3

Juvenile ADP Changes (1996-97 through 2006-07)

<u>Year</u>	<u>ADP</u>	<u>% Change</u>
1996-97	946	-8.9%
1997-98	925	-2.2
1998-99	965	4.3
1999-00	949	-1.7
2000-01	953	0.4
2001-02	869	-8.8
2002-03	799	-8.1
2003-04	693	-13.9
2004-05	658	-5.1
2005-06	596	-9.4
2006-07	576	-2.8

*Estimated, based on actual ADP data through April, 2007.

9. The decline in juvenile populations may be the result of several interrelated factors. First, declining juvenile arrest statistics are likely to have contributed to this trend. From 1997 to 2004, total juvenile arrests declined by 21.7%. Over the 10-year period 1995 to 2004, the total number of juvenile arrests decreased by 18.4% from 139,182 in 1995 to 113,608 in 2004. Less than two percent of all juvenile arrests in 2004 were for violent offenses, and juvenile arrests for violent offenses have decreased by 17.7% from 1995 to 2004. As a result of these trends, it would be expected that placements in juvenile correctional facilities would also decline.

10. Secondly, the total number of juveniles within the juvenile age cohort is generally declining in Wisconsin. According to DOA demographic projections, juvenile populations are expected to decline for the 10 to 16 year old age cohort by 1.7% between 2005 and 2010. This decline in juvenile population is expected to continue until about 2012, before trending upward again.

11. Finally, some of the decline in ADP at the juvenile correctional facilities may be due to counties attempting to limit placements at state institutions and instead placing some juveniles in less expensive local, community settings. Presumably such placements would not occur for juveniles committing more serious offenses, but could be a factor in the placement of juveniles who commit somewhat less serious offenses. In these less serious cases, courts may have more discretion to select different care and treatment options and may choose a less expensive setting for certain appropriate juveniles.

12. For its 2007-09 budget request, the Department of Corrections estimated populations for juvenile correctional facilities (575 annually), based on population trends through the summer of 2005-06. Reviewing more recent juvenile population trends, the Governor reduced the estimated populations to 560 annually.

13. In 2004-05, the ADP for juvenile correctional facilities totaled 658 juveniles. In the first half of 2005-06, the period July through December, 2005, this ADP declined to 615. In the final half of the fiscal year, January through June, 2006, the ADP continued to fall to 577. This decline in ADP continued from July through December, 2006 with ADP totaling 566. The projections under the bill of an ADP of 560 are based on this history of decline.

14. However in the first five months of 2007, this ADP has steadily increased to average of 590 juveniles. In April, 2007, the ADP for juvenile correctional facilities totaled 603. Arguably, the decline observed over the past two years may have halted. Based on this more recent data, it would not be unreasonable to assume that the juvenile ADP may have stabilized at a level somewhat higher than the 560 ADP estimated under the bill.

15. Consequently, the Committee could act to modify the projections under the bill by utilizing an annual ADP of 583 based on this more recent population data. Such an increase in the ADP estimate would also require the expenditure authority be adjusted for certain population-related costs by an additional \$42,500 PR in 2007-08 and \$44,200 PR in 2008-09 (-\$10,700 in 2007-08 and -\$10,900 in 2008-09 for food, \$25,200 annually for variable non-food costs, and \$28,000 in 2007-08 and \$29,900 in 2008-09 for juvenile health care costs). Population-related variable costs are based on assumptions about the number of juveniles placed at each juvenile facility. More recent placement data does not support the assumed placements in the bill. As a result, even though ADPs are estimated to increase, food costs would be reduced by adjusting placements based on the more recent data.

16. Notwithstanding these population-related costs increases, this alternative would result in somewhat lower daily rates for institutional care. This ADP adjustment would lower the daily rates from \$269 under the bill to \$259 in 2007-08 and from \$279 to \$268 in 2008-09.

17. As noted above, daily rate calculations also depend on the total projected costs for each type of care. The costs basis used for the calculation of institutional daily rates under the bill reflects the sum of base funding for the juvenile correctional services appropriation, standard budget adjustments made to this appropriation, and those additional changes to base funding that are proposed under the bill. Potential changes to the estimates of the cost basis underlying the daily rate

calculations are addressed in separate budget papers.

Corrective Sanctions Program

18. The Department is required by statute to provide a corrective sanctions program to service an ADP of 136 juveniles in no less than three counties, including Milwaukee County. The Department may also serve an average daily population of more than 136 juveniles, if the corrective sanctions appropriation is supplemented and the number of authorized positions for the program is increased, or if funding and positions to serve a higher number are otherwise available. The Department is required to place program participants in the community, provide intensive surveillance of each participant, and provide an average of not more than \$3,000 per year per placement to purchase community-based treatment services for each participant.

19. As noted previously, the actual ADP for the corrective sanctions program in 2005-06 totaled 139. In 2006-07, the monthly ADPs have varied up and down, with a year-to-date ADP, through April, 2007, of 135. Given the fluctuating monthly ADPs, the projection under the bill of the statutorily required number of juveniles (136) appears to be reasonable at this time.

Aftercare Supervision

20. Finally, aftercare supervision, which is provided to juveniles under state supervision (including those in alternate care settings) following release from a juvenile correctional facility, had an ADP of 90 juveniles in 2005-06. While the number of juveniles in aftercare supervision declined during the first few months of 2006-07, populations have consistently been over 80 juveniles since October, 2006. The year-to-date ADP, through April 30, 2007, of juveniles placed in aftercare has been 84, and from January, 2007 through April, 2007, the ADP has been 88 juveniles. Based on current aftercare supervision populations, the ADP estimate under the bill of 75 juveniles annually appears low. Consequently, the Committee could modify the projections under the bill by utilizing an annual ADP of 85 based on this more recent population data. An increase in ADP to this level would decrease the daily rates for aftercare supervision from \$40 to \$35 in 2007-08 and from \$41 to \$37 in 2008-09.

MODIFICATION

Reestimate the average daily populations at 583 annually for juvenile care at juvenile correctional facilities and at 85 annually for juveniles under aftercare supervision. Provide \$42,500 PR in 2007-08 and \$44,200 PR in 2008-09 (-\$10,700 in 2007-08 and -\$10,900 in 2008-09 for food, \$25,200 annually for variable non-food costs, and \$28,000 in 2007-08 and \$29,900 in 2008-09 for juvenile health care costs). Provide the below statutory daily rates state-provided services.

	<u>Statutory Rates</u>	
	<u>7-1-07 thru 6-30-08</u>	<u>7-1-08 thru 6-30-09</u>
Secured Correctional Facilities	\$259.00	\$268.00
Corrective Sanctions	99.00	101.00
Aftercare Supervision	35.00	37.00

	Change to Bill Funding	Change to Base Funding
PR	\$86,700	- \$1,720,000

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