

RAISE THE AGE: REIMBURSEMENT OF JUVENILE SERVICES

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Senate Bill 101 (proposed substitute H-1)
Sponsor: Sen. Peter J. Lucido
House Committee: Judiciary
Senate Committee: Judiciary and Public Safety
Complete to 10-14-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 101 would amend the Social Welfare Act to revise the manner in which funding is provided to counties related to providing juvenile justice services to juveniles to incorporate services provided to a juvenile who was at least 17 years of age, but under 18 years old, who would become eligible for such services under the Raise the Age legislation.

Generally speaking, the Social Welfare Act establishes a juvenile justice funding system for counties that are not county juvenile agencies that is administered by the Department of Health and Human Services (DHHS). The funding system includes establishment of a child care fund. The act provides for the distribution of money appropriated by the legislature to reimburse counties for the cost of providing juvenile justice services. Juvenile justice services include such things as intake, detention, detention alternatives, probation, foster care, and diagnostic evaluation and treatment. For a county that is not a county juvenile agency, the amount distributed, with some exceptions, must equal 50% of the annual expenditures from the county's child care fund. This provision would not be amended by the bill.

However, beginning October 1, 2021 (the date the bills in the Raise the Age package would take effect), the bill would require the state to pay 100% of the cost to provide juvenile justice services when a court (Family Division of circuit court) exercises jurisdiction over a juvenile who is at least 17 years old, but under 18, at the time of the offense. For those youth under the court's jurisdiction for a criminal offense, or if under concurrent jurisdiction with an adult court for certain delinquency activities, the costs must include all expenditures listed in section 117a(4)(b) until such time as the court's jurisdiction is terminated. The bill specifies that there would be no change in funding provided for juveniles who are under 17 years old at the time of the offense.

[Section 117a(4)(b) lists the costs to be reimbursed for expenditures for children not placed with the MDHHS for care, supervision, or placement. Expenditures listed include direct expenditures for out-of-home and in-home care and administrative or indirect expenditures for out-of-home and in-home care. See the act for a complete list of expenditures required to be included under each category.]

Beginning October 1, 2025, the reimbursement rate for all juveniles would change to a new percentage rate. Using data from FY 2022, FY 2023, and FY 2024, the new rate would be calculated as the quotient of the following:

- The sum of the total state expenditures under section 117a(4)(c) for juveniles under age 17 at the time of the offense and the total expenditures for 17-year-old juveniles under section 117a.
- Divided by the total expenditures under section 117a for all eligible juveniles.

The bill would take effect October 1, 2021.

MCL 400.117a

BACKGROUND INFORMATION:

The bill, which is part of the Raise the Age legislative package, is similar to House Bill 4144 and is a reintroduction of House Bill 6396 of the 2017-2018 legislative session and House Bill 4964 of the 2015-2016 session.

FISCAL IMPACT:

Currently, the state and counties share the cost of juvenile justice services in a 50/50 state-local cost sharing model. For the cases in which the county is the first payer, the state is required to reimburse counties for 50% of eligible expenses from county Child Care Funds for the costs of juvenile justice services. The state makes these reimbursements from the state Child Care Fund (CCF), which is a fund appropriated in the DHHS budget from which the state reimburses counties for 50% of eligible expenditures concerning the care and treatment for children who are court wards. The Fund reimburses counties for programs that serve neglected, abused, and delinquent youth, and funding may be expended for out-of-home placements such as foster homes or county-operated facilities. Expenditures may also be made for in-home services which allow children to remain in their own homes, and may include job training skills, intensive probation, community wraparound services, mentoring, family counseling, electronic tethers, alternatives to detention, and other community-based services.

In addition to the currently required 50% reimbursement to counties for other eligible expenses, the bill would require that beginning October 1, 2021, the state pay 100% of the cost of juvenile justice services for 17-year-olds at the time of the offense who are under a circuit court's Family Division's jurisdiction for a criminal charge or are under concurrent jurisdiction with an adult criminal court for certain delinquency activities.

Senate Bill 101 (H-1) would also require that, beginning October 1, 2025, the reimbursement rate for all juveniles would change to a new percentage rate. Using data from FY 2022, FY 2023, and FY 2024, the new rate would be calculated as the quotient of the following:

- The sum of the total state expenditures under section 117a(4)(c) for juveniles under age 17 at the time of the offense and the total expenditures for 17-year-old juveniles under section 117a.
- Divided by the total expenditures under section 117a for all eligible juveniles.

Under current law, 17-year-old offenders are treated as adults and are not adjudicated under juvenile court jurisdiction. Therefore, the fiscal impact of this bill only occurs if the other bills that are part of the “Raise the Age” legislative package are enacted. If these bills were enacted along with this bill, there would be additional costs to the state and minimal costs to local units of government related to providing juvenile justice services. While the specific amount of these additional costs is not known at this time, a recently released legislatively commissioned report has provided estimates of the additional amount using historical data and surveys.

The Report (a report commissioned by the State of Michigan Legislative Council Criminal Justice Policy Commission released on March 14, 2018¹) presents a range of what the estimated additional costs might be to the state Child Care Fund should this category of 17-year-olds be adjudicated under juvenile courts and provided with juvenile justice services. The Report states that the amount of increase to expenditures from the state Child Care Fund (under the current 50/50 state-local cost sharing model) is expected to be between \$9.6 million and \$26.8 million. Under the bill’s provisions that the state pay 100% of eligible expenses, instead of the current law’s 50% requirement, this estimated range of expected additional costs would be doubled and the range of costs would be approximately \$19.2 million to \$53.6 million to the state.

Within this range, it is important to note that the amount of additional costs incurred by the state would be dependent upon a variety of factors. These would include factors such as judicial and prosecutorial discretion, the type and security level of the residential placement required for each juvenile, as well as their length of stay.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ Hornby Zeller Associates, Inc. *The Cost of Raising the Age of Juvenile Justice in Michigan: Final Report*. March 14, 2018. <http://council.legislature.mi.gov/Content/Files/cjpc/MIRaisetheAgeFinalReport03.14.2018.pdf>