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BILL



ANALYSIS

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Senate Bill 101 (Substitute S-1)
Sponsor: Senator Peter J. Lucido
Committee: Judiciary and Public Safety

Date Completed: 4-16-19

CONTENT

The bill would amend the Social Welfare Act to modify the method of reimbursement for payment of juvenile justice services, beginning October 1, 2021.

Section 117a of the Act governs how the Department of Health and Human Services (DHHS) provides for the distribution of money appropriated to counties for the cost of juvenile justice services. Generally, the county amount distributed must equal 50% of the annual expenditures from the county's child care fund. Under the bill, this would apply except as provided below.

Beginning October 1, 2021, the State would have to pay 100% of the cost to provide juvenile justice services when a court exercised jurisdiction over a juvenile who was 17 years old but under 18 years old at the time of the offense. The costs would include all expenditures for children not placed with the DHHS for care, supervision, or placement, including children who are under the court's jurisdiction under Sections 2(a) and 2(d) of the juvenile code, until jurisdiction was terminated. There could be no change in funding provided for juveniles who were under 17 years old at the time of the offense.

(Section 2(a) of the juvenile code generally provides for the circumstances under which the family court has exclusive original jurisdiction in proceedings concerning juveniles under 17 years of age who are found within the county. Under Section 2(d), the family court has concurrent jurisdiction if it finds that voluntary services have been exhausted or refused, and the proceedings concern a juvenile between the ages of 17 and 18 to whom certain conditions apply.)

The bill would take effect on October 1, 2021.

MCL 400.117a

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a significant fiscal impact on State and local government. Under current law, the State and each county government share the cost of juvenile justice services on a 50% split. For children placed with the courts for care, supervision, or placement, the county spends the funds for services and then submits a request to the Department of Health and Human Services (DHHS) for 50% reimbursement of allowed expenditures. The County Child Care Fund (CCF) is an annually appropriated item in the DHHS budget, and is the mechanism that funds both abuse and neglect cases, as well as juvenile justice cases. For fiscal year (FY)

2018-19, the total amount appropriated in the CCF is approximately \$199.7 million. This amount represents approximately 50% of the total State and local expenditures for the CCF.

Under the bill, by amending the Social Welfare Act, the State would maintain its 50% coverage for CCF services, and would provide funding to cover 100% of the incremental costs associated with 17-year-old offenders. As a practical matter, the other bills in the "Raise the Age" legislative package would need to be enacted, otherwise 17-year-old offenders would not be covered by the CCF and the proposed changes to the CCF would not apply.

Assuming that the other bills in the package were enacted, the increased cost to the State likely would be considerable. Since there is a lack of comprehensive statewide juvenile justice data, the best cost estimates can be taken from a report contracted by the State of Michigan Legislative Council Criminal Justice Policy Commission.¹ The report estimated that under the current 50/50 cost sharing model, the State costs could increase by between \$9.6 million and \$26.8 million.

The report noted that on a statewide basis, the total costs could increase from 5.0% to 14.0%, based on FY 2015-16 costs. If these percentages are applied in the FY 2018-19 budget, for a 5.0% increase in CCF expenditures; the total estimated 100% State-funded costs would be \$16.8 million. On the high end, a 14.0% increase to cover 17-year-old offenders would be \$47.1 million for 100% State costs. This is a high-level estimate using the percentages cited in the report and does not include various factors such as judicial and prosecutorial discretion, the type and security level of the residential placement required for each juvenile, and length of stay.

For local governments, the costs would be more uncertain, as each county would face a different set of facts and circumstances. There are 83 counties in Michigan and it would be quite difficult to predict each county's implementation costs. A fiscal estimate would depend on the set of variables that each county would use in caring for 17-year-old offenders' cases.

Fiscal Analyst: John Maxwell

¹ State of Michigan Legislative Council Criminal Justice Policy Commission, "The Cost of Raising the Age of Juvenile Justice in Michigan Final Report", March 2018. Retrieved on 3-5-19.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.