

Legislative Budget and Finance Committee

A Fiscal and Operational Review of the Youth Development Center (YDC) and Youth Forestry Camp (YFC) System

Report Comments by Stephen Fickes, October 2, 2018

Good morning. It is a pleasure to be here this morning to discuss the results of our study of the Department of Human Services', Youth Development Center and Youth Forestry Camp system, known commonly as the YDC/YFC system. As directed by the Committee, our study had six objectives, which covered the following areas: utilization, cost, recidivism, funding, expenditures, and the employee complement at each YDC/YFC facility.

Before discussing our report in more detail, I would like to start by providing a brief background about the YDC/YFC system and its role in the juvenile justice system.

The YDC/YFC system is a network of five facilities—three secure youth development centers and two “forestry camps.” The facilities are state-owned, which is an important distinction because the vast majority of juvenile rehabilitation services are operated by private providers.

To be clear, the YDC/YFC facilities are not juvenile detention facilities – and they are not jails or prisons. Detention facilities are typically county operated, and are used for the temporary placement or shelter of youth and offer fewer services. The YDC/YFC system offers residential placement and evidence-based rehabilitation programming for longer durations—typically months and sometimes years—depending on the specifics of each case. All youth assigned to a YDC/YFC facility have been first adjudicated delinquent—and while all youth enter the system as minors, for especially complex cases, the youth may stay in the system until age 21.

Another key distinction of the YDC/YFC system is that—unlike private providers that can, and do deny, placements to their facilities—the YDC/YFC system must accept all cases. As such, the YDC/YFC system is often referred to as the “provider of last resort” because many youth in the system have been denied placement at other facilities, or the youth have failed to make adequate progress in their rehabilitation. As one knowledgeable official told us, “the YDC/YFC system generally sees the ‘worst of the worst.’” Another important distinction about the YDC/YFC system, is that the system cannot seek reimbursement from Medicaid for the medical costs of eligible youth.

These are just some of the distinctions about the YDC/YFC system that make it a unique service delivery mechanism within the state. As we found during our research, comparing the YDC/YFC system to other private providers is not an “apples to apples” comparison.

With respect to utilization, we found that on average, 775 juveniles are assigned to the YDC/YFC system per year. We also found that over the past four fiscal years, the number of admissions has increased, by approximately 14 percent. However, the length of stay—or “days of care” as it is officially known—have remained relatively flat—suggesting that while more youth are being assigned to the system, they are staying for shorter periods of time. This trend is likely due to the increased emphasis within the juvenile justice community to move youth out of institutional settings.

In reviewing the cost to send a youth to a YDC/YFC facility, we analyzed per diem rates, which is the daily rate used to bill counties for YDC/YFC services. In summary, it is very expensive to send youth to a YDC/YFC facility. In fiscal year 2017-18, the estimated per diem rate was \$577 per day per youth. This cost is split between the state and county, based on a complicated reconciliation process involving each county’s Needs-Based Budget for Children and Youth Services. Ultimately, the state pays 60 percent and the county pays 40 percent of the final certified per diem rate, which, as we discuss in the report, often varies significantly from the estimated per diem rate.

Although counties only pay 40 percent of the per diem cost—we found that it is not uncommon for counties to spend tens of thousands of dollars, or more, to send a youth to a YDC/YFC facility. While this is a staggering cost, oftentimes there is no other course of action, because doing nothing for these youth is not an option.

I mentioned earlier that with respect to billing days, or “days of care”, the system had witnessed modest growth. Days of care is an important variable in terms of controlling the system’s per diem rates. In theory, the more days of care the system has, the more likely it is to be able to achieve economies of scale—and in turn, lower its per diem rates. In terms of actual practice, however, the system has no ability to control this variable as that authority lies with county juvenile courts that decide where and for how long a youth stays in placement.

Additionally, we found that there are demographic factors that are impacting the system. For example, we looked at juvenile crime statistics and found that from 2008 to 2017, there has been a 41 percent decline in the number of juvenile cases. As a result, since there has been a severe decline in juvenile cases—by extension—there is then a smaller potential pool of youth to serve. This trend is likely to continue in the foreseeable future because when we looked at state-wide projected juvenile population estimates, a 2 percent decline is expected through 2030. That

being said, to be clear, less juvenile crime is a good statistic for the Commonwealth, but from the economics of trying to control costs and increase revenue, it challenges the system. These trends will need to be monitored for the potential impacts in controlling per diem costs.

We also looked at recidivism rates, or how frequently youth who completed a YDC/YFC program reoffended. To complete this objective, we identified two cohorts of YDC/YFC youth and reviewed their outcomes after completing a YDC/YFC program. Our results showed that for cohort one—those that completed a YDC/YFC program in fiscal year 2014-15—52 percent committed additional crimes. For cohort two—those that completed a YDC/YFC program in fiscal year 2015-16—56 percent committed additional crimes.

Stated differently, out of every 10 youth who completed a YDC/YFC program, about five later re-offended. These statistics are alarming—but they need to be viewed within the context of the juveniles' expected recidivism rates. To answer this question, we looked at the juveniles' Youth Level of Service, or YLS score. YLS is a matrix used to score a juvenile's propensity to recidivate based on eight known criminogenic factors. Based on how a youth scores on these factors, his or her likeliness to recidivate is ranked as either "low," "moderate," "high," or "very high."

To give some additional perspective on YLS scores, we found that statewide, of all juveniles with a YLS score—that is, all juveniles who were adjudicated delinquent and were scored on the YLS matrix—50 percent were scored as low risk to recidivate. Conversely—for our cohorts—97 percent were at moderate to very high risk to recidivate. In other words, about 9 out of 10 youth were at significant risk to recidivate based on the youths' case histories and other known factors. In this context, the recidivism rates we documented were actually better than expected.

The report highlights the calculated rates by facility—and while we discuss the rates system-wide—it should also be noted that the system has shown remarkable success working with female juvenile offenders at the Northcentral Secure Treatment unit. For example, in FY 2015-16, the female offenders in our cohort had a recidivism rate of just 15 percent, despite nearly 94 percent being at moderate to very high risk to recidivate.

We also reviewed the YDC/YFC system funding and expenditures. In terms of funding, the system is predominantly funded by state tax dollars. It costs approximately \$74 million to fund the YDC/YFC system annually. The system does receive federal funds under Title Twenty (XX), and the National School Lunch Program, but approximately 85 percent of the funding comes from the Commonwealth's General Fund.

In terms of expenditures, we reviewed recent certification audits, and found that Direct Costs, which are mostly personnel expenses related to the care and supervision of the youth in the YDC/YFC system, constitute nearly two-thirds of all system expenditures. Additionally, over the three years we reviewed, the system experienced a 30 percent increase in Indirect Costs. These expenses cover such things such as central office personnel and other costs assigned from the Department of Human Services. The system also saw double digit growth for expenses related to psychological and medical costs.

In our final issue area, we reviewed the complement of the YDC/YFC system. As might be expected by the complexities of the youth placed in the YDC/YFC system, the system is labor intensive. For example, we found that for staff and resident safety, two counselors are needed to transport juveniles to various meetings or hearings. In total, 711 positions are assigned to the YDC/YFC system, with 624 positions filled and 87 positions vacant. Seventy-two percent of the staff are assigned to direct support positions, which are positions like youth counselors and aides. We also compared the complement at each facility to its bed capacity. Not surprisingly, given the secure nature of the YDC facilities, we found that these facilities had a higher ratio of staff to beds than did the YFC facilities.

In closing, we extend thanks to the numerous juvenile justice stakeholders who spoke with us about this study. In particular, staff from the Juvenile Court Judges' Commission were instrumental in aiding us with our work. Finally, we especially thank the staff of the Bureau of Juvenile Justice Services, who provided us with outstanding cooperation throughout this study. Thank you.