



MICHIGAN JUVENILE JUSTICE COLLABORATIVE

A project of the Michigan Council on Crime and Delinquency
Telephone: (517) 482-4161 • Fax (517) 482-0020 • Website: www.miccd.org

Investing in Kids: Fiscal Lessons from Other States

Faced with building new prisons, Washington state commissioned a study to determine how many adult beds and how much money could be saved by the year 2030 by investing in alternatives to incarceration for youth. The report found that **alternatives to detention and incarceration can save taxpayers \$7 - \$10 for every \$1 invested, primarily in the form of reduced spending on prisons, and reduce reoffending by up to 22 percent.**ⁱ Based on the findings, the Washington legislature made significant investments by allotting \$48 million in the biennial budget for the expanded use of evidence-based programs.

Michigan's budget crisis similarly forces us to reassess juvenile justice spending and learn from other states as they realign fiscal resources away from ineffective and expensive state institutions, and toward more effective, cost-efficient community-based services.

One of Michigan's most important funding sources for juvenile justice services is the County Child Care Fund (CCF), a state entitlement that reimburses counties 50% for all CCF-eligible programs that serve neglected, abused, and delinquent youths. Child Care Fund services include appropriate in-home and community-based programs designed to provide intensive services to prevent or reduce days of care in out-of-home placement for at-risk youth. Michigan's County Child Care Fund also allows for payment to residential placements, similar to state training schools, and out-of-state facilities.

Advocates would like an increase in the reimbursement rate for community-based alternatives, further discouraging the use of out-of-home care while promoting family-focused solutions.

Realigning fiscal resources: Lessons from other states

Ohio—"RECLAIM Ohio"

Ohio created a system that allocates money to counties for juvenile justice based on delinquency levels and population. The county uses the same pool of money whether it utilizes community-based alternatives or state commitment. Community-based alternatives cost less, thus encouraging the county to invest in those initiatives. Between RECLAIM Ohio's enactment in 1992 and 2009, the number of young people committed to secure state care in Ohio fell 42 percent. According to a fiscal analysis by the Ohio Department of Youth Services, for every dollar spent on the RECLAIM program, the state saves from \$11 to \$45 in commitment and processing costs, depending on the risk level of the youth.

Illinois—"Redeploy Illinois"

Under Redeploy Illinois, participating counties agreed to cut the number of youth they sent to state secure facilities by at least 25 percent below the average of the previous three years. In

return, the state reimbursed the counties for funds they spent managing the adjudicated youth locally. In mid-2004, Redeploy pilot sites were established in the 2nd Judicial District (containing 12 rural counties) and St. Clair, Peoria, and Macon counties. In its first three years of implementation, the pilot sites diverted 382 youth from commitment, saved an estimated \$18.7 million in costs, and lowered the number of commitments by 51 percent. In April 2009, Illinois made Redeploy a permanent initiative to be expanded in other counties.

New York – “Re-direct New York”

In February 2009, New York State closed six youth residential facilities, downsized two, and closed three evening reporting centers. The projected savings of closing these facilities is approximately \$16.4 million and the funds will be redirected to counties to strengthen alternatives to incarceration. Coinciding with state residential facility closures, legislators will introduce Re-direct New York, which would create a fiscal incentive for counties to utilize alternatives to incarceration rather than state-run residential facilities for youth or local detention facilities. The law would reimburse counties for 65 percent of the cost of using alternatives to incarceration, reinvest half of the savings in alternatives to community-based alternatives, and fund only evidence-based alternatives.

Pennsylvania—“Act 148”

In the late 1970s Pennsylvania passed Act 148 which reimburses 80 percent of the county cost of community-based juvenile justice services. The county pays the state 40 percent of the cost of state youth confinement. Three years after enactment, there was a 75 percent increase in state subsidies for county programs; by the early 1980s, secure placements for youth dropped 24 percent. In 2006, only 14 percent of committed youth were placed in state facilities.

California—Senate Bill 81

In 2007, as part of a budget “trailer bill,” the governor signed legislation that bans commitments of youth adjudicated of nonviolent offenses to state-run residential facilities. Block grants established under the bill provide an average of \$130,000 per youth eligible to be placed in community-based alternatives. It is projected that the number of youth placed in state residential facilities will decrease from about 2,500 to about 1,500 within two years.

Wisconsin—“Youth Aids”

Instead of Wisconsin funding the state-run secure residential confinement facilities directly, it allocates a certain amount of money to each county for each bed used in the facility. The county can use the money for a state-run facility or for less expensive, community-based alternatives. A year after Youth Aids was enacted in 1980, 25 counties shared \$26 million in funding plus state capacity-building money for community alternative programs. Between 1997 and 2006, the number of state commitments fell by 43 percent.

ⁱ Aos, S., Miller, M., Drake, E., *Evidence-based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates* (Olympia, WA: Washington State Institute for Public Policy, 2006.)