

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 622  
Judiciary

(Delegates Barnes and Hubbard)

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Evidence-Based Practices for Delinquent Youth - Expansion of Services -  
Redirection Pilot Program and Plan

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This bill establishes a Redirection Pilot Program in the Department of Juvenile Services to reduce by 50% the number of children placed by the department in per diem residential placements, including foster homes, group homes, drug treatment programs, and out-of-state placements.

The bill terminates December 31, 2011.

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Fiscal Summary

**State Effect:** The upfront cost of diverting an average daily population of 120 youth to evidence-based therapeutic programs could be \$1.1 million per year, potentially offset by savings in diverting youth from more costly residential placements as discussed below.

**Local Effect:** None.

**Small Business Effect:** The bill may reduce demand for group homes while increasing demand for evidence-based programming. To the extent that providers of these services qualify as small business, the impact of the bill could be potentially meaningful.

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Analysis

**Bill Summary:** Under the Redirection Pilot Program, DJS is required to assess a child's eligibility for evidence-based therapeutic programs, such as multisystemic therapy or functional family therapy, when a child is adjudicated delinquent and is at risk of

placement in a per diem residential placement. If eligible, the department must seek approval from the juvenile court to divert the child to an appropriate evidence-based therapeutic program.

The department is required to collaborate with the agencies in the Children's Cabinet and representatives of specified interests to develop a three-year plan to expand the availability of evidence-based practices to delinquent children in the State. The plan must include a goal of expanding evidence-based practice programs by at least 1,000 new slots with new budgeted funding, existing funds, savings generated by the program, private donations, and federal funds. The department must report to the General Assembly by October 1, 2009 on the three-year plan.

The bill establishes an advisory council for the Redirection Pilot Program that includes representatives of State and local agencies as well as a provider, an advocate, and a family recipient of therapeutic services. The council must also include an independent consultant retained by the department to implement and evaluate the pilot program.

The department must issue a final report of the independent consultant to the General Assembly by December 31, 2011 that evaluates the outcomes, cost savings, and effectiveness of the program. The bill terminates on December 31, 2011.

**Current Law:** None applicable.

**Background:** The proposed Redirection Pilot Program is modeled after a successful program in Florida that places eligible youth with probation violations or misdemeanor offenses in therapy-based community programs. The program employs evidence-based practices recommended by the Office of Juvenile Justice and Delinquency Prevention to treat a child's antisocial behavior by addressing causes of delinquency in the child's family, social, and educational environments.

An evaluation of the program by the Florida legislature's analysis unit found that 405 youth successfully completed the program in its first two years at a cost of \$3.1 million. Had these youth been committed to residential delinquency programs, the cost to the state would have been \$8.9 million. The evaluation found that overall post-release outcomes for redirected youth were similar to those of youth in residential programs; however, two counties participating in the program showed significant improvements in outcomes compared to traditional residential programs. The evaluation found that the therapists in these two counties had gained full proficiency in the treatment model, reducing participating youth's probability of criminal arrest by as much as 48%.

**State Fiscal Effect:** In fiscal 2007, the Department of Juvenile Services had an average daily population of 934 youth committed to residential placements, 78% of whom were placed in private per diem facilities, including foster care, group homes, residential treatment centers, and secure out-of-state facilities. At an average annual cost of \$57,327, these placements have exerted significant pressure on the DJS budget. While overall use of these facilities has been decreasing, out-of-state committed residential placements have increased since the closure of committed programming at the Hickey School. These placements represented 12% of fiscal 2007 per diem placements.

The department currently serves youth in programs employing evidence-based practices, including multisystemic therapy, functional family therapy, and multidimensional treatment foster care. The department's fiscal 2008 budget includes \$900,000 to support this programming in Baltimore County, Prince George's County, and Southern Maryland. The department has indicated that it intends to expand the program by 107 slots in fiscal 2009 at a cost of \$950,000; however, the proposed State budget does not explicitly find the expansion. Funding to support the program will be generated, according to the department, by reducing the length of stay in residential placements, diverting more youth from residential placements, and diverting funds for underperforming nonresidential contracts.

Despite the department's efforts to expand evidence-based practices, it is unlikely that the department could reach the bill's stated goal of reducing by 50% per diem placements. A recent review of placement decisions found that 20% of youth in per diem placements would be more properly served in community-based nonresidential programming, 67% were appropriately placed in their current level of out-of-home placement, and 13% required placement in more secure facilities. In total, the review classified 71% of the sampled youth as high-risk based on their criminal, educational, behavioral, health, and family histories. These youth would likely pose a risk to themselves or others if referred to the evidence-based programs in lieu of a more secure environment. These high-risk youth, as well as youth in foster care placements, secure facilities, and residential treatment centers may not be candidates for diversion. If these populations are excluded, nearly all other youth would need to be referred to evidence-based programs to meet the 50% diversion goal. Under the bill, the department would not make these placement decisions, but must seek the approval of the juvenile court. It is not certain how this mechanism would affect the number or timing of placements.

Another potential factor in determining the impact of the bill is the overall demand for services. Savings are achieved in diverting a child to evidence-based programming only to the extent that the vacated per diem slot is not filled by another child. In fiscal 2007 there was an average daily population of 216 youth pending placement. Any backfilling of vacated per diem slots would offset a portion of any savings generated by the program.

In total, DJS estimates that 120 youth could be appropriately diverted from group homes to evidence-based programming. Using the department's stated expansion estimates, the average cost of an evidence-based programming slot is estimated at \$8,879 in fiscal 2009. For 120 youth, the upfront cost of diversion would be \$1.1 million. Over the course of one year, the differential in cost between this and a per diem placement could generate savings of \$5.8 million. Legislative Services advises that potential cost savings may be considerably lower due to several factors including: (1) the experience of the Florida model; (2) the lower average per diem costs of the lower-risk youth likely to be diverted to the program; and (3) the overall demand for slots in the juvenile justice system. However, at a minimum, savings are assumed to be sufficient to offset the cost of the program if placement is limited to only those youth for whom it is appropriate.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Juvenile Services, Department of Human Resources, Governor's Office, State's Attorneys' Association, Florida Legislature, Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2008  
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