

County Youth Placement Costs



New York State Association
of Counties

February 2015

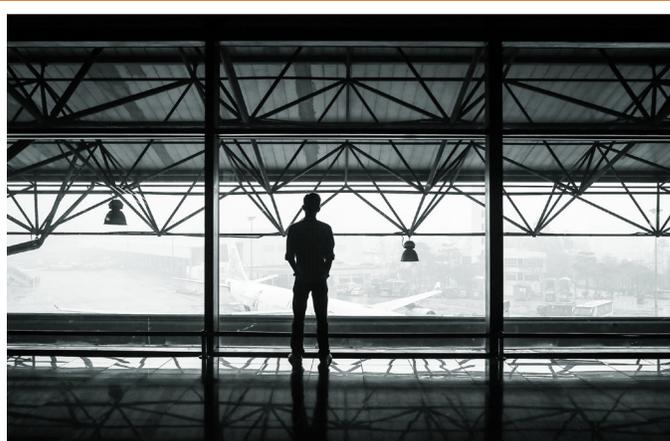


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OVERVIEW

In his 2015-16 State Budget proposal, Governor Andrew M. Cuomo caps county liabilities for the costs of placing youthful offenders in Office for Children and Families (OCFS) facilities. Under the executive budget plan, counties would be responsible for no more than \$55 million annually for state fiscal years 2012 through 2019. The proposal is estimated to save counties from potentially \$425 million in extra costs over this time period.

At a county cost of more than \$100 million a year, the youth placement program is one of the 9 state mandated programs consuming 99 percent of the property tax levy statewide. This mandate relief action would not require additional state spending, as the new annual caps are already accommodated in the current State Financial Plan.

BACKGROUND

Even though the population in facilities run by the NYS Office of Children and Family Services (OCFS) has been dropping from 2313 in 2001 to 681 in 2010, county costs continue to rise. Counties pay 50% for this cost of care, and the per diem rate for beds can exceed \$1,000/day.

Counties and the state have long struggled with rationalizing the arcane process of determining the per placement costs of the various secure and non-secure facilities operated by OCFS.

Under current law the state has authority to retroactively bill counties and New York City to support the costs the state incurs to place youth in detention at state operated facilities. It has been the practice of the state to send bills to counties in the tens of millions of dollars that lump together several years of retroactive adjustments to initial billings. In 2009-10, the state sent counties retroactive bills in excess of \$100 million for costs related to 2002 through 2007. The counties were not prepared for these unbudgeted costs.

THE COSTS OF YOUTH PLACEMENT

The main reason juvenile justice system is so expensive is because of the cost of running facilities is spread over shrinking population. Therefore, even while the State decreases bed space, it still can't keep up with continuing reductions in number of youth sent to state custody. As the number of children in these facilities goes down, the amount each county pays goes up.

While the total cost for remains difficult to identify, we do know that in 2010, it cost \$240 million to operate OCFS facilities, and counties paid half of those costs.

THE PROCESS FOR PLACING CHILDREN

While counties are committed to and reducing the number of children sent to detention, it is the family court judges who determine a child's placement.

Once a petition is filed in Family Court, a child is assigned an attorney. There are 67 Family Courts across the state handling delinquency cases. Judges make placement decisions; no standards exist to determine whether a child is high/medium/low risk. As a result, determinations vary wildly from judge to judge about whether to incarcerate a child. The youthful offender, if incarcerated, could be sent to one of the 26 state-run secure, limited secure, or non-secure facilities.

RECENT REFORMS

Capping State Liabilities

A variety of reforms have been implemented to help control costs in the past, but these often exposed counties to increased fiscal liabilities. Early fiscal reforms included capping state liabilities at a set dollar amount, leaving counties on the hook for any cost overruns that were not under their control. Placements are made by family court judges and are not under the control of counties and the state owns and operates the facilities -- counties have no control over cost overruns related to poor utilization controls and fiscal mismanagement.

Closing Underused Facilities

In another attempt to reduce youth placement costs, Governor Cuomo closed underutilized and empty facilities (whose costs were spread across the system even though they may have served no children). Because the costs of empty and underutilized facilities were spread out across the entire system, annual per diem rates sky rocketed, with a single placement exceeding \$250,000 annually. In addition, Governor Cuomo's reforms allowed children to be served in local communities. The "Close to Home" initiative began in New York City, and costs per placement were as much as 90 percent lower and more effective.

Unfortunately, these reforms did not have the desired effect of reducing costs on counties, and after a couple of years of implementation the per diem rates at OCFS facilities exceed \$350,000 for some annual placements.

COUNTIES SUPPORT BUDGET PROPOSALS

The Governor's 2015-16 State Budget proposal caps county liabilities at \$55 million a year and ends the practice of retroactive billing. Any prior year rates that have not been finalized will be deemed paid in full. Counties would be held harmless for any previous year's cost overruns in excess of \$55 million annually.

Prospectively, each county would be assessed their share of the capped \$55 million appropriation based on their proportionate share of placements in state facilities. This will provide some level of stability in budgeting future costs and will eliminate retroactive billings that could easily exceed a county's allowable annual property tax cap growth.



The New York State Association of Counties is a bipartisan municipal association serving the counties of New York State including the City of New York. Organized in 1925, NYSAC mission is to represent, educate and advocate for member counties and the thousands of elected and appointed county officials who serve the public.

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