



# **Fiscal 2009 Preliminary Budget Hearings**

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## **❖ Committee on Juvenile Justice**

*March 2008*

### **Scheduled To Testify:**

- *Department of Juvenile Justice*

*Hon. Christine C. Quinn  
Speaker of the Council*

*Hon. David I. Weprin, Chair  
Committee on Finance*

*Hon. Sara Gonzalez, Chair  
Committee on Juvenile Justice*

*James Caras, Acting Director  
Finance Division*

**DEPARTMENT OF JUVENILE JUSTICE (130)**

**Agency Operations**

The Department of Juvenile Justice (DJJ) provides detention, aftercare and preventive services to juveniles, ages 7 through 15, in New York City. Youth detained in the Department's facilities include alleged juvenile delinquents, juvenile offenders whose cases are pending, and those whose cases have been adjudicated and are awaiting transfer to State Office of Children and Family Services (OCFS) facilities. The Department operates three secure detention and 18 non-secure detention facilities located throughout the City that admit nearly 6,000 youth each year.

**AGENCY FUNDING OVERVIEW**

| <b>Agency Funding Sources</b> | <b>Fiscal 2008 Adopted Budget</b> | <b>Fiscal 2008 Current Modified</b> | <b>Fiscal 2009 Preliminary Budget</b> |
|-------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|
| City                          | \$89,269,823                      | \$89,269,823                        | \$95,165,184                          |
| Other Categorical             | \$0                               | \$0                                 | \$0                                   |
| Capital IFA                   | \$0                               | \$0                                 | \$0                                   |
| State                         | \$37,473,466                      | \$37,473,466                        | \$37,495,784                          |
| Community Development         | \$0                               | \$0                                 | \$0                                   |
| Federal-Other                 | \$688,336                         | \$688,336                           | \$688,336                             |
| Intra-City                    | \$0                               | \$0                                 | \$0                                   |
| <b>Total</b>                  | <b>\$127,431,625</b>              | <b>\$127,431,625</b>                | <b>\$133,349,304</b>                  |

**HEADCOUNT OVERVIEW**

| <b>Headcount</b> | <b>Fiscal 2008 Adopted Budget</b> | <b>6/30/2008 Forecast</b> | <b>Fiscal 2009 Preliminary Budget</b> |
|------------------|-----------------------------------|---------------------------|---------------------------------------|
| City             | 648                               | 648                       | 646                                   |
| Non-City         | 339                               | 339                       | 339                                   |
| <b>Total</b>     | <b>987</b>                        | <b>987</b>                | <b>985</b>                            |

**AGENCY HIGHLIGHTS**

The Department of Juvenile Justice's Fiscal 2009 Preliminary Expense Budget of \$133.3 million is approximately \$5.9 million more than its Fiscal 2008 Adopted Expense Budget of \$127.4 million. The \$5.9-million increase in total funds is due to a like increase of \$5.9-million in City tax levy funding, which now stands at \$95.2 million.

At the time of adoption for Fiscal 2008, the agency's estimated budget for Fiscal 2009 was \$124.6 million. The estimated budget for Fiscal 2009 in City-tax levy funds was \$86.5 million.

The 2008 January Plan now increases the agency's Fiscal 2009 budget by \$8.8 million, for a total of \$133.4 million. Of this amount, the City-tax levy funds increased by \$8.6 million, bringing it to \$95.2 million. State grants in the amount of \$116,000 also contributed to the increase in the

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agency's estimated Fiscal 2009 Budget. The increase in the agency's budget in the January Plan is due to the Department's proposals for new needs and other adjustments for collective bargaining. The most significant is a new need for per diem payments to the State Office of Children and Family Services in the amount of \$8.4 million. (Please see below.)

### **Council Initiatives Not Restored**

The Fiscal 2009 Preliminary Budget contains a \$1.279-million cut to the Department of Juvenile Justice in Fiscal 2009. This cut represents Discharge Planning/In-Detention Services funding provided by the City Council in the Fiscal 2008 Adopted Budget but not baselined by the Mayor in the City's Financial Plan for Fiscal 2009 and the outyears. The Discharge Planning program provides Discharge Planning and In-detention workshops to individuals involved in the Juvenile Justice system. The program provides referrals to public and community-based services, such as those relating to substance abuse, counseling, family and peer mediation, mental health, recreation and education.

### **Trend Analysis for Alternative to Sentencing Programs**

"The Department of Juvenile Justice operates three secure detention facilities: Bridges, Crossroads and Horizon. In addition, DJJ has 18 non-secure detention facilities, of which three are directly operated by DJJ and the other 15 are operated through contracts with private social service organizations."

| <i>Secure Detention</i>       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|
| Fiscal Year                   | 2005  | 2006  | 2007  | 2008* |
| Admissions                    | 5,252 | 5,973 | 5,884 | 2,315 |
| Average Daily Population      | 286   | 303   | 292   | 283   |
| Average Length of Stay (days) | 23    | 21    | 20    | 20    |
| * = Through December 2007     |       |       |       |       |

Secure detention facilities are structured such that they not only have locks and hardware on the doors, but are also designed to restrict the movement of the juveniles. According to DJJ's website, the programmatic objective of secure detention is to "give youth the chance to make positive changes in their lives. Detention is viewed as a time to provide education, medical, mental health, case management and other much-needed services."

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| <i>Non-Secure Detention</i>   |      |      |      |       |
|-------------------------------|------|------|------|-------|
| Fiscal Year                   | 2005 | 2006 | 2007 | 2008* |
| Admissions                    | 756  | 753  | 712  | 312   |
| Average Daily Population      | 139  | 146  | 149  | 131   |
| Average Length of Stay (days) | 31   | 30   | 33   | 34    |
| * = Through December 2007     |      |      |      |       |

Non-secure detention facilities are structured as less restrictive settings than secure facilities. “Non-secure detention offers juveniles a supportive, family-like environment and close supervision during their time in detention.”

When remanded into the custody of DJJ, youth are given a comprehensive mental and medical health evaluation to determine their medical history. In recent years, upon completion of mental and medical health examinations, DJJ has identified that juveniles with mental health issues represent a majority of their population. In an effort to prevent recidivism and to address the need to provide services to these youth, DJJ commenced providing discharge-planning services. Prior to being released from custody, these youth are linked with a variety of community-based organizations that can assist them in post-detention. Through these organizations, youth are able to receive assistance with their medical, mental, and social services needs. In addition to the drafting of discharge plans, “the Department brings community-based organizations into detention settings to educate youngsters about issues like gang violence awareness, anger management, conflict mediation, parenting responsibilities and life skills development.”

### UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency’s spending plans. The City Charter requires that U/A’s represent the amount appropriated for Personal Services (PS) (i.e., salaries, overtime, etc.) or Other Than Personal Services (OTPS) (i.e., supplies, contracts, etc.) for a particular program, purpose, activity or institution.

| U/A# | U/A Name                     | Fiscal 2008<br>Adopted Budget | Fiscal 2008<br>Modified as of<br>1/24/2008 | Fiscal 2009<br>Preliminary<br>Budget |
|------|------------------------------|-------------------------------|--|--------------------------------------|
| 001  | Personal Services            | \$42,480,423                  | \$42,480,423                               | \$42,483,664                         |
| 002  | Other Than Personal Services | \$84,951,202                  | \$84,951,202                               | \$90,865,640                         |
|      | <b>Total</b>                 | <b>\$127,431,625</b>          | <b>\$127,431,625</b>                       | <b>\$133,349,304</b>                 |

## Fiscal 2009 Preliminary Budget Report

### PRELIMINARY BUDGET ACTIONS (\$000)

| Description                             | Fiscal 2008     |                 |                  | Fiscal 2009     |                 |                  |
|---|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
|   | City            | Non-City        | Total            | City            | Non-City        | Total            |
| <b>October Plan</b>                     | <b>\$89,270</b> | <b>\$38,161</b> | <b>\$127,431</b> | <b>\$86,522</b> | <b>\$38,067</b> | <b>\$124,589</b> |
| <b>New Needs:</b>                       |                 |                 |                  |                 |                 |                  |
| OCFS Payment Adjustment                 | \$5,197         | \$0             | \$5,197          | \$8,382         | \$0             | \$8,382          |
| <b>Total New Needs</b>                  | <b>\$5,197</b>  | <b>\$0</b>      | <b>\$5,197</b>   | <b>\$8,382</b>  | <b>\$0</b>      | <b>\$8,382</b>   |
| <b>PEGs:</b>                            |                 |                 |                  |                 |                 |                  |
| Additional State Revenue                | -\$3,390        | \$3,390         | \$0              | \$0             | \$0             | \$0              |
| Closure of Hegeman Avenue Facility      | \$0             | \$0             | \$0              | -\$101          | -\$101          | -\$201           |
| <b>Total PEGs</b>                       | <b>-\$3,390</b> | <b>\$3,390</b>  | <b>\$0</b>       | <b>-\$101</b>   | <b>-\$101</b>   | <b>-\$201</b>    |
| <b>Other Adjustments:</b>               |                 |                 |                  |                 |                 |                  |
| CEO Life Skills Program                 | \$202           | \$0             | \$202            | \$0             | \$0             | \$0              |
| CEO Life Skills Program                 | -\$50           | -\$154          | -\$204           | \$50            | \$108           | \$158            |
| CEO Life Skills Program-DOC Roll        | -\$202          | \$0             | -\$202           | \$202           | \$0             | \$202            |
| Collective Bargaining-CWA Local 1180    | \$14            | \$14            | \$29             | \$14            | \$14            | \$29             |
| Heat, Light and Power                   | -\$50           | -\$50           | -\$101           | \$0             | \$0             | \$0              |
| Fuel                                    | \$82            | \$82            | \$164            | \$82            | \$82            | \$163            |
| Gasoline                                | \$9             | \$9             | \$18             | \$13            | \$13            | \$26             |
| Misc/Fed/State                          | \$0             | \$0             | \$0              | \$0             | \$0             | \$0              |
| <b>Total Other Adjustments</b>          | <b>\$5</b>      | <b>-\$99</b>    | <b>-\$94</b>     | <b>\$361</b>    | <b>\$217</b>    | <b>\$578</b>     |
| <b>Total Preliminary Budget Changes</b> | <b>\$1,812</b>  | <b>\$3,291</b>  | <b>\$5,103</b>   | <b>\$8,642</b>  | <b>\$116</b>    | <b>\$8,759</b>   |
| <b>Preliminary Budget</b>               | <b>\$91,082</b> | <b>\$41,452</b> | <b>\$132,535</b> | <b>\$95,166</b> | <b>\$38,184</b> | <b>\$133,350</b> |

### Preliminary Budget Action Analysis

#### New Needs

- Per Diem Payments to State OCFS** The Department of Juvenile Justice makes annual payments to the State Office of Children and Family Services for New York City juveniles who are placed in State facilities. For several years, the State had been under-charging the City for its payments. Due to the miscalculation of payments, DJJ was required to provide the State with reimbursement of its most recent OCFS expenses. Therefore, the 2007 January Plan added funding to DJJ's baseline budget in the amount of \$11.6 million for Fiscal 2007 and \$16.6 million for Fiscal 2008 and the outyears. It was understood by DJJ that they might still be liable for reimbursement for several past years, a liability not covered under the 2007 January Plan action.

The January 2008 Plan now recognizes the need to fund additional retroactive payments and adds new need funding to DJJ's baseline budget in the amount of \$5.2 million for Fiscal 2008, \$8.4 million for Fiscal 2009, \$10.9 million for Fiscal 2010, \$12.6 million for Fiscal 2011, and \$16.5 million for \$2012.

### Programs to Eliminate the Gap (PEGs)

- **Additional State Revenue.** DJJ is entitled to 50-percent reimbursement from OCFS for the capital construction costs it incurs. The January Plan contains a Revenue PEG showing an inflow of funds from OCFS relating to the construction of two secure detention facilities that were completed about nine years ago (Crossroads in Brooklyn and Horizon in the Bronx), and the renovation of the Bridges Detention Center in the Bronx (formerly known as Spofford) that was completed at about the same time.

The 2007 January Plan included \$2.4 million in Fiscal 2006 and \$3.2 million in Fiscal 2007 and the outyears to fund the City's debt service costs associated with these facilities. Funding for this initiative is expected to continue to be received for 40 years, at which time the capital construction and improvement bonds will be satisfied. OMB reports that DJJ and OCFS have agreed to this payment structure, and also that sufficient State funds exist to allow for the annual OCFS payments.

The 2008 January plan now removes \$3.3 million in City funds and replaces it with State funds in the same amount. For the purpose of the January Plan, this action is shown as PEG savings for DJJ. The actual savings will be credited to the City's Debt Service Budget (Agency 099).

- **Closure of Hegeman Avenue Facility.** Beginning in Fiscal 2009, The January Plan removes the annual sum of \$201,000 (spilt evenly between City and State funds) associated with the closure of the Hegeman Avenue non-secure detention facility.

### Other Adjustments

- **CEO Life Skills Pilot.** The January Plan contains several actions associated with delays in programming related to the Mayor's Commission on Economic Opportunity (CEO) Initiative. First, Fiscal 2008 City tax levy funds totaling approximately \$202,000 are being switched from the Department of Correction to DJJ. Then, because of programming delays, these funds are being rolled into Fiscal 2009. Lastly, the Plan adjusts the projected level of anticipated State matching funds by removing \$154,000 from DJJ's Fiscal 2008 budget and adding \$108,000 in Fiscal 2009.
- **Collective Bargaining CWA Local 1180.** Funds totaling \$28,000 in Fiscal 2008 and the outyears, matched equally with State funds, will be transferred from the Labor Reserve in the Miscellaneous Budget to DJJ to cover costs associated with recent collective bargaining.
- **Heat, Light and Power.** The January Plan decreases the Department's City-funded heat, light and power budget by \$50,000 in Fiscal 2008. This sum represents 50-percent of the anticipated adjustment, with the remainder being removed by the State funds.
- **Fuel.** The January Plan increases the Department's City-funded fuel budget by \$82,000 annually beginning in Fiscal 2008. This sum represents 50-percent of the anticipated adjustment, with the remainder being furnished by the State.

- **Gasoline.** The January Plan increases the agency's gasoline budget by \$9,000 in Fiscal 2008 and \$13,000 annually beginning in Fiscal 2009. This sum represents 50-percent of the anticipated adjustment, with the remainder being furnished by the State.

### State Issues and Highlights

- **City/State Partnership for Juvenile ATD, ATP and Aftercare Programs.** According to the Mayoral Administration's analysis in the January Plan, "New York City urges the State to create a fiscal partnership with New York City for programs that provide alternatives to juvenile detention and placement, and community based post-release services. The City and State currently equally share the expenses of detention and placement of New York City juveniles. The City has implemented reforms that increase the use of community-based alternatives to detention (ATD) and alternatives to placement (ATP) for court-involved youth and to ensure public safety. These programs have reduced the population of New York juveniles in OCFS placement by 30 percent since 2002, resulting in \$17.2 million in savings for the State. The programs' success has also avoided the previously anticipated need to open three new group home facilities at an annual cost of \$3 million to the State and City. However, the cost of the City's ATD and ATP programs has been born disproportionately by the City. New York City has invested \$14.8 million in alternative and diversionary programs. The 2007-08 State budget included \$13 million for alternatives to detention and alternatives to OCFS placement, yet New York City received only \$1.3 million. New York City generates more than 60 percent of the juvenile population and costs, yet its allocation is only 10 percent. This funding partnership would provide the City with an additional \$6 million per year."
- **Eliminate Retroactive Overcharge for State Placement of Juveniles.** According to the Mayoral Administration's analysis in the January Plan, "The City and State equally share the expenses of placement of New York city juveniles in state facilities. Traditionally, the annual per diem rates were based on actual costs from the prior year. In 2006 the State retroactively raised the local share of the rate for the five previous years contrary to its longstanding policy and practice. This retroactive billing sets a dangerous precedent allowing the State to demand new funds from localities in addition to prior payments received. The City urges the State to abandon the Retroactive overcharge, which could save the City, \$5.2 million in FY 2008, \$8.4 million in FY 2009, and \$10.8 million in FY 2010."