

Legislative Analysis



JUVENILE JUSTICE RESIDENTIAL PER DIEM RATES

Phone: (517) 373-8080
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Senate Bill 426 (S-1) as passed by the Senate

Sponsor: Sen. Paul Wojno

House Committee: Criminal Justice

Senate Committee: Civil Rights, Judiciary, and Public Safety

Complete to 10-13-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 426 would amend the Social Welfare Act to allow the Department of Health and Human Services (DHHS) to adjust the juvenile justice residential per diem rate as needed, as long as it stays within the appropriated amount provided in the annual budget.¹ The department also could make changes to provider service agreements to respond to bed shortages, staff retention, and service needs.

The bill would take effect October 1, 2024.

Aside from its effective date, the bill as passed by the Senate is identical to House Bill 4632 as reported from House committee.

Proposed MCL 400.117k

BACKGROUND:

The Michigan Task Force on Juvenile Justice Reform was created by Executive Order 2021-6 as a bipartisan advisory body in the Department of Health and Human Services² to “lead a data-driven analysis of [Michigan’s] juvenile justice system and recommend proven practices and strategies for reform grounded in data, research, and fundamental constitutional principles.” In particular, in the words of its final report,³ the task force was “charged with developing recommendations to improve state law, policy, and appropriations guided by the following objectives:

- Safely reduce placement in detention and residential placement and associated costs.
- Increase the safety and well-being of youth impacted by the juvenile justice system.
- Reduce racial and ethnic disparities among youth impacted by the juvenile justice system.
- Improve the efficiency and effectiveness of the state’s and counties’ juvenile justice systems.
- Increase accountability and transparency within the juvenile justice system.
- Better align practices with research and constitutional mandates.”

¹ As written, this appears to refer to a line item and not the departmental budget.

² <https://www.legislature.mi.gov/documents/2021-2022/executiveorder/pdf/2021-EO-06.pdf>

³ <https://micounties.org/wp-content/uploads/Michigan-Taskforce-on-Juvenile-Justice-Reform-Final-Report.pdf>

The task force issued its final report on July 18, 2022.⁴

Among its unanimous recommendations was that the state “Provide [the Department of Health and Human Services] with statutory authority to adjust juvenile justice residential per diem rates within their appropriated fiscal budget, and make changes to provider service agreements to respond in a more flexible way to bed shortages, staff retention challenges, and service needs.”

FISCAL IMPACT:

Senate Bill 426 would have no significant impact for the Department of Health and Human Services and local units of government, as the rates would have to stay within the appropriated amount. County fiscal impact would depend on the degree to which the state’s appropriation differs from the county’s budgeted amount for that fiscal year, but would likely be nominal.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

⁴ <https://www.michigan.gov/whitmer/news/press-releases/2022/07/18/task-force-on-juvenile-justice-reform-approves-blueprint-for-transforming-juvenile-justice>