

Legislative Analysis



JUVENILE JUSTICE RESIDENTIAL PER DIEM RATES

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Senate Bill 426 as enacted
Public Act 300 of 2023

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

Sponsor: Sen. Paul Wojno
House Committee: Criminal Justice
Senate Committee: Civil Rights, Judiciary, and Public Safety
Complete to 1-20-24

SUMMARY:

Senate Bill 426 amends 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 bill also allows the department to make changes to provider service agreements to respond to bed shortages, staff retention, and service needs.

The bill takes effect October 1, 2024.

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.”

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

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>

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

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.