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MEMORANDUM

TO: Members of the Human Services Subcommittee of the Health and Human Services Subcommittee of the House Appropriations Committee

FROM: Nick Ciaramitaro, Director of Legislation and Public Policy Michigan *AFSCME* Council 25 and MSEA, *AFSCME* Local 5

DATE: November 3, 2015

RE: ***CLOSURE OF MAXEY TRAINING SCHOOL***

The likely impact of the closure of Maxey Training School was vigorously debated during deliberations on the Fiscal Year 2015-16 omnibus budget. Neither the House proposed budget nor the Administration's proposed budget provided for the closure. *AFSCME* agreed with those proposals. However, the Senate proposal to require the closure prevailed and as of October 1st, Maxey was closed.

Various stakeholders, including *AFSCME*, warned that the closure would harm efforts at reforming difficult to treat juveniles, not save dollars projected to be saved; and displace experienced and effective state employees who had had phenomenal success in rehabilitating troubled youth while undermining Michigan's "safety net" in providing care for those incapable of treatment by the private sector. Those warnings were ignored.

Michigan *AFSCME* commends the subcommittee in its attempt to look at the results of the ultimate closure decision made by the Legislature and the Governor. While one month experience is insufficient to properly judge the long term implications of the decision, we appreciate this start and hope the subcommittee will continue to follow the ramifications. We are still convinced that unintended costs will negate the savings and that the negative effect of the loss of this valuable resource will show that the closure decision was an error.

While we cannot prove all of the long range (or even the short range) consequences we do know a few problems that have already occurred:

[OVER]

- At least 5 juveniles were released to family members without completing their program. Many of these juveniles are close to their age out date and judges feared that starting a new program at this late date would not be cost effective. Others were not reassigned due to the distance to Shawano or the lack of available/willing appropriate private sector settings.
- 5 others were released to supported independent living.
- 1 is AWOL.
- 1 has already gone to jail on a weapons charge.
- 17 have been reassigned to either Shawano or Bay Pines which have reached capacity.
- There are now a number of juveniles in detention centers and jails without treatment because of long waiting lists at Shawano and Bay Pines.
- 14 *AFSCME* Youth Specialists with collectively more than 220 years of service to the State have been laid off (4 are likely to take retirement) with the attendant cost of benefits to the State (Michigan is self-insured and therefore incurs costs only when it actually lays employees off).
- 8 *AFSCME* Youth Specialists have or likely will soon retire generating additional strain on the SERS system.
- We are not aware of any plans as of yet to utilize the closed facility which continues to cost the State debt service on the \$20 million cost of renovation which occurred just 4 years ago. We do not yet know the cost of maintaining the unused facility.
- Shawano and Bay Pines are experiencing additional costs due to staff shortages and additional medical costs.

AFSCME strongly urges the sub-committee to monitor the progress of the 50 displaced youth offenders as to placement and recidivism as well as the related costs of closure that offset the alleged savings.

Thank you.