Minnesota has a more pressing need for additional non-residential services for its juveniles than additional residential services, according to a report by the Legislative Auditor. The report concludes that Minnesota does not have a significant shortage of beds in residential facilities, with the possible exception of foster care.

Each year, thousands of Minnesota children are placed away from their homes for care and treatment by courts and counties. These children include delinquents, abused and neglected children, emotionally disturbed children, and children with drug and alcohol problems, and they are placed in settings ranging from foster homes to large residential facilities. The study found that Minnesota children spent more time in out-of-home placement in 1997 due to parents’ conduct (such as child abuse or parents’ drug problems) than their own conduct.

According to the report, Minnesota public agencies spent $225 million in 1997 for children placed out of home, not including education costs. Adjusted for inflation, placement spending grew 22 percent per resident under age 18 between 1992 and 1997, with spending for juvenile correctional facilities growing faster than other types of facilities (39 percent). Counties pay for a majority of placement costs in Minnesota, partly reflecting their significant role in placement decisions. About half of county officials surveyed reported that budget considerations have limited their ability to provide the care and services that children need.

Out-of-home placement spending varied widely among individual counties in 1997, ranging from $25 to $322 annually per county resident under age 18. In general, counties with lower poverty rates tended to have lower placement spending. However, placement spending also reflected county philosophies, and some counties have limited their use of out-of-home placement by developing community-based alternatives and carefully screening cases prior to placement.

Seventy-one percent of county corrections supervisors and 64 percent of county human services directors said that non-residential services would be a higher spending priority than residential services if additional funds were available. Both groups of officials identified truancy services as the category of service with which they were least satisfied. Also, many corrections and human services officials expressed concerns about the adequacy of “aftercare” services for juveniles returning from placements to the community.

The study found that there is unused capacity in existing juvenile facilities. For example, mental health treatment facilities and human services group homes have filled about two-thirds of their available beds, and non-secure correctional facilities reported 77 percent occupancy rates statewide. Secure correctional facilities have had higher occupancy rates, but some judicial districts in Minnesota are still in the process of adding secure beds with funds allocated by the Legislature.

Relatively few county officials reported a “significant need” for additional beds in Minnesota residential facilities, with the exception of foster homes. Many judges reported difficulty finding appropriate
placements in Minnesota for the children with the most serious problems, but many also said that improved non-residential services could substitute for out-of-home placement for some of the less serious cases they see.

The study found that some minority groups had disproportionately high rates of out-of-home placement. African American children comprised 4 percent of Minnesota’s population under 18 in 1997, but 22 percent of the children in placement. American Indian children comprised 2 percent of Minnesota’s child population, but 12 percent of the children in placement.

The report does not recommend that the Legislature extend the one-year moratorium on large new facilities that it enacted in 1998. Although Minnesota does not have a serious shortage of residential facility beds, counties expressed some concerns about the ability of existing facilities to address juveniles’ needs. For example, counties want facilities to work more effectively with the families of children in placement, and they want more placement options for delinquent juveniles with low intelligence. Continuing the moratorium could constrain the placement options of counties and might reduce the incentives for facilities to improve service quality and control costs.

Currently, public officials have little information about the outcomes of juvenile placements, and this limits their ability to evaluate placement practices or make informed placement decisions. To facilitate better measurement of outcomes, the report recommends that the Legislature require courts to specify goals for each placement they make, and that state agencies periodically compile information on the extent to which these goals are achieved.

The report recommends that the Legislature require counties to establish multi-disciplinary teams to screen juvenile placements. Such teams could help to improve the consistency of placement decisions and encourage better assessment prior to placement. The report also urges the departments of Human Services and Corrections to identify specific ways that counties and facilities can provide culturally appropriate services to juveniles, particularly in light of the disproportionate rates of placement we found among racial and ethnic groups.

In addition, the report recommends clarification of county responsibilities for case planning and aftercare monitoring. It also recommends that state agencies collect more complete and accurate information on child placements and their costs.

Copies of the report, entitled *Juvenile Out-of-Home Placement*, may be obtained from the Office of the Legislative Auditor at 651/296-4708 or at http://www.auditor.leg.state.mn.us/pe9902.htm. For further information, contact Joel Alter or Roger Brooks at 296-4708.