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MARYLAND DEPARTMENT OF JUVENILE SERVICES

FISCAL YEAR 2027 OPERATING BUDGET

RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS

APPROPRIATIONS COMMITTEE HOUSE PUBLIC SAFETY AND ADMINISTRATION SUBCOMMITTEE

DELEGATE GABRIEL ACEVERO

March 4, 2026

BUDGET AND TAXATION COMMITTEE SENATE PUBLIC SAFETY, TRANSPORTATION AND ENVIRONMENT SUBCOMMITTEE

SENATOR SHELLY HETTLEMAN

March 6, 2026

Thank you for the opportunity to respond to the Department of Legislative Services' budget analysis. I would like to begin by thanking our assigned analyst, Ms. Madelyn Miller, for her thoughtful and thorough review of the Department's budget. We appreciate her engagement, professionalism, and partnership, and we look forward to continuing to work closely with her.

Before outlining our work, I want to recognize our staff. They are the backbone of this agency. Every day, they show up for young people during some of the most challenging moments in their lives. They hold youth accountable, support behavior change, ensure safety, and celebrate progress. The momentum we are building is a direct result of their commitment and professionalism.

Over the past seven months, DJS has been laser-focused on establishing a strong foundation of accountability, transparency, and support for staff, youth, stakeholders, and the public.

From my first day, I committed to strengthening relationships with our system partners and ensuring open lines of communication across the state. I continue to meet regularly with law enforcement, State's Attorneys, Public Defenders, judges, and magistrates. I have conducted court visits in every jurisdiction to hear directly how DJS is performing and where improvements are needed. These conversations have been candid and productive, and they are helping to align expectations around public safety, accountability, and youth outcomes. I am committed to continuing to being responsive, collaborative, and transparent in our decision-making.

DJS continues to prioritize investment in community-based programming as the cornerstone of public safety. We are expanding THRIVE to additional providers and counties, strengthening our ability to serve youth at highest risk of gun violence. THRIVE combines intensive case management, credible messenger life coaching, and individualized supports to disrupt cycles of violence and create pathways to success. At the same time, we are strengthening our broader service continuum so youth and families can access appropriate interventions earlier and ensure is a continuum of services in each county. We know that sustainable public safety requires strong community partnerships and meaningful opportunities for young people.

Public safety remains central to our mission. One of my first directives required detention, upon police request, if a youth on electronic monitoring is arrested for a new offense. In February, we updated the decision grid that accompanies the Detention Risk Assessment Instrument to better align detention outcomes with assessed risk levels. The revised grid streamlines decision-making and aligns directly with the tool's validated risk classifications. These actions strengthen confidence in our decision making while maintaining opportunities to make decisions taking in to account each youth's individual situation.

Within our residential programs, we are strengthening operations to improve safety, stability, and treatment effectiveness. Reducing overtime has been a major priority. Through focused management strategies, the year-to-date average facility direct-care overtime utilization per pay period reduced by 13.7 percent. This reduction improves staff wellness, enhances consistency for youth, and supports safer facility operations. To further support staff in our residential programs, I have committed to equipping staff with practical cognitive behavioral tools they can apply immediately in their work with youth to that end; all staff at WMCC were trained in ROCA Rewire CBT. This investment strengthens staff capacity to address behavior proactively and consistently. We will expand this training to all residential programs, making DJS the first state in the country to train all staff, community and residential, in ROCA Rewire CBT. This investment creates one shared framework for behavior change, aligning staff, youth, and families around clear expectations and consistent strategies.



Using data to drive decision-making is central to our work. In January, DJS launched a public-facing dashboard to increase transparency and provide real-time performance data. In early summer, we will release the revalidated Intake Decision Tool to strengthen and sharpen decision-making at the front end of our system.

At the same time, we are revamping the Residential Treatment Program so completion is based on demonstrated behavior change rather than time served. We are expanding workforce development partnerships to connect youth with meaningful employment opportunities, building a more robust reentry process to ensure continuity of services for youth returning home, and expanding training, coaching, and supervision supports for frontline staff to improve consistency, safety, and quality of care.

Responses:

Recommended Actions:

1. Add language to restrict funds pending the submission of a report on the Alfred D. Noyes Children's Center and expenditures related to the substance abuse program.

DJS agrees to submit a report addressing the items indicated in the recommendation. However, we request that funds not be withheld pending the submission.

Budget Reconciliation and Finance Act – Section 10

The fiscal 2026 budget as introduced included \$3.0 million in general funds for DJS to open the Catocin Treatment Center – a facility on the campus of Victor Cullen – as a substance abuse facility for youth. Language added to the fiscal 2026 Budget Bill specified that the \$3.0 million provided for the purpose of opening the Catocin Treatment Center may only be used to reopen Noyes as an adolescent drug treatment center that serves as a treatment alternative to detention and commitment. Noyes was a hardware-secure facility that operated in Montgomery County prior to its temporary closure in October 2022. DJS temporarily closed the facility, rather than permanently, to maintain flexibility in its overall bed capacity. At that time of its closure, Noyes's rated capacity was 29 beds, though it had previously been 57. Section 10 in the Budget Reconciliation and Financing Act (BRFA) of 2026 proposes altering the language to instead allow the funds to be used for providing drug treatment services at other youth-serving facilities and to reopen Noyes as a facility for children. In fiscal 2026, the \$2.5 million is largely being used to deharden the facility and prepare it for a population that would be provided with a staff-secure level of supervision. A deficiency appropriation withdraws the other \$500,000.

Noyes is located immediately next to a Regional Institute for Children and Adolescents (RICA) facility. In coordination with the Maryland Department of Health (MDH) and DHS, DJS plans to relocate to Noyes the Facility For Children (FFC) that is currently located at the facility. FFC operates for youth who have been court-ordered to seek treatment. DJS would then open a substance use program at the RICA facility. The department reports that this would allow the current FFC to expand from a capacity of 8 youths to 16. DJS also plans to provide educational services on the Noyes campus with JSEP staff. The fiscal 2027 allowance includes approximately \$3.0 million for these purposes, including \$915,000 for new JSEP positions and \$1.5 million for DJS to procure services for operating an 8-bed substance abuse program. It is not yet possible to determine if DJS's operation of such a substance abuse program would be reimbursable with federal funds or if it would need to be entirely supported with general funds. DJS reports that its goal would be to have educational staff in place in advance of full operations. An opening date for Noyes or a date that the facility swap would occur is not yet certain, though it is estimated to be in calendar 2026.



Information about the operation of both facilities, the populations each will serve, and the roles of DJS and MDH have not yet been finalized. For fiscal 2026, the BRFA provision would be required to use the restricted funds in this manner. **The Department of Legislative Services (DLS) recommends that \$250,000 in general funds be withheld pending the receipt of a report on the operation of both facilities, the ongoing relationship between DJS and MDH, and the fiscal 2026 and 2027 spending plan.**

DJS agrees to submit a report addressing the items indicated in the recommendation. However, we request that funds not be withheld pending the submission.

Community Programs and Initiatives

Nonresidential per diems are contracts with service providers who administer intensive in-home family therapy and supports for a region. Accounting for the proposed deficiency appropriation, the fiscal 2026 working appropriation includes \$9.6 million in this cost category, as shown in **Exhibit 11**. Between fiscal 2023 and 2025, spending of this type fell 44.2%. Fiscal 2027 costs are budgeted 56.0% lower than in the working appropriation, but are in line with fiscal 2025 actual spending. Contracts of this type might support the department's nonresidential caseload, such as youth who are receiving informal or pre-court supervision, youth on probation, or youth receiving aftercare programming following their discharge from a residential program. As discussed previously, the department's nonresidential caseload is estimated to increase between fiscal 2025 and 2026. **DJS should comment on the variations in budgeted levels between fiscal 2025 and 2027 and the reasonableness of the fiscal 2027 allowance, given recent trends in this caseload.**

The FY 2027 budget for community-based services to youth was prepared based on most recent expenditures (FY 2025) in combination with estimated timing for additional contracted services being brought online. These categories represent the current, and anticipated continuum of community-based services available for youth under DJS supervision. The actual programs utilized are based on the treatment needs of each youth. As such, the expenditures in the various categories will fluctuate as the population demographics and treatment need change. DJS believes that the total funding across the continuum of services represents the anticipated needs for community-based programs in FY 2027.

The fiscal 2027 allowance continues funding prevention initiatives – the Enhance Services Continuum, SST, and the Thrive Academy – that were launched in fiscal 2024 and 2025. These programs received \$10.55 million, \$3.25 million, and \$3.75 million in fiscal 2027, as shown in **Exhibit 14**. For the Enhance Services Continuum, this is a reduction of \$600,000 compared with fiscal 2026, and for the Thrive Academy, this is a reduction of \$650,000. **DJS should comment on why lower levels of funding are being provided for these programs in fiscal 2027.**

As indicated in our previous response, the expenditure in the various categories will fluctuate as the population demographics and treatment need change. DJS believes that the total funding across the continuum of services represents the anticipated needs for community-based programs in FY 2027.

Vacancies Increase for Facility Direct Care Staff

Overtime expenditures are impacted by departmental vacancies, as well as increases in regular earnings. Though vacancy rates are higher, DJS reports lower overtime usage among its facility staff in fiscal 2026. There were approximately 326,000 hours of overtime used in fiscal 2025 for facility employees, as reported through performance reports published to the department's website. In the first 13 pay periods of fiscal 2026, there were approximately 137,000 hours of overtime used by facility employees. If these hours were annualized (which



provide an estimated 274,000 hours of overtime) in fiscal 2026, that would be a 16.0% decline compared with fiscal 2025. In fiscal 2025, actual spending on overtime was \$19.7 million. If that figure was reduced by 16.0%,

DJS would require \$16.6 million in budgeted overtime in fiscal 2026, which is slightly higher than the level provided in the fiscal 2026 working appropriation of \$16.1 million. Additional reductions in overtime usage may be necessary though, as the fiscal 2027 allowance only includes \$13.5 million for that purpose. Alternatively, DJS may need to maintain a vacancy rate higher than its budgeted turnover. **DJS should comment on its recent efforts to reduce its vacancies, particularly among facility staff, following a spike in vacancies in fall 2025 and its anticipated overtime usage.**

Vacancies remain a challenge, but each position is essential to maintaining safe and secure operations. The recent increase in vacancies is largely attributable to DJS identifying vacant positions, reclassifying them to Resident Advisor and transferring them to residential facilities to meet operational needs. Filling these positions is essential to safe and effective operations and to reducing reliance on overtime.

To address the increased vacancies, DJS is using similar strategies to those applied to overtime reduction to improve hiring practices. These include weekly executive-level hiring meetings to track progress, set goals, and review vacancy and recruitment data. Additional efforts include streamlined screening and a centralized “one-stop” hiring model.

We continue to identify vacant positions to transfer to facility direct care in an effort to further reduce reliance on overtime in FY 2027.

Issues – Fiscal Compliance Audit Criminal Background Checks

The audit’s second finding was that the department did not ensure criminal background checks were properly completed for contractors providing youth care services. As of January 2026, DJS reports that it is on track with this action and reports that no contract modifications are necessary to ensure compliance. A centralized email address was established at the end of fiscal 2025 for vendors to submit this information. A memorandum explaining the new process for the reporting of criminal background checks will be issued to currently contracted vendors after the agency’s legal counsel completes their review.

DJS should comment on the anticipated timeline or date by which the memorandum will be or was issued to current contracted vendors.

DJS is reviewing and updating its policy in accordance with Maryland law and regulations and anticipates completing the updates and guidance to contracted vendors by June 2026

