

## EXECUTIVE DIGEST

### W. J. MAXEY TRAINING SCHOOL

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#### **INTRODUCTION**

This report contains the results of our performance audit of the W. J. Maxey Training School, Family Independence Agency (Department\*), for the period January 1, 1988 through December 31, 1995.

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#### **AUDIT PURPOSE**

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness\* and efficiency\*.

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#### **BACKGROUND**

The School is operated under the jurisdiction of the Department's Office of Delinquency Services. The School developed and implemented a formal mission statement in fiscal year 1993-94. The School's new mission (see description of agency) is to provide services and programs in a secure setting for males 12 through 20 years of age who have been adjudicated\* for felony offenses\* committed prior to their seventeenth birthday. The School's goal, which is part of the new mission statement, is to develop law-abiding, self-sufficient citizens. Prior to fiscal year 1993-94, the School's informal mission was to effectively rehabilitate the most troubled youngsters in Michigan by attempting to assist juvenile offenders to develop into responsible adults.

The School operates five residential treatment centers for adjudicated male youth. As of December 31, 1995, the School's youth population was 418 and the School had 461

employees. For fiscal year 1994-95, the School's expenditures totaled approximately \$32.1 million.

The courts commit youth to the Department for services. A central intake committee, comprised of Department and private placement agency representatives, places youth at the School. Also, the courts may order youth to a specific center or program, and the central intake committee must comply. The youth are often the most serious juvenile offenders. A high percentage of the youth placed at the School have been abused and/or neglected. The School frequently receives youth who require high security level placement, youth who failed at other Department placements, or youth whom private agencies cannot manage.

The School often makes recommendations to the courts as to whether a youth is ready for release. However, the final decision to release youth from the School is the responsibility of the courts. Based on the seriousness of the committed offense, the courts have ordered that certain youth remain at the School until they reach the age of either 19 or 21, at which time the courts automatically release them.

The School's treatment services include: residential living in one of the five centers, each of which is divided into smaller halls; emphasis on the power of a peer group to change youth behavior; family involvement; development of care and understanding for others; specialized services for sexual offenders\* and substance abusers\*; mental health services; and educational, vocational, and recreational services.

The School's residential centers and treatment services are a very important, and often the last, component in a continuum of human services aimed at rehabilitating\* youth. The courts release some youth back into the community with

Department or community-based aftercare services and release other youth without such aftercare services. The availability of aftercare services varies with a youth's age and the county in which the youth is released. As a result, some of the released youth do not have the aftercare services which are important in helping the youth maintain the gains achieved at the School and applying what they learned at the School to a community setting.

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**AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS**

**Audit Objective:** To assess the effectiveness of the School's treatment services in achieving its goal of developing law-abiding, self-sufficient citizens.

**Conclusion:** In our opinion, the School's treatment services were moderately effective in developing youth into law-abiding, self-sufficient citizens for the first few years after their release. However, as time passes, other outside factors impact on youth and the effectiveness of the School's treatment services diminishes. Our assessment disclosed one material condition\*:

- Department and School management had not established a complete continuous quality improvement process to monitor and improve the School's effectiveness in rehabilitating youth. Our analyses of arrest and conviction data and reported wage earnings showed that many released youth were arrested and convicted of a felony and had limited reported wage earnings. (Finding 1).

The Department and School agreed and will comply with the corresponding recommendation.

Our assessment also disclosed other reportable conditions\* related to the Department and School's management information system accurately determining and reporting

treatment outcome\* data to the Legislature and Department management (Findings 2 and 3).

In addition, our audit disclosed other material and reportable conditions that may have had an impact on the effectiveness of the School's rehabilitation of youth. These conditions are reported under our other two audit objectives.

**Agency Preliminary Response:** In regard to our conclusion, the Department and School believe that the presentation of findings in the absence of data from other programs, which treat comparable populations of youth, leaves the reader with no point of reference and no basis for scientific conclusion. Also, the School's goal of self-sufficiency presupposes vocational and job placement programs and resources far beyond those currently available at the School or in the community. Therefore, the goal statement will be revised to delete the reference to self-sufficiency.

**Noteworthy Accomplishments:** As a result of several studies conducted by the Department and School, the School developed a new treatment service program called the Maxey Model. The School began implementing the Maxey Model in the fall of 1995. Previously, each of the School's five centers had developed and used its own treatment service program that was based originally on two different types of peer group treatment models: Positive Peer Culture and Guided Group Interaction. The Maxey Model is a combination of what staff concluded was the best of the various treatment service programs that had evolved at each of the five centers. Thus, the Maxey Model provides youth with a consistent core treatment service program at all the centers.

Also, the School established a new clinical services unit in 1994 to provide and integrate mental health services for youth and their families and to assist treatment teams\* in

treatment planning. As a result, the School hired additional mental health professionals and began psychological testing of youth in 1995 at intake and exit from the School.

Further, the School's Academic Center is in the third year of its five-year process to achieve accreditation as a high school, at which time the school will be able to grant high school diplomas. Also, since 1991, School educators have worked closely with Washtenaw Community College to provide accredited college classes for youth on the School campus.

In addition, the School has developed a strong relationship with the University of Michigan School of Social Work in terms of having graduate student placements, faculty involvement in the program design, and collaborative teaching and research efforts between School staff and university faculty. Similar relationships are being cultivated with the Wayne State University and Michigan State University Schools of Social Work, and the School will have graduate students from both of these universities starting in the fall of 1996.

**Audit Objective:** To assess the effectiveness of the Department's and School's efforts to monitor and evaluate youth treatment progress.

**Conclusion:** We concluded that the Department's and School's efforts, in a number of cases, were not effective in monitoring and evaluating youth treatment progress. Our assessment disclosed two material conditions:

- School management did not establish an effective quality assurance process to help ensure that youth treatment services met Department licensing and School policy requirements (Finding 4).

The Department and School agreed and will comply with the corresponding recommendation.

- School treatment teams, in a number of cases, did not submit complete release plans or hearing summaries\* to the courts that documented the youths' progress in meeting planned treatment goals\* and their readiness for release (Finding 5).

The Department and School agreed and will comply with the corresponding recommendation.

Our assessment also disclosed other reportable conditions regarding compliance with Michigan Administrative Code licensure requirements for monitoring and recording youth treatment progress (Findings 6 through 8) and compliance with Department and School policies and procedures for maintaining youth treatment records (Findings 9 and 10).

**Audit Objective:** To assess selected functions related to effectively controlling overtime and related payroll costs.

**Conclusion:** We concluded that Department and School management did not effectively control overtime and related payroll costs. Our review disclosed one material condition:

- Department and School management did not take steps to effectively reduce the amount of overtime worked by School employees (Finding 11).

The Department and School agreed and will comply with the corresponding recommendation.

Our assessment also disclosed other reportable conditions regarding the staffing needed to comply with Michigan Administrative Code licensure requirements, staffing standards for pool employees\*, and the School's internal

control structure\* to monitor and control overtime (Findings 12 through 14).

**Agency Preliminary Response:** The Department and School disagreed with the conclusion reached in the third audit objective that they did not effectively control overtime and related payroll costs. Most of the overtime was necessitated by efforts to comply with staffing ratios of licensure requirements, and the School was understaffed because of hiring freezes and/or caps on the number of Department employees.

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**AUDIT SCOPE  
AND  
METHODOLOGY**

Our audit scope was to examine the program and other records related to the W. J. Maxey Training School for the period January 1, 1988 through December 31, 1995. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

To accomplish our first objective, we obtained and analyzed the Michigan Department of State Police criminal history records, Michigan Employment Security Commission employment records, and Department of Community Health death records for released youth. Our analysis of this outcome data focused on determining the frequencies in which youth released from the School were subsequently arrested/convicted of a felony and/or had reported wage earnings. We reviewed the Department and School's process for evaluating effectiveness in rehabilitating youth. We reviewed and evaluated program reports submitted to the Legislature and Department management. We examined school program records and interviewed Department and School personnel.

To accomplish our second objective, we reviewed School and Department policies, procedures, and licensing requirements. We interviewed Department and School personnel. We examined and evaluated the case records of selected youth. We reviewed School and county program records and assessed the School's program controls.

To accomplish our third objective, we reviewed and analyzed the School's payroll and timekeeping records. We evaluated the School's staffing needs. We computed the amount of overtime worked by employee. We reviewed School and Department policies, procedures, and licensing requirements. We interviewed Department and School personnel and assessed the School's payroll and overtime internal controls.

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**AGENCY  
RESPONSES  
AND PRIOR  
AUDIT  
FOLLOW-UP**

Our audit report contains 14 findings and recommendations. The agency's preliminary response indicated that the Department and School agreed with the 14 recommendations and have complied with the recommendation for Finding 10 and will comply with the other recommendations.

The School complied with all four prior audit recommendations included within the scope of our current audit.