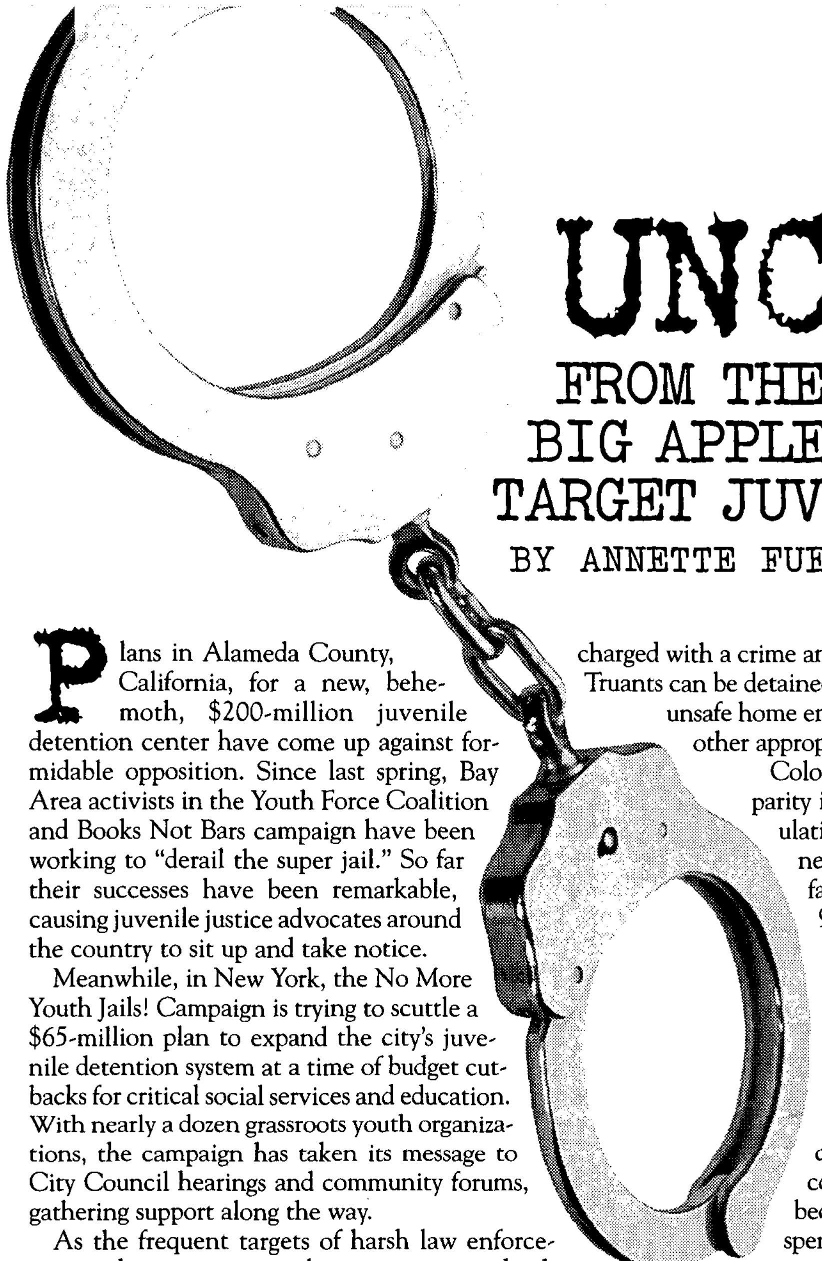


UNCHAINED

FROM THE BAY AREA TO THE BIG APPLE, YOUTH ACTIVISTS TARGET JUVENILE JAILS

BY ANNETTE FUENTES

Plans in Alameda County, California, for a new, behemoth, $200-million juvenile detention center have come up against formidable opposition. Since last spring, Bay Area activists in the Youth Force Coalition and Books Not Bars campaign have been working to "derail the super jail." So far their successes have been remarkable, causing juvenile justice advocates around the country to sit up and take notice.

Meanwhile, in New York, the No More Youth Jails! Campaign is trying to scuttle a $65-million plan to expand the city's juvenile detention system at a time of budget cutbacks for critical social services and education. With nearly a dozen grassroots youth organizations, the campaign has taken its message to City Council hearings and community forums, gathering support along the way.

As the frequent targets of harsh law enforcement policies, young people are connecting the dots between the booming prison economy and dwindling investment in public schools and delinquency prevention. "The prison-industrial complex has replaced the military-industrial complex in sucking up public resources," says Mishi Faruqee, director of the juvenile justice project of the Correctional Association in New York. "For young people of color, their communities have been devastated."

Rachel Jackson, state field director of Books Not Bars, a project of the Ella Baker Center for Human Rights in San Francisco, echoes that view. "The issue right now in California is the tradeoff between education and incarceration," Jackson says. "Everyone knows someone who's been kicked out of school or locked up in the hall. The system is setting young people up for a life of incarceration."

Juvenile detention is a catch basin for young people with a variety of needs and problems, and only a small fraction of them are charged with serious violent crimes. In New York, for example, just 10 percent of detained youth in 2001 were charged with a felony. Indeed, although juvenile crime rates are falling, youth arrests for misdemeanors and delinquency remain high. At the discretion of police or a family court judge, youth land in detention if they are charged with a crime and awaiting a court appearance, or if they violate probation. Truants can be detained as punishment. Youth in the foster-care system or with an unsafe home environment can land in detention if a judge rules there is no other appropriate placement.

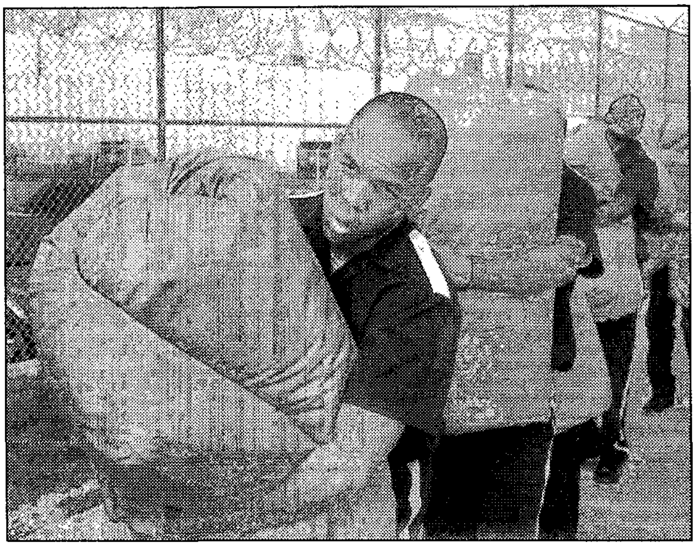
Coloring an already unjust situation is the racial and ethnic disparity in juvenile detention—which mirrors the adult prison population. Black and Latino adolescents and teens from the poorest neighborhoods bear the brunt of police arrests and detention far out of proportion to their population. In New York City, 95 percent of detained youth are black or Latino, even though they represent only two-thirds of that age group. Alameda's juvenile hall population is 59 percent black and just 14 percent white, but the county's juvenile population is 17 percent black and 33 percent white.

In both California and New York, a high percentage of youth are in detention because there is no room in alternative placements, such as group homes. In Alameda, 25 percent of youth in detention were ordered by a judge into community placements, but they're stuck in juvenile hall because those programs are full. Once in detention, they are spending too long waiting for placement or for a hearing in a court system overflowing with juvenile cases. In 2000, Alameda's average juvenile hall stay was two weeks; in New York, it was 36 days. "When they put kids in a detention facility for a small offense, chances are they will be back," says Deborah Vargas of the Center for Juvenile and Criminal Justice in San Francisco. "The longer they stay, the more crimes they will commit when they come out."

What started the pot boiling in the Bay Area was the Alameda County Board of Supervisors' plan to replace a decrepit, 299-bed juvenile hall with a 540-bed facility in Dublin, far from Oakland where the majority of detained youth come from. California already leads the country in its juvenile detention rates, and the new structure would make Alameda's youth detention system one of the largest in the country relative to the county population.

In May 2001, 70 young people from the Bay Area testified at a state corrections board meeting, and persuaded the body to yank $2.3 million earmarked for the Alameda project. Since then, Books Not Bars and the Youth Force Coalition have held rallies and petition drives, forcing county supervisors to scale back the project to 420 beds. While activists acknowledge that the old facility should be replaced, they say the super jail, even a slightly smaller version, is not the answer. "We're saying it's too big, and it's too far away," Jackson says. "The expansion would add $10 million a year in operating costs. We say spend that on improved alternatives to incarceration."

New York City boasts three juvenile halls with a total capacity of 405 beds. Under former Mayor Rudy Giuliani, they were brimming with youth scooped up by zealous police enforcing the mayor's "zero-tolerance" crackdown on petty crimes and delinquency. Although juvenile crime plunged 28 percent from 1993 to 2000, youth detentions jumped by 60 percent in that period, mostly because of the increase in misdemeanor arrests and detentions for probation violations. Among Giuliani's parting gifts to New York youth was a $65 million plan to add 200 more beds to the system.


ROBERT KING / NEWSMAKERS

Is bigger really better? The federal government is funding new juvenile detention projects, but only to increase capacity.

But with a new mayor and new policing priorities, juvenile detentions have decreased and the facilities are less than 75 percent full. The city's economic outlook post-September 11 is different, too, as deficits loom. But so far, the $65 million detention expansion has survived budget cuts. "There are so many people who recognize that the plan is unjustifiable, unconscionable when there is a budget deficit," says Faruqee of the Correctional Association. "They are cutting after-school programs and delinquency prevention. Where are our social priorities?"

That same question has been invoked since last spring by the No More Youth Jails! Campaign, a coalition of groups from across the five boroughs. In March 2001, 40 young advocates testified at City Council hearings on the project. Many spoke of their own experiences in the juvenile justice system, gaining allies on the council. "Right now, the campaign has been working to create a reallocation proposal for the $65 million," Faruqee says. "We have had a series of community forums on where money should go. It's capital money, so it has to go to construction. One idea is housing for homeless youth."

If juvenile crime rates have been steadily dropping, why would officials in Alameda and New York—or anywhere else—pursue costly expansions of juvenile detention, especially at a time of fiscal austerity? There are several reasons, Vargas says, driven more by politics than good policy. First, the federal government is funding juvenile detention projects, but only if the money is spent to increase capacity. So Alameda, which got federal funds, must increase its detention capacity, even if smaller makes more sense from practical and policy perspectives. "Build it bigger, and you will fill it," Vargas says. "If you have lower youth crime rates yet you're expanding your juvenile hall, who'll be filling the beds? Kids waiting for foster care placement, youth with failed placements, with drug and alcohol problems and mental health problems. They have nowhere else to place them."

Another reason is more insidious: Public perceptions of young people are out of sync with reality and stuck on the pervasive myth of violent, dangerous youth. "It's that 'superpredator' myth that is still haunting us in the background," Vargas says, referring to a term coined by conservative criminologist John DiIulio. "That superpredator prediction that we'd need bigger facilities for youth has shaped policy and perception, and politicians have to maintain that. ... It has nothing to do with fact that youth crime is down, or that we don't have to build big."

Yet the activists remain optimistic. Bay Area organizers, while still pushing for a smaller project, are focusing debate on locating the new facility in Oakland. New York's activists are hopeful that constant pressure and financial considerations will force the city to scrap its investment in detention and funnel the funds to capital projects like schools and housing for at-risk youth.

But it is the journey that is proving to be as important as the goal of reforming juvenile justice policy, says Jackson of Books Not Bars. "Young people are finding their voices, finding a collective place and developing their leadership abilities," she says. "They're running these organizations, dealing with the state, doing fundraising. This is the civil rights movement of the decade." ■

Minnesota Fat Cats

By Kip Sullivan

Ever *wondered* how HMOs can *ruthlessly* cut medical services and still be utterly *incapable* of *keeping down* inflation in health insurance premiums?

The short answer is that HMOs generate high administrative costs that swamp the savings they extract from patients. A massive, six-volume report on Minnesota's Allina Health System released by state Attorney General Mike Hatch last summer, reveals in excruciating detail just how extravagant HMO administrative expenditures can get.

Allina is Minnesota's largest HMO and its second-largest health insurance company. The nonprofit insures 1 million of Minnesota's 4.7 million residents, owns 47 clinics, and owns or manages 17 hospitals. If Allina had been a for-profit company in 2000, its $2.9 billion in revenues would have ranked it in the Fortune 500. But unlike most companies this size, which have worldwide markets, Allina's market is limited to Minnesota and three border states.

Hatch's report received extensive coverage in the Minnesota media but little attention elsewhere. That's unfortunate, because the report provides a detailed picture of the day-to-day operations of an HMO which no other document has revealed. The report depicts a self-centered, party-hardy culture within Allina that is quite different from the image cultivated by the HMO industry. Allina frequently brandished its nonprofit status as evidence that it was somehow compelled to be a frugal servant of the Minnesota "community," but the report shows that Allina was as capable as any other large corporation at using money and political muscle to silence its critics.

The report (available at www.ag.state.mn.us) lists hundreds of examples of lavish expenditures, including:

- Trips for Allina executives to Aspen and Vail, more than 30 trips to Hawaii, and more than 1,000 trips to California and Florida from 1998 to 2000;
- Flights to Aruba, London, Paris, Venice, Grand Cayman, Amsterdam, Athens, Cancun, Los Cabos, Pago Pago, Puerto Vallarta and San Juan during those same three years;
- $18,000 worth of Minnesota Timberwolves season tickets for just one executive over three years, and $5,180 for Minnesota Twins season tickets in 1998 for another;
- $1 million a year for a "turn around" specialist from California who worked part time and hired more California consultants to host parties for executives, at which they watched the movie *Twelve Angry Men* to learn about group dynamics;
- A $70,000 company party, $10,000 of which was for a laser light show;
- Thousands on food and drinks for eight Allina officials attending an "ethics" seminar in Monterey, California, including $1,500 for one meal at the exclusive Club XIX overlooking the 18th hole of the Pebble Beach Golf Course;
- $1,679 for the cost of one executive's trip to Atlanta, including a $45 bill incurred at Atlanta's Tongue and Groove dance club;
- $1,470 for a dinner thrown for Minnesota's commissioner of health (whose job it is to regulate HMOs), former Allina Vice President Jan Malcolm.

The Hatch report should be useful to observers and critics of the HMO industry across the country. If a relatively small, nonprofit HMO in Minnesota—the state where the misnomer "health maintenance organization" was invented—can waste premium dollars this brazenly, it is almost certain scarce premium dollars are being squandered in a similar fashion throughout the United States, especially by larger, for-profit HMOs, which dominate the industry.

Allina's troubles began in July 1998, when the Inspector General's office of the U.S. Department of Health and Human Services (which administers Medicare) reported that HMOs serving Medicare beneficiaries had overstated their administrative costs. According to the investigators, these excessive HMO administrative expenditures cost Medicare at least $1 billion a year from 1994 to 1996. This was an enormous sum, equaling 5 percent to 10 percent of total Medicare payments to HMOs during those years.

To develop a clearer picture of where the money went, the investigators undertook a second study that focused on nine of the more than 200 HMOs serving Medicare recipients at the time, including Allina. (HMOs insure 14 percent of all Medicare beneficiaries.) In January 2000, the Department of Health and Human Services reported that the administrative costs of these nine HMOs ranged from 17 to 44 percent of medical costs, and that five of them charged Medicare twice as much in administrative costs as they should have (the other four HMOs did not keep separate books for Medicare and non-Medicare patients). Inappropriate charges to Medicare included expenditures on gifts for HMO employees like massages and golf games, lavish parties for employees, and tickets to sporting events.

That February, Hatch announced his plans to audit Allina. The Minnesota Department of Health, under commissioner Malcolm, objected, claiming Hatch had no authority. But Minnesota law gives the attorney general the authority to ensure that nonprofits