

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2014 REGULAR SESSION**

REVISED

MEASURE

2014 BR NUMBER **0087**

SENATE BILL NUMBER **200SCS**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the juvenile justice system and making an appropriation therefor.**

SPONSOR **Senator Westerfield**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Justice Administration, Department of Juvenile Justice, Administrative Office of the Courts**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2013-2014	2014-2015	2015-2016	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		Indeterminable	Indeterminable	
NET EFFECT		(Indeterminable)	(Indeterminable)	Indeterminable

() indicates a decrease/negative

MEASURE'S PURPOSE: Significantly modify the current Kentucky Revised Statutes concerning juveniles that commit legal offenses, which may be status offenses, violations, misdemeanors, and felonies. The purpose of this modification is to reduce the number of juveniles placed outside their homes, increase the use of community based programs to deal with juvenile issues, decrease costs, and improve public safety.

PROVISIONS/MECHANICS: A number of new approaches are proposed.

The major ones are:

The Justice Cabinet is directed to develop a fiscal incentive program to fund local efforts that enhance public safety while reducing juvenile justice system costs;

A Juvenile Justice Oversight Council is established to provide independent review of the juvenile justice system and provide recommendations to the General Assembly;

The Department of Juvenile Justice is required to use evidence based practices and promulgate administrative regulations pertaining to case plans and graduated sanctions for juveniles, professional development programs for staff, procedures for measuring outcomes, and procedures to track juvenile recidivism;

Out of home placement for juveniles that have committed misdemeanors is limited to a maximum of four months, and for juveniles that have committed a Class D felony to a maximum of eight months;

Local school districts are required to provide the Department of Education an annual assessment of incidents relating to disruptive behaviors;

The Chief District Judge of each Judicial District is directed to appoint a family accountability, intervention, and response team to review and advise Court Designated Workers on appropriate cases;

The Administrative Office of the Courts must provide certain training to CDWs, collect and track data concerning complaints to CDWs, and provide an annual report to the Oversight Council;

The responsibility and role of the CDWs is significantly broadened and expanded;

Standards are established for the courts to use in placing juveniles on probation, placing them in detention, or committing them to the Department of Juvenile Justice.

FISCAL EXPLANATION: Staff with the Pew Center for the States worked with LRC staff in drafting this bill, and they have calculated savings based on an assumed decrease in the number of juveniles placed out of the home. They presented three scenarios based on potential state actions in response to the decrease in population. No savings would be incurred until FY 2016.

FY 2016	\$820,000	\$215,000	\$820,000
FY 2017	\$1,200,000	\$5,800,000	\$8,700,000
FY 2018	\$1,200,000	\$5,800,000	\$8,700,000
FY 2019	\$1,200,000	\$5,800,000	\$8,700,000
FY 2020	\$1,200,000	\$5,800,000	\$8,700,000
Total	\$5,620,000	\$23,415,000	\$35,620,000

The calculations provided by the Pew staff are predicated on the estimated decrease in juveniles placed out of the home, and the possible closing of DJJ facilities as a result of that population decrease. It is likely that the population will decrease in DJJ facilities if the provisions of SB 200 are enacted. However, these provisions may also impact the overall juvenile justice system in other ways that should be evaluated.

Pew staff and others involved with the development of SB 200, have indicated that the amount of funding needed to implement the local incentives program is about \$3 million per year for the first two fiscal years, and about \$2 million per year annually for years three through five. This

funding is needed to insure that adequate services are available to meet the needs of juvenile offenders in the community, and as a result, reduce the need to place juveniles outside the home. If the local incentives program is not funded, it is possible that the current number of juveniles placed outside the home will not decrease as expected. It could also result in fewer juvenile offenders placed outside the home, but with them receiving inadequate services in the community. If adequate treatment options are not available in the community, there is likely that additional offenses may occur.

From a review of the provisions of the bill, it appears that the role of the CDWs is going to be significantly expanded, and that the work of these staff will be a key factor in the goal to reduce out-of-home placements. AOC staff is of the opinion that the CDWs can undertake this increase in workload without funding for additional local workers. They have indicated that some additional costs may be incurred for staff at the central office, and for training workers in the field. If the AOC position proves to be overly optimistic, additional resources may be necessary for these activities, or the efforts at the local level will not achieve the expected results.

This bill requires that DJJ, AOC, Justice Administration and the Department of Education assume a number of new and expanded responsibilities including staffing the Oversight Council, collecting data, developing detailed plans, submitting annual reports, staffing local committees, possibly administering a multi-million dollar grant program, and others. Some of this can be addressed with existing staff, but the extent of these new efforts makes it likely that additional staff will be needed. DJJ, AOC, and Justice Administration have all experienced significant budget reductions in the last few years, and they may not have the resources to adequately address the stipulations of the bill.

In its 2014-2016 biennial budget request, the Department of Juvenile Justice included additional funding for 112 new staff to expand supervision and mental health treatment for juvenile offenders that remain in the community. The estimated cost was about \$7 million each year, and it was not included in the Governor's Recommendation. The document states that, "These additional qualified staff and evidence based curriculums are projected to produce a decrease in probation violations and supervised placement revocations that currently result in the return to out-of-home placements". Although SB 200 was not introduced at the time the budget request was submitted, it is an indication that DJJ may need additional resources to provide the level of services in the community that would result in fewer out-of-home placements.

In summary, there is no question that substantial savings can be realized over time in the juvenile justice system if out-of-home placements are decreased. It should be noted that those savings will be offset to some extent by an increase in costs to provide treatment in the community, and by a potential increase for administration, planning, and data collection and analyses by the agencies involved, including DJJ, AOC, DCBS, DOE, and local school districts.

DATA SOURCE(S): Pew Center for the States, Administrative Office of the Courts, Department of Juvenile Justice

PREPARER: Mike Mullins NOTE NUMBER: 120 REVIEW: GMR DATE: 3/19/2014