

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 301** SLS 16RS 396
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: April 24, 2016 4:10 PM **Author:** MORRELL
Dept./Agy.: Office of Juvenile Justice **Analyst:** Monique Appeaning
Subject: Juvenile Justice Accountability and Cost Effectiveness Act

JUVENILE JUSTICE EG SEE FISC NOTE GF EX See Note Page 1 of 2
 Creates the Juvenile Justice Accountability and Cost Effectiveness Act of 2016 as a system to monitor and implement systems for better accountability and cost-effectiveness in the juvenile justice system. (8/1/16)

Proposed law creates the Juvenile Justice Accountability And Cost Effectiveness Act of 2016 to provide for compilation and reporting of data as to accountability and cost effectiveness of the juvenile justice system; to provide for program evaluation and funding of the juvenile justice system; to provide for certain periods of detention in juvenile facilities under certain circumstances; and to provide for related matters. Proposed law declares it to be the policy of the state of Louisiana that all government agencies and officers, all government subdivisions, and all organizations and individuals working with children in the juvenile justice system shall conduct a continuing inquiry into the efficacy, cost-effectiveness, and impact on public safety of the treatment and supervision methods that the juvenile justice system employs. The purpose of this policy is to promote accountability, efficiency, and cost-effectiveness, and to facilitate continuous improvement by requiring regular reporting of clear and reliable data on Louisiana's juvenile justice system. Proposed law further declares to be the policy and intent of the state of Louisiana to promote public safety and expend taxpayer funds responsibly through the use of evidence-based treatment programs and practices at the local level and to reinvest a portion of juvenile justice savings achieved into community-based programs and services.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$700,000	\$0	\$0	\$0	\$0	\$700,000
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

The proposed law will result in an indeterminable increase in SGF expenditures as a result of the various components that are included in the creation of the Juvenile Justice Accountability and Cost Effectiveness Act of 2016. This legislation proposes to enact two subparts, SUBPART I - Data and Accountability and SUBPART II - Juvenile Justice Reinvestment Program.

The proposed law is one part of a package of bills introduced in the 2016 Regular Session of the Louisiana Legislature seeking to implement dramatic reforms to the state's juvenile justice system. As reported by LSU Health New Orleans Institute for Public Health and Justice, in "A Legislated Study of Raising the Age of Juvenile Jurisdiction in Louisiana" in response to House Concurrent Resolution 73 of 2015, "Louisiana should strongly consider raising the age of juvenile court jurisdiction to include 17-year-old offenders. Findings suggest that this change would benefit public safety, promote youth rehabilitation, and create long-term savings." The report recommended a comprehensive five-year strategic plan for reforming juvenile justice to make structural changes that adopt evidenced-based practices and utilization of a comprehensive data infrastructure to inform policy. Senate Bills 301, 302, 303 and 324 comprise a package of bills seeking to implement these changes. To the extent that the adopted changes are effective in reducing recidivism of youthful offenders, reducing contact between youthful offenders and the adult criminal justice system, and reducing the likelihood that a youthful offender will grow into an adult habitual offender, the state may realize significant long-term savings over the course of those individuals' lifetimes. In the short-term, such proposals generally may create significant expenditure impacts as the state adopts programs and strategies to collect, disseminate and use data to effectuate evidence-based practices that lead to long-term success.

Office of Juvenile Justice (OJJ) - Data and Accountability - \$20,000 - \$40,000 - OJJ reports a one-time SGF expenditure that ranges from \$5,000 - \$10,000 to modify the existing case management system (JETS) to accept certain data in a reportable manner and upgrades to SAS Analytics (\$12,000- \$30,000) to create a data set in the existing data warehouse. Proposed law gives OJJ statistical data collection, publishing and reporting responsibilities and requirements.

Supreme Court of Louisiana (SCL) - \$700,000 (Federal) There is no impact on SGF expenditures as a result of this proposed law. SCL would utilize up to \$700,000 from a federal grant for the technology changes needed for courts with juvenile jurisdiction to report this data to the SCL. SCL projects that the grant funding along with labor from existing SCL staff will be sufficient to implement the program without the need for additional SGF.

Continued on Page Two

REVENUE EXPLANATION

There is no anticipated direct material effect on state governmental revenues as a result of this measure. However, the Fiscal Incentive Program is established to fund local efforts that enhance public safety while reducing juvenile justice system costs. To the extent funds are awarded on the local level, there may be changes to funding on the local level for juvenile justice related projects. Proposed law states that it is the intention of the legislature that, beginning FY 18, at least 75% of all savings realized by the state from reductions in out-of-home placements below FY 2016 baseline shall be designated by the governor and appropriated by the legislature for use in funding the JJRP.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

John D. Carpenter
John D. Carpenter
Legislative Fiscal Officer

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CONTINUED EXPLANATION from page one:

Continued Expenditure Explanation From Page One

Clerk of Courts - \$3,286,000 (Year One) - The proposed law may result in an increase in local fund expenditures for the Clerks of Court based on information from the LA Clerks of Court Association. Currently, fifteen percent of the Clerks of Court Offices statewide maintains juvenile case management by hand; therefore, ten offices would need a Juvenile Case Management System. Also, Clerks are not currently capturing the data this bill requires nor do all of the parishes assign a new number for each juvenile record filed; therefore, there will be 60 parishes that need software upgrades. The cost estimates are: 1) Juvenile Case Management Software is \$250,000 (10 Offices x \$25,000 Cost for Juvenile Case Management Software); 2) Upgrades to Current Software is \$750,000 (60 Offices x \$12,500 Cost to upgrade current software); 3) Annual Software Maintenance is \$126,000 (60 Clerks of Courts x \$2,100 Annual Maintenance); and 4) Hardware for fifty percent of the Offices is \$160,000 (32 Offices x \$5,000 Computer Hardware). The out-year estimate is \$2,126,000, annually. To the extent this legislation impacts the Clerks of Courts, they have communicated that this will be an unfunded mandate to them.

Louisiana Commission on Law Enforcement (LCLE) - There is an indeterminable increase for FY 17 in SGF expenditures as a result of proposed law. LCLE reports that proposed law will create a workload increase. The impact to workload includes additional analytical activity and new programmatic activity. The legislation assigns the establishment of a baseline calculation of reductions in out-of-home placements and costs per day to LCLE. It is also responsible for annual reporting of cost-savings of reforms. Therefore, the agency will need one T.O. position for the Fiscal Incentive Program and additional resources to conduct analyzes. The out-year (FY 18, FY 19, FY 20, and FY 21) estimated need is an SGF expenditure increase of \$41,000 annually. The proposed law establishes the Juvenile Justice Reinvestment Program (JJRP) within LCLE. JJRP is established as a fiscal incentive program to fund local efforts that enhance public safety while reducing juvenile justice system costs. Funding appropriated for the program shall be utilized for renewable grants to be awarded to judicial districts, or groups of judicial districts, for the purpose of establishing community-based sanction and treatment programs, including reentry programs, that provide alternatives to out-of-home placement. Proposed law further states that it is the intention of the legislature that, beginning FY 18, and continuing indefinitely on an annual basis, at least 75% of all savings realized by the state from reductions in out-of-home placements below the FY 16 baseline shall be designated by the governor and appropriated by the legislature for use in funding the JJRP. NOTE: House Bill 1 Original of 2016 Regular Session has OJJ 49.49% lower than its existing operating budget (as of 12/1/2015). It is unclear how proposed law would recognize the funding level decrease (as a reduction or savings).

OJJ/LA Public Defender Board (LPDB) - Programmatic Impacts - There is an indeterminable impact in SGF expenditures for OJJ as a result of certain changes to sentencing guidelines including: detaining children younger than thirteen for a misdemeanor-grade delinquent act; duration of dispositions based on a felony-grade and misdemeanor-grade adjudications; penalties for contempt (children); and families in need of services proceedings, when the child is adjudged guilty of direct contempt of court or constructive contempt of court for repeated disobedience of the court's judgment of disposition. OJJ would realize increased costs associated with transporting youth to their home court districts for additional hearings. The LPDB reports that provisions in the proposed law requiring that children adjudicated delinquent for a felony-grade offense that is not a crime of violence shall not be committed for a term to exceed 9 months and that the child shall be brought before the court for contradictory modification hearings will likely result in a cost savings generated by expedited modifications beyond the baseline. This will, in effect, likely serve to reduce the duration of costly commitments to out-of-home placements and create substantial savings. LPDB would likely realize cost increases associated with the post-dispositional representation of children in OJJ custody (secure, non-secure, and parole) as a result of proposed law. LPDB estimates that proposed law will incentivize keeping youth out of custody during the pre-trial period. LPDB reports this will result in a significant reduction in pre-trial hearings. The reduction in pre-trial hearings is likely greater than any increase in post-dispositional hearings and may result in expenditure savings. Given widespread reports of existing funding challenges for public defender offices, the LFO is unable to determine if the reduction in pre-trail hearings would provide sufficient savings to offset the need for additional resources to provide adequate representation of youthful offenders.

Potential for Savings - Changes in the housing status of youth in the custody of OJJ could result in an indeterminable decrease of SGF expenditures associated with the placement of youth within OJJ's continuum of care. The current costs associated with housing a youth in OJJ Secure Care are \$143.28 per day while the cost at local detention centers classified as pending secure placement is \$112.78 per day. The proposed law should decrease the average length of stay of a youth placed in secure care placement. OJJ reports that the current average duration of youth in secure care is approximately 10.8 months from placement until discharge. The proposed law prescribes a default commitment that shall not exceed 9 months for a youth adjudicated delinquent for a felony-grade offense that does not meet the statutory requirements of a crime of violence. OJJ reports that approximately 43% of its current secure care population is adjudicated on non-violent offenses. The proposed law is likely to have an effect of reducing the secure care placement term for most of these individuals from an average of 10.8 months to the prescribed no-more-than 9-month term (excluding certain circumstances), or approximately 55 days. To the effect this would occur, the potential per-youth-served cost savings would equate to a total of up to approximately \$7,880 (55 days X \$143.28 per diem). This potential per-youth-served savings would be offset somewhat if the youth were placed into a lower level of care upon release (for example, placed under OJJ supervision at a cost of \$23.14 per day). Additionally, OJJ has a current average of approximately 52 youth in local housing pending secure placement. Removing a youth from secure care would result in a youth being transferred from this waiting list into an OJJ secure facility. A youth transferred from local housing pending secure placement would result in a cost savings of approximately \$112.78 per day. At least in the short term, until and if the waiting list is eventually fully depleted, the primary potential cost savings for decreasing the duration of secure care placements would be equivalent to the number of youth displaced from local housing into OJJ secure care. The LFO is unable to estimate the number of youth that may be so impacted, but the aggregate cost savings is potentially significant in the first two years of implementation and likely significant in the long-term.

NOTE: Reducing an individual youth does not produce a savings equal to the full per diem rate. OJJ has certain fixed costs for overhead and staff levels that cannot be reduced with a simple reduction of housed youth. For example, OJJ is required to provide educational services to youth in custody. The number of staff required to provide educational services by subject area is not scalable to the number of youth housed in a facility. Additionally, the number of juvenile justice specialists required to fully staff a facility would not be scalable until a specific number of vacancies were created among potential placement slots (a dormitory generally houses 10-14 youth). Other examples of non-scalable, fixed costs may include risk management premiums, health service contracts, utilities and other costs that are part of the cost-of-care but not necessarily directly tied to the presence or absence of an individual adjudicated youth.

Senate Dual Referral Rules House

[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

[X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

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Signature of John D. Carpenter, Legislative Fiscal Officer