

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

REVISED

BILL NUMBER: House Bill 1665 (First Edition)

SHORT TITLE: Venue for Juvenile Hearings.

SPONSOR(S): Representative Frye

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available (x)		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES:					
EXPENDITURES:					
DHHS					
DMH/DD/SAS	(\$106,000)	(\$106,000)	(\$106,000)	(\$106,000)	(\$106,000)
DMA	Savings may occur in the Medicaid Program. Exact amount cannot be determined. Please see the assumptions and methodology.				
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Juvenile Justice and Delinquency Prevention; Health and Human Services; Administrative Office of the Courts					
EFFECTIVE DATE: July 1, 2004					

BILL SUMMARY: The bill amends GS 7B-1800 for the purpose indicated in title. Requires the Department of Juvenile Justice and Delinquency, in consultation with the Administrative Office of the Courts, to develop and implement a plan for supervision, services, and treatment of juveniles in residential treatment or foster care in counties or districts other than their counties of residence, effective Oct. 1, 2004. It appropriates \$10,000 for 2004-2005 from the General Fund to the Department for the plan. Effective July 1, 2004.

Source: Bill Digest H.B. 1665 (05/26/2004)

ASSUMPTIONS AND METHODOLOGY: Juveniles who are in residential treatment or foster care facilities may be under the supervision of and transported to court by a variety of people, including parents, DSS social workers, residential treatment/facility staff, and juvenile court counselors. Therefore, the responsibility and cost of transporting the juveniles could be borne by the parents, a state agency, or a contracted facility.

Administrative Office of the Courts (AOC)

The bill will not affect the number of dispositional hearings required for juveniles. Therefore, there is no anticipated impact on court costs.

Department of Juvenile Justice and Delinquency Prevention (DJJDP)

For those juveniles under DJJDP supervision there is no available data indicating the locations of juveniles' counties of residences in relation to the counties where dispositional hearings were held. However, since the proposed bill does not affect the number of hearings required, there is no anticipated impact on DJJDP's cost.

Section 2 of the proposed bill requires DJJDP, in consultation with AOC, to develop and implement plans for the juveniles to receive treatment and services in the counties in which they are placed. Current law requires that DJJDP develop these plans for juveniles who are under DJJDP supervision. So no new costs are anticipated for those juveniles under DJJDP's supervision. However, most of the juveniles in residential treatment or foster care placements are not supervised by DJJDP. It is not possible to estimate the cost of developing and implementing treatment plans for juveniles who are not supervised by DJJDP.

Department of Health and Human Services (DHHS)

The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) anticipates an annual expenditure savings of \$106,000. Currently, DMH/DD/SAS is responsible to transporting juveniles from the state operated institutions to the counties where dispositional hearings are held. Each time a juvenile is transported, two staff members are required. DMH/DD/SAS estimates that the annual travel costs associated with escorting these children totals \$106,000.

The Division of Medical Assistance (DMA) administers the state Medicaid program. High Risk Intervention (HRI) is a reimbursable service under Medicaid, which provides funding for residential services for juveniles. Currently, many HRI providers are responsible for transporting their juvenile residents to the counties where dispositional hearings are held. The cost associated with transporting these juveniles is included in the providers' cost reports to DMA. Those cost reports are then used to build the reimbursement rate for HRI providers. If these juveniles have their dispositional hearings in their counties of residence, then the transportation cost to HRI providers may be reduced. This cost reduction may be reflected in their cost reports to DMA, and may eventually result in a reduction in the Medicaid reimbursement rate for HRI providers. Without reviewing cost reports from HRI Providers, the annual cost savings from this bill for the Division of Medical Assistance cannot be estimated.

The Division of Social Services (DSS) reported minimal or no potential fiscal impact as a result of the change in location of dispositional hearings. The Division reported that a total of 583 children

are currently in DSS custody as a result of entering custody as delinquent and/or undisciplined, it is not known how many of these 583 children are presently placed outside their county of residence. The savings in transportation cost realized by child caring institutions or other caregivers would not be significant due to the small percentage of DSS children meeting the criteria outlined in this bill.

SOURCES OF DATA: Department of Health and Human Services

TECHNICAL CONSIDERATIONS: There are two technical issues presented by Section 2 of the proposed bill. First, the bill has the potential to shift costs from one county to another. Under current law, the venue for the juvenile hearing is in the county where the offense was committed. Section 2 of the proposed bill, requires that DJJDP in consultation with AOC develop a plan to provide services and treatment in the county where the juvenile is placed. Thus, the county where the juvenile is placed may have to bear the cost of any services ordered by the court for that juvenile. Secondly, DJJDP supervises only those juveniles who have been alleged or adjudicated to be either delinquent or undisciplined. Most of the juveniles placed in residential treatment or foster care facilities are under the supervision of DHHS Divisions of Social Services or Mental Health.

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