

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2023 REGULAR SESSION**

CONFIDENTIAL

MEASURE

2023 BR NUMBER 1104

SENATE BILL NUMBER 162

TITLE AN ACT relating to juvenile justice.

SPONSOR Senator Danny Carroll

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department of Juvenile Justice; Department of Corrections; Department for Medicaid Services

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: The measure establishes new requirements for the Department of Juvenile Justice (DJJ) and the Justice and Public Safety Cabinet (JPSC) for the operation of the statewide juvenile detention program including those related to mental health services for youth in custody, emergency response equipment and training, data tracking systems, implementation of a regional model for juvenile detention, conducting a classification and compensation review of positions within DJJ and the Department of Corrections (DOC), retaining retired youth workers and allowing those recently resigned to return at prior classifications, and regulations ensuring complaints by employees are promptly addressed.

The measure also requires the Department for Medicaid Services (DMS) to submit an amendment to the Section 1115 demonstration waiver to provide Medicaid coverage for youth in pre- and post-adjudication detention facilities.

FISCAL EXPLANATION: The overall fiscal impact of SB 162 is indeterminable but likely significant. Various sections of the bill establish requirements that will have associated costs, although precise estimates for all requirements are indeterminable with the information currently available. Specifics by bill section are as follows:

Section 1 requires JPSC to maintain a data tracking system for DJJ. JPSC has estimated the cost of such a youth offender management system to be \$142,000 annually.

Section 2 requires DJJ to contract for institutional treatment for youth with severe emotional disturbance or mental illness and to provide youth in DJJ's custody, both pre-adjudicated and post-adjudicated, access to mental health professionals with privileged communications. The cost of establishing an institutional treatment contract is unknown currently, although JPSC has indicated an institutional contract will be substantial in cost and likely difficult to execute given the acute health care needs of youth that would need institutional care. DJJ does provide formal, evidence-based, mental health services to post-adjudicated youth, extending similar services to pre-adjudicated youth will impose additional unknown costs depending on the number of youths detained and choosing to access such services.

Section 2 requires DJJ, for juvenile detention and youth development centers, to conduct monthly emergency response training, to provide and certify staff in the use of emergency response equipment, to establish emergency response teams at each facility, to enter into MOUs with local law enforcement for emergency response, and to equip each facility with an alarm linked to the local dispatch center. The cabinet is currently implementing emergency response training, the purchase of non-lethal defensive equipment for select staff, and secure threat group training at high-security facilities using existing resources and staff from JPSC and DOC. In future years, JPSC has indicated costs for continued training and equipping of select staff can be absorbed by the annual operating budget. JPSC has indicated providing emergency response equipment to "all staff" as written in the measure, including those not in direct supervision of youth, may be problematic and cost additional resources.

Section 3 requires JPSC to implement a regional model of juvenile detention that also segregates males and females and violent and nonviolent offenders. DJJ is currently assigning youths to detention facilities based on gender and severity of offense. JPSC has estimated an additional \$12.9 million in staffing costs and \$5.8 million in transportation costs in FY 2024 are needed to maintain this approach, as well as \$26.3 million in various capital construction costs in FY 2023. Transitioning to a regional model while also segregating based on gender and offense level may impose additional staffing and facilities costs. These costs are currently unknown, but JPSC has indicated costs would be substantial, particularly with regard to facilities redesign.

Section 3 requires JPSC to conduct a classification and compensation review of positions within DJJ and DOC, implement a retired youth worker program to supplement staffing, allow those staff recently resigned to return at prior classifications, and promulgate regulations ensuring complaints by employees are promptly addressed. Any additional costs with regard to these provisions are likely limited.

Section 4 requires DMS to submit an amendment to the Section 1115 demonstration waiver to provide Medicaid coverage for medical and behavioral health care for Medicaid-eligible children in pre- and post-adjudication detention facilities. DMS estimates, if approved, an annual fiscal impact of approximately \$1.8 million in total funds for providing this coverage, \$540,000 of which would be the state's General Fund share. This estimate could change based on the number

of youths determined eligible. Obtaining Medicaid coverage for eligible youth may also offset current expenditures DJJ makes for medical care of youth in custody.

DATA SOURCE(S): LRC Staff; Justice & Public Safety Cabinet; Cabinet for Health and Family Services; Office of State Budget Director

PREPARER: Perry Papka NOTE NUMBER: 41 REVIEW: JAB DATE: 2/27/2023