

February 23, 2012

The Honorable Lance Kinzer, Chairperson  
House Committee on Judiciary  
Statehouse, Room 165-W  
Topeka, Kansas 66612

Dear Representative Kinzer:

**SUBJECT:** Fiscal Note for HB 2540 by House Committee on Children and Families

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2540 is respectfully submitted to your committee.

Current law gives a law enforcement officer the option of allowing a runaway to remain in the place where shelter is being provided if the officer has reasonable grounds to believe that it is in the child's best interests. The law enforcement officer, however, must promptly notify the Secretary of Social and Rehabilitation Services of the child's location and circumstances. HB 2540 would require that any runaway be placed in a secure facility until the time when a determination is made whether the child is a child in need of care. Also, the bill would define "runaway."

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$126,782,750	(\$126,782,750)
FTE Pos.	--	--	--	--

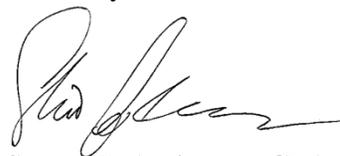
The Department of Social and Rehabilitation Services (SRS) indicates both state and federal law assign the responsibility for placement decisions under the Secretary of SRS. The agency states that HB 2540 would authorize the court to place a child directly into secure care. According to SRS, Kansas would not be in compliance with federal law and would be unable to claim federal financial participation for Title IV-E foster care maintenance payments. In addition, because the Temporary Assistance for Needy Family (TANF) block grant is conditioned on the state operating an approved Title IV-E state plan, the TANF block grant would also be at risk. The agency estimates a loss of \$101,931,061 in federal TANF block grant

funds and \$24,851,689 in federal Title IV-E funds in FY 2013. The agency indicates it would need the same amount in lost federal funds to be replaced with monies from the State General Fund in FY 2013. The agency indicates it would need these additional monies from the State General Fund in future fiscal years.

The Juvenile Justice Authority (JJA) states the federal Juvenile Justice and Delinquency Prevention Act (JJDP) provides that a no status offender may be placed in a secure detention or correctional facility. The agency states there is a provision in the law for rare situations where short-term security custody of accused status offenders may be necessary. Regulations prompted by the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) allow a facility to hold an accused status offender in a secure juvenile detention facility for up to 24 hours, exclusive of weekends and legal holidays, prior to an initial court appearance and for an additional 24 hours, exclusive of weekends and legal holidays, immediately following an initial court appearance.

According to the agency, a law requiring all runaways to be placed in a secure facility as standard practice is considered a rare situation. If the state is found out of compliance with deinstitutionalization of status offenders, it could result in a reduction of at least 20.0 percent of the agency's Title II formula grant under the JJDP. In addition, Kansas would be ineligible to receive any JJDP allocation for the fiscal year in which the state would be found to be out of compliance unless the state agrees to expend 50.0 percent of the amount allocated to Kansas for that fiscal year to achieve compliance. Currently, JJA receives \$600,000 annually from OJJDP. If HB 2540 is passed, the agency states it could lose a minimum of \$120,000 annually and have \$240,000 of the remaining allocation dedicated towards the deinstitutionalization of status offenders. JJA further estimates that the bill could also place an additional burden on counties. For example, in 2008, the Kansas Bureau of Investigation reported 1,607 juvenile arrests for runaways. Using the state rate for detention (\$120/day), the cost to counties for holding juveniles for one day would be \$192,840 annually (\$120 daily rate x 1,607 juveniles). The agency also notes that most counties pay more than the state rate for detention services. Any fiscal effect associated with HB 2540 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Marcy Watson, JJA  
Mary Rinehart, Judiciary  
Jackie Aubert, SRS