

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1373

**SHORT TITLE:** Juvenile Justice Reform Act – Proposed House Committee Substitute for Senate Bill 1260 PCS 6867-SA002 (passed House Judiciary II July 30, 1998)

**SPONSOR(S):** Representative Neely, et al.

**Summary of Fiscal Impact of HB 1373  
Juvenile Justice Reform Act**

**NOTE:** This table summarizes the fiscal impact of HB 1373. A summary of each area and the methodology for cost estimates are provided in the text.

<b>EXPENDITURES</b>	<b><u>1998-99*</u></b>	<b><u>1999-00</u></b>	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
1. Plan for Reorg. of Juvenile Services		No Fiscal Impact			
2. Raising Age of Undisciplined to 18 (Counselors = 38)	\$740,375 (49)	\$2,072,955 (49)	\$2,135,144 (49)	\$2,199,198 (49)	\$2,265,174 (49)
3. Fingerprinting and Photographing Juveniles	\$0	\$42,064	\$32,064	\$32,064	\$32,064
4. Authority Over Parents of Delin. and Undis. Juveniles		No fiscal impact for parenting classes No estimate available for treatment/services fees			
5. Expanded Duties for the Sentencing Commission	\$157,254 (1)	\$65,548 (1)	\$67,514 (1)	69,539 (1)	\$71,626 (1)
6. Juvenile Contact Report (Arrest Form)		No fiscal impact			
7. Minority Sensitivity Training & Analysis	\$214,690 (3)	\$280,244 (3)	\$233,040 (3)	\$227,775 (3)	\$232,766 (3)
8. Juvenile Justice Information System		No estimate available			
(Go to page 2 for continuation of table)					
9. Juvenile Diversion Plans (Counselors = 76 )	\$1,433,850 (95)	\$4,021,605 (95)	\$4,141,246 (95)	\$4,264,476 (95)	\$4,391,403 (95)

10. Additional Court Time (new/expanded hearings)	\$894,840	\$2,927,540	\$3,015,366	\$3,105,829	\$3,199,002
Counselors = 12	(38)	(38)	(38)	(38)	(38)
D.C. Judges = 8					
Depty. Clerks = 8					
Asst. D.A.'s = 10					
11. Intermediate Dispositions					
a. Court Personnel	\$1,511,465	\$4,241,650	\$4,606,855	\$4,828,817	\$5,266,126
(Counselors = 79)	(100)	(100)	(106)	(108)	(115)
b. Detention Beds -- Rec.	0	0	\$2,128,656	\$3,254,387	\$3,394,387
Non-Rec	\$525,000	\$6,850,000	\$3,013,220	\$262,740	0
Positions	(0)	(0)	(103)	(137)	(137)
c. Programs			No estimate available		
12. Post-Release Supervision	\$14,916	\$42,104	\$43,367	\$44,668	\$46,008
(Counselors = 1)	(1)	(1)	(1)	(1)	(1)
13. Family Courts (3 Pilots)	\$620,975	\$666,172			
(2 years)	(14)	(14)			
14. Secure Custody of Juveniles			No estimate available		
15. Training School Beds- Rec	\$0	\$0	\$4,237,231	\$10,399,998	\$10,399,998
Nonrecurring	\$1,117,565	\$15,011,635	\$0	\$0	\$0
Positions	(0)	(0)	(308)	(308)	(308)
<b>TOTAL:</b>	<b>\$7,230,930</b>	<b>\$36,221,517</b>	<b>\$23,653,703</b>	<b>\$28,689,491</b>	<b>\$29,298,554</b>
<b>POSITIONS:</b>	<b>(301)</b>	<b>(301)</b>	<b>(704)</b>	<b>(740)</b>	<b>(747)</b>
<b>Cost estimates include 3% for inflation in years 2 through 5.</b>					
* NOTE: 98-99 costs effective 4/1/99 unless otherwise noted in text. Effective date of major sections of the Bill is July 1, 1999, but estimates of expenditures in FY 98-99 due to need for advance hiring of personnel and contracting for services (comparable to advance time period allowed for hiring personnel due to implementation of Structured Sentencing).					

**PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:** Juvenile Services Division of the Administrative Office of the Courts, Division of Youth Services of the Department of Health and Human Services, Local Sheriffs Departments, Division of Criminal Information, Sentencing and Policy Advisory Commission.

**EFFECTIVE DATE:** Sections 2-8 and Sections 10,11,19,21,22,24,26, and 28 effective July 1, 1999. Sections 9 and 12 effective October 1, 1999. Remainder of bill effective when it becomes law.

**BILL SUMMARY:** The Juvenile Justice Reform Act extensively rewrites the Juvenile Code, conforms existing abuse and neglect statutes, and requires a number of uncodified actions and studies to implement reform of the Code and the juvenile justice system generally. Relevant sections of the Bill with potential fiscal impact are summarized in the summary discussion of fiscal impact.

## SUMMARY OF EACH SECTION AND METHODOLOGY OF COST ESTIMATE

### **ASSUMPTIONS AND METHODOLOGY – OVERALL**

Given the scope of the Juvenile Justice Reform Act, the Fiscal Research Division had to analyze individual sections of the Bill during the deliberations of the Judiciary Committees before a complete Fiscal Note could be prepared. FRD prepared individual fiscal memoranda on these sections. This Fiscal Note is intended as a summary of the individual fiscal memoranda, which are available upon request. These memoranda provide detailed statistical information, assumption and methodology statements, and cost estimates. In most cases, the fiscal impact in the Note and the memoranda are the same, but where revisions were made to the Bill subsequent to the memoranda, only the Note will have the final figures.

This Fiscal Note does not provide a complete estimate of the long-term fiscal impact of the Bill. There are a number of areas with long-term cost implications that cannot be estimated at this time. However, where no estimate was available, FRD attempted to give some sense of whether program costs might be significant and suggest what information was needed to better determine fiscal impact.

In some instances, FRD was dealing with the same issues as the Governors Juvenile Commission, the legislative committees, and Sentencing Commission -- the lack of reliable information about the juvenile justice system and the need to have some experience with the new Juvenile Code before costs can be better estimated. The number of studies in the Bill to determine future program and resource impact attest to this.

Further, while earlier versions of the Bill mandated certain programs in every county, this version of the Bill was revised to state "may" in many instances. This preserved the intent of the Bill intact while trying to keep potential cost at a reasonable level until more experience with implementation of the Act is obtained.

If statistical or cost data was available and reliable in a particular area, an estimate of fiscal impact was made. FRD was able to project costs, with the assistance of state and local agencies, in the key areas where fiscal impact was a concern.

- Court Counselors and related staff for new caseloads (while estimates were made for supervisors and clerical assistants, the primary impact is new counselors. The Note estimates the need for 206 counselors: intermediate dispositions -- 79; diversion plans - 76; oversight of undisciplined 16 and 17 year olds -38; post release supervision- 1; courtroom time/new hearings – 12)
- Courtroom Resources for new Court Time (new and expanded hearings and new deadlines)
- Training School and Detention Beds – planning, design, and operating
- Juvenile Programs (Some Intermediate and Community Dispositions)
- Fingerprint and Photograph Alleged Felons
- New Duties – Minority Sensitivity Training (Justice Academy) and Juvenile Program Analysis (Sentencing Commission)

Both the House and Senate Budget include at least a minimal level of funding for these major areas (unless cost can be absorbed) as well as funding to initiate or expand juvenile programs (e.g. juvenile justice information system; Eckerd Wilderness Program etc.), while requiring more documentation of future costs.

Finally, given the length and scope of this Bill, FRD did not attempt to cost out every section of the Bill. Many of the areas that do not have fiscal estimates are studies which will be the basis for estimating the

true long range cost of overhauling the juvenile justice system. There may also be other costs of the Bill that we have not estimated (drug tests for juveniles under certain conditions or training for implementation of new Code but these are either costs that can be absorbed by agencies or fiscal impact cannot be estimated at this time.

## **1. Juvenile Justice Programs – Plan for Reorganization**

**FY 1998-99 Cost Estimate: No Fiscal Impact; years 2 through 5 to be determined.**

### Summary

Currently, the Juvenile Services Division (JSD) of the Administrative Office of the Courts (AOC) and the Division of Youth Services (DYS) of the Department of Health and Human Service (DHHS) share the responsibility for the supervision and delivery of services to juveniles involved in the juvenile justice system. HB 1373 originally established the Department of Juvenile Justice to provide a single cabinet-level agency for juvenile justice services. Under the current House Bill and the House Budget Bill, the Governor would be required to develop a Plan of Reorganization for transferring all authority, powers, duties, functions, and resources of JSD and DYS to the existing Department of Crime Control and Public Safety (CCPS), as well review other juvenile programs to determine if further program transfers should be considered.

### Methodology of Cost Estimate

Originally, State Budget indicated there was no cost to establishing a new Department, on the premise of using existing program budgets and approximately \$576,000 from the current overall budget of affected Departments. FRD generally concurred with this premise, but indicated that it could not estimate the true cost of establishing a new Department of Juvenile Justice due to several issues: 1) the broad authority delegated to the Secretary to define the duties of the department; 2) the uncertainty of final policy decisions by the General Assembly; and, (3) unresolved administrative issues such as automation and office space. These issues will also apply to the proposed transfer of the two program divisions to CCPS. However, since the House language requires a "Plan of Reorganization" that is to be approved by the General Assembly, we estimate no fiscal impact for developing the Plan itself in 98-99.

## **2. Raising Age of Undisciplined Juveniles to 18 (Article 15)**

**FY 1998-99 Cost Estimate: \$740,375<sup>1</sup>**

### Summary

The Bill expands the definition of "undisciplined juvenile" found in G.S. 7A-517(28) to include a juvenile more than 16 years old and less than 18, who is beyond the disciplinary control of the juvenile's parent, guardian, or custodian (current law is under age 16). However, this version of the Bill amends the language requiring supervision of undisciplined juveniles for up to one year to require only up to three months supervision, with extension of additional three months at the court's discretion, for undisciplined 16 and 17 year olds. Judges also are given discretion for the juveniles 16 or older by stating in the Bill that delinquency cases shall take priority when allocating juvenile service resources.

### Methodology of Cost Estimate

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<sup>1</sup> FRD chose to cost out additional positions effective April 1, 1999 to better estimate time and complexity of hiring process. Governor's juvenile budget recommended funding effective January 1, 1999.

The Juvenile Services Division (JSD) estimates that an additional 3,536 juveniles ages 16 and 17 would be referred to intake as a result of this bill. Based on prior studies, the division estimates that 53% of these juveniles, or 1,874 juveniles, would be petitioned by the court. Of these petitioned by the court, it is estimated that 71%, or 1,330 juveniles, would be referred for supervision and require services provided by judicial court counselors. The following is the methodology for determining the fiscal impact:

- **Intake:** The average caseload per intake counselor in 1997 was 460. Maintaining this caseload, the estimated 3,536 juveniles requiring service would require 8 intake counselors (3,536 / 460).
- **Intensive Supervision:** An estimated 50% of the 1,330 juveniles needing supervision, or 665 juveniles, will receive intensive supervision. The average number of juveniles served by each intensive counselor in 1997 was 15 (juvenile was supervised for 9 months). Assuming juveniles receive an average of 4.5 months of supervision under this bill, each intensive counselor could serve 30 juveniles per year. The additional 665 juveniles would require 22 intensive counselors (665 / 30).
- **Regular Supervision:** An estimated 665 additional juveniles will receive regular supervision. Each regular counselor worked with approximately 45 juveniles in 1997 (juveniles were supervised for 9-10 months). FRD used an average caseload of 30, which means a regular counselor can supervise 40 juveniles per year (based on 9-10 months of supervision). Assuming juveniles receive an average of 4.5 months of supervision under this bill, each regular counselor could serve 80 juveniles per year. The additional 665 juveniles would require 8 regular counselors (665 / 80).
- **Counselor Supervisors:** To be consistent with the adult probation system, the FRD used a ratio of one supervisor for every ten court counselors. The estimated 38 additional court counselors would require 4 supervisors (38 / 10).
- **Support Staff:** The JSD and the FRD recommend funding one secretary position for every six additional counselor and supervisor positions (current practice). The 42 additional counselors and supervisors would require 7 new secretaries (42 / 6).

FY 1998-99 Cost (Effective April 1, 1999)

Recurring costs are ongoing costs such as salaries and benefits, travel and supplies; nonrecurring costs are one-time purchases such as office and computer equipment.

Recurring:	38 counselors X \$10,603 =	\$402,914
	4 counselor supervisors X \$14,521 =	\$ 58,084
	7 court secretaries X \$8,727 =	<u>\$ 61,089</u>
	49 positions total	\$522,087
Nonrecurring:	38 counselors X \$4,313 =	\$163,894
	4 counselor supervisors X \$4,313 =	\$ 17,252
	7 court secretaries X \$5,306 =	<u>\$ 37,142</u>
		\$218,288

**3. Fingerprinting and Photographing Juveniles (Article 21)**  
**FY 1998-99 Cost Estimate: \$0 (fiscal impact in out years)**

Summary

The juvenile justice bill specifies that juveniles *shall* be fingerprinted and photographed if 1) they are 10 years of age or older; 2) are in the physical custody of local law enforcement or the Department; and 3) a complaint has been prepared alleging that they have committed an offense that would be a felony if they were an adult. If the juvenile is later adjudicated delinquent for this offense, these fingerprints and photograph are to be sent to the SBI with photos in a format approved by the SBI. Fingerprints of juveniles adjudicated delinquent for a serious felony (A-E) shall be sent to the FBI. The fingerprints and photographs are to be destroyed if any of the following apply: 1) the juvenile is not adjudicated of any offenses that would be a misdemeanor or felony, 2) no petition is filed within a year of photo/fingerprint, or 3) the court does not find probable cause.

#### Methodology of Cost Estimate

The fiscal impact of this section of the Bill is based upon the impact on local law enforcement who will do the actual fingerprints/photos, and the impact on the Division of Criminal Information for receiving and storing the fingerprints/photos and forwarding them to the FBI when appropriate.

The fiscal impact is based on data from the Sentencing Commission, the Administrative Office of the Courts and the Division of Youth Services indicating an estimated 5,344 juveniles 10 years of age or older with petitions filed alleging felony offenses. The North Carolina Sheriffs Association surveyed a sample of local law enforcement agencies to estimate the average cost of fingerprinting and photographing juveniles; the survey indicated an average cost of \$5-7 per juvenile. Assuming \$6 per juvenile, the total cost to local law enforcement is estimated to be \$32,064 (5,344 X \$6). Since juveniles would be fingerprinted and photographed beginning July 1, 1999, these costs would begin in FY 1999-00 and thus there is no fiscal impact in FY 1998-99.

The Division of Criminal Information will incur some costs in storing the fingerprints and photographs. The division would need a color copier to reproduce photos as requested, as well as upgrading and reprogramming their server to adequately maintain juvenile photos. Each of items costs \$5,000, for a total one time DCI cost of \$10,000, or a total of \$42,064 in 99-2000.

#### **4. Authority Over Parents of Delinquent or Undisciplined Juveniles (Article 27)** **FY 1998-99 Cost Estimate: No Fiscal Impact for Parenting Classes; No Estimate for Service Fees**

##### Summary

This section of the bill broadens parental responsibility for delinquent or undisciplined juveniles by allowing the court to order parents of delinquent or disciplined juveniles to attend parental responsibility classes if the classes are available. The court may also order parents who are able to do so to 1) pay the fees for probation supervision or residential facility detention and court-appointed attorneys and 2) assign insurance coverage to cover medical costs while the juvenile is detained.

#### Methodology of Cost Estimate

FRD estimates there will no fiscal impact for providing courts the authority to order parents to attend parental responsibility classes. There are currently no state-sponsored parental responsibility classes, but there are such classes in various parts of the state offered by private and nonprofit groups. The bill does not require these classes to exist in every judicial district, nor mandate the court to exercise this authority

over parents. Therefore, FRD believes the court can use this authority over parents without establishing state-funded parental responsibility classes.

FRD cannot estimate the potential savings to the state by allowing the court to order the parents to pay for various juvenile services. The bill only authorizes, rather than mandates, the court to order the parents to pay for these services. In addition, the court can only order this payment when the parent is able to do so, and thus the court must exercise considerable discretion. Without additional data, FRD cannot estimate the fiscal impact of this provision.

## **5. Expanded Duties for the Sentencing Commission (Section 8)**

**FY 1998-99 Cost Estimate: \$157,254**

### Summary

HB 1373 places several new responsibilities on the Sentencing Commission. These responsibilities include 1) evaluating juvenile disposition laws, 2) developing a population simulation model for different juvenile dispositions, 3) studying long-term policy issues of the juvenile justice system, 4) collecting and maintaining juvenile justice data. The House Bill, unlike the Senate Bill, includes blended sentencing but has no requirement for a Commission role. The Senate requires the Commission to work with the new Department of Juvenile Justice to study blended sentencing and direct filing in juvenile cases. In order to have population projections when juveniles are sentenced under the new disposition grid on July 1, 1999, the Commission would begin collecting data and developing the model during FY 1998-99.

### Methodology of Cost Estimate

These new responsibilities significantly increase the duties of the Commission. The Commission performs many of these tasks for the adult prison system, but has only recently been tasked to assist in collecting and analyzing juvenile information. It will be difficult to obtain juvenile disposition information since juvenile data is not readily available, thus requiring more effort in data collection. Studying "long-term policy issues" might require significant resources due to the uncertain nature of the juvenile justice system, and the Commission's staffing needs might actually underestimate the resources necessary to meet this provision.

To handle these responsibilities, FRD estimates the Commission would need one permanent research analyst position and consulting assistance for at least one year. The research analyst would work primarily on juvenile data collection and analysis and assisting contractors with the population simulation model. The House Bill does not direct Sentencing Commission involvement in Blended Sentencing and direct filing by District Attorneys so FRD did not estimate the need for a second position. In addition to personnel costs, the Commission will also incur non recurring expenses collecting juvenile data and developing the population simulation model. While estimated for one year, the data collection activities could be a long term effort requiring continued funding of staff or contractual services.

### FY 98-99 Costs (Effective October 1, 1998)

Recurring:	1 analysts X \$47,498 =	\$47,498
Nonrecurring:	1 analysts X \$9,756	<u>\$ 9,756</u>
		\$ 57,254 (Cost for 99-2000 would be \$65,548)

Nonrecurring:	Data Collection	\$40,000
Nonrecurring:	Developing Model	<u>\$60,000</u>

\$100,000

**6. Juvenile Contact Report (Arrest Form) (Section 13)**  
**FY 1998-99 Cost Estimate: No Fiscal Impact**

Summary

HB 1373 specifies that the new Department of Juvenile Justice and Division of Criminal Information shall revise the juvenile arrest form and rename it the "Juvenile Contact Report," based upon the recommendations of the Juvenile Commission.

Methodology of Cost Estimate

The Division of Criminal Information can complete the revision and print and mail the necessary copies within existing resources. Subsequently, there is no fiscal impact attributable to this section of the bill.

**7. Minority Sensitivity Training (Section 14)**  
**FY 1998-99 Cost Estimate: \$214,690**

Summary

This provision requires the Department of Justice to develop and administer annual minority sensitivity training for all law enforcement personnel throughout the state and all people working with minority juveniles in the juvenile justice system. Prior to the annual training, the department must assess whether minorities are receiving fair and equal treatment in the juvenile justice system.

Methodology of Cost Estimate

***Administering Minority Sensitivity Training***

The North Carolina Justice Academy within the Department of Justice would develop a curriculum for minority sensitivity training; conduct a train the trainer program to train approximately 100 certified trainers from throughout the state; and provide the instructional and curriculum materials for the training classes. The certified trainers would conduct the training classes for approximately 25,000 law enforcement personnel and other professionals who work within the juvenile justice system.

The Academy estimates the total cost for developing the curriculum, training the trainers, and providing the curriculum and instructional materials to be \$196,693. However, the Fiscal Research Division estimates the first year cost to be \$114,629. The primary difference is starting dates. The Academy estimated full year costs while FRD assumes December 1, 1998 is adequate time to hire staff, develop curriculum, develop and print training materials and so on. The other major difference is that FRD did not estimate the cost of guest instructors as did the Academy -- developing the curriculum will take several months and guest instructors will probably not be needed until after the curriculum is developed. Further, the cost of contracting with guest instructors cannot be determined until the curriculum has been developed. It should be noted that the cost assumptions for FRD and the Academy assume that trainers will be selected from current personnel after the "train the trainer" program is completed.

***Assessing Whether Minorities are Receiving Fair And Equal Treatment***

The Justice Academy would also conduct the assessment required by this section of the bill. This would

be a totally new and significantly different function than the Academy currently performs. (Note: This function appears to be more appropriate for a research group such as the Sentencing Commission; see Technical Considerations at end of this Note). The Academy's request for completing the annual assessment includes the need for a research associate and some clerical assistance. Also, because the Academy does not have staff experienced in research, data collection and data analysis, the Academy would contract a substantial amount of the work to an institution with academic expertise in North Carolina's juvenile justice system. They also propose forming a 22 person advisory committee comprised of representatives from state agencies and juvenile justice service providers. Collaboratively, the consultant and the advisory group would collect the data, develop a database and design the assessment model.

The Academy estimates the cost of the assessment to be \$151,334 the first year for the research associate and a clerical assistant; a consulting contract, furniture, equipment, and staff development for the new staff; travel for the staff and the advisory committee; and supplies, postage and printing. Considering that this type of function is totally new for the Justice Academy, the Fiscal Research Division considers their estimate reasonable. We have, however, adjusted their estimate to \$100,061 for the first year to reflect an effective date of December 1, 1998 assuming resources will be needed prior to this section's July 1, 1999 effective date.

## **8. Juvenile Justice Information System (Sections 7 and 18) FY 1998-99 Cost Estimate: No Estimate Available**

### Summary

Currently, there are limited, fragmented efforts to collect, share, and automate juvenile justice information. HB 1373 requires the Criminal Justice Information Network (CJIN) Board to develop and then operate a juvenile justice information/data sharing system.

### Methodology of Cost Estimate

The Juvenile Network Planning Group was organized to plan and develop the Juvenile Justice Information System. This planning group estimated the development and operating costs of the juvenile information system to be \$4,876,774 in FY 98-99, \$10,289,784 in FY 99-00, and \$4,334,014 by FY 02-03, with a total cost estimate of over \$28 million dollars to develop and operate the system over five years. While this cost analysis is helpful for estimating system costs, FRD at this time believes there is "no estimate available" for the cost of the system. This finding is based on two major assumptions:

1. The cost estimates were developed within a short time frame (3-4 months) with little opportunity for input from all affected groups and oversight from the CJIN Board or the IRMC.
2. The true cost of any major new information system cannot be accurately estimated until the scope of the system and information to be collected and tracked is agreed upon and the system design somewhat developed. There are several factors prohibiting this type of effort at this stage, including the lack of a general or detailed system design; other system components that could be potentially costly but are currently excluded from the system plan (e.g. linkage to DPI; automation of Community Based Alternative programs; automation of abuse and neglect records); and, pending decisions on automation of historical records (how far back to automate records).

Both the House and Senate Budgets provide startup funding for the System. However, both limit expenditures to \$600,000 until a Plan is presented to the General Assembly. Once the Juvenile Justice

Information Plan is developed and presented to the legislature (including short and long-range cost estimates), the total cost of the Juvenile Network can be more accurately determined.

## **9. Juvenile Diversion Plans (Article 17)**

**1998-99 Cost (4/1/99): \$1,433,850**

### Summary

HB 1373 establishes a new statutory requirement (G.S. 7B-1706) for juveniles that are normally diverted from the court system at intake. Under HB 1373, Intake Counselors "may" require that juveniles be diverted to programs; establish diversion plans and/or formal contracts between the counselor, juvenile, and parents; periodically monitor the status of these contracts; and, petition the court if the juvenile does not follow the plan or contract.

### Methodology for Cost Estimate

The key cost driver of this section of the Bill is the fact that the diversion plans are new to the court system – juveniles that are currently diverted do not remain on a counselor caseload, are not required to have a diversion plan or contract, and are not tracked by court counselors. It is assumed under this Bill that approximately 46% of juveniles diverted now would be under the supervision of a counselor under the diversion plan requirement. There are 3 major areas with fiscal impact under the diversion section of the Bill:

Category 1 – delinquent and undisciplined to age 16. AOC estimates that 11,450 juveniles were diverted from court in 1997. Juvenile Services estimate that **46%, or 5,267 of these juveniles** are assigned to programs, but not tracked, now. It is this group of juveniles that are most likely to be required to have a plan or contract and be monitored by a counselor.

Category II – undisciplined ages 16 and 17 (as amended in House Bill to add these juveniles to court supervision). AOC estimates 1,662 juveniles ages 16 and 17 would be diverted under the Bill. 1,662 times 46% = 764 juveniles

Category III – Programs – no estimate available. Neither DYS or Juvenile Services can identify all programs that 46% of juveniles are diverted to, nor can FRD determine what programs counselors will use in the future so cost cannot be determined at this time.

**Total juveniles = 6031/80 juveniles per counselor = 76 counselors)**

Bill says "up to" 6 months (assume 4.5 months on caseload)

Assume 80 cases per counselor (9 months on caseload= 40 juveniles; 4.5 months on caseload = 80 juveniles).

FRD also assumes ratio of one supervisor for every 10 counselors and one support staff for every 6 counselors. **Total positions = 76 counselors; 7 supervisors; 12 clerical or 95 additional staff**

### FY 1998-99 Cost (4/1/99)

Counselors : \$ 805,828 Recurring (76 counselors)

327,788 Non-recurring  
1,133,616

Juv. Secy: \$ 104,724 R (12 Secretary II)  
63,672 NR  
168,396

Supervisors: 101,647 R ( 7 supervisors)  
30,191 NR  
131,838

**TOTAL: \$1,433,850 (95 positions)**

**10. Juvenile Court Hearings – New and Expanded Court Time due to revision of Juvenile Code  
FY 1998-99 Cost Estimate: \$894,840**

Summary

HB 1373 creates or revises judicial processes affecting juveniles in a number of areas including: adding new court hearings (e.g. first appearance; transfer); setting time limits for holding hearings and for providing notices of hearings; allowing new contempt hearings (parents and juveniles); and, creating several new court orders (e.g. show cause orders for undisciplined juveniles and their parents).

Methodology of Cost Estimate

As a starting point, there were several basic assumptions in determining fiscal impact of changes in court processes: the new Juvenile Code marks a significant shift in emphasis from a system that emphasizes the "least restrictive alternative" for juvenile dispositions to much greater emphasis on protection of society and accountability of juveniles and parents. In line with this emphasis, a new disposition model will be implemented that considers previous offenses, with the likely result more and stiffer dispositions than current law.

Given the possibility of longer periods of court jurisdiction and more serious dispositions, it is highly likely that court hearings will take longer. Further, there are specific hearings and new time limits in the Bill that will affect courtroom processes and resources.

AOC estimated, and FRD reviewed, the number of additional courtroom hours and hours related to courtroom duties (preparation by attorneys, notices by clerks) for each new hearing required by the Bill, as well as a general increase in man hours for current hearings due to significant Code changes. These work hours were estimated by position – clerks, court counselors, district court judges, and attorneys (prosecution and defense). For most hearings, AOC provided low, medium, and high estimates for additional courtroom hours – FRD used the medium estimate. Depending on the nature of the hearing, a hearing could take as little as 5 minutes or as much as 30 minutes; these hearing hours were multiplied by the number of juveniles estimated to be subject to these hearings to obtain total work hours and then total work hours were divided by 1800 hours (# hours per position)

Total work hours are as follows:

<u>Hearing</u>	<u>Hours – Judges, Clerks, Counselors</u>	<u>Hours – Asst. D.A.</u>	<u>Hours – Defense Attorney</u>
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<b>Additional Time Current Hearings</b>	9,425	8,433 (excludes undisciplined)	8,433
<b>Additional Time - New Hearings</b>	4,897	3,593	3,239
<b>Court Prep. Time</b>	7,161 (Couns. Only)	6,013	5,836
<b>TOTAL WORK HOURS</b>	<b>14,322 –judges/clerks 21,483 counselors</b>	<b>18,039</b>	<b>17,508</b>

The list of the various hearings, estimated number of juvenile and parents, and work hours, by hearing, are available in a previously completed fiscal memorandum.

Cost Methodology was as follows:

Positions

**14,322** hours/1800 = 8 positions each (deputy clerks and district court judges)

**18,039** hours/1800 = 10 Asst. District Attorneys

**21,483** hours/1800 = 12 court counselors

Summary of first year cost for positions (effective April 1, 1999):

\$310,776 district court judges (8) \$240,552 recurring; \$70,224 non-recurring  
87,432 deputy clerks (8) 57,128 recurring; 30,304 NR  
186,330 Asst. D.A.'s (10) 176,130 recurring; 10,200 NR  
178,992 court counselors (12) 127,236 recurring; 51,756 NR  
763,530 (38 positions)  
131,310 Indigent Defense (17,508 hours X \$30 hour X .25 (4/1/99))  
\$894,840

Recurring annual costs for the 38 positions, which include 3% inflation per year, are included in the summary chart for this Note (Page 2).

Indigent Defense

17,508 hours for contract indigent defense attorneys X \$30 hour = \$525,240 annual cost  
\$525,240 X .25 (3 months) = \$131,310

**11. Intermediate Dispositions (Article 25)  
FY 1998-99 Cost Estimate: \$2,036,465**

Summary

HB 1373 identifies a number of current and new alternatives at the community and intermediate level. The current Code specifically lists the alternatives a judge may use for disposition of adjudicated juveniles. HB 1373 expands the alternatives and specifically cites those alternatives that the judge must

consider for intermediate punishments. The Bill further states that the judge must use at least one of the following alternatives for Level 2 (intermediate) disposition: Intensive probation; electronic house arrest; regimented training; wilderness programs; detention; multi-purpose group homes; supervised day programs; intensive substance abuse treatment; restitution; and community service.

### Methodology of Cost Estimate

FRD used Sentencing Commission juvenile population projections as the statistical basis for cost estimates. Sentencing Commission estimates for adjudicated juveniles with intermediate dispositions are: 2,289 new intermediate dispositions in 99-2000; 2,379 in 2000-01; 2,432 in 02; and 2,517 in 03. (FRD also included some community population counts in addition to the intermediate counts for detention beds in order to better organize the Fiscal Note – see discussion below on detention beds). The Note is based only on juvenile population changes due to this Bill, not general population growth.

Technically, funding one major program such as intensive counselors would cover the fiscal impact of this section of the Bill since HB 1373 states that judges must use "at least one" of specific intermediate alternatives. However, under current practice, an adjudicated juvenile is assigned two to three alternative dispositions at one time.

For purposes of this fiscal analysis, FRD only estimated the fiscal impact for intermediate programs where usage is somewhat predictable, based on Sentencing Commission numbers – detention beds and intensive counselors. Other intermediate program costs are provided on a unit cost basis for informational purposes only. While it seems clear that the Bill's intent is to establish and fund more programs, there is no current way to reliably estimate how frequently a judge will use these new alternatives. The current version of the Bill does not require every intermediate alternative to be available to every county and is permissive in allowing the judge to only use one dispositional alternative.

Court Counselors – Based on discussions with Juvenile Services and new data run by the Sentencing Commission, it is assumed that 80% of juveniles projected to be on intermediate punishment will be assigned to an intensive counselor as an intermediate disposition. The original estimate by the Commission used the adult model of 30%; At the request of AOC and FRD, the Commission provided a scenario that assumed that juveniles adjudicated for a violent, serious or minor offense who receive a Level 2 (Intermediate) disposition and are determined to have either a major, serious, or moderate social history problem would be on intensive probation. Percentage of total adjudicated intermediate was 72%. This assumes current practice and did not project the likely increased use of intensive counselors under the new Act. AOC recommended at least 80% figure or up to 95% since most adjudicated juveniles are placed on a caseload now.

Given there are certain long term residential intermediate dispositions where it would not be practical to also require placement on an intensive caseload, FRD assumed 80% of juveniles, or 1,831 (2,289 X .80) as a starting point for the cost estimates. FRD also assumed since some juveniles are already served by regular counselors as community dispositions, these numbers and counselors should be excluded from the count. (Bill would shift many juveniles from community to intermediate, thus increasing intermediate numbers and decreasing community in the future). Methodology is listed below:

98-99 and 99-2000 -- 2,289 juveniles X .80 = 1,831/15 juveniles per counselor = 122 counselors  
122 -43 community counselors = **79 counselors assume hire date of 4/1/99 for counselors needed for 99-2000)**

FRD also estimated need for counselor supervisors and clerical support. Ratios are 1:10 supervisors to counselors and 1:6 juvenile secretaries to counselors.

Staffing estimates

Position	98-99	99-2000	2000-01	2001-02	2002-03
Court Counselors	79	79	84	86	91
Counselor Supervisors	8	8	8	8	9
Juvenile Secty.	13	13	14	14	15
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>106</b>	<b>108</b>	<b>115</b>

Cost estimate is as follows:

<u>Positions</u>	<u>98-99 (4/1/99) effective date</u>	<u>99-2000</u>
Court Counselors (79)	R= \$837,637 NR= 340,727	\$3,229,362
Supervisors	R = 116,168 NR= 34,504	452,400
Juvenile Secretaries	R= 113,451 NR= 68,978	436,345
<b>TOTAL</b>	<b>R= \$1,067,256</b> <b>NR= 444,209</b> <b>Tot.= 1,511,465</b>	<b>\$4,241,650*</b>

\*Includes totals plus 3 % for inflation

Detention Beds: This bill authorizes confinement in a detention center for up to five 24-hour periods as a community-level disposition and up to fourteen 24-hour periods as an intermediate-level disposition.

There are 104 detention center beds under construction in North Carolina. FRD estimates this construction will result in more beds than needed to accommodate juvenile population growth alone (based on an analysis which applies the same population growth assumptions as the Sentencing Commission used to project future training school bed needs). Therefore, 36 of these 104 beds can be allocated to offset the additional detention beds which the Sentencing Commission projects will be required to implement HB 1373.

The Sentencing Commission projects a need for 126 additional detention beds by 2002-03. Reducing this projection by the projected excess capacity (36 beds) results in a need for 90 additional beds by 2002-03. FRD assumes these beds will be achieved by building four 24-bed detention centers (96 beds).

The State Construction Office estimates the cost to design and construct a 24-bed detention center is \$2.4 million. The state's share of operating costs is budgeted at 60% of total costs due to county receipts (50% of cost per juvenile) and low vacancy rates.

The cost estimate assumes the following project schedule:

1998-99: Design three 24-bed centers

1999-00: Construct three 24-bed centers, design a fourth 24-bed center

2000-01: Operate three 24-bed centers effective 9/1/00; Construct the fourth center

2001-02: Operate fourth 24-bed center effective 9/1/01

**Summary of Beds Needed to Implement HB 1373**

	1998-99	1999-00	2000-01	2001-02	2002-03
Excess Capacity		( 50)	( 51)	( 44)	( 36)
Sentencing Commission's Projections		114	118	121	126
Need for Additional Beds		64	67	77	90

FY 1998-99 Cost

\$525,000 to plan and design three 24-bed detention centers. Five-year cost estimate is on page 2 of this Note.

This fiscal note projects only the additional detention beds required by HB 1373 as community and intermediate dispositions for adjudicated delinquents. The Governor's budget proposes an additional 18 beds for pre-adjudication purposes. However, given the allowance for population growth in the existing bed capacity and the conservative approach used by the Sentencing Commission in its estimate of detention center requirements, FRD concludes an additional 90 beds is sufficient to implement HB 1373. (A more detailed discussion of FRD's estimate for detention beds is contained in a separate fiscal memorandum on intermediate dispositions, which is available from FRD upon request.)

Other Programs:

No estimate available – see discussion of methodology above for this section of the Note. Unit costs of new programs are detailed in the fiscal memorandum on this topic.

**12. Post-Release Supervision (PRS) (Section 4, Article 25)**

**FY 1998-99 Cost Estimate: \$14,916**

Summary

Under current law, the Division of Youth Services may approve "conditional releases" of juveniles being released from training school. This section makes post-release supervision mandatory for all juveniles being released from training school.

Methodology of Cost Estimate

**Proportion of Juveniles Affected:** The impact of this provision includes juveniles who would be placed on post-release supervision under the new law, but who would be released from training school without supervision under current law. The estimated percentage of juveniles affected is:

- Total releases from training school in 1997: 1,516
- Juveniles released on conditional release: 674
- Juveniles released on final discharge: 842

- Percent added to caseload (842 / 1,516): 56%

**Number of Juveniles Affected:** The AOC and Fiscal Research assumed that juveniles committed to training school under present law and who are released after the effective date of this provision will still be subject to the release provisions under current law. Thus, the estimated number of juveniles affected is:

- Estimate that 151 juveniles would be admitted and released from training school in the first year (based on Sentencing Commission) X 56% = 84 juveniles

**Estimated Number of Counselors Needed to Implement Legislation:** Fiscal Research and AOC estimate the number of counselors needed by assuming the percentage of annual conditional releases who will be on PRS at any given time will remain the same.

- Monthly average in 1997 of juveniles on aftercare: 290
- Average divided by # on conditional release yields % on post-release at any one time: 43%
- Supervision caseload = juveniles to be supervised X % supervised at one time (84 X .43): 36
- Juveniles supervised by each court counselor (40) divided by 36 juveniles = 1 additional counselor

Costs for FY 1998-99:

Recurring: 1 counselor (4/1/99) X \$10,603 = **\$10,603**

Nonrecurring: 1 counselor X \$4,313 = **\$4,313**

### **13. Family Court Pilots**

**FY 1998-99 Cost Estimate: \$620,975**

#### Summary

The Governor's Juvenile Commission recommended establishing three pilot family court programs for a period of two years. The programs would be dedicated to hearing matters including but not limited to divorce matters, custody, equitable distribution, juvenile delinquency, and child support. The current House Bill indicates the pilot programs shall be established but precludes establishment if no appropriation is made.

#### Methodology of Cost Estimate

The Governor's proposed juvenile budget provided \$1,000,000 each year to establish the three pilot programs. These funds would be used to hire 3 program administrators (1 for each pilot), 10 case managers (3 or 4 for each pilot), and 6 judicial assistants (2 for each pilot), as well as provide necessary operating and training funds to implement the programs. After reviewing the responsibilities and potential workload of the pilots, the Fiscal Research Division estimated funding needs to be significantly less: 3 program administrators (1 for each pilot), 8 case managers (2 or 3 for each pilot depending on

demand and workload), and 3 judicial assistants (1 for each pilot) to implement the programs. A summary of the costs associated with implementing these programs for two years are outlined below and are shown in the table above.

**FY 1998-99**

Personnel

3 administrators X \$47,038 (effective 10/1/98) = \$141,114  
8 case managers X \$43,763 (effective 10/1/98) = \$350,104  
3 judicial assistants X \$29,919 (effec. 10/1/98) = \$ 89,757  
\$580,975

Other Associated Costs

Reserve for Family Court Training \$40,000\_

Personnel – 99-2000

3 administrators X \$56,550 = \$169,650  
8 case managers X \$49,826 = \$398,608  
3 judicial assistants X \$32,638 = \$97,914  
\$666,172

**14. Custody of Juveniles**

**FY 1998-99 Cost Estimate: No Estimate Available**

Summary

This section amends the current Juvenile Code to allow the court to have a juvenile who has allegedly committed an offense that would be a Class A, B1, B2, C, D or E felony if committed by an adult detained in secure custody in a holdover facility for up to 72 hours. The court can only exercise this authority after a determination, based on information provided by the court counselor, that no acceptable alternative placement is available and the protection of the public requires the juvenile to be housed in a holdover facility.

Methodology of Cost Estimate

Based on data provided by the Administrative Office of the Court and the Sentencing Commission, the Fiscal Research Division reasonably estimates that 702 of the 5,852 juveniles who will allegedly commit a felony will commit an offense that would be a Class A to E felony if committed by an adult. However, for the reasons noted below, we cannot estimate the total impact this provision will have on local jails.

First the provision is permissive and conditional. Therefore, we cannot reasonably estimate the frequency with which the court will exercise its authority to order a juvenile who has allegedly committed a Class A to E felony detained in a holdover facility for 72 hours. Further, local jails may require physical modifications to provide holdover facilities which meet the standards required by G.S. 153A-221. The cost, which we assume the counties will bear, will vary by location. Finally, the per diem cost of detaining juveniles in holdover facilities is expected to vary by location. In 1997-98, the per diem rates were \$126 per day and \$96-\$162 per day for state-operated and county-operated detention centers, respectively. We assume the state will share 50/50 with the county in the per diem cost of housing juveniles in these holdover facilities as required by G.S. 134A-38 for existing detention centers.

**15. Training Schools**  
**FY 1998-99 Cost Estimate: \$1,117,565**

Summary

This bill imposes a new dispositional structure for adjudicated delinquents by class of offense and by delinquency history level. Commitment to training school is reserved for 1) juveniles who commit serious offenses and have a high-level delinquency history and 2) juveniles who commit violent offenses. Juveniles who commit misdemeanor offenses are excluded from training schools, unless they have been adjudicated of four or more prior offenses. The minimum length of stay in training schools is six months.

The Sentencing Commission evaluated three scenarios to project the impact of the new dispositional structure on training school beds; these scenarios include differing assumptions about judicial behavior. The results of the Commission’s analysis are provided in the table below. In this table, “low impact” assumes judges will continue to send juveniles to training schools at the same rate as under today’s “least restrictive” policy, “high impact” assumes judges will always choose to commit juveniles to training schools when they have the option, and “medium impact” is a midpoint probability between the low and high scenarios. The Sentencing Commission recommends using the results of the “medium impact” scenario.

*Sentencing Commission’s Projections of HB 1373’s Impact on Training School Beds*

	Low Impact	Medium Impact	High Impact
1998-99	N/A	N/A	N/A
1999-00	-348	-80	189
2000-01	-275	120	516
2001-02	-254	200	640
2002-03	-232	205	655
2003-04	-230	217	666

Based on the Sentencing Commission’s projections, the Governor proposed funding 208 new training school beds in his 1998-99 expansion budget. Since this number of beds is reasonable given the Sentencing Commission’s projections, FRD’s cost estimates assume 208 beds, also.

If approved, the Governor proposes locating these 208 beds on three training school campuses, as follows:

Juvenile Evaluation Center - Buncombe County (JEC): A new modular administration building will be constructed to house the administrative functions located currently in Arledge Cottage. Arledge Cottage will be renovated as a 48-bed unit. The 48 beds represent a 21% increase over the campus’s existing bed capacity and will put a stress on existing academic and vocational classroom space; however, no additional construction for support facilities is being recommended.

Stonewall Jackson School - Cabarrus County: A new 18-bed wing will be added to both the Kirk and McWhorter dormitories. These 36 beds represent a 27% increase over the campus's current capacity. However, no additional support facilities are required.

Samarkand Manor - Moore County: Five new cottages will be constructed at Samarkand Manor for a total of 124 beds. Since these beds represent a 73% over the campus's existing capacity, several new support facilities will be required in addition to the new cottages. These facilities include a multipurpose activity center, a vocational building, and a larger cafeteria. (These three support facilities were not included in the Governor's proposed budget to the General Assembly.)

FRD's cost estimates include the State Construction Office's estimates for each of these facilities. For cost estimating purposes, the design of these facilities is presumed to be funded in 1998-99, with construction beginning 9/1/99 and occupancy effective 3/1/01.

Cost estimates include the design and construction of the three support facilities at Samarkand Manor, but do not include any one-time costs or additional staffing which may be required beginning in CY 2001. (None of these items were included in the Governor's recommended budget to the General Assembly.) The operating cost estimates address only the direct supervision, treatment, and educational requirements associated with the addition of 208 beds on this campus.

#### FY 1998-99 Cost

The 1998-99 House budget provides \$750,000 to plan and design 208 training school beds and support facilities. This funding is sufficient to design the additional 208 beds, but may not be sufficient to complete the design of the support facilities required at Samarkand Manor. In this fiscal note, FRD estimates the total cost of the design of 208 beds and support facilities is \$1,117,565 in 1998-99. (A small portion of this design effort may be funded with repair and renovation funding.)

**TECHNICAL CONSIDERATIONS:** (1) The Justice Academy is assigned by the Bill to assess whether minorities are receiving fair and equal treatment within the juvenile justice system. This is primarily a research function; the assignment appears to be outside the normal functions of the Academy and could be more appropriately assigned to the Sentencing Commission or a university research group. (2) Many new requirements are placed upon agencies to provide new or expanded programs or services (e.g. diversion plans). Although the juvenile justice information system is being developed to track juveniles throughout the system, it could take several years to be operational. Consideration could be given to a general requirement that agencies perform basic tracking of juveniles (e.g. program assignments) if not currently done and if practical within existing resources.

#### **FISCAL RESEARCH DIVISION (733-4910)**

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**DATE: August 7, 1998**



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