

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1759H.02P
Bill No.: Perfected HCS for HB 1242
Subject: Courts, Juvenile; Children and Minors; Children's Division; Youth Services,
Division of
Type: Original
Date: April 1, 2021

Bill Summary: This proposal modifies provisions relating to court proceedings.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	Could exceed (\$15,134,985)	Could exceed (\$17,797,752)	Could exceed (\$17,932,141)
Total Estimated Net Effect on General Revenue* **	Could exceed (\$15,134,985)	Could exceed (\$17,797,752)	Could exceed (\$17,932,141)

*The proposal removes the delayed implementation of the Raise the Age (“shall not be effective until an appropriation sufficient to fund the expanded service is provided therefor”) in §211.438. Oversight has listed OSCA and DSS’ initial estimate of costs to implement Raise the Age.

**The fiscal impact of HA1 could vary substantially depending upon the actual start dates of the court reporters (which we do not have). Oversight has made the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 25 years of service.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Juvenile Justice Preservation Fund**	(\$2,871,060)	(\$1,200,000)	(\$1,200,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$2,871,060)	(\$1,200,000)	(\$1,200,000)

**The state's Juvenile Justice Preservation Fund is disbursed to the county circuit courts to implement Raise the Age

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	At least 34 FTE	At least 34 FTE	At least 34 FTE
Total Estimated Net Effect on FTE	At least 34 FTE	At least 34 FTE	At least 34 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§211.012, 211.181, and 211.435 – Juvenile court proceedings

Officials from the **Department of Social Services (DSS)** state the provisions of this proposal clarify the “Raise the Age” legislation that was passed during the 2018 session. Assuming that is the sole intent of this proposal, there is no fiscal impact to DSS. If the intent of this legislation is to implement the “Raise the Age” legislation, DSS does not have the resources available to provide services for juveniles to 18 years of age (up from 17 years of age) and full year of costs would be \$5,294,153 (\$3,043,596 GR; \$2,250,557 Federal).

Officials from the **Office of the State Courts Administrator (OSCA)** assume the proposed legislation modifies provisions relating to juvenile court proceedings.

While it is not possible to quantify the impact of this change exactly, it would be significant. It would cause a significant workload and fiscal impact on the courts. It is anticipated there would be approximately 1,687 additional juvenile law violations and 2,176 status violations annually in the 34 multi-county circuits, 38th and 46th circuits.

Based upon projected additional violations in the 34 multi-county circuits, 38th and 46th circuits, the FY18 estimated juvenile personnel cost in these circuits would be \$2,306,227 (34 juvenile officer FTE). In addition, there would be added training cost for all new juvenile officer staff of \$192,184, program cost for multicounty circuits of \$1,352,050. The total cost would be \$3,850,461.

Below is a breakdown of the costs:

Multi Circuits*

	FTE	Salary	Total	Fringes	Total
Juvenile Officer	34	\$44,352	\$1,507,968	\$798,259	<u>\$2,306,227</u>
				Total	\$2,306,227
Training for all new juvenile officer staff					\$ 192,184
Program Cost for multicounty circuit ((\$350 per juvenile (3,863*\$350))					<u>\$1,352,050</u>
Total Cost					\$3,850,461

* Note: The 34 multi-county, 38th and 46th circuits are state paid

Single County Circuits

State general revenue would need to be appropriated for the ten single county circuits' juvenile personnel, training and program cost. Based on their submissions, the total cost for the ten single county circuit would be at least \$10,187,476.

The total cost to state general revenue if this proposed legislation would be implemented would be at least (\$3,850,461 + \$10,187,476) **\$14,037,937**.

The projected number of status offenders may vary depending on the number of children reported as truant from school and whether 17 year olds are included in the truancy numbers.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DSS and OSCA.

Officials from the **Attorney General's Office**, the **Office of the State Treasurer**, the **Office of the State Public Defender** and the **Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight notes the Juvenile Justice Preservation Fund (0739) had a balance of \$2,871,606 as of February 28, 2021. Oversight notes 211.435.2 states these funds shall revert to the counties of origin. Therefore, Oversight will reflect a loss in FY 2022 of these funds. Oversight notes collections into the fund totaled \$1,201,466 in FY 2020. Oversight will reflect this funding as an offset to OSCA employees that will be paid from the state's General Revenue Fund for implementation at the circuit courts.

This section has an emergency clause.

House Amendment 1

Oversight assumes this amendment reflects a title change and will have no fiscal impact on state or local governments.

House Amendment 2 - §485.060 – Compensation of court reporters

Officials from the **Office of the State Courts Administrator (OSCA)** assume the court reporters would receive an increase each time they meet a new level of service and calculated the fiscal impact as if each court reporter would reach the highest level of salary throughout their career (21 years or more) and would be increased to the highest annual salary level indicated. Based on 147 court reporters at current salary levels, with an annual increase of \$20,685 per court reporter, the fiscal impact is an unknown cost of up to \$3,040,720 annually.

Oversight notes that the \$20,685 from OSCA's response is the difference of the rate at the highest year of service (21+ years) less the base salary. OSCA used \$60,072 as a base salary. Oversight will assume court reporters will realize their increase in salary based on the schedule of the years of service below starting January 1, 2022:

06-10 years of service -	\$63,226
11-15 years of service -	\$68,442
16-20 years of service -	\$74,260
21+ years of service -	\$80,757

Oversight notes officials from OSCA provided a listing of the current court reporters, but would not provide a start date (to calculate years of service) for each. Therefore, Oversight will have to make the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 25 years of service. Oversight will assume "Beginning on January 1, 2022" means that court reporters will be eligible for pay raises as they attain the requisite years of service (therefore, in addition to the raises awarded on January 1, 2022, raises could be earned each year thereafter as long as the court reporter hit the new thresholds). Oversight will also make the assumption that all raises will be given as of January 1st, regardless of when in the year the court reporter hit the new step year thresholds (6, 11, 16, and/or 21 years). Therefore, Oversight will reflect 6 months of impact in FY 2022 (January 1 - June 30). In FY 2023, Oversight will reflect the other six months of the January 1, 2022 raises, and six months of the January 1, 2023 raises.

Oversight will also assume fringe benefits of roughly 33.75% for retirement, social security, long-term disability, basic life insurance, unemployment compensation, and workers' compensation.

Oversight notes the actual fiscal impact could vary greatly depending upon actual years of service (which we do not have) for the court reporters.

Officials from the **Office of Administration - Administrative Hearing Commission** and the **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT State Government</u>	FY 2022	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost</u> – OSCA – to implement Raise the Age (§211.012 thru §211.435) p. 4	(Could exceed \$14,037,937)	(Could exceed \$14,037,937)	(Could exceed \$14,037,937)
<u>Less</u> – each circuit shall establish a Juvenile Justice Preservation Fund (assumed to be used to pay local OSCA & DSS costs – therefore Oversight is reflecting here as an offset (§211.012 thru §211.435) p. 4	\$2,871,060	\$1,200,000	\$1,200,000
<u>Costs</u> – DSS – raise the age implementation (§211.012 thru §211.435) p. 3	(\$3,043,596)	(3,043,596)	(\$3,043,596)
<u>Costs</u> – OSCA – salary adjustments for court reporters as of January 1 st			
Personal Service	(\$691,224)	(\$1,432,687)	(\$1,533,165)
Fringe Benefits	(\$233,288)	(\$483,532)	(\$517,443)
<u>Total Costs</u> – OSCA (\$485.060)	(\$924,512)	(\$1,916,219)	(\$2,050,608)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	Could exceed (\$15,134,985)	Could exceed (\$17,797,752)	Could exceed (\$17,932,141)
JUVENILE JUSTICE PRESERVATION FUND (0739)			

Transfer to county circuits	(\$2,871,060)	\$0	\$0
<u>Loss</u> – all future amounts are to be retained by the county circuits	\$0	(\$1,200,000)	(\$1,200,000)
ESTIMATED NET EFFECT ON JUVENILE JUSTICE PRESERVATION FUND(0739)	<u>(\$2,871,060)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
FEDERAL FUNDS			
Federal Reimbursement	\$2,250,557	\$2,250,557	\$2,250,557
<u>Costs</u> – DSS – raise the age implementation	<u>(\$2,250,557)</u>	<u>(2,250,557)</u>	<u>(\$2,250,557)</u>
ESTIMATED NET EFFECT TO FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023	FY 2024
COUNTIES			
<u>Costs – to implement Raise the Age</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO COUNTIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§§211.012, 211.181, and 211.435 – Juvenile court proceedings

This bill specifies that, for the purposes of Chapter 211, RSMo, Section 221.044, and original jurisdiction of the juvenile court, if a person was considered an adult when he or she allegedly violated a state law or municipal ordinance, he or she will no longer be considered a child. Additionally, under current law, no court will require a child to remain in the custody of the Division of Youth Services past the child's 18th birthday. This bill changes that provision so that a child can remain in the custody of the Division of Youth Services until the child's 19th birthday.

Lastly, the bill specifies that new treatment services expanding services from 17 years of age to 18 will be administered by the Division of Youth Services and the Children's Division within the Department of Social Services.

This section has an emergency clause.

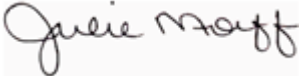
§485.060 – Compensation of court reporters

This act provides that the annual salary of each court reporter for a circuit judge shall be adjusted by a percentage based on each court reporter's cumulative years of service with the circuit courts.

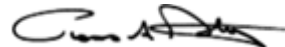
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Attorney General's Office
Office of the State Treasurer
Office of Administration
Office of Administration - Administrative Hearing Commission
Office of the State Public Defender
Missouri Office of Prosecution Services
Department of Social Services



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April 1, 2021



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April 1, 2021