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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

March 21, 2018

The Honorable Blaine Finch, Chairperson
House Committee on Judiciary
Statehouse, Room 519-N
Topeka, Kansas 66612

Dear Representative Finch:

SUBJECT: Fiscal Note for HB 2787 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2787 is respectfully submitted to your committee.

HB 2787 defines “juvenile crisis intervention centers” and the processes that would allow juveniles to be admitted to those centers. Juveniles admitted to a center would not be allowed to stay in the center for more than 30 days, with certain exceptions, and could be removed at any time by a parent or legal guardian. Services provided to juveniles admitted to crisis intervention centers that would qualify for Medicaid reimbursement would be reimbursed at the fee-for-service rate allowed by the Centers for Medicare and Medicaid Services (CMS). The Secretary of the Department of Health and Environment (KDHE) would be required to submit a request to CMS to ensure Medicaid monies could be used for qualified services.

To carry out provisions of the bill, the Secretary of Corrections would be allowed to enter into memorandums of agreement with other cabinet agencies to provide funding, not to exceed \$2.0 million annually, from the Evidence-based Programs Account of the State General Fund for juvenile crisis intervention services. The Secretary of the Department for Children and Families (DCF), in consultation with the Attorney General, would be required to promulgate rules and regulations to implement provisions of the bill. In addition, DCF would be required to produce an annual report on the outcomes of juveniles admitted to crisis intervention centers. DCF’s annual report would be submitted to the Joint Committee on Corrections and Juvenile Justice Oversight, the House Committee on Corrections and Juvenile Justice and to the Senate Committee on Judiciary.

The Department for Aging and Disability Services estimates enactment of HB 2787 would have a fiscal effect on the agency. However, the agency is unable to estimate the fiscal effect. The Office of the Judicial Administration estimates no fiscal effect on the courts with the enactment of HB 2787, and the Office of the Attorney General estimates no fiscal effect with the enactment of HB 2787.

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The Department of Corrections indicates enactment of HB 2787 could increase agency expenditures by \$2.0 million in FY 2019 and beyond. The bill identifies the Evidence-based Programs Account within the Department as a funding source for implementing provisions of the bill and expenditures from the account for purposes prescribed in the bill would be limited to \$2.0 million annually. The Department estimates funds will be available in the account through the end of FY 2020. However, if the account does not receive ongoing appropriations in out years, monies available in the account would become inadequate.

DCF estimates enactment of HB 2787 would have a fiscal effect on agency operations. Promulgating rules and regulations would require additional staff time but would be absorbed within existing agency resources. Annual reporting requirements would also be absorbed within existing agency resources. DCF estimates no increased expenditures for placing children in juvenile crisis intervention centers because the agency assumes Medicaid monies, made available through KDHE, would be used for those placements. DCF estimates a need to increase staffing levels to license and monitor juvenile crisis intervention centers. However, the agency cannot estimate how many additional FTE positions would be necessary because the agency cannot estimate how many facilities would be utilized and where those facilities would be located.

KDHE states that HB 2787 will have a fiscal effect. However, in order to quantify the effect, more information regarding the Juvenile Crisis Intervention Centers is needed than what is provided in the bill. Additional information should include, but not be limited to, juvenile needs and types of services, limitations, staffing, case management and administration. Any fiscal effect associated with HB 2787 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Chief Budget Officer

cc: Jackie Aubert, Children & Families
Cody Gwaltney, Aging & Disability Services
Linda Kelly, Corrections
Willie Prescott, Office of the Attorney General
Dan Thimmesch, Health & Environment
Ashley Michaelis, Judiciary