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FISCAL IMPACT REPORT

ORIGINAL DATE 1-19-07
 LAST UPDATED 2/21/07 HB 21/aHAFC

SPONSOR Wallace

SHORT TITLE Juvenile Continuum Grant Fund SB _____

ANALYST Lucero

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act. The LFC recommendation for the GAA contains an appropriation of \$2,000.0 for the Juvenile Continuum Grant Fund.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of HAFC Amendment

House Appropriation Finance Ccommittee amendment to House Bill 21 deletes the appropriation of two million (\$2,000,000). The amendment also replaces the continuing appropriation language with language making the newly created fund subject to appropriation by the legislature. This resolves the LFC concern with including continuing appropriation language in statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

Synopsis of Original Bill

This bill repeals the regional services act, creates a non-reverting juvenile continuum grant fund; and provides for the transfer of funds to the juvenile continuum grant fund. This bill appropriates two million dollars (\$2,000,000) from the general fund to the juvenile continuum grant fund for expenditure in FY 08 and subsequent fiscal years to expand grant assistance to juvenile justice continuums throughout the state. The effective date of this provision is July 1, 2007.

House Bill 21 appropriates two million dollars (\$2,000,000) from the general fund to Children, Youth and Families Department for transfer to the juvenile continuum grant fund for juvenile justice continuums throughout the state.

FISCAL IMPLICATIONS

The appropriation of two million dollars (\$2,000,000) contained in this bill is a recurring expense to the general fund. This bill grants appropriation authority to Children, Youth and Families Department. Any unexpended or unencumbered balance remaining at the end of 2008 shall not revert to the general fund.

Continuing Appropriations language

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

This Act is creating a non-reverting fund in the state treasury to be administered by the Children, Youth and Families Department and shall consist of appropriations, gifts, grants, donations and bequests made to the fund. These funds will be used for awarding grants to juvenile justice continuums for the provision of cost-effective services and temporary, non-secure alternatives to detention for juveniles arrested or referred to juvenile probation and parole or at a risk of such referral.

PERFORMANCE IMPLICATIONS

There are no specific improved levels of performance or outcomes mentioned in the bill.

ADMINISTRATIVE IMPLICATIONS

The Children, Youth and Families Department shall adopt rules on qualifications for grants and specify the format, procedure and deadlines for grant applications. The juvenile justice advisory committee shall review all grant applications recommend for final approval to the secretary of Children, Youth and Families. If passed, the bill will have an administrative impact on the Children, Youth and Families Department that the bill does not address.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The LFC GAA recommendation for the Children, Youth and Families Department contains two million dollars (\$2,000,000) of recurring general fund appropriations for transfer to the juvenile continuum grant fund for statewide juvenile justice continuums.

TECHNICAL ISSUES

The bill creates a non-reverting fund in the state treasury but does not specify how the funds may be invested. The bill should specify the type of risk the fund can be exposed to.

OTHER SUBSTANTIVE ISSUES

This bill grants appropriation authority to the Children, Youth and Families Department over the new fund. The LFC strongly discourages the granting of appropriation authority as it limits the legislature's authority.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

DL/csd