



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	S. 0374	Introduced on February 25, 2025
<b>Subject:</b>	Department of Juvenile Justice	
<b>Requestor:</b>	Senate Corrections and Penology	
<b>RFA Analyst(s):</b>	Gardner	
<b>Impact Date:</b>	March 20, 2025 - Updated for Additional Agency Response	

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### Fiscal Impact Summary

This bill requires the Department of Juvenile Justice (DJJ) to enter into intergovernmental agreements outlining per diem and invoice costs with counties and municipalities that use the agency's services for correctional institutional services for juveniles. DJJ may deny admission to youths from counties and municipalities that are delinquent in their payment of per diem rates. The bill also removes specific references to per diem amounts paid to DJJ by local governments in §63-19-1610 and §14-1-208(C)(11).

The Department of Juvenile Justice (DJJ) reports that the bill may have no expenditure impact, as it does not alter the cost for DJJ to run the Juvenile Detention Facility (JDC) to house youths referred from local and county law enforcement agencies. However, over time, depending on how many local entities elect to pay the new per diem rate versus not referring juveniles to DJJ, there may be a change in the overall number of youths in custody if local entities elect not to refer as many juveniles to DJJ.

DJJ anticipates increasing the daily per diem rate for local governments from \$50, which is two-thirds of the historical \$75 total rate, to approximately \$266 per child, which is approximately two-thirds of the latest average annual cost of \$400. This results in a total charge to local governments of \$10,200,000 based on 3,083 youth that spend an average of 12.44 days in JDC. DJJ received approximately \$2,032,000 in per diem payments from local entities in FY 2023-24. Therefore, if every entities continue to transfer juveniles at the same rate, this bill may increase Other Funds for DJJ by up to \$8,168,000. However, some local governments may choose to change their referral behavior based on the change in the rate, which would reduce overall revenue. Therefore, this bill will have an undetermined Other Fund revenue impact for DJJ, depending upon the new daily per diem amount negotiated by DJJ and whether this newly negotiated rate reduces the number of juveniles referred by county or municipal law enforcement agencies to be housed with DJJ.

The Revenue and Fiscal Affairs Office (RFA) surveyed the counties and the Municipal Association of South Carolina (MASC) to determine the local fiscal impact of the bill. RFA received responses from MASC, Beaufort County, Dorchester County, and Horry County. MASC indicated that it is unclear how municipalities would house a juvenile until a resolution is reached with DJJ. MASC also expressed concern over other liability issues if a juvenile is not properly held in custody. Each responding county noted that if the new daily per diem amount

exceeds the current rates, it will increase local expenses. Therefore, the local expenditure impact is undetermined as it will depend upon the new per diem rates, and admissions and demands.

*This fiscal impact statement has been updated to include a response from DJJ.*

## **Explanation of Fiscal Impact**

**Updated for Additional Agency Response on March 19, 2025**

**Introduced on February 25, 2025**

### **State Expenditure**

This bill requires DJJ to enter into intergovernmental agreements outlining per diem costs and the invoice process with counties or municipalities who use the agency's detention services for the provision of correctional institutional services for juveniles. The bill also authorizes DJJ to deny admission to youths from counties and municipalities that are delinquent in their payment of per diem rates. The bill also removes specific references to per diem amounts paid to DJJ by local governments in §63-19-1610 and §14-1-208(C)(11).

**Department of Juvenile Justice.** DJJ anticipates that the bill may have no expenditure impact, as it does not alter DJJ's responsibilities of operating JDC in Columbia to house youths referred by county or municipal law enforcement agencies. However, depending on how many local entities elect to pay the new per diem rate versus not referring juveniles to DJJ, there may be a change in the overall number of youths in custody if local entities elect not to refer as many juveniles to DJJ.

*This section has been updated to include a response from DJJ.*

### **State Revenue**

This bill requires DJJ to enter into intergovernmental agreements outlining per diem costs and the invoice process with counties or municipalities who use the agency's detention services for the provision of correctional institutional services for juveniles. DJJ anticipates negotiating per diem costs based on the daily average cost per child housed at JDC and a two-thirds, one-third split in costs for the local government and DJJ respectively, as provided in §63-19-360(4).

In FY 2023-24, the agency spent \$15,300,000 to operate JDC, of which approximately \$2,032,000 was from per diem payments from local entities and the remaining \$13,277,000 were General Fund expenses. Based on this expense and 3,083 youth that spent an average of 12.44 days in JDC in 2024, DJJ estimates the average daily per diem is approximately \$400. The agency intends to increase the rate from the historical \$75 per juvenile, of which \$50, or two-thirds, was billed to local governments, to a total rate of \$400 based on this recent average cost. If local entities pay two-thirds of the average daily per diem rate of \$400, DJJ would increase the daily local expense to approximately \$266 per child per day for local governments. This \$266 rate yields total charges of \$10,200,000 based on 3,083 youth that spend an average of 12.44 days in JDC. DJJ received approximately \$2,032,000 in per diem payments from local entities in FY 2023-24 at the \$50 rate. Therefore, if every entities continue to transfer juveniles at the same rate, this bill may increase Other Funds for DJJ by up to \$8,168,000. However, DJJ anticipates

that some local governments may be more selective in housing their juveniles with DJJ due to the increased per diem rate. Therefore, this bill will have an undetermined Other Fund revenue impact for DJJ, depending upon the new daily per diem amount negotiated by DJJ and whether this newly negotiated rate reduces the number of juveniles referred by county or municipal law enforcement agencies to be housed with DJJ.

*This section has been updated to include a response from DJJ.*

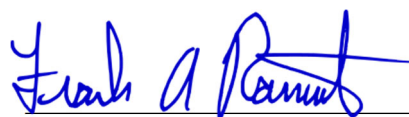
### **Local Expenditure**

This bill requires DJJ to enter into intergovernmental agreements outlining per diem costs and the invoice process with counties or municipalities who use the agency's detention services for the provision of correctional institutional services for juveniles.

RFA surveyed counties and MASC to determine the local fiscal impact that may result from passage of the bill. RFA received responses from MASC, Beaufort County, Dorchester County, and Horry County. MASC indicated that if a juvenile offender is released from custody due to rejection by DJJ over a per diem payment issue may result in other concerns for local governments. Beaufort County reported the bill may increase the amount the county pays in per diem to DJJ. Dorchester County and Horry County both noted that it currently pays \$50 per day to DJJ for detention of a juvenile offender. Dorchester County indicated this bill may increase the daily per diem amount, depending upon the agreement with DJJ. Horry County reported that in FY 23-24, the county spent a total of \$44,375 in DJJ per diem costs. Horry County also indicated that its per diem costs may increase due to the bill. However, the local expenditure impact will depend upon the negotiated per diem amount and the number of DJJ admission denials. Therefore, the local expenditure impact is undetermined as it will depend upon the new per diem rates and, admissions and demands.

### **Local Revenue**

N/A



Frank A. Rainwater, Executive Director