

# SARASOTA COUNTY GOVERNMENT

## *Community and Intergovernmental Relations*

**TO:** Sarasota County Commission  
**THROUGH:** Thomas A. Harmer, County Administrator  
**FROM:** Robert R. Lewis, Director, Community/Intergovernmental Relations  
**DATE:** April 17, 2015  
**SUBJECT:** **Item 2G: Legislative Update on Department of Juvenile Justice Cost Sharing**

### **BACKGROUND:**

Since 2004, counties have been in a cost-share relationship with the Department of Juvenile Justice (DJJ) to fund secured detention pursuant to Florida Statutes 985.686. In 2008, despite no change in law, DJJ significantly changed the way it billed counties for secured detention. To protect the interest of their taxpayers, several counties filed administrative actions against DJJ contesting the validity of DJJ's billing methodology.

In June 2013, the First District Court of Appeals affirmed a Final Order which held that the DJJ's interpretation of the law was arbitrary and erroneous, and that DJJ had, for years, improperly shifted financial responsibility for detention days to the counties. Prior to this court ruling, DJJ was billing counties approximately 75% of secure detention costs. After the court ruling, DJJ revised the cost share amount and billed counties approximately 32%.

Based on DJJ data, Florida Association of Counties (FAC) reported that counties overpaid DJJ by as much as \$200 million from FY08-09 through FY12-13, with Sarasota County overpaying approximately \$2.7 million and Charlotte County overpaying approximately \$1.4 million.

Based on the court ruling, DJJ billed counties at the 32% for FY13-14. In FY14-15, DJJ reinterpreted the statute and proposed new rules that reflected a 57% cost share – which is an estimated \$20 million cost shift from DJJ to counties.

In June 2014, DJJ's proposed rules were challenged by FAC and 22 counties and we are currently waiting on a Final Order.

The issue is one of FAC's key 2015 Legislative Priorities.

### **RELEVANT PRIOR BOARD ACTION:**

1. July 8, 2014 – Board voted to make no (FY14/15) payment to DJJ until rule challenge is resolved (4-1 vote). Chairman Hines requested, without objection, that monthly letters be sent to DJJ noting the credit due and that monthly invoices will offset the amount owed to county.
2. July 8, 2014 – Board voted to authorize the filing of an administrative challenge on DJJ's estimated (FY14/15) billing should the County Administrator and County Attorney deem necessary (5-0 vote).

3. February 20, 2015 – Board voted to initiate paying 25 percent of monthly DJJ invoice before the legislative session begins (5-0 vote).

**ANALYSIS/NEXT STEPS:**

House Bill (HB) 5201 calls for a 57% (counties) and 43% (state) cost share with no reimbursement. It also includes a provision that would deduct costs not paid by counties from their general revenue sharing. Several county commissioners from around the state, as well as FAC, and Commissioner Hines recently spoke to the bill in the House Appropriations Committee. The county's legislative delegation members have been routinely updated on concerns over the bill. The issue of reimbursement will continue to be a priority issue for FAC and the county.

Senate Bill (SB) 1414 was amended on April 8, 2015, by the Senate Criminal and Civil Justice Appropriations Subcommittee. The Subcommittee approved Committee Substitute for Senate Bill (CSSB) 1414 amending the previous bill that split the cost at 60% (counties) – 40% (state), to 57% (counties) - 43% (state). The amended measure does not provide for any reimbursement for past overcharges but now includes the same clawback provision that is, at this writing, in the House version. Considering that following the 2013 court ruling, DJJ determined the counties cost to be approximately 32%, both of the proposed bills shift disproportionate share of secured detention costs from the state to the counties.

**STAFF RECOMMENDATION(S):**

Staff supports FAC's recommendation which is a 50/50% cost share between the state and counties with a reasonable repayment schedule for prior year overpayments.

**FUNDING:**

The cost of secured detention is funded from the General Fund, Health and Human Services department, Mandated Services. The full cost of secured detention at the 57% cost share level is budgeted for FY14/15 and FY15/16. However, only two partial (25%) monthly payments to DJJ have been made to date due to prior Board action.

**ATTACHMENTS:**

1. FAC Juvenile Secure Detention Cost-Share Handout (2 pages)