

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6912

BILL NUMBER: HB 1249

NOTE PREPARED: Jan 26, 2006

BILL AMENDED:

SUBJECT: County Drug Free Community Fund.

FIRST AUTHOR: Rep. Messer

FIRST SPONSOR: Sen. Kruse

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the Criminal Justice Institute (ICJI) may deobligate funds to a local government entity if the entity fails to comply with the fund requirements. The bill provides a process to reinstate the funds.

It provides that a local coordinating council shall be appointed and approved by the Commission for a Drug Free Indiana. It also requires a council to submit a comprehensive drug free communities plan for the approval of the Commission before a county fiscal body appropriates county drug free community funds.

The bill requires a council to determine the amount of funds that a county fiscal body shall appropriate to implement the objectives set forth in the plan. It provides that if a plan is not approved by the Commission, the county fiscal body may not appropriate funds as set forth in the plan. It also provides that if a county legislative body allocates funds without the approval of the plan by the Commission, the Commission may: (1) appoint a new council; (2) freeze funds allocated by the county legislative body; or (3) reevaluate the plan.

Effective Date: July 1, 2006.

Explanation of State Expenditures: *Deobligation and Reallocation of Funds by the ICJI:* Under current law, the Indiana Criminal Justice Institute may disburse federal and state funds to entitlement jurisdictions or local government entities. As proposed, this bill would allow the ICJI to deobligate disbursed funds should the entitlement jurisdiction or local government entity fail to comply with any requirement of the grant or funding it accepted. The ICJI may then reinstate funds if the entitlement jurisdiction of the local government entity complies with the requirements of the grant or funding within 6 months of the deobligation of funds. If the

entitlement jurisdiction or local government entity does not comply within 6 months, the ICJI may reallocate the funds. The ICJI reports that it should be able to accomplish this provision of the bill within its existing level of resources.

The ICJI reports that it currently loses significant levels of federal funding due to entitlement jurisdictions or local government entities not being in compliance with federal grant requirements. This occurs in two ways, and both originate in the same manner. Entities sometimes do not submit information required by the federal government. This can result in either: (1) the federal government requiring dollars be returned for noncompliance; or (2) standard federal numbers being used when calculating grant funding for the state, resulting in lower grant funding than would occur if Indiana numbers were used. The ICJI reports that the provisions of this bill will allow the ICJI to maximize federal dollars. Currently, the ICJI administers approximately 20 state and federal grants.

Local Coordinating Councils: The bill requires the local coordinating councils (LCCs) to submit a comprehensive drug free communities plan to the Commission for a Drug Free Indiana. The ICJI reports that the LCCs are currently responsible for doing so, thus, no additional workload is anticipated for the LCCs.

Allocation of Funds from the Drug Free Community Fund: The bill disallows a county fiscal body from appropriating any funds from its County Drug Free Community Fund if the Commission has not approved the plan submitted by the county LCC. If funds are allocated by a county legislative body and the Commission has not approved the plan, the Commission may (1) approve and appoint a new LCC for the county, (2) freeze funds allocated by the county legislative body, or (3) reevaluate the county plan. This provision of the bill could result in a minimal increase in workload for the Commission. Actual increases in workload would depend on the number of counties allocating money if their plan had not been approved by the Commission.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: Indiana Criminal Justice Institute.

Local Agencies Affected: Local coordinating councils.

Information Sources: Sylvia Miller, Indiana Criminal Justice Institute.

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