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Fiscal Note

Drafting Number: LLS 22-0532
Prime Sponsors: Sen. Gardner

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Bill Status: Senate Judiciary
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Bill Topic: **SEX OFFENDER MANAGEMENT BOARD**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill divides the Sex Offender Management Board into two, one for adults and one for juveniles, and makes other changes to sex offender requirements. It increases state expenditures on an ongoing basis, beginning in FY 2022-23.

Appropriation Summary:

For FY 2022-23, the bill requires a net increase in appropriations of \$132,666. See State Appropriations section for more detail.

Fiscal Note Status:

The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 22-089

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$132,666	\$137,858
	Centrally Appropriated	\$35,839	\$41,848
	Total Expenditures	\$168,505	\$179,706
	Total FTE	1.2 FTE	1.4 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$19,900	\$20,679

Summary of Legislation

Under current law, the Sex Offender Management Board in the Department of Public Safety (DPS) sets standards for sex offender treatment and approves sex offender treatment providers, among other duties. The bill divides the board into two boards: one for adult sex offenders and one for juvenile sex offenders. In addition, the bill makes the following changes:

- The Adult Sex Offender Management Board must establish a re-offense research project to collect and analyze sex offense convictions and track correlating re-arrest and re-conviction rates of sex offenders.
- The Department of Corrections (DOC) must identify all inmates who are required to undergo sex offense treatment, are eligible to receive sex offense treatment, and have not been provided with the opportunity to undergo sex offense treatment while incarcerated. The department must provide this data to the Adult Sex Offender Management Board by August 31, 2022, and meet with the board to develop solutions to address offenders' treatment needs. The board must present findings to the Division of Criminal Justice in DPS by January 1, 2023.
- Under current law, a sex offender is given the choice of two treatment providers. The bill allows an adult sex offender access to the list of all treatment providers to choose from, with some restrictions, and directs the Division of Youth Services in the Department of Human Services (DHS) to assign a treatment provider to a juvenile sex offender.
- Prosecutors may permit a sex offender evaluation to be dispensed with if it is only triggered by sexual offense history.
- The bill requires the boards to create a Joint Application Review Subcommittee for the application and review process of treatment providers, evaluators, and polygraph examiners. The boards must maintain a record of any denial or removal from the list of approved treatment providers or other sanctions due to a provider's criminal history.

State Expenditures

The bill increases state expenditures in several departments by \$168,505 in FY 2022-23 and \$179,706 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 22-089**

Cost Components	FY 2022-23	FY 2023-24
Department of Public Safety		
Personal Services	\$114,402	\$152,536
Operating Expenses	\$2,700	\$3,375
Capital Outlay Costs	\$18,600	-
Printing, Training, Implementation Costs	\$1,667	\$2,000
Board Expenses	\$44,000	\$52,800
Centrally Appropriated Costs ¹	\$50,967	\$62,742
FTE – Personal Services	2.0 FTE	2.5 FTE
DPS Subtotal	\$232,336	\$273,453
Judicial Department		
Personal Services	(\$52,553)	(\$70,068)
Operating Expenses	(\$1,950)	(\$2,345)
Capital Outlay Costs	\$5,800	(\$440)
Centrally Appropriated Costs ¹	(\$15,128)	(\$20,894)
FTE – Personal Services	(0.8 FTE)	(1.1 FTE)
Judicial Subtotal	(\$63,831)	(\$93,747)
Total	\$168,505	\$179,706
Total FTE	1.2 FTE	1.4 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Safety. Workload will increase to staff the second board, conduct the re-arrest research project, and fulfill the boards' additional requirements. Based on the costs of staffing the existing board, this requires 2.5 FTE. Standard operating and capital outlay costs are included. Additional operating expenses for the board include printing, training, and travel reimbursement. Board expenses assume that all board meetings have full attendance. To the extent that board members are unable to attend every meeting, some operating expenses will decrease, and any adjustments for future years will be addressed through the annual budget process. For FY 2022-23, costs have been adjusted to reflect the bill's effective date and the General Fund pay date shift.

Judicial Department. Starting in FY 2022-23, overall costs within the Judicial Department will decrease as shown in Table 2. First, allowing prosecutors to dispense with sex offender evaluations is expected to decrease workload in the division by 1.6 FTE annually. This results in a net decrease in expenditures. Conversely, workload will increase to participate in re-arrest research, serve on the second board, and maintain a treatment providers. This requires 0.5 FTE in the Division of Probation Services. Standard operating and capital outlay costs are included. For FY 2022-23, costs have been adjusted to reflect the bill's effective date and the General Fund pay date shift.

Department of Corrections. Workload will increase to collect data and meet with the Adult Sex Offenders Management Board, which be accomplished within existing appropriations. If that board develops more stringent requirements for sex offender treatment, costs may increase in DOC. Any such increase will be addressed through the annual budget process.

Governor's Office. The Governor's Office of Boards and Commissions will have a minimal workload increase to update board membership and make additional appointments. This work can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$19,900 in FY 2022-23 and \$20,679 in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires the following changes in appropriations from the General Fund:

- an increase of \$181,369 to the Department of Public Safety, and 2.0 FTE; and
- a reduction of \$48,703 from the Judicial Department, and a reduction of 0.8 FTE.

State and Local Government Contacts

Corrections
Information Technology

District Attorneys
Judicial

Human Services
Public Safety