



**Legislative  
Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-1109	<b>Date:</b>	April 23, 2018
<b>Prime Sponsors:</b>	Rep. Singer; Ransom Sen. Moreno; Smallwood	<b>Bill Status:</b>	House Public Health Care and Human Services
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**Bill Topic:** SAFE FAMILY OPTION FOR FAMILIES IN CRISIS

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill allows parents to enter into an authorized agreement with another individual to take care of their children. The bill will increase state revenue and expenditures on an ongoing basis.

**Appropriation Summary:** In FY 2018-19, the bill requires a General Fund appropriation of \$291,800 to the Department of Human Services.

**Fiscal Note Status:** This fiscal note reflects the introduced bill.

**Table 1  
State Fiscal Impacts Under HB 18-1390**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>	Cash Funds	less than \$25,000	less than \$25,000
<b>Expenditures</b>	General Fund	\$291,800	\$122,245
	Centrally Appropriated	\$5,643	\$6,922
	<b>Total</b>	<b>\$297,443</b>	<b>\$129,167</b>
	<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## **Summary of Legislation**

This bill allows parents to enter into an authorized agreement with another person to take care of their child for less than six months, unless the parent is deployed to active military duty, in which case they can enter into an agreement for the length of the deployment plus 30 days. Parents who have had their parental rights terminated or who are named as a respondent in an open dependency and neglect case are not eligible to enter such an agreement. A person caring for a child under an authorized agreement can perform acts specified in the agreement, is designated as a mandatory reporter of child abuse and neglect, and must take a training provided by a qualified nonprofit organization. The qualified nonprofit organization must conduct a criminal and child abuse history background check, and must partner with a licensed child placement agency for oversight, guidance, and training. Children placed in a family through an agreement are not considered in the custody of a county department of human or social services. Beginning in January 2020, and every January after, the state Department of Human Services (DHS) must report data on the implementation of this section as part of its SMART Act hearing.

## **Comparable Crime**

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. The bill adds a new individuals to be mandatory reporters. Under current law, if a mandatory reporter fails to report child abuse, it is a class 3 misdemeanor. Class 3 misdemeanor range from a \$50 fine to six months imprisonment and a \$750 fine. It is assumed that the any increase in class 3 misdemeanor sentences will be minimal based on the expected low number of individuals entering into authorize agreements. At the time of this writing, data on the prevalence of the failure to report child abuse and the demographics of offenders was not available.

## **State Revenue**

Beginning in FY 2018-19, this bill is anticipated to increase state revenue by less than \$25,000 per year.

**Background checks.** This bill increases state cash fund revenue from fingerprint-based criminal history background checks to the CBI Identification Unit Cash Fund in the Department of Public Safety (DPS) by less than \$20,000 in FY 2018-19 and FY 2019-20. This assumes less than 500 checks will be conducted in FY 2018-19 and FY 2019-20. The current fee for background checks is \$39.50, which includes \$10 for a Federal Bureau of Investigation (FBI) fingerprint-based check, which is passed on to that federal agency. The federal portion of this fee is excluded from the state TABOR limit. The background check is required only upon initial licensure and is not required for renewal.

**Criminal fines.** The bill is anticipated to increase state revenue by less than \$5,000 per year, credited to the Fines Collection Cash Fund in the Judicial Department. The fine penalty for a class 3 misdemeanor offense is \$50 to \$750. Because the courts have the discretion of incarceration, imposing a fine, or both, the precise impact to state revenue cannot be determined. However, based on the low number of fines imposed by the courts, the fiscal note assumes that any revenue generated is likely to be less than \$5,000.

**Court and administrative fees.** The bill will also increase state fee revenue. Fees are imposed for a variety of court-related costs, which vary based on the offense but may include probation supervision, drug or sex offender surcharges, victim compensation, and late fees, among others. Some fee revenue is shared with local governments; refer to the Local Government Impact section for additional information.

**TABOR Refund**

This bill increases state cash fund revenue, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20 by less than \$25,000. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

**State Expenditures**

In FY 2018-19, the bill will increase expenditures in the DHS by \$297,443, and 0.4 FTE and by \$129,167 and 0.5 FTE in FY 2019-20. Workload will also increase for DPS starting in FY 2018-19. Expenditures are outlined in Table 2 and discussed below.

**Table 2  
Expenditures Under HB 18-1390**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Department of Human Services</b>		
Personal Services	\$28,542	\$34,250
Operating Expenses and Capital Outlay Costs	\$5,178	\$475
TRAILS Update	\$258,080	\$87,520
Centrally Appropriated Costs*	\$5,643	\$6,922
FTE – Personal Services	0.4 FTE	0.5 FTE
<b>Total Cost</b>	<b>\$297,443</b>	<b>\$129,167</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.5 FTE</b>

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

**Department of Human Services.** The DHS requires 0.4 FTE in FY 2018-19 and 0.5 FTE in FY 2019-20 for a Research Analyst to work with and train non-profit organizations on the child welfare data system (TRAILS), perform data analysis, monitor quality of data entered, guide nonprofit organizations to ensure data integrity and accuracy, draft and prepare reports, and evaluate the outcomes for stabilizing families. Costs are prorated for the General Fund payday shift in FY 2018-19 and for the position to start in August, 2018. Title IV E federal funds will cover \$7,225 in FY 2018-19 and \$7,743 in FY 2019-20 of costs associated with the FTE, and the remainder paid from the General Fund.

**TRAILS upgrades.** In FY 2018-19, the DHS requires \$258,080 to create a new module for non-profits to enter data into the TRAILS system. A new module is necessary to ensure that third parties do not have access to confidential data in TRAILS. It is estimated that creating a new module will take 2,240 contractor hours. In FY 2019-20, it will cost \$87,520 or 800 hours for maintenance costs. This money will be reappropriated to OIT from the DHS.

**Department of Public Safety.** The bill increases workload for fingerprint-based criminal history background checks in FY 2018-19 and FY 2019-20. Based on the estimated increase of less than 500 checks per year, it is assumed that the increase in workload can be handled within existing appropriations.

**Judicial Department.** To the extent that there is an increase in misdemeanor cases, workload for trial courts will increase. The increase is expected to be minimal and can be accomplished in 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 estimated to be \$5,643 in FY 2018-19 and \$6,922 in FY 2019-20.

## Local Governments

Overall, this bill is expected to increase local government revenue, workload, and costs as described below. The exact impact to a particular local government will vary depending on the number of failure to report offenses committed within its jurisdiction.

**District attorneys.** The bill increases workload and costs for district attorneys to prosecute any new failure to report offenses under the bill.

**County jails.** Under current law, a court may sentence an offender to jail for a class 3 misdemeanor for failure to report child abuse for a period of between 0 and 6 months. Because the courts have the discretion of incarceration or imposing a fine, the precise impact at the local level cannot be determined. Estimated costs to house an offender in a county jail vary from \$53 to \$114 per day. For the current fiscal year, the state reimburses county jails at a daily rate of \$54.39 to house state inmates.

**Denver County Court.** The bill results in an increase in workload for the Denver County Court, managed and funded by the City and County of Denver. The court will try misdemeanor cases under the bill where a mandatory reporter does not report child abuse. Probation services in the Denver County Courts may also experience a minimal increase in workload and revenue to supervise persons convicted under the bill within Denver County. These impacts are expected to be minimal.

## Technical Note

The bill specifies that a person caring for a child under an authorized agreement is also a mandatory reporter of child abuse, however, the bill does not add this individual to the list of mandatory reports in Title 18 of the C.R.S. The fiscal note assumes that these individuals would still be held to the same standards as those listed under the mandatory reporters of child abuse in Title 18, C.R.S.

**Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State Appropriations**

In FY 2018-19, the Department of Human Services requires an appropriation of \$291,800, of which \$258,080 will be from the General Fund and reappropriated to the Office of Information Technology and \$7,225 will be from federal funds.

**State and Local Government Contacts**

Counties	Human Services	Information Technology
Judicial	Public Safety	Veterans and Military Affairs