



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 18-1109 Date: June 25, 2018
Prime Sponsors: Rep. Singer; Ransom Bill Status: Postponed Indefinitely
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Bill Topic: SAFE FAMILY OPTION FOR FAMILIES IN CRISIS

- Summary of Fiscal Impact:
- State Revenue (checked)
- State Expenditure (checked)
- State Transfer (unchecked)
- TABOR Refund (checked)
- Local Government (unchecked)
- Statutory Public Entity (unchecked)

This bill allowed parents to enter into an authorized agreement with another individual to take care of their children. The bill would have increased state revenue and expenditures on an ongoing basis.

Appropriation Summary: In FY 2018-19, the bill requires a General Fund appropriation of \$33,245 to the Department of Human Services.

Fiscal Note Status: This revised fiscal note reflects the introduced bill as amended by the House Public Health Care and Human Services Committee and Finance Committee. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 18-1390

Table with 4 columns: Category, Sub-category, FY 2018-19, FY 2019-20. Rows include Revenue (Cash Funds, Total), Expenditures (General Fund, Centrally Appropriated, Total, Total FTE), Transfers, and TABOR Refund.

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. It also creates a new license type for substitute care organizations that facilitate such placements.

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 substitute care organization.

A qualified nonprofit organization must be licensed by the Department of Human Services (DHS) as a substitute care organization and conduct a criminal and child abuse history background check on its operator and employees. The DHS, by June 1, 2018, must convene a working group to assist with recommendations for the rules related to licensing substitute care organizations wanting to participate in authorized agreements. Substitute care organizations must keep certain records and annually report numbers to the DHS. Children placed in a family through an agreement are not considered in the custody of a county department of human or social services.

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 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. From April 2015 to April 2018, there were nine convictions of a mandatory reporter failing to report child abuse; of these convictions, six were male, two were female, one where gender was not known, eight were White, and one where race was not known. It is assumed that the any increase in class 3 misdemeanor sentences will be minimal based on an assumed high level of compliance and the expected low number of individuals entering into authorize agreements.

State Revenue

Beginning in FY 2018-19, this bill is anticipated to increase state revenue by less than \$20,000 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. 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 a minimal amount, 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 will be minimal.

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 revenue from court and administrative fees, criminal fines, and background check fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. 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 \$38,888, and 0.4 FTE and by \$41,647 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

	FY 2018-19	FY 2019-20
Department of Human Services		
Personal Services	\$28,542	\$34,250
Operating Expenses and Capital Outlay Costs	\$4,703	\$475
Centrally Appropriated Costs*	\$5,643	\$6,922
FTE – Personal Services	0.4 FTE	0.5 FTE
Total Cost	\$38,888	\$41,647
Total FTE	0.4 FTE	0.5 FTE

* 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 licensing specialist to draft rules, process licensing applications, conduct annual licensing visits to ensure compliance, and review rules every two years. This fiscal note assumes that less than 10 substitute care organization sites will be licensed. Costs are prorated for the General Fund payday shift in FY 2018-19 and for the position to start in August, 2018.

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.

Judicial branch agencies that represent indigent children and parents. Workload for the Office of the Child Representative and the Office of the Respondent Parents' Counsel will increase starting in the FY 2018-19 to serve on the working group created under the bill. To the extent that any authorized agreements convert into a child welfare case, workload for these agencies will also increase. It is assumed that the increase in workload can be handled within existing appropriation.

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 offenses for failure to report child abuse 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.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 7, 2018.

State Appropriations

In FY 2018-19, the Department of Human Services requires an appropriation of \$33,245 from the General Fund and an allocation of 0.4 FTE.

Departmental Difference

The DHS estimates that the bill increases costs by \$438,288 in FY 2018-19 and \$204,046 in FY 2019-20 and that it will require 2.5 FTE. Of these costs, \$250,000 in 2018-19 would be reappropriated to the Office of Information Technology for a new module in TRAILS for substitute care organization to submit data. The DHS basis these costs on 20 to 30 substitute care organization sites being licensed. The fiscal note does not include TRAILS modification costs since the amended bill does not require any reporting in TRAILS. The fiscal note also assumes less substitute care organizations being licensed and reduces the FTE required.

State and Local Government Contacts

Counties	Human Services	Information Technology
Judicial	Public Safety	