



**Legislative  
Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 18-0635      **Date:** January 30, 2018  
**Prime Sponsors:** Sen. Kefalas      **Bill Status:** Senate Health and Human Services  
 Rep. Landgraf; Lundeen      **Fiscal Analyst:** Kerry White | 303-866-3469  
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**Bill Topic:** PROTECTION MINOR VICTIMS OF HUMAN TRAFFICKING

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue ( <i>minimal</i> )	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government ( <i>minimal</i> )
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill clarifies that a minor who commits behavior that would be considered prostitution if committed as an adult is a victim of human trafficking and requires that these minors be referred for care and services. The bill increases costs and workload for state agencies and local governments on an ongoing basis.

**Appropriation Summary:** For FY 2018-19, the bill requires an appropriation of \$28,542 to the Department of Human Services.

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

**Table 1  
State Fiscal Impacts Under SB 18-084**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$23,690	\$57,644
	Federal Funds	\$4,852	\$11,806
	Centrally Appropriated	\$10,643	\$18,844
	<b>Total</b>	<b>\$39,185</b>	<b>\$88,294</b>
	<b>Total FTE</b>	<b>0.4 FTE</b>	<b>1.0 FTE</b>
<b>Transfers</b>		-	-

## **Summary of Legislation**

This bill specifies that only persons over the age of 18 may commit the offense of prostitution. It creates a presumption that a minor who engages in conduct that would be prostitution if committed by an adult is a victim of human trafficking. Under the bill, these minors must be referred to the county department of human or social services for care and services.

The bill also clarifies the term sexually exploited minor and that a juvenile who committed a delinquent act while a victim of sexual exploitation of a child, or human trafficking of a minor for involuntary servitude or sexual servitude is not considered a juvenile delinquent. If probable cause exists that a person who was a sexually exploited minor and is charged with an offense related to human trafficking of a minor while he or she was a victim of human trafficking, he or she is immune from civil liability or juvenile delinquency proceedings for that offense.

## **Background**

The Department of Human Services (DHS) currently employs a human trafficking specialist position. The funding for this position expires at the end of 2018. The full-year cost for the position is \$88,294, which includes \$57,644 General Fund and \$11,806 federal funds, and an additional \$18,844 in centrally appropriated costs. This position is the department's subject matter expert on human trafficking and provides technical supervision and oversight to the state's 64 counties. This position works with other state agencies to collaborate and help sustain human trafficking programs in the state. It also provides oversight to the training unit to help caseworkers properly utilize the screening tool used to identify the appropriate level of trauma-informed care required for human trafficking victims.

County departments of human and social services provide in-home services, mental and behavioral treatment, training on parenting of adolescents, and other required services to youth. Referrals of youth suspected of being involved in human trafficking numbered 307 in calendar year 2017. According to DHS, very few counties have human trafficking-specific services.

As of this writing, it is unknown how many juveniles were prosecuted for prostitution or adjudicated as a juvenile delinquent while a victim of human trafficking, or the disposition of their cases. The crime of prostitution is a class 3 misdemeanor. Making a display as a prostitute is a class 1 petty offense.

## **State Revenue**

Beginning in FY 2018-19, this bill may decrease state revenue from court fines and fees if fewer juveniles are prosecuted for prostitution. The fine penalty for a class 3 misdemeanor is \$50 to \$750 and the fine penalty for a class 1 petty offense is up to \$500. Because the courts have the discretion of incarceration, imposing a fine, or both, and the number of juveniles assessed fines is unknown, 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 reduction is minimal.

**State Expenditures**

This bill increases state expenditures in the DHS by \$39,185 and 0.4 FTE in FY 2018-19 and by \$88,294 and 1.0 FTE in FY 2019-20 and future years. Costs are described in Table 2 and the discussion that follows.

**Table 2  
Expenditures Under SB 18-084**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Department of Human Services</b>		
Personal Services	\$28,542	\$68,500
Operating Expenses and Capital Outlay Costs	-	\$950
Centrally Appropriated Costs*	\$10,643	\$18,844
FTE – Personal Services	0.4 FTE	1.0 FTE
<b>Total Cost</b>	<b>\$39,185</b>	<b>\$88,294</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>1.0 FTE</b>

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

**Department of Human Services.** The DHS requires 1.0 FTE to continue as the department's subject matter expert on human trafficking and provide technical supervision and oversight to the state's 64 counties. The position is prorated in the first year to account for the General Fund paydate shift and the expiration of existing funding.

**Judicial Department.** To the extent that the bill reduces case filings for prostitution by juveniles, workload will decrease. This decrease is likely to be offset by an increase in dependency and neglect cases. If any juveniles were sentenced to probation, workload will decrease under the bill. If more juveniles are appointed guardians ad litem, costs will increase for the Office of the Child's Representative. Overall, these impacts are assumed to be minimal and do not require a change in appropriations for the Judicial Department.

**Agencies providing representation to indigent persons.** Workload and costs for the Office of the State Public Defender and the Office of the Alternate Defense Counsel may decrease under the bill. To the extent this occurs, this analysis assumes the affected offices will request a reduction in appropriations through the annual budget process.

**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 \$10,643 in FY 2018-19 and \$18,844 in FY 2019-20.

**Local Government**

Overall, this bill is expected to both increase and reduce local government revenue, workload, and costs as described below. The exact impact to a particular local government will vary.

**District attorneys.** The bill reduces workload and costs for district attorneys if fewer juveniles are prosecuted for prostitution or making a display as a prostitute.

**County jails.** Under current law, a court may sentence an offender to jail for a class 1 petty offense or a class 3 misdemeanor for a period of between 0 and 6 months. To the extent that fewer juveniles are sentenced to jail as a result of this bill, costs are reduced. 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 court may try fewer misdemeanor and petty offense prostitution related cases under the bill, reducing workload for the Denver County Court, managed and funded by the City and County of Denver. Probation services in the Denver County Courts may also experience a minimal decrease workload and revenue to supervise fewer persons convicted of prostitution related offenses within Denver County.

**Youth services.** To the extent that this bill results in more juveniles receiving services, costs and workload for county departments of human and social services will increase. As of this writing, it is believed that many of the juveniles affected by the bill are already being referred to counties for services.

**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**

For FY 2018-19, the bill requires an appropriation of \$28,542, including \$23,960 General Fund and \$4,852 federal funds, and 0.4 FTE for the Department of Human Services.

**State and Local Government Contacts**

Counties	District Attorneys	Human Services
Information Technology	Judicial	Municipalities
Public Safety	Sheriffs	