



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

**FINAL
FISCAL NOTE**

Drafting Number: LLS 19-0864 **Date:** July 9, 2019
Prime Sponsors: Sen. Lee **Bill Status:** Signed into Law
 Rep. Gonzales-Gutierrez **Fiscal Analyst:** Aaron Carpenter | 303-866-4918
 Aaron.Carpenter@state.co.us

Bill Topic: EXPAND DIVISION OF YOUTH SERVICES PILOT PROGRAM

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input 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

The bill expands the therapeutic and rehabilitation culture pilot program in the Division of Youth Services to a second pilot program location and extends the existing pilot program by one year. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires and includes a \$259,562 appropriation to the Department of Human Services.

Fiscal Note Status: This fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under SB 19-136***

New Impacts		FY 2019-20	FY 2020-21	FY 2021-22
Revenue		-	-	
Expenditures	General Fund	\$259,562	\$405,375	\$75,375
	Centrally Appropriated	\$7,810	\$15,620	\$15,620
Total		\$267,372	\$420,995	\$90,995
Total FTE		0.5 FTE	1.0 FTE	1.0 FTE

TABOR Refund	-	-	
--------------	---	---	--

Continuing Program Impacts		FY 2019-20	FY 2020-21	FY 2021-22
Revenue		-	-	
Expenditures	General Fund	-	-	\$122,387
	FTE	-	-	1.5 FTE

TABOR Refund	-	-	
--------------	---	---	--

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

Under current law, the Division of Youth Services (DYS) in the Department of Human Services (DHS) must provide treatment to at least 20 committed youth through a division therapeutic and rehabilitate culture pilot program. This bill adds a second pilot program location and increases the number of committed youth served to 35. In the program, youths are divided into groups of no more than 15 for therapeutic care in a home-like environment. As in the first pilot program location, DHS is required to contract with a third-party vendor to facilitate, coach, and train staff for the current pilot program location and to contract with another, different, third-party vendor to evaluate the effectiveness of the two pilot programs. The second vendor must submit its report on the effectiveness of the two programs to the General Assembly by October 1, 2021. Finally, the bill extends the repeal date of the current pilot program location by six months to January 3, 2022, and requires the DHS to work with the current vendor on the existing pilot program site for one more year.

Background

In 2017, House Bill 17-1329 was passed and created a pilot program in the DHS to provide a therapeutic and rehabilitation program. The program was charged with providing treatment to at least 20 committed youth. Currently, youth are divided into therapeutic groups of no more than 12 in a trauma-responsive organizational environment. DHS set up the pilot program at the Lookout Mountain Youth Services Center and contracted with the Missouri Youth Services Institute to help implement the program and the RAND Corporation to evaluate the program. The program began on July 1, 2018, and is currently serving 24 youth. In FY 2018-19, the program was appropriated \$419,479 and 3.0 FTE.

Continuing Program Impacts

Based on DHS's FY 2018-19 appropriation as indicated by the fiscal note for HB17-1329, the DHS is expected to have continuing expenditures of \$122,387 and 1.5 FTE beginning in FY 2021-22 to administer the original pilot program for an additional six months beyond its current repeal date, if this bill is enacted. If this bill is not enacted, the program will end on July 1, 2021, and state expenditures will decrease starting in FY 2021-22 by the amounts shown above. The changes to the program that drives additional costs are discussed in the State Expenditure section.

State Expenditures

General Fund expenditures in the DHS will increase by \$267,372 and 0.5 FTE in FY 2019-20, by \$420,995 and 1.0 FTE in FY 2020-21 and by \$90,995 and 1.0 FTE in FY 2021-22, as shown in Table 2 and described below.

**Table 2
Expenditures Under SB 19-136**

	FY 2019-20	FY 2020-21	FY 2021-22
Department of Human Services			
Personal Services	\$37,212	\$74,425	\$74,425
Operating Expenses and Capital Outlay Costs	\$5,178	\$950	\$950
Other Operating Costs	\$2,800	-	-
Renovations	\$161,872	\$10,000	-
Implementation Consultant	\$52,500	\$270,000	-
Evaluation Consultant	-	\$50,000	-
Centrally Appropriated Costs*	\$7,810	\$15,620	\$15,620
Total Cost	\$267,372	\$420,995	\$90,995
Total FTE	0.5 FTE	1.0 FTE	1.0 FTE

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

Personal services costs. The fiscal note assumes that the new pilot program will be in a different facility; therefore; DYS will require 1.0 FTE for a youth services counselor to implement the pilot, be a liaison between the program and the vendor, coordinate assignments, and train existing facility staff. Operating and capital outlay costs, including a one-time cost for a digital radio, are included for this new staff.

Renovations. The DHS will have costs to renovate space to create a youth residence for the new pilot program that are home-like and therapeutic. Based on the current the pilot program, it is estimated that renovations will cost \$161,872 in the first fiscal year and \$10,000 in the second fiscal year.

Contractors. The bill increases costs in the DHS by \$52,500 in FY 2019-20 and by \$270,000 in FY 2020-21 to contract with a vendor to implement a second pilot program site and to continue the current vendor's contract by one year. Based on the current pilot program, this fiscal note estimates a daily rate of \$1,500 to implement the new program. It is estimated that 215 contractor days are required including 35 days for implementation and 180 days to setup the new pilot. This results in contractor costs of \$52,500 in FY 2019-20 and \$270,000 in FY 2020-21. In addition, by expanding the requirement to work with the current vendor for the current pilot program by one year, cost to the DHS will increase by \$270,000 in FY 2019-20 only. However, costs for extending the current pilot site are included in the FY 2019-20 Long Bill (Senate Bill 19-207) and do not need to be appropriated in this bill and are excluded from the fiscal note.

Evaluation. In FY 2020-21, costs in the DHS will increase to contract with a vendor to evaluate the two pilot programs. The fiscal note estimates an increase in costs of \$50,000 in FY 2020-21 to collect and analyze data and produce a report. This estimate is based on a rate of \$200 per hour with 200 hours of work in both FY 2020-21 and FY 2021-22. This estimate also includes \$10,000 for any travel costs associated with traveling to the facility and other administrative costs.

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 \$7,810 in FY 2019-20 and \$15,620 in FY 2020-21.

Effective Date

This bill was signed into law by the Governor on May 20, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires and includes a General Fund appropriation of \$259,562 to the Department of Human Services and an allocation of 0.5 FTE.

State and Local Government Contacts

Human Services

Information Technology