



**Colorado
Legislative
Council
Staff**

SB16-108

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0327
Prime Sponsor(s): Sen. Carroll
Rep. Singer

Date: June 28, 2016
Bill Status: Postponed Indefinitely
Fiscal Analyst: Amanda Hayden (303-866-4918)

BILL TOPIC: PUBLIC ADMINISTRATORS CONFLICTS OF INTEREST

| Fiscal Impact Summary | FY 2016-2017 | FY 2017-2018 |
|--|-------------------------|-------------------------|
| State Revenue | | |
| State Expenditures | <u>\$629,394</u> | <u>\$705,716</u> |
| General Fund | 531,014 | 596,380 |
| Centrally Appropriated Costs | 98,380 | 109,336 |
| FTE Position Change | 6.0 FTE | 7.0 FTE |
| Appropriation Required: \$531,014 - Judicial Department (FY 2016-17). | | |
| Future Year Impacts: Ongoing state expenditures increase. | | |

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill directs the courts to hire full-time public administrators to be assigned as necessary to each judicial district and the probate court of Denver. Public administrators hired by the state may not charge a fee or collect additional compensation in performing their duties. Courts may appoint a private attorney to perform the duties of a public administrator if the parties prefer it, and private attorneys may continue to collect fees for serving.

Background

Public administrators fill several roles. They may act as a neutral fiduciary in a conservatorship to oversee the financial matters of a protected person or as fiduciary for different kinds of trusts. In probate matters, special administrators may serve in cases where a decedent does not have someone to oversee the distribution of his or her estate or disposition of his or her remains. Currently there are public administrators working in 14 out of 22 judicial districts, typically on a part-time basis.

State Expenditures

This bill increases state General Fund expenditures in the Judicial Department by \$629,394 and 6.0 FTE in FY 2016-17 and by \$705,716 and 7.0 FTE in FY 2017-18. Costs are for hiring full-time public administrator staff and the associated operating and capital outlay expenses associated with these staff. No public administrator job class exists, and the fiscal note assumes that salaries for Auditor III and Audit Manager closely approximate salaries for public administrators and supervisors, respectively. The bill will require the Judicial Department to create public administrator job classifications. FY 2016-17 costs and FTE assume an August effective date and have also been prorated to reflect the General Fund pay date shift. Costs are listed in Table 1, based on the following assumptions:

- Not every judicial district will require a full-time public administrator. Public administrators employed by the state will not take over cases currently being handled by private attorneys but will build caseloads from new cases.
- There will be an estimated 1,210 new cases requiring a public administrator next year. Of these 1,210 new cases, parties in approximately 70% of these cases will choose the appointment of a private attorney, and 30% will require a state-employed public administrator.
- An increase of 7.0 FTE (prorated to 6.0 FTE in the first year) is required to handle the estimated 360 cases (60 cases each) where a state-employed public administrator will be necessary.

| Table 1. Expenditures Under SB16-108 | | |
|---|-------------------|-------------------|
| Cost Components | FY 2016-17 | FY 2017-18 |
| Personal Services | \$491,443 | \$589,730 |
| FTE | 6.0 | 7.0 |
| Operating Expenses and Capital Outlay Costs | 39,571 | 6,650 |
| Centrally Appropriated Costs* | 98,380 | 109,336 |
| TOTAL | \$629,394 | \$705,716 |

* Centrally appropriated costs are not included in the bill's 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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

| Table 2. Centrally Appropriated Costs Under SB16-108 | | |
|--|-------------------|-------------------|
| Cost Components | FY 2016-17 | FY 2017-18 |
| Employee Insurance (Health, Life, Dental, and Short-term Disability) | \$56,326 | \$56,493 |
| Supplemental Employee Retirement Payments | \$42,054 | \$52,843 |
| TOTAL | \$98,380 | \$109,336 |

Effective Date

The bill was postponed indefinitely on February 29, 2016, by the Senate State, Veterans, and Military Affairs Committee.

State Appropriations

In FY 2016-17, the bill requires a General Fund appropriation of \$531,014 and an allocation of 6.0 FTE to the Judicial Department.

State and Local Government Contacts

Counties Human Services Information Technology Judicial