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Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 23, 2021)

Drafting Number:	LLS 21-0492	Date:	April 21, 2021
Prime Sponsors:	Sen. Buckner Rep. Daugherty	Bill Status:	Senate Appropriations
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Bill Topic: **LIMIT THE DETENTION OF JUVENILES**

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

This bill requires that when a court releases a juvenile on bond that it do so under an unsecured personal recognizance bond. The bill also lowers the state's detention bed cap from 327 beds to 215 beds. Beginning in FY 2020-21, the bill decreases state expenditures, increases local expenditures, and may minimally decrease state revenue on an ongoing basis.

Appropriation Summary: In FY 2021-22, this bill requires a reduction of \$1.6 million in appropriations to the Department of Human Services.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the Senate Judiciary Committee.

**Table 1
State Fiscal Impacts Under SB 21-071**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	(\$1,198,805)	(\$1,296,393)
	Federal Funds	\$8,514	(\$43,636)
	Centrally Appropriated	(\$424,963)	(\$416,172)
	Total Expenditures	(\$1,615,254)	(\$1,756,201)
	Total FTE	(30.5 FTE)	(30.0 FTE)
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill prohibits a court from releasing a juvenile on a bond with monetary or property conditions. It also reduces the juvenile detention bed cap in the Division of Youth Services within the Department of Human Services (DHS) and establishes a working group, as described below.

Juvenile bonds. If the court chooses to release a juvenile on a bond, the bill requires the bond to be an unsecured personal recognizance bond which cannot be secured by monetary or property conditions. If a juvenile poses a substantial risk of serious harm to others, the juvenile may be placed in a pre-adjudication service program instead of being released on a personal recognizance bond. Any juvenile being held or remaining in custody or detention must be tried within 60 days.

Detention bed cap. The bill lowers the statutory detention bed cap in the Division of Youth Services in DHS from 327 beds to 215 beds.

Working group. The bill establishes a working group to examine the availability of alternatives to youth detention and the use of detention beds, and necessary investments in alternatives to detention. The working group must convene by August 1, 2021, and must meet at least semi-annually. The working group must:

- by July 1, 2022, develop standards and outcome measures to monitor alternative placements; and
- advise the DHS on policies, procedures, and best practices related to alternatives to detention.

When performing its duty, the working group must consider data concerning the continuum of in-home and out-of-home placement options and supports; outcomes associated with length of stay for alleged and adjudicated offenders placed in a variety of placements; and outcomes for alleged and adjudicated juvenile offenders for in-home and out-of-home placements based on their charges, age, and risk level.

The bill also requires the DHS to monitor and report to the working group certain information including: demand for and availability of alternative placements statewide; number of youth in detention who are awaiting alternative placement; status of performance and standards and outcomes; and the status of implementation of efforts guided by the working group.

Starting in 2023 and each year after, the DHS must include a number of updates in their SMART Act report to the General Assembly. Updates include several analyses on the placement of juveniles, including in child welfare settings; the needs and barriers for alternative placement; and recommendations on how to enhance the continuum of community-based services and how to reduce available detention beds.

State Revenue

Starting in FY 2021-22, the bill will minimally decrease cash fund revenue to the Judicial Department due to the bill's prohibition of juvenile cash bonds. Because the department received only around \$20,000 in FY 2018-19, and around \$1,300 in FY 2019-20, from various fines, fees, costs, and restitutions from cash bonds, any revenue decrease is assumed to be minimal.

State Expenditures

On net, the bill is estimated to reduce expenditures in the DHS by \$1.6 million in FY 2021-22 and \$1.8 million in FY 2022-23. These costs, paid from the General Fund and federal funds, are shown in Table 2. In addition, the bill will increase workload in the Judicial Department. These impacts are detailed below.

**Table 2
 Expenditures Under SB 21-071**

Cost Components	FY 2021-22	FY 2022-23
Department of Human Services (DYS Bed Reduction)		
Personal Services	(\$1,786,782)	(\$1,786,782)
Operating Expenses	(\$18,000)	(\$18,000)
Food, Medical and Laundry Expenses	(\$131,580)	(\$131,580)
Centrally Appropriated Costs	(\$521,668)	(\$521,668)
FTE – Personal Services	(36.0) FTE	(36.0) FTE
Reduction Subtotal	(\$2,458,030)	(\$2,458,030)
Department of Human Services (Working group support)		
Personal Services	\$460,930	\$502,833
Operating Expenses	\$8,100	\$8,100
Capital Outlay Costs	\$37,200	-
Computer Programming	\$239,841	\$85,400
Centrally Appropriated Costs	\$96,705	\$105,497
FTE – Personal Services	5.5 FTE	6.0 FTE
Working Group Support Subtotal	\$842,776	\$701,830
	Total	Total
	(\$1,615,254)	(\$1,756,201)
	<i>General Fund</i>	<i>(\$1,296,393)</i>
	<i>Federal Funds</i>	<i>(\$43,636)</i>
	<i>Centrally Appropriated</i>	<i>(\$416,172)</i>
	Total FTE	(30.0 FTE)
	(30.5 FTE)	(30.0 FTE)

Department of Human Services. Starting in FY 2021-22, bed-related expenditures will decrease in the DHS, while research and workgroup costs will increase.

Staff reductions. Due to the lower bed cap, the DHS will have reduced staffing of 36.0 FTE in the Division of Youth Services. This amount assumes that a reduction of 112 beds will result in the closure of three pods statewide.

Food, medical, and laundry expenses. In addition to staff reductions, expenditures related to food, medical, and laundry supplies for detained juveniles will also decrease. The amount shown in Table 2 assumes an average per day population of around 224 juveniles. Food-related expenditures are paid with federal funds from the National School Lunch Program.

Research and workgroup support. The DHS requires 6.0 FTE to conduct research required by the bill and to support the working group. FTE costs are prorated for a General Fund pay date shift in FY 2021-22. Required staffing under the bill includes:

- 1.0 FTE to conduct an ongoing statewide gap analysis of detention continuum for the 22 judicial districts;
- 3.0 FTE to conduct research on recidivism and outcomes for youth in various placements, including the required length of stay analysis;
- 1.0 FTE maintain additional data on children in the child welfare system who are involved in the juvenile justice system; and
- 1.0 FTE to support the research and reporting needs of the working group.

TRAILS costs. The bill requires updates to the DHS's child welfare data system (TRAILS) to track outcomes of youth in detention and other placements; to create an interface between TRAILS and court systems; and to report data required by the bill. TRAILS costs are eligible for a 45 percent federal match. Ongoing maintenance costs are shown for FY 2022-23 and future years.

Pre-adjudication programs. Pre-adjudication programs are operated through local judicial districts and funded by an appropriation to the DHS. To the extent more juveniles are sentenced to a pre-adjudication programs as a result of the bill's changes to juvenile bonds, expenditures in the DHS may increase. The fiscal note assumes any change in appropriations will be requested through the budget process.

Judicial Department. With the decrease of detention beds, trial courts may take more time to address alternative placements for juveniles who cannot return to a parent or legal guardian. In addition, the department will need to update its case management system to reflect the changes in the bill. These workload increases are assumed to be minimal and can be accomplished within existing resources.

Centrally appropriated costs. Pursuant to fiscal note and Joint Budget Committee policy, centrally appropriated costs for bills involving more than 20 FTE are appropriated in the bill, rather than through the annual budget process. These costs, which include employee insurance and supplemental employee retirement payments for Department of Human Services, are estimated to be reduced by the amounts in Table 2.

TABOR refunds. The bill minimally decreases state revenue subject to TABOR. For FY 2022-23, the March 2021 LCS forecast projects revenue to fall short of the TABOR limit by \$28.6 million, or 0.2 percent of the limit. If actual revenue exceeds the limit, the bill will decrease the amount required to be refunded to taxpayers from the General Fund in FY 2023-24. If the bill causes revenue to fall below the limit by \$30 million, it will trigger a transfer of up to \$30 million from the Unclaimed Property Trust Fund to the Housing Development Grant Fund under current law enacted in House Bill 19-1322.

Local Government

Workload and expenditures in district attorney's offices will increase to try cases within the bill's 60-day deadline. District attorney offices are funded by the local counties within their district.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2021-22, this bill requires the following change in appropriations to the Department of Human Services:

- a reduction of \$2,458,030 and 36 FTE for DYS detention operations, of which \$2,359,831 is General Fund and \$98,199 is federal funds; and
- an increase of \$842,776 and 5.5 FTE for the working group and associated expenses in the DYS, of which \$736,063 is General Fund and \$106,713 is federal funds.

State and Local Government Contacts

District Attorneys
Judicial

Human Services
Sheriffs

Information Technology