



**Legislative Council Staff**  
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**Fiscal Note  
Memorandum**

Room 029 State Capitol, Denver, CO 80203-1784  
Phone: (303) 866-3521 • Fax: (303) 866-3855  
lcs.ga@state.co.us • leg.colorado.gov/lcs

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**TO:** Members of the House Public & Behavioral Health Committee

**FROM:** Shukria Maktabi, Fiscal Analyst  
shukria.maktabi@coleg.gov | (303-866-4720)

**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB1160\_L.001**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.001 to HB23-1160. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

### **Summary of Proposed Amendment**

Amendment L.001 modifies the bill to clarify that counties and state departments can enter information of individuals suspected of child abuse or neglect into TRAILS, but findings are not reportable until all administrative appeals are exhausted or waived.

Within 14 days of entering substantiated findings into TRAILS, the state must provide written notice notifying the suspected person of the opportunity to appeal the decision. The individual has 90 days to request an appeal, or the opportunity to appeal is waived and the finding is considered reportable, unless the individual can provide a good reason for failing to respond within that time. Amendment L.001 allows a person to file an appeal through a dispute resolution process in CDHS or a hearing before an administrative law judge (ALJ). In the dispute resolution process, CDHS may enter into settlement negotiations where they can agree to not release findings or to modify, overturn, or expunge the report in TRAILS. If the individual chooses to appeal through a hearing and the ALJ does not find evidence in support of the state's decision, the finding is removed from TRAILS. If appeals occur through these processes, or the deadline to appeal passes without good reason, the finding becomes reportable.

Until the opportunity to appeal is exhausted or waived, the findings from county and state departments are not to be released for the purpose of employment or background checks. The findings can be kept to assist in future risk and safety assessments.

The amendment also requires relevant state agencies to establish rules by July 2024.

## **Fiscal Impact of Amendment**

With the adoption of Amendment L.001, costs would significantly decrease in the CDHS, Department of Personnel and Administration (DPA), and Office of Respondent Parents' Counsel (ORPC) to \$590,328 in FY 2023-24 and \$399,155 in FY 2024-25. The changes to the fiscal impact are detailed below.

### **Department of Human Services**

Staffing, legal services, and administrative hearing costs would reduce. However, there would be additional costs for updating TRAILS.

**Staffing.** With the adoption of Amendment L.001, CDHS would require significantly less staff than indicated in the initial fiscal note. With the amendment, CDHS will require:

- 3.0 FTE to send written notices to individuals and any counsel of record for all appealable findings, reduced from the fiscal note as necessary information can now be compiled using TRAILS; and
- 1.0 FTE to develop the resolution process as described in the amendment, as one does not currently exist at the state level.

**Legal services and administrative hearings.** Amendment L.001 eliminates the need for additional legal services in CDHS and for additional expenditures for administrative hearings conducted by the Office of Administrative Courts in the Department of Personnel and Administration that are included in the initial fiscal note. Costs for these items would remain at current levels, as the amended bill would not likely prompt an increase in appeals or hearings before an administrative law judge.

**IT system changes.** With Amendment L.001, CDHS would need to add additional reporting functionality in TRAILS, including creating new statuses for findings as either awaiting appeal or appeal expired. Programming costs are estimated at taking 1,820 work hours at \$157 per hour and 200 hours of maintenance in out years. TRAILS costs have a 35 percent federal match. This work would be conducted by the Office of Information Technology.

### **Office of Respondent Parents' Counsel**

Based on the current low number of dependency and neglect proceedings that choose to appeal a child abuse or neglect finding in administrative courts, the costs for services from ORPC will become absorbable with the adoption of Amendment L.001.

### **Department of Law, Judicial Department, and Capital Construction**

Workload will not be impacted for these departments with the adoption of Amendment L.001. Because the number of ALJ hearings are not expected to increase as a result of this amendment, it is unlikely that a greater number of appeals of ALJ decisions to trial courts would occur.

Due to the reduction in FTE required, capital projects are no longer required.

## Bill's Revised Fiscal Impact with Amendment

With Amendment L.001, the bill is will have the fiscal impact identified in Table 1 below. For FY 2023-24, the bill will require an appropriation of \$590,328 to the Department of Human Services, including \$412,133 from the General Fund and \$124,056 from federal funds.

**Table 1**  
**State Fiscal Impacts Under HB 23-1160**

		<b>Budget Year FY 2023-24</b>	<b>Out Year FY 2024-25</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$412,133	\$289,013
	Federal Funds	\$124,056	\$39,424
	Centrally Appropriated	\$54,139	\$70,718
	<b>Total Expenditures</b>	<b>\$590,328</b>	<b>\$399,155</b>
<b>Total FTE</b>		<b>3.1 FTE</b>	<b>4.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$69,941	\$43,352