



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 23-0634	Date:	July 11, 2023
Prime Sponsors:	Rep. Armagost; Gonzales-Gutierrez	Bill Status:	Signed into Law
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Bill Topic: **REDUCE JUSTICE-INVOLVEMENT FOR YOUNG CHILDREN**

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

The bill removes incentive funding for collaborative management programs; provides additional funding to programs; and requires various reports from state and local entities about the juvenile justice system. Starting in FY 2023-24, the bill increases state and local revenue and expenditures.

Appropriation Summary: For FY 2023-24, the bill includes an appropriation of \$3.4 million to the Department of Human Services; however, the bill requires an appropriation of \$3.5 million to various state agencies.

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

Table 1
State Fiscal Impacts Under HB 23-1249

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$2,349,924	\$306,802
	Cash Funds	\$1,165,039	\$1,165,039
	Centrally Appropriated	\$41,137	\$50,195
	Total Expenditures	\$3,556,100	\$1,522,036
	Total FTE	2.2 FTE	3.7 FTE
Transfers	General Fund ¹	(\$1,165,039)	(\$1,165,039)
	Cash Funds	\$1,165,039	\$1,165,039
	Net Transfer	\$0	\$0
Other Budget Impacts	General Fund Reserve	\$527,244	\$220,776

¹ This transfer is made through an appropriation of funds.

Summary of Legislation

Community Management Program incentive payments. Under current law, Collaborative Management Programs (CMPs) receive incentive money when they meet certain performance based measures. The bill removes these incentive payments and instead requires the Department of Human Services (CDHS) to distribute funds based on its funding formula.

CMP duties and CDHS technical assistance. The bill requires that CMPs create one or more individualized service and support teams and allows those teams to refer a child to services. In addition, the bill requires the CDHS to create a model information form for children to allow law enforcement, a district attorney, a school, a family resource center, a child advocacy center, and a county department of human or social services to refer a child to a local collaborative management program for assessment of services by December 1, 2023, and to provide training to CMPs on strategies to address the needs of children who would benefit from integrated multi-agency services and to develop services to support victims.

CMP funding. The bill requires the General Assembly to appropriate money to the Collaborative Management Cash Fund to serve children who would benefit from integrated multi-agency services, including those who are at risk of involvement with the juvenile justice system. The bill also requires the General Assembly to appropriate \$2.0 million from the General Fund to assist interested counties that do not operate a CMP program in establishing one, or joining an existing one. Any unexpended money from the \$2.0 million reverts to the Collaborative Management Cash Fund. Finally, the bill appropriates \$1.2 million to the Collaborative Management Cash Fund to serve youth referred to CMPs.

Reporting. The bill requires various reports about the juvenile justice system. It requires the Working Group for Criteria for Placement of Juvenile Offenders in the CDHS to collect data on the services received by youth; CMPs to report on the number of children and families referred to the programs; and district attorneys to submit a report on children in diversion programs.

State Transfer

Starting in FY 2023-24, the bill requires a transfer of \$1.2 million per year from the General Fund to the Collaborative Management Fund to cover services for children who would benefit from multi-agency services. This transfer occurs through an appropriation.

In addition, the bill requires any unspent General Fund money that is used for establishing additional CMPs to revert to the Collaborative Cash Fund. Because it is unknown how much of the \$2.0 million appropriated by the bill will be unspent, the amount of money that will revert to the Collaborative Cash Fund instead of staying in the General Fund cannot be estimated.

State Expenditures

The bill increases General Fund and cash fund expenditures by \$3.6 million in FY 2023-24 and \$1.5 million in FY 2024-25 in the CDHS and Judicial Department, as shown in Table 2 and described below. In addition, workload in the Behavioral Health Administration (BHA) may increase as described below.

Table 2
Expenditures Under HB 23-1249

	FY 2023-24	FY 2024-25
Department of Human Services		
Personal Services	\$91,668	\$100,064
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,670	-
Database and Evaluation	\$82,723	\$82,723
Funding Model	\$75,000	-
CMP Funding for Additional Children	\$1,165,039	\$1,165,039
CMP Funding for Additional CMPs ¹	\$2,000,000	-
Centrally Appropriated Costs ²	\$18,511	\$20,394
FTE – Personal Services	0.9 FTE	2.0 FTE
DHS Subtotal	\$3,440,961	\$1,369,570
Judicial Department		
Personal Services	\$88,688	\$118,250
Operating Expenses	\$3,825	\$4,415
Centrally Appropriated Costs ²	\$22,626	\$29,801
FTE – Personal Services	1.3 FTE	1.7 FTE
Judicial Subtotal	\$115,139	\$152,466
Total Costs	\$3,556,100	\$1,522,036
Total FTE	2.2 FTE	3.7 FTE

¹ Unspent funding may be spent in out years.

² Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. Expenditures in the CDHS will increase by \$3.4 million in FY 2023-24 and \$1.4 million in FY 2024-25 to hire staff, update databases, create a funding model, and to provide funding to CMPs.

- **CMP funding – staff.** The CDHS requires 1.0 FTE to review and provide technical assistance to counties and CMPs to implement the additional services as required by the bill and to help establish new CMPs provide technical assistance, and to create an information form. Staffing costs include personal services, operating expenses, and capital outlay costs. Costs in FY 2023-24 are prorated for the General Fund pay date shift.
- **Database and evaluation.** The CDHS will require a database to collect more data on CMPs and an upgrade to the department’s child welfare data system (TRAILS) to capture documentation on juveniles referred to a CMP to evaluate additional CMPs and their services. This is estimated to cost \$82,723.

- **CMP funding – additional children.** Starting in FY 2023-24, expenditures will increase by \$1.2 million to provide funding to CMPs to as required by the bill for youth referred to CMPS.
- **CMP funding – additional CMPS.** In FY 2023-24 only, expenditures in the CDHS will increase by \$2.0 million to establish new CMPs. Any unspent funding reverts to the Collaborative Management Fund and may be spent on CMP youth services, as discussed in the bullet above.

Judicial Department. Starting in FY 2023-24, the Probation Division will require 1.7 FTE for probation officers to serve on additional CMPs, and to allocate more time to serving additional children to CMPs. The fiscal note estimates that workload to probation officers will increase by 10 hours per month for 21 CMPs that have probation officers serving on them. Costs in FY 2023-24 are prorated for a General Fund pay date shift and the September 1 start date.

Behavioral Health Administration. The fiscal note assumes that juveniles referred to the BHA from CMPs already qualify under the current definition of priority population; therefore, no change in appropriations is required.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

District attorney offices. Expenditures to the various district attorney offices will increase to get required data from the various diversion program providers, manage and review individual reports, and to record the data in the data collection software maintained by the Colorado District Attorney Council. It is estimated that this work will cost on average about \$455 of personnel time per office.

Colorado District Attorneys' Council. Costs to the Colorado District Attorneys' Council will increase to enhance their juvenile diversion program module to help with data collection and reporting. It is estimated that the required programming and testing will take 80 hours at \$120 per hour for a total cost of \$9,600.

Counties. Starting in FY 2023-24, revenue and expenditures to counties will increase to CMPs to provide additional services and to establish additional CMPs. In addition, workload will increase to compile a report, as required by the bill.

Effective Date

The bill was signed into law by the Governor on June 1, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill includes General Fund appropriations totaling \$3,422,450 including:

- \$2,257,411 from the General Fund to the Department of Human Services and 1.0 FTE; and
- \$1,165,039 from the General Fund to the Collaborative Management Cash Fund, which is further appropriated to the Department of Human Services

The bill also requires, but does not currently include, appropriations of \$92,513 from the General Fund to the Judicial Department and 1.3 FTE in FY 2023-24.

State and Local Government Contacts

Corrections
Education
Judicial
Public Safety

Counties
Human Services
Law

District Attorneys
Information Technology
Municipalities