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Revised Fiscal Note

(replaces fiscal note dated April 3, 2023)

Drafting Number:	LLS 23-0634	Date:	April 11, 2023
Prime Sponsors:	Rep. Armagost; Gonzales-Gutierrez Sen. Simpson; Coleman	Bill Status:	House Appropriations
		Fiscal Analyst:	Aaron Carpenter 303-866-4918 aaron.carpenter@coleg.gov

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 raises the age for juvenile involvement in the criminal justice system to 13-years-old in most situations, and requires that juveniles below this age be referred to local collaborative management programs to receive services. Starting in FY 2023-24, the bill increases state and local revenue and expenditures.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of appropriation of \$1.5 million to various state departments.

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

**Table 1
State Fiscal Impacts Under HB 23-1249**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$1,462,316	\$1,836,972
	Marijuana Tax Cash Fund	-	(\$32,329)
	Federal Funds	\$604	-
	Centrally Appropriated	\$37,617	(\$97,455)
	Total Expenditures	\$1,500,537	\$1,707,188
	Total FTE	2.0 FTE	(5.1 FTE)
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$219,347	\$275,546

Summary of Legislation

The bill raises the age for juvenile involvement in the criminal justice system to 13-years-old in most situations, and requires that juveniles below this age be referred to local collaborative management programs to receive services. The provisions of the bill are detailed below.

Age of prosecution. Starting on July 1, 2024, the bill increases the age a juvenile can be involved the criminal justice system to 13 years of age or older, unless the juvenile is accused of committing homicide. If a juvenile age 10, 11, or 12 comes into contact with law enforcement or does not comply with a civil protection order, the bill requires the juvenile be referred to a local collaborative management program. The bill also clarifies that victims of these acts may receive compensation and outlines the notifications victims may receive.

Collaborative Management Programs and funding. Currently, local agencies and county departments of human services can enter into memorandums of understanding (MOUs) to promote a collaborative system of local-level interagency oversight groups and individuated service and support teams to coordinate and manage services to children and families. By September 1, 2023, the bill requires all counties to establish collaborative management programs (CMPs). A CMP must provide services to juveniles who are ages 10 to 12 who are referred to the CMP by the courts or law enforcement in lieu of entering the criminal justice system. If a juvenile is referred for an act that would be considered felony sexual assault or unlawful sexual conduct if committed by an adult, the team must refer the child for a sex offender evaluation. In addition, the bill allows child victims of crimes committed by juveniles who are ages 10 to 12 to be referred to CMPs. CMPs must create individualized support teams to refer children to services; review all referrals; and create plans for those referred. If a child does not participate in the plan, the bill requires the support teams to try and provide additional resources, hold a meeting to determine if the team should continue giving resources, or conduct a child abuse assessment or investigation.

By December 1, 2023, the Department of Human Services (CDHS) must develop a model MOU, a model written procedure to serve the new population, and an information form for law enforcement to file in order to refer juveniles to CMPs. The bill also requires the General Assembly, on July 1, 2024, and every year thereafter, to appropriate money from the General Fund to the Collaborative Management Cash Fund to fund services for juveniles who are ages 10 to 12 and referred to CMPs. With this funding, the CDHS must provide an annual allocation to each CMP. Finally, the bill requires the CDHS to collect information on the number of individuals served through CMPs in an annual report.

Trainings. The bill requires the Sex Offender Management Board (SOMB) and the CDHS to provide trainings and develop strategies to integrate treatment and services for children who have engaged in unlawful sexual behavior. In addition, the SOMB may update, develop, and revise educational materials. The CDHS must also consult with the Colorado Restorative Justice Coordinating Council to develop and implement training for victimized children.

Civil protection order. Finally, the bill requires municipal, county, and district courts to provide in-person assistance at least one time per week to assist petitioners in filling out forms to obtain a protection order, or offer an online tutorial.

Assumptions

Juveniles referred to CMPs. Based on a five-year average of arrest data from the Colorado Bureau of Investigation, it is estimated that there are around 900 arrests of juveniles who are 10- to 12-years-old. Further information from the Judicial Department indicates 652 unique cases on average filed with the courts that involved a juvenile in this age range. The fiscal note assumes that while law enforcement is required to refer all the assumed 900 juveniles who are arrested, some of these individuals will be determined to not require services. Furthermore, the fiscal note assumes that those involved in cases filed with the courts are most likely to need some sort of services. Therefore, the fiscal note assumes that around 650 juveniles will receive services through CMPs annually.

Victims. The bill allows child victims to be referred to CMPs. The fiscal note assumes that half of the 650 juvenile cases, 325 cases, will have a victim who will receive services from CMPs.

Cost of services. The Colorado Detention Youth Continuum (CDYC) provides services for juveniles who are at risk of being placed in detention in a Division of Youth Services (DYS) facility. Currently, it costs \$708 on average to provide services to juveniles who are ages 10 to 12 through the CDYC. The fiscal note assumes that services provided by CMPs will have a longer duration than that of the CDYC. In addition, the specific services needed will vary, therefore, the fiscal note assumes that on average service costs will be \$1,000 per juvenile.

State Revenue

Criminal fines and court fees. By raising the age of prosecution, the bill will decrease state revenue from criminal fines and court fees beginning in FY 2022-23, credited to the Fines Collection Cash Fund, various other cash funds in the Judicial Department, and the General Fund. Because juveniles are not required to pay many criminal fines and penalties, any decrease in state revenue is expected to be minimal. Criminal fine and court fee revenue is subject to TABOR.

State Expenditures

On net, the bill increases state General Fund expenditures by \$1.5 million in FY 2023-24 and \$1.7 million in FY 2024-25. This includes increases in expenditures in the CDHS and the Department of Public Safety (DPS), and decreased expenditures in the Judicial Department as shown in Table 2 and detailed below.

**Table 2
 Expenditures Under HB 23-1249**

	FY 2023-24	FY 2024-25
Department of Human Services		
Personal Services	\$133,159	\$177,544
Operating Expenses	\$2,160	\$2,700
Capital Outlay Costs	\$13,340	-
Computer Programming	\$56,727	\$55,000
State Oversight of CMP	\$148,000	\$48,000
CMP Funding (See Table 3 for more detail)	\$1,009,468	\$2,256,861
CDYC Funding	-	(\$160,761)
Training	\$60,200	\$60,200
Centrally Appropriated Costs ¹	\$30,101	\$38,667
FTE – Personal Services	1.6 FTE	2.0 FTE
CDHS Subtotal	\$1,453,155	\$2,478,211
<i>General Fund</i>	\$1,422,450	\$2,471,873
<i>Marijuana Tax Cash Fund</i>	-	(\$32,329)
<i>Federal Funds</i>	\$604	-
<i>Centrally Appropriated</i>	\$30,101	\$38,667
Judicial Department		
Personal Services	-	(\$662,317)
Operating Expenses	-	(\$17,520)
Centrally Appropriated Costs ¹	-	(\$145,777)
FTE – Personal Services	-	(7.6 FTE)
Judicial Subtotal	-	(\$825,614)
Department of Public Safety		
Personal Services	\$33,196	\$44,261
Operating Expenses	-	\$675
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs ¹	\$7,516	\$9,655
FTE – Personal Services	0.4 FTE	0.5 FTE
DPS Subtotal	\$47,382	\$54,591
Total Costs	\$1,500,537	\$1,707,188
Total FTE	2.0 FTE	(5.1 FTE)

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services

Starting in FY 2023-24, the bill increases expenditures in the CDHS by \$1.5 million in FY 2023-24 and \$2.5 million in FY 2024-25 to increase the number of CMPs, provide services to juveniles ages 10 to 12, and to provide trainings. These costs are detailed below.

Staffing. On net, the CDHS requires an additional 2.0 FTE to oversee additional CMPs in counties that do not currently have them, implement their expanded role, and track and report on data. This includes 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. Another 1.0 FTE is required to develop and capture required data and to provide technical assistance to CMPs on data collection. Finally, 1.0 FTE of existing supervisory staff must be reclassified to provide additional supervision to the new staff, manage additional CMP sites, and to consult with law enforcement and the SOMB to develop the information form. Staffing costs include personal services, operating expenses, and capital outlay costs. Costs in FY 2023-24 are prorated for a September 1 start date and the General Fund pay date shift.

Computer programming. The CDHS will require a database to collect more data on CMPs and an upgrade to the department’s child welfare data system (or TRAILS) to capture documentation on juveniles ages 10 to 12 who are referred to a CMP. It is estimated that the expansion and maintenance of the database will cost \$55,000 per year. TRAILS upgrades will result in a one-time costs, and is estimated to take 11 hours at a rate of \$157 per hour, resulting in a total cost of \$1,727. TRAILS costs are eligible for a 35 percent federal match.

State oversight of CMPs. The bill will increase expenditure in the CDHS to evaluate additional CMPs and their services. The CDHS currently has a budget of about \$200,000 for CMP evaluations. It is estimated that an additional \$48,000 per year is required to evaluate additional programs and outcomes. In addition, in FY 2023-24 only, expenditures in the CDHS will increase by \$100,000 to hire a contractor to develop a funding formula for CMPs.

CMP funding. The bill increases expenditures to form additional CMPs, provide services to juveniles ages 10 to 12, provide services to victims, and to cover additional administrative costs. These costs are shown in Table 3 and discussed in more detail in the bulleted list below.

**Table 3
 Collaborative Management Plan Funding**

	FY 2023-24	FY 2024-25
Department of Human Services		
New CMPs	\$759,468	\$911,361
Services for 10-12 Year Olds	-	\$652,000
Sex Offender Evaluation	-	\$67,500
Services for Victims	-	\$326,000
Administration	\$250,000	\$300,000
Total Cost	\$1,009,468	\$2,256,861

- **New CMPs.** Starting in FY 2023-24, expenditures will increase to provide counties with funding to support new CMPs. According to the CDHS, there are currently 49 counties with a CMP. By requiring counties to have a CMP, the bill will require support for CMPs in an additional 15 counties. Based on the current average allocation for small size counties, expenditures will increase by \$60,757 per site. First-year costs are prorated for a September 1 start date.
- **Services for juveniles ages 10 to 12.** Starting in FY 2024-25, the bill will increase expenditures to provide additional services to juveniles ages 10 to 12. Based on an estimate of 650 juveniles per year, as discussed in the Assumption section, the fiscal note estimates that expenditures will increase by \$652,000.
- **Sex offender evaluation.** Based on a 10-year average of sex offenses committed by juveniles age 10 to 12, expenditures will increase by \$67,500 to pay for evaluations. The cost is based on the assumption that each evaluation cost \$1,500.
- **Victim services.** Based on an assumed 325 victims eligible for services annually, expenditures will increase to provide services to victims starting in FY 2024-25. The fiscal note assumes service costs will mirror those for other juveniles served through CMPs.
- **Administration.** Starting in FY 2023-24, administration costs to counties will increase to provide additional services to juveniles referred by law enforcement and victims, as well as to establish new CMPs in various counties. The fiscal note estimates that, statewide, additional administration costs will be \$300,000. Costs in FY 2023-24 are prorated for the bill's September 2023 start date.

Colorado Detention Youth Continuum Services. By removing juveniles ages 10 to 12 from the juvenile justice system, the CDHS will no longer provide services to these juveniles through CDYC. The CDYC provides services to around 227 juveniles in this age range. Of the CDYC costs, 20 percent come from the Marijuana Tax Cash Fund. These savings will start in FY 2024-25.

Training. Starting in FY 2023-24, expenditures in the CDHS will increase to provide training to CMPs on juveniles who have engaged in unlawful sexual behavior and victims. Based on similar training programs, the fiscal note estimates trainings costs of \$60,200, including \$25,000 for unlawful sexual behavior training and \$35,200 for the victim training.

Legal services. The CDHS will require less than 100 hours of legal services, provided by the Department of Law, to develop the information form required by the bill and to update any rules. The cost for these hours can be accomplished within existing legal services appropriations.

Judicial Department

Starting in FY 2024-25, expenditures in the Judicial Department will decrease by about \$826,000 per year, as described below.

Trial courts. By increasing the age of prosecution to 13, the bill reduces staffing in the trial courts by 4.8 FTE. Using the average number of cases in the last five years, as outlined in the Assumption section, and judicial workload standards based on the type of case, the reduction in cases result in a reduction of 1.2 magistrate FTE. Using the Judicial Department staffing standards, a reduction of 1.2 FTE magistrate also results in a 3.6 FTE reduction in support staff.

Probation. On net, the bill reduces the staffing need in the Division of Probation by 2.8 FTE due to fewer cases being sentenced to probation. In the last five years, the Division of Probation has seen 116 probation sentences and 34 pre-sentence investigations per year of juveniles ages 10 to 12. Using the average distribution of juvenile supervision, the decrease results in a reduction of 3.2 FTE probation officers. The bill also requires that probation departments participate in CMPs; which is assumed to increase workload in the Division of Probation by 1.2 FTE. Thus, the bill will result in a net reduction in probation officer FTE of 2.0 FTE. In addition, based on Judicial Department standards for probation officers, there is an additional reduction of 0.8 FTE support and supervisory staff, resulting in a total reduction in probation staff of 2.8 FTE.

Civil protection order support. Courts that do not currently have a self-represented litigant coordinator will have increased workload to develop an online tutorial on how to file civil protection orders. The fiscal note assumes that the creation of an online tutorial will be minimal and no change in appropriation is required.

Department of Public Safety

Starting in FY 2023-24, the DPS will require 0.5 FTE to develop educational materials and training regarding best practices to provide appropriate therapy for juveniles ages 10 to 12 who engaged in problematic sexual behavior, and to consult with the CDHS to develop training and strategies to integrate treatment and services for this population. Costs include personal service costs, operating expenses, and capital outlay costs. Costs in FY 2023-24 are prorated for a General Fund pay date shift.

Independent Judicial Offices

Starting in FY 2023-24, workload and expenditures in various independent offices that represent children during juvenile delinquency proceedings may decrease, including the Office of the Public Defender, the Office of the Alternate Defense Counsel, and the Office of the Child's Representative. The fiscal note assumes that any decrease in appropriations will be addressed through the annual budget process, as necessary.

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

Counties will have increased revenue and expenditures to create more CMPs and to provide additional services juveniles who are ages 10 to 12 and associated crime victims.

County revenue. The exact increase in county revenue will depend on the funding formula established by the CDHS.

County expenditures. Costs will depend on a number of factors, including the number of juveniles and victims referred in a county's CMP for services and the types of services required. The total estimated allocation to counties for CMPs can be found in Table 3. As outlined in the Assumptions section, the fiscal note assumes that services provided through CMPs will be commensurate with services provided through CDYC. However, if services beyond those provided in CDYC are required, costs to provide these services will increase relative to this fiscal note estimate. For example, if the services provided are similar in scope to those provided to youths in the child welfare system, costs will be higher.

County Departments of Human Services. Workload and expenditures for county departments of human services will increase to participate in meetings and potentially to conduct child abuse assessments and investigations if a child is not complying with their plan.

Technical Note

In FY 2023-24, the bill requires that the funding allocation provided by the CDHS to CMPs must be used to serve juveniles age 10 to 12. Then, in FY 2024-25, the allocation must be used to serve juveniles and their family members who would benefit from services. The fiscal note assumes that because referrals to CMPs by law enforcement for this age group is not mandated until July 1, 2024, that the allocation in FY 2023-24 will not include funding for this purpose, and that the focus will be on creating new CMPs and expanding administrative and service capacity.

Effective Date

The bill takes effect July 1, 2024, except that Sections 23, 26, and 34 of the bill, and Section 24-1.9-104 (3)(a) introductory portion and (3)(a)(I) in Section 28, concerning the establishment of additional community placement programs, funding for these programs, and preparation to accept referrals from law enforcement, take effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a total General Fund appropriation of \$1,462,316 including:

- \$1,423,054 to the Department of Human Services and 1.6 FTE; and
- \$39,866 to the Department of Public Safety and 0.4 FTE.

Departmental Difference

Counties estimate that providing services through CMPs will cost at least \$5.3 million more per year once services are fully implemented. Costs include hiring additional staff at each CMP, based on feedback from various counties on their staffing needs. The fiscal note estimates start-up costs based on the current average distribution to rural CMPs and additional administration funds equal to 13 percent of overall CMP funding. The fiscal note assumes that a 13 percent administration ratio and the current CMP staffing distribution for new CMPs is sufficient for start-up costs in the various counties.

State and Local Government Contacts

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