



Legislative Council Staff
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Fiscal Note

Drafting Number: LLS 24-0347
Prime Sponsors:

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Bill Status: Bill Draft
Fiscal Analyst: Aaron Carpenter | 303-866-4918
aaron.carpenter@coleg.gov

Bill Topic: **CHILD WELFARE SYSTEM TOOLS**

Summary of Fiscal Impact:	<input 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 requires that reports of child abuse include any evidence of domestic violence, the child abuse hotline have a disclaimer that calls are recorded, and the Child Protection Ombudsman audit certain child welfare system tools. From FY 2024-25 through FY 2025-26, the bill increases state and local expenditures.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$195,108 to the Office of the Child Protection Ombudsman.

Fiscal Note Status: The fiscal note reflects the bill draft requested by the Colorado's Child Welfare System Interim Study Committee.

Table 1
State Fiscal Impacts Under Bill 7

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$195,108	\$238,438
	Centrally Appropriated	\$9,298	\$9,298
	Total Expenditures	\$204,406	\$247,736
	Total FTE	0.5 FTE	0.5 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$29,266	\$35,766

Summary of Legislation

As described in more detail below, this bill requires that:

- reports for child abuse include any evidence of domestic violence;
- the child abuse hotline have a disclaimer that calls are recorded; and
- the Child Protection Ombudsman audit certain child welfare system tools.

Reporting child abuse. The bill requires reports of known or suspected child abuse or neglect to include any evidence of known or suspected domestic violence, including past cases, in a child's home whenever possible. The Colorado Department of Human Services (CDHS) must also create a consistent screening process, which includes questions about domestic violence, for county departments to follow while responding to a report from the child abuse reporting hotline. Finally, the CDHS must develop a disclosure that notifies callers that calls to the child abuse reporting hotline are recorded.

Audit of child welfare system tools. The bill requires the Colorado Child Protection Ombudsman (OCPO) to contract with a third party to conduct audits on the Colorado family safety assessment; the Colorado family risk assessment; and the TRAILS case management system. The OCPO must report the results of the audit by March 1, 2026.

State Expenditures

The bill will increase expenditures in the OCPO by about \$204,000 in FY 2024-25 and \$248,000 and in FY 2025-26 as shown in Table 2 and discussed below. In addition, workload in the CDHS will increase in FY 2024-25 only.

Table 2
Expenditures Under Bill 7

	FY 2024-25	FY 2025-26
Child Protection Ombudsman		
Personal Services	\$37,798	\$37,798
Operating Expenses	\$640	\$640
Capital Outlay Costs	\$6,670	-
Audit Contract	\$150,000	\$200,000
Centrally Appropriated Costs ¹	\$9,298	\$9,298
Dept. Subtotal	\$204,406	\$247,736
Total FTE	0.5 FTE	0.5 FTE

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

Child Protection Ombudsman. From FY 2024-25 through FY 2025-26, costs in the OCPO will increase to hire additional staff and to contract for the required audits, as described below.

- **Staff.** From FY 2024-25 through FY 2025-26, the OCPO requires 0.5 FTE to develop request for proposals, review the proposals, choose a third party administrator, and to manage the contract with the third party administrator. Costs assume an August 1, 2024 start date, and includes standard operating and capital outlay expenses.
- **Audit contract.** Costs in the OCPO will increase to contract with a third-party administrator to conduct audit on the required tools outlined in the bill. The fiscal note estimates that contractor costs will be about \$25,000 per month, with work starting on January 1, 2025 and finishing by March 1, 2026. This results in six months of costs in FY 2024-25 (\$150,000) and eight months of cost in FY 2025-26 (\$200,000).

Department of Human Services. In FY 2024-25, workload to the CDHS will increase to update rules to reflect the requirements of the bill, update messaging/recordings for the child abuse hotline, and to provide information as needed to the auditor. This work can be accomplished within existing appropriations.

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

To the extent that county departments are involved with any of the audits, or if additional training is needed for screenings of domestic violence, workload to county departments of human services will increase.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$195,108 to the Office of the Child Protection Ombudsman, and 0.5 FTE.

State and Local Government Contacts

Judicial
Information Technology

Counties
Law

Human Services