



Legislative Council Staff Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 24-0347 **Date:** January 12, 2024
Prime Sponsors: Rep. Duran; Evans **Bill Status:** House Health & Human Services
 Sen. Kolker; Kirkmeyer **Fiscal Analyst:** Aaron Carpenter | 303-866-4918
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Bill Topic: CHILD WELFARE SYSTEM TOOLS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<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 \$109,392 to the Office of the Child Protection Ombudsman.

Fiscal Note Status: The fiscal note reflects the introduced bill, which is recommended by the Colorado Child Welfare System Interim Study Committee.

Table 1
State Fiscal Impacts HB 24-1046

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$109,392	\$116,463
	Centrally Appropriated	\$9,298	\$7,439
	Total Expenditures	\$118,690	\$123,902
	Total FTE	0.5 FTE	0.5 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$16,409	\$17,469

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 review the screening process used by counties and hotline system operators and 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 and the Colorado family risk assessment. The OCPO must report the results of the audit by March 1, 2026.

State Expenditures

The bill will increase General Fund expenditures in the OCPO by about \$119,000 in FY 2024-25 and \$124,000 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 HB 24-1046

	FY 2024-25	FY 2025-26
Child Protection Ombudsman		
Personal Services	\$37,798	\$30,239
Operating Expenses	\$640	\$512
Capital Outlay Costs	\$6,670	-
Audit Contract	\$64,284	\$85,712
Centrally Appropriated Costs ¹	\$9,298	\$7,439
Total Costs	\$118,690	\$123,902
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 audits on the required tools outlined in the bill. The fiscal note estimates that contractor costs will be about \$11,000 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 (\$64,000) and eight months of cost in FY 2025-26 (\$86,000).

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 \$109,392 to the Office of the Child Protection Ombudsman, and 0.5 FTE.

State and Local Government Contacts

Counties	Human Services	Information Technology
Law		

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.