



**Colorado
Legislative
Council
Staff**

HB17-1101

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0554
Prime Sponsor(s): Rep. Rosenthal

Date: January 27, 2017
Bill Status: House Public Health Care and Human Services
Fiscal Analyst: Amanda Hayden (303-866-4918)

BILL TOPIC: DIV YOUTH CORR MONETARY INCENTIVES AWARD PROG

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	Potential increase.	
State Expenditures	\$90,313	\$108,065
General Fund	80,437	95,864
Centrally Appropriated Costs	9,876	12,201
FTE Position Change	0.8 FTE	1.0 FTE
Appropriation Required: \$80,437 - Department of Human Services (FY 2017-18).		
Future Year Impacts: Ongoing increase in state expenditures.		

Summary of Legislation

This bill creates the Youth Corrections Monetary Incentives Award Program (program) in the Division of Youth Corrections (DYC) of the Department of Human Services (DHS). The program provides monetary awards for juveniles committed to DYC facilities demonstrating academic, social, or psychological progress. On or before September 1, 2017, DHS must adopt rules for the administration of the program, including participation criteria, guidelines, award amounts for various achievements, and the items for which juveniles may use award money. The rules must include that a juvenile maintain the highest grades possible in each academic term; make consistent progress in his or her therapy or assigned program during each academic term; and use the money earned only for educational purposes, independent living expenses, restitution, or other approved expenses. The DYC must credit and hold in trust any money awarded to a juvenile in the program. If the juvenile does not have an account, DYC must establish one for him or her. The DYC may seek gifts, grants, or donations from private or public sources to fund the program.

State Revenue

The bill may increase state revenue from gifts, grants, or donations. As of this writing, no source of gifts, grants, or donations has been identified by the DYC. Gifts, grants, and donations are not subject to TABOR.

State Expenditures

This bill increases state General Fund expenditures in the DHS by \$90,313 and 0.8 FTE in FY 2017-18 and by \$108,065 and 1.0 FTE in FY 2018-19 and beyond.

Cost Components	FY 2017-18	FY 2018-19
Incentive Funds	\$33,300	\$44,400
Personal Services	\$41,674	\$50,514
FTE	0.8 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,463	950
Centrally Appropriated Costs*	9,876	12,201
TOTAL	\$90,313	\$108,065

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

Assumptions. Legislative Council Staff projects an average daily population of 592 committed youth in DYC facilities in FY 2017-18. The fiscal note assumes that 75 percent, or 444 youth, will be eligible to receive awards and that the award amount will be \$25 per academic term. This estimate assumes that program criteria will include subjective measurements for achieving the highest grades possible, allowing students with learning disabilities and special education needs to participate. Furthermore, the DYC reports that in the last school year, 62 percent of youth achieved one or more years of academic growth in math and 68 percent grew one or more years in reading. According to the division, it is common for 90 to 100 percent of youth leaving DYC facilities each month to have obtained their high school diploma or General Educational Development (GED) degree. Finally, the fiscal note assumes that the program will begin on September 1, 2017, but that the first award payments will not be made until the end of December 2017.

Incentive funds. In FY 2017-18, the DYC requires \$33,300 to provide \$25 incentive awards to approximately 444 students for three academic terms. In FY 2018-19 and beyond, the DYC requires \$44,400 to provide \$25 incentive awards to approximately 444 students for the full four academic terms each school year.

Personal services. Beginning in FY 2017-18, DYC requires \$41,674 and 1.0 FTE to administer the program (first year costs are prorated to 0.8 FTE to reflect a September 1 start date and the General Fund pay date shift). This program assistant will determine award criteria, set up accounts for awardees, reconcile bank records, purchase approved items using award money on the youths' behalf, and coordinate disbursement of funds for juveniles leaving the DYC. Standard operating and capital outlay costs are included.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB17-1101		
Cost Components	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,142	\$7,675
Supplemental Employee Retirement Payments	3,734	4,526
TOTAL	\$9,876	\$12,201

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2017-18, the bill requires a General Fund appropriation of \$80,437 and an allocation of 0.8 FTE to the Department of Human Services.

State and Local Government Contacts

Human Services Information Technology