



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 24-0835	Date:	July 23, 2024
Prime Sponsors:	Sen. Pelton B.; Michaelson Jenet Rep. Evans; Boesenecker	Bill Status:	Signed into Law
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Bill Topic: INTERSTATE COMPACT FOR THE PLACEMENT OF CHILDREN

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 repeals and reenacts the Interstate Compact for the Placement of Children. The bill conditionally increases state and local workload and expenditures if the new version of the compact is enacted by 35 states.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Summary of Legislation

Currently, a child who is found to be abused or neglected can be placed in homes in other states in accordance with the Interstate Compact for the Placement of Children. Under the existing compact, states work together to ensure the placement is suitable, but the sending state court has jurisdiction over the child even as they are moved to a receiving state, until they are adopted, reach majority, become self-supporting or when authorities in both states agree the case can be discharged. The Governor appoints a general coordinator of the compact that can make rules to carry out the compact, and local county departments process and monitor interstate placements.

The bill revises and expands the existing Interstate Compact for the Placement of Children to align practice standards and compliance across states. This new version of the compact takes effect if it is enacted by 35 states. Specifically, the bill outlines the operating procedures for ensuring children are placed in suitable homes in a timely manner, the coordination of this compact with other existing compacts, and the legal jurisdiction for children in placements. The bill also creates an Interstate Commission, consisting of one member from each state in the compact, that will develop rules, develop a dispute resolution process, enforce compliance among states, specify data to be collected and shared, and develop guidelines for cases involving Indian children in accordance with Federal Law. The Commission may collect a fee from member states to cover expenses of the Commission.

If the compact takes effect, the Department of Human Services (CDHS) must convene a working group to review and provide recommendations to Colorado's commissioner to the compact.

Assumptions

The compact requires adoption by 35 states to go into effect. Based on current figures, Colorado would be the seventeenth state to adopt the new compact.

The bill allows the Commission to create and enforce administrative rules that will govern the activities of member states, and for member states to amend the compact before it goes into effect by 35 states. Given the potential for factors in the compact to change between now and the adoption of the compact, which can be several years in the future, the fiscal note assumes the adopted compact will largely align with existing procedures in Colorado from the current compact, and that any resources currently used to implement the existing compact in the state will be shifted to implement the new compact. More accurate fiscal impacts can only be determined closer to the time of adoption.

State Expenditures

Conditional on the compact becoming effective, the bill increases workload in the Department of Human Services and may impact the Judicial Department and independent judicial agencies. State expenditures will also increase for dues to the commission, as discussed below.

Department of Human Services. Workload will increase to meet any additional practice standards in the compact, train county departments on updated requirements, and convene the working group. This workload is expected to be minimal based on current work related to the existing compact and can be accomplished within existing appropriations.

The compact commission may charge an annual fee from member states. While the amount and timing of any fee is unknown at this time, it is assumed to be similar to the amount paid under the current version of the compact. Should the amount differ following enactment of the compact, CDHS will request funding through the budget process.

Judicial Department and Independent judicial agencies. Because trial courts already oversee cases governed by the existing Interstate Compact for the Placement of Children, the new compact is expected to minimally impact workload for the trial courts, the Office of the Respondent Parents' Counsel (ORPC) and the Office of the Child's Representative, and can be accomplished within existing appropriations. If the new compact leads to longer cases or additional hearings, additional resources will be requested through the annual budget process.

Local Government

Similar to the state, county departments of human services that facilitate child placements may be impacted depending on the requirements of the adopted compact; however, this will be minimal based on current work related to the existing compact. If the compact establishes deadlines for all stages of the placement process and this leads to more timely placements between states, expenditures for counties that must pay for the support and maintenance of the child during the period of placement will decrease.

Effective Date

The bill was signed into law by the Governor on May 24, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

Departmental Difference

If the compact goes into effect, the ORPC anticipates costs of \$1.3 million for attorney costs related to longer hearings for out-of-state placement cases and additional hearings for parents to litigate the constitutionality of the compact. The fiscal note assumes that the bill will not substantially increase court cases. If court cases do substantially increase, these costs will be requested through the annual budget process based on actual impacts from the final enacted compact.

State and Local Government Contacts

Child Welfare	Counties	Early Childhood
Education	Governor	Health Care Policy and Financing
Human Services	Information Technology	Judicial
Law	Municipalities	Personnel

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 the [General Assembly website](#).