



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

TO: Members of the House Judiciary Committee

FROM: Aaron Carpenter, Senior Fiscal Analyst
aaron.carpenter@coleg.gov, 303-866-4918

DATE: March 24, 2025

Fiscal Assessment of L.001 and L.002 HB 25-1214

This memorandum is an assessment of the fiscal impact of the attached proposed Amendments L.001 and L.002 to House Bill 25-1214. This fiscal assessment is for the impact of the bill with inclusion of these amendments only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendments

Amendment L.001

Amendment L.001 adds level 3 and 4 drug felonies to the list of crimes for which incarceration may be sentenced only when it is the most suitable option. It removes the requirement that the court receive reports of available sentencing options and make specific findings. It clarifies that a resentencing hearing for someone sentenced to the Department of Corrections (DOC) within their parole eligibility date does not apply if there is a plea deal to incarceration. It prohibits the Parole Board from denying parole granted under the bill due to failing to complete a treatment or program. Finally, it makes other changes to clarify that procedures apply to the Victim's Rights Act.

Amendment L.002

Amendment L.002 removes the requirement that the DOC produce a list of eligible persons under the bill for the Parole Board.



Fiscal Impact of Amendments

The amendments increase state revenue and decrease state expenditures, as described below.

State Revenue

By adding crimes to the requirement that a court only sentence people to incarceration when it is the most suitable option, the amendments increase sentences to probation. Using the same assumptions outlined in the fiscal note dated March 10, 2025, revenue will increase by \$2,856 in FY 2025-26, \$7,524 in FY 2026-27, \$16,140 in FY 2027-28, and \$19,200 in FY 2028-29.

State Expenditures

The amendments reduce state expenditures by removing reporting requirements, removing the requirement that courts make specific findings, and by adding additional crimes that are assumed to be sentenced to probation rather than the DOC. These changes result in a decrease of expenditures of \$1.6 million in FY 2025-26, \$1.5 million in FY 2026-27, \$0.9 million in FY 2027-28, and \$2.1 million in FY 2028-29.

Bill's Revised Fiscal Impact with Amendments

State Revenue

As amended, the bill sentences additional individuals to probation, increasing Offender Services Cash Fund revenue by an estimated \$9,534 in FY 2025-26, \$26,766 in FY 2026-27, \$55,416 in FY 2027-28, and \$65,280 in FY 2028-29. This amounts are based on the assumed number of individuals sentenced to probation, and factor in current indigence and collection rates of the Judicial Department, and shown in Table 1.

State Expenditures

On net, the bill reduces state General Fund expenditures by \$785,121 in FY 2025-26, \$1.7 million in FY 2026-27, \$2.3 million in FY 2027-28, and \$4.0 million in FY 2028-29. These expenditures occur in the Judicial Department and the Department of Corrections as shown in Table 1 and described below.



Table 1
State Fiscal Impacts with Amendments L.001 and L.002

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$9,534	\$26,766	\$55,416	\$65,280
State Expenditures	-\$785,121	-\$1,658,037	-\$2,264,007	-\$4,001,716
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$9,534	\$26,766	not estimated	not estimated
Change in FTE	0.7 FTE	1.8 FTE	2.6 FTE	2.6 FTE

Table 2
State Expenditures with Amendments L.001 and L.002

Department	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Judicial Department	\$81,169	\$196,469	\$281,480	\$273,680
Department of Corrections	-\$866,290	-\$1,854,506	-\$2,545,487	-\$4,275,396
Total Costs	-\$785,121	-\$1,658,037	-\$2,264,007	-\$4,001,716

Judicial Department

As amended, the bill increases state expenditures in the Judicial Department due to additional sentences to the Division of Probation. The bill also increases workload for the courts to conduct additional hearings and make additional findings. Staff are prorated for an assumed October 1, 2025, hire date in FY 2025-26.

Division of Probation

Based on the assumed number of cases sentenced to probation rather than the DOC in the bill as amended, the Division of Probation requires 0.9 FTE in FY 2025-26, 1.8 FTE in FY 2026-27, and 2.6 FTE in FY 2027-28 and ongoing to manage increased presentencing report workload and the increase in the number of individuals sentenced to probation instead of the DOC. This includes 0.7 FTE for probation officers in FY 2025-26, 1.4 FTE in FY 2026-27, and 2.0 FTE starting in FY 2027-28. Each probation officer requires a probation supervisor, at a 1:6 ratio, and a staff assistant at a 1:5 ratio resulting in the total FTE outlined above.

Trial Courts

Workload in the trial courts will increase to conduct additional resentencing hearings. This assumes there will be 449 resentencing hearings, each requiring one hour, due to a DOC sentence within 90 days of the individual's parole eligibility date. This results in the need for 0.2 FTE magistrate, which is within the absorbable threshold for the courts.



Table 2A
State Expenditures with Amendments L.001 and L.002
Judicial Department

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$57,632	\$147,316	\$212,961	\$212,961
Operating Expenses	\$2,481	\$5,692	\$8,615	\$8,615
Capital Outlay Costs	\$7,000	\$7,400	\$7,800	\$0
Centrally Appropriated Costs	\$14,056	\$36,061	\$52,104	\$52,104
Total Costs	\$81,169	\$196,469	\$281,480	\$273,680
Total FTE	0.7 FTE	1.8 FTE	2.6 FTE	2.6 FTE

Department of Corrections

The bill decreases expenditures in the DOC due to the assumption of fewer sentences; however, the department requires additional staff resources in FY 2025-26 only, as described below.

Prison and Parole Decrease

Based on the assumptions above, this bill decreases prison and parole operating costs for the DOC by a total of \$17.8 million over the five-year period beginning in FY 2025-26. Table 2B shows the estimated cost savings of the bill over the next five fiscal years. Savings in the first year are prorated for the bill's September 1, 2025, effective date.

Table 2B
State Expenditures with Amendments L.001 and L.002
Prison and Parole Operating Costs

Fiscal Year	Prison ADP Impact¹	Prison Cost	Parole ADP Impact¹	Parole Cost	Total Cost
FY 2025-26	-33.52	-\$830,100	-4.31	-\$36,189	-\$866,290
FY 2026-27	-90.13	-\$2,232,075	-37.37	-\$313,412	-\$2,545,487
FY 2027-28	-141.32	-\$3,499,887	-92.46	-\$775,509	-\$4,275,396
FY 2028-29	-152.38	-\$3,773,688	-143.29	-\$1,201,888	-\$4,975,575
FY 2029-30	-152.38	-\$3,773,688	-167.75	-\$1,407,037	-\$5,180,724
Total Five-Year Cost		-\$14,109,438		-\$3,734,034	-\$17,843,472

¹ ADP impact signifies the bill's effect on average daily populations in DOC.



Parole Board

Parole Board workload will increase to hear additional parole applications and to provide the reporting required by the bill. In addition, if more individuals are granted parole, workload in the Division of Adult Parole will increase. Because it is unknown how Parole Board decisions will change, the fiscal note assumes any adjustments in appropriations will be handled through the annual budget process.

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 the expenditure tables above.