

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0386	Date: May 29, 2013
Prime Sponsor(s): Rep. Hamner Sen. Hodge; Kerr	Bill Status: Signed into Law
	Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING ALIGNMENT OF CHILD DEVELOPMENT PROGRAMS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures Various Cash Funds Federal Funds	No net change. Increase. See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on May 7, 2013, and takes effect July 1, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

The bill consolidates several child development programs in the Department of Human Services (DHS). The programs transferred include the Early Childhood Leadership Council in the Governor's Office and the following programs from the Department of Public Health and Environment (DPHE):

- the Nurse Home Visitation Program;
- the Tony Grampsas Youth Services Program;
- the Colorado Student Dropout Prevention and Intervention Program;
- the Colorado Before-and-After School Project;
- the Colorado Children's Trust Fund and its board; and
- the Family Resource Center Program.

The Early Childhood Leadership Council is scheduled to be repealed on July 1, 2013. The bill extends the Early Childhood Leadership Council sunset date to September 1, 2018, and reduces the membership of the council from 35 to 20 members. The duties of the council are shifted to include advising and monitoring of early childhood programs, rather than developing legislative recommendations and improving data collection and sharing, as is specified under current law.

State Expenditures

The bill transfers and consolidates various child development programs into the DHS, which is not expected to have an impact on the current level of state spending (\$19.9 million) for these programs. In addition, the bill increases spending of federal funds, at the discretion of the Governor, by continuing the Early Childhood Leadership Council. The transfers and changes in the bill are discussed below. In addition, the bill rearranges several budget line items within the 2013 Long Bill to reflect the organizational structure in the DHS following the transfer of programs.

Transferred programs. The DHS will have increased costs beginning in FY 2013-14 to operate the various transferred programs, but these costs are offset by a corresponding reduction in costs in the DPHE. Following the transfer, changes in the costs to operate the various programs are not anticipated. The costs of programs transferred to the new office and division in the DHS are described in Table 1.

Table 1. FY 2013-14 Funding for Programs Transferred under HB 13-1117						
Program	FTE	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	Total*
Nurse Home Visitor Program	3.0	\$0	\$13,524,950	\$0	\$204,600	\$13,729,550
Tony Gramscas Youth Services Program	3.0	1,453,849	3,606,650	0	0	5,060,499
Children's Trust Fund/Family Resource Centers	1.5	0	470,914	0	643,600	1,114,514
TOTAL	7.5	\$1,453,849	\$17,602,514	\$0	\$848,200	\$19,904,563

* Funding based on FY 2013-14 budget request by the DPHE.

Relocation costs. The DHS may have one-time costs associated with transferring the various programs from the DPHE. These costs will include new employee ID cards, letterhead, and other such items, as well as the time and costs of physically relocating staff and rearranging offices. These costs are assumed to be minimal and can be accomplished within existing appropriations.

Continuation of Early Childhood Leadership Council. This bill continues the Early Childhood Leadership Council in the Governor's Office that is set to repeal on July 1, 2013, and transfers the council to the DHS. The council is supported entirely by federal funds allocated by the Governor into the Early Childhood Leadership Commission Fund. These custodial funds are allocated at the discretion of the Governor, rather than appropriated by the legislature. Therefore, no appropriation is required to fund the extension of the council. For the previous three years, the work of the council and other early childhood initiatives have been supported by 5.0 FTE in the Lieutenant Governor's Office funded through a \$1.5 million federal grant. At this time it is unknown what amount of federal funding will be available and allocated by the Governor for this purpose.

State Appropriations

The bill requires the following appropriations in FY 2013-14:

- an increase of \$19,904,563 from various cash funds and 7.5 FTE to the DHS;
- a decrease of \$19,904,563 from various cash funds and 7.5 from the DPHE; and
- a decrease in transfers from the DPHE to the DHCPF of \$3,010,000, split between reappropriated funds and federal funds, for the Nurse Home Visitor Program, and a corresponding increase in transfers from the DHS to the DHCPF in the same amount.

Departments Contacted

Human Services
Health Care Policy and Financing
Education

Public Health and Environment
Governor
Counties