

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0845 **Date:** May 31, 2013
Prime Sponsor(s): Rep. Singer; May **Bill Status:** Signed into Law
 Sen. Newell; Nicholson **Fiscal Analyst:** Bill Zepernick (303-866-4777)

TITLE: CONCERNING METHODS TO RESPOND TO INITIAL CONTACTS MADE TO A CHILD ABUSE REPORTING HOTLINE SYSTEM, AND, IN CONNECTION THEREWITH, AUTHORIZING THE STATE BOARD OF HUMAN SERVICES TO ADOPT RULES GOVERNING THE HOTLINE SYSTEM, PROVIDING CONSISTENT PRACTICES IN RESPONSE TO CONTACTS AND TO REPORTS OF KNOWN OR SUSPECTED CHILD ABUSE OR NEGLECT, AND MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2012-2013 (Current Year)	FY 2013-2014	FY 2014-2015	FY 2015-16
State Revenue				
State Expenditures General Fund	\$25,000	\$704,800	\$1.2 million to \$2.6 million*	\$1.2 million to \$3.0 million*
FTE Position Change			5.0 FTE to 32.8 FTE*	5.0 FTE to 40.3 FTE*
Effective Date: The bill was signed into law by the Governor and took effect on May 14, 2013.				
Appropriation Summary for FY 2012-13 and 2013-2014: See State Appropriations section.				
Local Government Impact: See Local Government Impact section.				

* Actual costs and staff depend on hotline implementation decisions by the steering committee and the number of counties delegating intake responsibilities to the statewide hotline.

Summary of Legislation

The bill requires the Department of Human Services (DHS) to establish a steering committee to develop an implementation plan for a statewide child abuse reporting hotline (the hotline). The steering committee must include state, local, and stakeholder representatives, and is required to submit its recommendations to the executive director of the DHS and the State Board of Human Services (state board) by July 1, 2014. **The hotline is required to be operational and publicized statewide no later than January 1, 2015.**

The bill specifies that the hotline is required to operate 24 hours a day, 7 days a week. The state board is authorized to adopt rules, based upon the recommendation of the steering committee, to address the technological, operational, process, and training requirements of the hotline, including the accommodation of persons who are deaf, hard of hearing, or who require language translation. The state board is also required to create a formal process for county departments of human services to opt to have the state department receive reports and inquiries on behalf of the county after hours or for another county to receive reports after hours or on a short-term basis. The bill also conforms existing law regarding mandatory reporting requirements to allow reporting through the hotline.

Note: Expenditures in FY 2012-13 and FY 2013-14 are applicable regardless of decisions made by the steering committee. Costs beginning in FY 2014-15 depend on numerous implementation decisions by the hotline steering committee, the state board, and counties. Two cost scenarios are considered in this fiscal note to outline the potential low- and high-end costs under the bill when the hotline is operational. Actual cost will likely be within this range.

State Expenditures

The bill increases General Fund costs in the DHS by **\$25,000 in FY 2012-13 (current fiscal year) and \$704,800 in FY 2013-14. Costs in FY 2014-15 will be at least \$1.2 million and could be up to \$2.6 million. Once the hotline is fully operational, costs may range between \$1.2 million and \$3.0 million per year beginning in FY 2015-16.** These costs are described below and summarized in Table 1 (Low-end cost estimate) and Table 2 (High-end cost estimate).

Consulting services. The DHS requires \$200,000 for consulting services for expert analysis on how to structure and operate a statewide hotline. This one-time cost will be split between FY 2012-13 (\$25,000) and FY 2013-14 (\$175,000). The consultant will assist the steering committee to develop options and make recommendations to the state board for hotline implementation. This cost will be incurred regardless of how the hotline is implemented.

Information technology costs. The DHS will require modifications to the child welfare computer system (TRAILS) to allow the system to work with a centralized hotline. One-time IT costs will be \$529,800 in FY 2013-14, and recurring costs will be \$135,000 per year in FY 2014-15 and beyond. The first-year costs include \$454,800 in FY 2013-14 for contract programming (3,000 hours), business and system analysis (2,000 hours), network administration (320 hours), and project management (400 hours) at the common policy rates, as well as new hardware and equipment (\$75,000). Software licensing costs are expected to be \$135,000 per year beginning in FY 2014-15. These costs include development of a web-based reporting option, which the fiscal note assumes would be implemented as part of the hotline system. While there may be some variation, these IT costs will be incurred regardless how the hotline is implemented.

Personal services. The costs of staffing the hotline depend on the decisions made by the steering committee and how counties choose to participate. As shown in Table 1, if the hotline acts primarily as a forwarding center for calls to county departments, 5.0 FTE are required at a cost of \$309,626 in FY 2014-15 (prorated for General Fund pay-date shift) and \$337,773 in FY 2015-16 and beyond. In this low-end staffing estimate, the call center would largely be automated, with limited staff for assistance, supervision, analysis, and maintenance of the hotline.

As shown in Table 2, if the hotline assumes responsibility for taking reports for a large number of counties, then at least 32.8 FTE are required in FY 2014-15 at a cost of \$1,850,129 (pro-rated for General Fund pay-date shift and an October start date for approximately 30 call center staff). Costs increase to \$2,467,046 and 40.3 FTE in FY 2015-16 for full-year implementation. This high-end estimate assumes a full complement of call center staff necessary to take calls from most counties in the state. For the hotline to assume responsibility for report-taking on behalf of a county, approval of both the executive director of the DHS and the county board of commissions of that county is required.

Operating expenses and capital outlay costs. Operating expenses and capital outlay costs in the low-end cost estimate, shown in Table 1, are expected to be \$48,265 in FY 2014-15 and 24,750 in FY 2015-16 and beyond. These costs include standard operating and capital costs for 5.0 FTE and \$20,000 in document management costs. In the high-end estimate, shown in Table 2, operating and capital costs will be \$240,691 in FY 2014-15 and \$58,285 in FY 2015-16. These costs include standard operating and capital costs for 32.8 FTE in FY 2014-15 and 40.3 FTE in FY 2015-16, as well as \$20,000 in document management costs.

Call management system. The hotline will require a call management system to route calls between operators at the hotline and counties. In the low-end estimate shown in Table 1, it is assumed that the call management system is mostly automated and able to route calls with limited staff involvement. Such a system may cost up to \$400,000 per year. In the high-end estimate shown in Table 2, costs for the call management system are lower, as there is more staff to answer and route calls and less automation. In the high-end estimate, the call management system will cost \$60,000 in FY 2014-15 and \$15,000 in FY 2015-16 and beyond.

Legal services. The DHS will have one-time costs of \$23,175 for 300 hours of legal services in FY 2014-15 for rulemaking to guide the hotline's operations. Legal service costs are expected to be similar regardless of the exact implementation of the hotline.

Other costs. The DHS will have other costs to operate and publicize the hotline. These include \$300,000 per year in public relations costs for a campaign to publicize the hotline in the both scenarios. Travel costs in both scenarios are estimated to be \$12,000 in FY 2014-15 and \$6,000 in FY 2015-16.

Table 1. Expenditures Under HB 13-1271 (Low-End Cost Estimate - Limited Staffing)				
Cost Components	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Personal Services	\$0	\$0	\$309,626	\$337,773
FTE	0.0	0.0	5.0	5.0
Operating Expenses and Capital Outlay	0	0	48,265	24,750
Consultant	25,000	175,000	0	0
IT Contractor (OIT)	0	454,800	0	0
IT Hardware (OIT)	0	75,000	0	0
IT Software and Licensing (OIT)	0	0	135,000	135,000
Public Relations	0	0	300,000	300,000
Call Management System	0	0	400,000	400,000
Legal Services	0	0	23,175	0
Travel	0	0	12,000	6,000
TOTAL	\$25,000	\$704,800	\$1,228,066	\$1,203,523

Table 2. Expenditures Under HB 13-1271 (High-End Cost Estimate - Full Staffing)				
Cost Components	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Personal Services	\$0	\$0	\$1,850,129	\$2,467,046
FTE	0.0	0.0	32.8	40.3
Operating Expenses and Capital Outlay	0	0	240,691	58,285
Consultant	25,000	175,000	0	0
IT Contractor (OIT)	0	454,800	0	0
IT Hardware (OIT)	0	75,000	0	0
IT Software and Licensing (OIT)	0	0	135,000	135,000
Public Relations	0	0	300,000	300,000
Call Management System	0	0	60,000	15,000
Legal Services	0	0	23,175	0
Travel	0	0	12,000	6,000
TOTAL	\$25,000	\$704,800	\$2,620,995	\$2,981,331

Expenditures Not Included

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 in FY 2014-15 could range from \$52,389 (for employee insurance and supplemental retirement payments) in the low-end cost estimate for 5.0 FTE shown in Table 1 to \$499,463 (for employee insurance, supplemental retirement payments, and leased space for 40.3 FTE) in the high-end estimate shown in Table 2.

Local Government Impact

The costs and savings of the bill to local government depend on a number of factors. First, counties may have costs for training staff to work with the new hotline and incorporate hotline calls into their current intake process. In addition, a new hotline may increase call volume, which may result in the need for additional staff. To the extent that counties enter into agreements with the hotline to handle child abuse intake on behalf of the counties, there may be cost savings, likely offset by compensation to the state hotline for performing this function. It is assumed such details will be worked out in the rules governing the hotline and in the individual memoranda of understanding between counties and the state hotline.

State Appropriations

The bill includes the following General Fund appropriations to the DHS:

- \$200,000 in FY 2012-13 with roll-forward authority to FY 2013-14; and
- \$529,800 in FY 2013-14, of which the entire amount is reappropriated to the Governor's Office of Information Technology.

Departments Contacted

Human Services

Law

OIT

Counties