

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0485
Prime Sponsor(s): Sen. Newell
 Rep. Fields

Date: June 17, 2013
Bill Status: Signed into Law
Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING PROTECTIONS FOR YOUTH IN FOSTER CARE AGAINST IDENTITY THEFT, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	<u>\$31,100</u>	<u>\$30,600</u>
General Fund	24,334	23,960
Federal Funds	6,766	6,640
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect on May 28, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill clarifies the role of counties and the Department of Human Services in obtaining and remediating inaccuracies in credit reports for youths in foster care, and makes the following changes:

- expands the credit report requirement to youths in the custody of the Division of Youth Corrections (DYC) and state mental hospitals;
- requires all youths in such placements who are age 16 and older to receive credit report assistance, rather than only youths between the ages of 16 and 18; and
- clarifies that credit reports must be obtained annually.

State Expenditures

The bill increases costs in the Department of Human Services by ***\$31,100 in FY 2013-14 and \$30,600 in FY 2014-15***, paid with General Fund and federal funds. These costs are summarized in Table 1 and the discussion below.

Cost Components	FY 2013-14	FY 2014-15
Credit Report Access	\$1,700	\$1,200
Credit Report Remediation (100 youths in Foster Care)	24,500	24,500
Credit Report Remediation (20 youths in DYC)	4,900	4,900
TOTAL	\$31,100	\$30,600

Credit report access. The DHS will contract with the three major credit reporting agencies to give county departments and the DHS staff the ability to pull credit reports for youths in foster care, DYC, and state mental hospital. Two of the three credit reporting agencies charge for organizational access to their credit report databases (\$50 each per month) and one of the agencies also requires a one-time set-up fee (\$500). Therefore, credit report access will cost \$1,700 in the first year and \$1,200 in the second and subsequent years, with 75 percent paid with General Fund and 25 percent by federal funds.

Credit report remediation. The DHS will have costs of \$29,400 per year for credit report remediation to correct inaccuracies or fraud detected on youths' credit reports. When problems are found, the county departments or DHS staff must work with an approved organization to correct credit reports. Costs for each youth requiring remediation are estimated at \$245. Based on the experience of other states, 4.25 percent of youths are expected to require corrections to their credit reports. There are currently about 2,300 youths in foster care and 425 youths in DYC placements who are over the age of 16, which will result in about 100 child welfare youths and 20 DYC youths requiring credit report remediation each year. Therefore, costs are estimated to be \$24,500 for youths in foster care (75 percent General Fund and 25 percent by federal funds) and \$4,900 for youths in DYC placements (95.6 percent General Fund and 4.4 percent federal funds).

Local Government Impact

County departments of human services will have increased workload to obtain credit reports for youths in foster care and DYC placements and to seek remediation services when inaccuracies or fraud are detected. Costs to obtain credit reports and correct inaccuracies are paid by the DHS, but county caseworker time is still required to access the credit reports, review them with youths, inform the court of inaccuracies, and work with the remediation agency to ensure corrections are made.

State Appropriations

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

- \$26,200 to the Division of Child Welfare, of which \$19,650 is General Fund and \$6,550 is federal funds; and
- \$4,900 to the Division of Youth Corrections, of which \$4,684 is General Fund and \$216 is federal funds.

Departments Contacted

Human Services

Judicial

Counties