

FINAL FISCAL NOTE

Rep. May; Gardner Fiscal Analyst: Bill Zepernick (303-866-4777)

SHORT TITLE: RESPONDENT PARENTS COUNSEL CHILD ABUSE AND NEGLECT

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016	FY 2016-2017
State Revenue			
State Expenditures			
General Fund		Up to \$600,000	Up to \$515,000
FTE Position Change		Up to 1.6 FTE	Up to 2.0 FTE
Appropriation Required: None.			

^{*} This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill creates the Office of the Respondent Parents' Counsel (ORPC) in the Judicial Department, effective January 1, 2016. The ORPC is responsible for providing legal representation to parents involved in dependency and neglect proceedings who lack the financial means to obtain representation. The operational structure of the ORPC is to be based on the final report by the Respondent Parents' Counsel Work Group in the Office of the State Court Administrator (OSCA) that is due by September 30, 2014. The Judicial Department is to request funding for the ORPC in its November 2014 budget request to the Joint Budget Committee (JBC) based on these recommendations. Funding for the office is to be paid with funds transferred from the mandated costs line item in the Judicial Department budget.

State Expenditures

The bill increases costs in the Judicial Department beginning in FY 2015-16 to establish the ORPC. While the exact costs of the bill depend on the recommendations of Respondent Parents' Counsel Work Group, the fiscal note estimates that costs could increase by **up to \$600,000 General Fund and 1.6 FTE in FY 2015-16 and \$515,000 and 2.0 FTE in FY 2016-17** for staffing and start up costs in the first two years to establish and operate the ORPC.

As discussed below, this estimate is based on establishment of the ORPC as an independent office that receives certain administrative, payment, and budget support from the Judicial Department, which is assumed to represent the upper end of the likely costs. Additional costs may be incurred to pursue quality initiatives or implement attorney rate increases.

Other potential options include merging the ORPC with another independent office within the Judicial Department or creating the ORPC as a completely independent office without support from the rest of the Judicial Department. These scenarios will have different costs than the one considered in this fiscal note. No appropriation is required for FY 2014-15, and the actual costs in FY 2015-16 will be addressed through the annual budget process.

Potential costs of the ORPC. Table 1 summarizes the potential costs of creating the ORPC as an independent office within the Judicial Department with operations beginning on January 1, 2016, with staff being in place by September 1, 2015. Thus, start-up and personnel costs will be incurred beginning in FY 2015-16.

Table 1. Expenditures Under SB 14-203						
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17			
Office of the Respondent Parents' Counsel		<u>\$5,668,639</u>	<u>\$10,610,767</u>			
Personal Services		\$248,321	\$310,400			
FTE		2.4 FTE	3.0 FTE			
Operating Expenses and Capital Outlay Costs		16,729	3,870			
Facilities and Equipment		123,600	1,800			
Training		40,000	40,000			
Case Management System		187,500	187,500			
Respondent Parents' Counsel Attorney Costs		5,000,000	10,000,000			
Centrally Appropriated Costs*		52,489	67,197			
Office of the State Court Administrator		<u>(\$5,076,366)</u>	<u>(\$10,096,123)</u>			
Personal Services		(66,082)	(82,602)			
FTE		(0.8 FTE)	(1.0 FTE)			
Operating Expenses		(760)	(950)			
Respondent Parents' Counsel Attorney Costs		(5,000,000)	(10,000,000)			
Centrally Appropriated Costs*		(9,524)	(12,571)			
TOTAL		\$592,273	\$514,644			

^{*} Centrally appropriated costs are not included in the bill's appropriation.

ORPC administration. The ORPC is assumed to require 3.0 FTE for an executive director, staff assistant, and legal counsel. The legal counsel FTE is an existing position that will be transferred from the OSCA. First-year costs are prorated to reflect ten months of staff time in FY 2015-16.

Facility and equipment. Unfinished office space is available in the existing judicial complex that can be used by the ORPC. To prepare this space, a one-time cost of \$120,000 is required for space build-out in FY 2015-16. Shared office equipment and furniture (copy machine, fax, book shelves, etc) are expected to cost \$3,600 in the first year and \$1,800 in the second year.

Other costs. A new case management system to schedule, pay, and manage attorneys acting as respondent parents' counsel is expected to cost \$375,000, with costs spread over two years (\$187,500 per year). This cost, based on a similar system obtained when the Office of the Child's Representative was created, is a one-time expense, excluding any required maintenance and improvements in future years, which will be addressed through the annual budget process, as needed. Training for attorneys providing respondent parent counsel is expected to cost \$40,000 per year.

Respondent Parents' Counsel Attorney Costs. Based on current appropriations, respondent parents' counsel attorney are estimated to cost approximately \$10.0 million per year. Given the January 2016 start date for operations in the ORPC, \$5.0 million in FY 2015-16 and \$10.0 million in FY 2016-17 will shift from the OSCA to the ORPC.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 14-203*						
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17			
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$0	\$9,969	\$12,461			
Supplemental Employee Retirement Payments	0	14,658	20,160			
Leased Space	0	18,338	22,005			
TOTAL	\$0	\$42,965	\$54,626			

^{*}More information is available at: http://colorado.gov/fiscalnotes

Technical or Mechanical Defects

The bill refers to the "mandated costs" line item in the Judicial Department budget; this has been renamed as the "court costs, jury costs, and court-appointed counsel" line item in the FY 2014-15 Long Bill. In addition, the portion of this line item for parent respondent counsel only includes funding for providing legal representation to parents; there is no additional funding that can be used for personal services, operating expenses, and capital expenses associated with establishing a new office. Therefore, the fiscal note shows these costs as requiring General Fund.

Effective Date

The bill was signed into law by the Governor on May 29, 2014, and takes effect August 6, 2014, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Human Services

Counties