

*Colorado Legislative Council Staff*  
**STATE and LOCAL  
 FISCAL IMPACT**

**Drafting Number:** LLS 03-0385

**Date:** January 16, 2003

**Prime Sponsor(s):** Rep. Jahn

**Bill Status:** House HEWI

**Fiscal Analyst:** Janis Baron (303-866-3523)

**TITLE:** CONCERNING CHILD CARE, AND, IN CONNECTION THEREWITH, MAKING MODIFICATIONS TO CERTAIN STATUTES AFFECTING CHILD PLACEMENT AGENCIES.

Fiscal Impact Summary	FY 2003/2004	FY 2004/2005
<b>State Revenues</b>		
Cash Funds - Application Fees	\$ 26,880	\$ 17,344
Cash Funds - Fingerprint Checks	21,000	0
Cash Funds Exempt - FBI Fingerprint Checks	3,300	0
<b>State Expenditures</b>		
General Fund	\$ 240,394	\$ 192,948
Cash Funds	47,880	17,344
Cash Funds Exempt	3,300	0
Federal Funds	71,048	55,900
<b>FTE Position Change</b>	5.0 FTE	5.0 FTE
<b>Other State Impact:</b> TABOR Impact		
<b>Effective Date:</b> Upon Signature of the Governor		
<b>Appropriation Summary for FY 2003/2004:</b>		
Department of Human Services	\$338,322 Total Funding + 5.0 FTE	
	240,394 General Fund	
	26,880 Cash Funds - Fees	
	71,048 Federal Funds	
Department of Public Safety	\$ 24,300 Total	
	21,000 Cash Funds - Fees	
	3,300 Cash Funds Exempt - Pass through to FBI	
<b>Local Government Impact:</b> The bill's fiscal impact on county departments of social services is estimated at \$168,804 in FY 2003-04 and \$101,344 in FY 2004-05. See Local Government Impact section of fiscal note.		

**Summary of Legislation**

The bill includes a number of provisions related to foster care and child placement agencies (CPAs). This fiscal note is limited to a discussion of that provision of the bill which creates both a

state and local fiscal impact. Section 26-6-104 (10) of the bill requires county departments of social services that certify foster care homes to obtain a license from the Department of Human Services (DHS), Division of Child Care, and to comply with all statutes and rules applicable to a CPA that is licensed to place or arrange for the placement of children.

### **State Revenues**

**Department of Human Services.** County departments (64) will pay a one-time license application fee of \$420 in FY 2003-04 resulting in \$26,880 cash funds revenue. For FY 2004-05 and subsequent fiscal years, the county departments will pay a continuation fee based on the number of foster homes that they certify (average fee amount is estimated at \$271). Thus, an estimated \$17,344 in cash funds revenue will result in FY 2004-05.

**Department of Public Safety.** Under the bill, 1,500 county staff currently not subject to a fingerprint check will now be subject to one. The Colorado Bureau of Investigation (CBI) charges \$14.00 for its fingerprint check. Total revenue in FY 2003-04 is estimated at \$21,000. Additionally, of the 1,500 county staff fingerprinted, 150 (10%) will be subject to the statutorily required FBI check because these persons will not have resided in Colorado for 2 years. The cost of an FBI fingerprint check is \$22.00. Thus, \$3,300 cash funds exempt revenue will be collected by the state and passed onto the FBI. As county staff turns over in subsequent fiscal years, minimal revenues will be collected for fingerprint checks.

### **State Expenditures**

**Department of Human Services.** The DHS will require \$338,322 in FY 2003-04 and \$266,192 in FY 2004-05 to comply with the bill's requirement that county departments be licensed as CPAs. Additional staff totaling 5.0 FTE is needed for licensing and monitoring activities.

- **Licensing Activities.** For FY 2001-02, there were 61 CPAs certifying 2,381 foster homes serving 4,010 children. The Division of Child Care licenses these 61 CPAs with 2.0 FTE (average caseload is 31 CPAs per FTE). There are 64 counties certifying 2,997 foster homes serving 4,474 children. Thus, the bill effectively doubles the workload of the division's licensing staff. The department will require 2.0 FTE General Professional IV.
- **Monitoring Activities.** Currently, the Child Welfare Monitoring Team conducts monitoring visits to CPAs and visits when there are abuse reports or complaints. The monitoring team includes 9.0 FTE. Current staff is responsible for the 61 CPAs plus residential treatment centers, residential child care facilities, and group homes (average caseload is 30 facilities per FTE). For FY 2001-02, the monitoring team followed up on 86 complaints and 178 abuse investigations in

the 61 CPAs. With the addition of 64 counties, workload increases will require 2.0 FTE General Professional IV.

- ***Supervisory and Support Staff.*** The department will require 0.5 FTE General Professional V to supervise the added licensing and monitoring staff and 0.5 FTE Administrative Assistant III to provide clerical support. Additionally, the department will require contract services in FY 2003-04 only to assist the Division of Child Care with criminal background checks (costs equal to 1.5 FTE Administrative Assistant III).

Personal services costs are estimated at \$301,220 in year one and \$253,792 in year two. Operating, travel, and capital outlay are estimated at \$37,103 in year one and \$12,400 in year two.

**Department of Public Safety.** As noted in the State Revenues section above, the department will require spending authority of \$24,300 for fingerprint checks. Of the total amount \$21,000 is for the CBI and \$3,300 is pass through to the FBI.

### **Local Government Impact**

It is estimated that counties will incur costs totaling \$168,804 in FY 2003-04 and \$101,344. These costs are attributable to application/continuation fees, fingerprint checks for county staff, transfer costs of fingerprint checks to the Division of Child Care, and staff costs. The Department of Human Services indicates that approximately 14 counties do not have masters level staff to meet the requirements for Placement Supervisor (required of CPAs) and must hire qualified staff at \$6,000 over existing staff costs.

### **State Appropriations**

The fiscal note indicates that the Department of Human Services should receive an appropriation for \$338,322 and 5.0 FTE for FY 2003-04. Of the total amount, \$240,394 is General Fund, \$26,880 is cash funds from fees, and \$71,048 is federal Child Care Development funds. The General Assembly has appropriation authority over the federal Child Care Development funds.

The Department of Public Safety should receive and appropriation for \$24,300 for FY 2003-04. Of the total amount, \$21,000 is cash funds and \$3,300 is cash funds exempt.

### **Departments Contacted**

Human Services      Public Safety