



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

Drafting Number: LLS 07-0272
Prime Sponsor(s): Rep. McFadyen
 Sen. Williams

Date: January 23, 2007
Bill Status: House Health and Human Services
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING PROTECTIVE SERVICES FOR AT-RISK ADULTS.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue		
Fines Collection Cash Fund	Less than \$5,000	Less than \$5,000
State Expenditures		
General Fund	\$ 665,485	\$ 1,781,005
Cash Funds Exempt — County Funds	148,969	423,501
FTE Position Change	1.2 FTE	1.5 FTE
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2007-2008: See State Appropriations section of fiscal note.		
Local Government Impact: The county share (20%) for adult protective services is identified at \$148,969 in FY 2007-08 and \$423,501 in FY 2008-09.		

Summary of Legislation

The bill requires, rather than urges, persons in specified professions and occupations to report mistreatment, self-neglect, or financial exploitation of at-risk adults. The bill establishes separate reporting requirements for those who provide services to adults with developmental disabilities through the community centered board system. It also establishes reporting requirements for the Department of Human Services on the abuse and exploitation of at-risk adults.

State Revenue

The bill establishes a class 3 misdemeanor for failure to report. Per *Section 18-1.3-501, C.R.S.*, the penalty for a class 3 misdemeanor is 6 months imprisonment in a county jail, a fine of \$50 to \$750, or both. Fine revenue not otherwise appropriated is deposited into the Fines Collection Cash Fund. Because the courts have the discretion of incarceration or imposing a fine, the impact to state revenue cannot be determined. However, a minimal amount of fine revenue (< \$5,000 per year) is assumed under the bill.

State Expenditures

Current Practice. County departments of social services are mandated by *Section 26-3.1-103, C.R.S.*, to investigate all reports of abuse, exploitation or neglect of at-risk adults ages 18 and over. Reports are investigated by county departments through a face-to-face interview with the victim within 24 to 72 hours, followed by appropriate services as needed. Under current law, professions are urged to report.

Background. Since the 2000 legislative session, 6 bills requiring mandatory reporting of mistreatment and/or self-neglect of at-risk adults have been considered by the General Assembly. The fiscal notes prepared on these bills were based on the experience of states that require mandatory reporting and have similar reporting categories as Colorado.

HB07-1044 — \$814,454 in FY 2007-08 and \$2,204,506 in FY 2008-09. Costs are incurred in both the Department of Human Services and the Department of Public Health and Environment. For this bill, the assumptions used are based on the collective experiences of Minnesota, Oklahoma, California, Texas, Kansas, and New Mexico. For these states, there was a 25 percent annual increase in the number of reports received for the first several years of implementation (double the reports per 100,000 population). This fiscal note assumes that with the requirement to report, the number of reports will increase by 25 percent as will the number of investigations conducted by county departments of social services. An increase in investigations will result in an increased number of open cases. Failure to report is a class 3 misdemeanor.

Department of Human Services — \$744,846 in FY 2007-08 and \$2,117,505 in FY 2008-09. Mandatory reporting will include at-risk adults ages 18 and over. New cases resulting from the bill will require additional county staff for adult protective services. Costs for the bill are built upon FY 2005-06 actual data. County departments will require 20.0 FTE caseworkers in FY 2007-08 and 45.0 FTE caseworkers in FY 2008-09. According to formula, these caseworkers will require the equivalent of General Professional III supervisory staff (2.9 FTE in FY 2007-08 and 6.6 FTE in FY 2008-09). County FTE are noted for information purposes and are not authorized by the General Assembly. The table below walks through the caseworker FTE need required under the bill. **The fiscal note assumes implementation in FY 2007-08. FY 2007-08 costs represent 9 months of expenditures because it will take the counties 3 months to fully hire and train new staff.**

Caseload to Workload Need	FY 2005-06 Actuals	FY 2007-08 25% Increase	FY 2008-09 25% Increase
Adult Protective Services Caseload			
Number of Reports per Month	954	1,192	1,490
Ongoing Cases	<u>1,694</u>	<u>2,118</u>	<u>2,647</u>
Total	2,648	3,309	4,137
Monthly Caseload Standard per FTE	33	33	33
Reports to Ongoing Cases	7	100	125
Monthly Workload per FTE (total caseload / caseload standard)	80	—	—
Caseworker Need in HB07-1044		20.0 FTE	45.0 FTE

Funding. For the current fiscal year, the appropriation for adult protective services is \$5.9 million (includes state, local, and federal funds). The federal funds appropriation is \$1,969,370 Title XX Social Services Block Grant, and these moneys are earmarked for adult protective services. Federal funds are capped at this amount and the state cannot draw down additional federal moneys. Thus, given the bill's expenditure impact, the fiscal note assumes a need for state and local funds to meet the bill's requirements. The state share is identified at \$595,877 (80%) and the local share is \$148,969 (20%).

Department of Public Health and Environment — \$69,608 in FY 2007-08 and \$87,001 in FY 2008-09. The Health Facilities and Emergency Medical Services Division in the department will require 1.2 FTE in year one and 1.5 FTE in year two to comply with the bill.

Current Practice. The division currently employs a variety of health care professionals to conduct survey inspections of federally-certified and/or state-licensed facilities and service providers. These include nursing homes, assisted living residences, home health agencies and Medicaid private duty nursing services, hospitals, hospices, personal care and homemaker services, and adult day care centers. The responsibility of the division is to monitor quality of care and to ensure compliance with federal standards. As regulators, the division's responsibility is to remedy deficiencies. As such, the division does not report any deficiencies or incidents of abuse, neglect, or exploitation to county departments of social services.

Workload and Costs Under HB 07-1044. Based on the number and types of deficiencies cited during recent surveys and occurrences self-reported by facilities, about 2,600 reportable events will be identified each year. The division will require added staff to submit both the oral and written reports required in the bill.

Judicial Branch. An increase in reported cases of abuse, neglect or self-neglect may lead to increased court cases (civil or criminal). The number of cases, if any, will depend upon such factors as the severity of abuse witnessed or whether the condition of the at-risk adult makes the opening of a probate or mental health case necessary. Additionally, the courts appoint counsel in mental health and probate cases when there is a finding of indigence. To the extent that this bill results in an increase in the number of mental health and probate cases with indigent clients, there will be increased expenditures for court-appointed counsel. At this time, these court costs are not estimated. Should there be a quantifiable increase in the courts' workload due to mandated reporting, the fiscal note assumes it will be addressed through the annual budget process.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

Local Government Impact

The counties' 20 percent share for adult protective services is identified at \$148,969 in FY 2007-08 and \$423,501 in FY 2008-09.

The penalty for a class 3 misdemeanor is 6 months imprisonment in a county jail, a fine of \$50 to \$750, or both. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$48.96 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

State Appropriations

The fiscal note indicates the following appropriations for FY 2007-08:

Department of Human Services	\$ <u>744,846</u> Total
	595,877 General Fund
	148,969 County Funds (CFE)
Department of Public Health and Environment	\$ 69,608 General Fund and 1.2 FTE

Departments Contacted

- Human Services
- Judicial
- Public Health and Environment