

Colorado Legislative Council Staff Fiscal Note

STATE
FISCAL IMPACT

Drafting Number: LLS 11-0952

Date: April 25, 2011

Prime Sponsor(s): Rep. Waller

Bill Status: House Judiciary

Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE CREATION OF A PROGRAM WITHIN THE DEPARTMENT OF STATE FOR THE PURPOSE OF TRAINING JUDGES IN THE MANAGEMENT OF BUSINESS-RELATED LITIGATION, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
Cash Funds		
Department of State Cash Fund	\$360,000	\$124,000
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

The bill requires the Secretary of State to create a training program for judges to effectively manage business litigation. The Secretary of State may arrange for contract instruction or contract management of any aspect of the training program. The secretary is required to contract with an independent evaluator of program performance by the end of the first year of operation. The Chief Justice of the Colorado Supreme Court approves course content, instructors, scheduling, selection of a contract evaluator, and participation by judges. Under the bill, the judicial training program must be in place by January 1, 2012.

The bill designates the Department of State Cash Fund to pay for expenses of the program. The reasonable costs of travel and lodging for participating judges are covered as an expense of the program. To cover costs of the training program, the department is required by the bill to adjust its fees.

State Revenue

The bill will have no immediate effect on state revenue due to the availability of excess reserves in the Department of State Cash Fund. The department will not use its authority to adjust fees to pay for the program in FY 2011-12 or FY 2012-13.

State Expenditures

The business litigation training program will cost the Department of State an estimated \$360,000 in FY 2011-12, \$124,000 in FY 2012-13, and \$99,000 in FY 2013-14 and future fiscal years. Costs in FY 2011-12 are based on the participation of 45 district court judges, with 6 days of associated expenses and a total cost for classroom training of \$157,500. Classroom training in FY 2011-12 will also occur in regional programs for up to 60 county court judges, at a cost of \$79,500. In addition, the first year of the program will include costs of \$124,000 to develop an online learning module and hire an evaluation contractor.

Participation in FY 2012-13 and subsequent fiscal years is estimated at 20 judges per year, with a classroom cost of \$50,000 per year. Operation and maintenance of the online learning module accounts for \$24,000 in estimated costs each fiscal year. In FY 2012-13, contractor evaluation will cost \$50,000, with potential follow-up evaluations in future years estimated to cost \$25,000 per year in FY 2013-14 and beyond.

Department of State costs are summarized in Table 1.

	FY 2011-12	FY 2012-13	FY 2013-14 & after
Classroom Training	\$ 236,000	\$ 50,000	\$ 50,000
E-learning	24,000	24,000	24,000
Evaluation	100,000	50,000	25,000
Total	\$ 360,000	\$ 124,000	\$ 99,000

State Appropriations

For FY 2011-12, an appropriation to the Department of State of \$500,000 cash funds from the Department of State Cash Fund is included in the introduced bill. Based on the appropriations clause, only the amount necessary for the implementation of the program, or \$250,000 as estimated by the fiscal note, will be expended from the Department of State Cash Fund.

Departments Contacted

Judicial Law Personnel and Administration State