

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 15-0524      **Date:** March 18, 2015  
**Prime Sponsor(s):** Sen. Newell; Lundberg      **Bill Status:** Senate Health & Human Services  
 Rep. Singer      **Fiscal Analyst:** Bill Zepernick (303-866-4777)

**BILL TOPIC:** AUTONOMY OF CHILD PROTECTION OMBUDSMAN

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>\$38,661</b>	<b>\$22,626</b>
General Fund	(20,412)	(39,224)
Centrally Appropriated Costs**	59,073	61,850
<b>FTE Position Change</b>	4.0 FTE	4.0 FTE
<b>Appropriation Required:</b> (\$20,412) - Multiple agencies (FY 2015-16)		

\* This summary shows changes from current law under the bill for each fiscal year. Transfers and diversions result in no net change to state revenue. Parentheses indicate a decrease in funds.

\*\* These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

**Summary of Legislation**

Under current law, the Office of the Child Protection Ombudsman (OCPO) operates via a contract with the Department of Human Services (DHS) and is located within a nonprofit organization. This bill creates the OCPO as an agency of the General Assembly and forms the Nonpartisan Child Protection Ombudsman Board (the board) to oversee its operations.

The board has at least 13 members appointed by the Chief Justice of the Colorado Supreme Court, the Governor, and the leadership of the General Assembly according to specific criteria. Board members serve four-year terms and are not compensated, except that they may be reimbursed for actual and reasonable expenses. The bill specifies the duties of the board, including hiring and discharging the ombudsman, providing fiscal oversight of the office, and assisting the OCPO to enter into a memorandum of understanding with the DHS and county departments of human services. The board must meet at least twice per year and members are reimbursed for expenses out of the operational budget of the OCPO.

**Background**

The OCPO was created by Senate Bill 10-171 to serve as an independent and neutral organization to investigate complaints and grievances about child protection services, make recommendations about system improvements, and serve as a resource for persons involved in the child welfare system. Under current law, the DHS receives an appropriation of \$504,250 General Fund to contract for an organization to act as child protection ombudsman. Currently, the OCPO is located within the National Association of Counsel for Children (NACC), a national nonprofit organization based in Denver. The OCPO operates via an annual contract managed by the executive director's office in the DHS.

**State Expenditures**

The bill increases General Fund expenditures by **\$38,661 and 4.0 FTE in FY 2015-16 and \$22,626 and 4.0 FTE in FY 2016-17**. This net increase results from eliminating the current appropriation for the OCPO in the DHS and establishing a new agency in the General Assembly. These costs are summarized in Table 1 and discussed below.

<b>Table 1. Expenditures Under SB 15-204</b>		
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>LEGISLATIVE DEPARTMENT</b>	<b><u>\$542,911</u></b>	<b><u>\$526,876</u></b>
Personal Services	340,226	340,226
FTE	4.0 FTE	4.0 FTE
Operating Expenses and Capital Outlay Costs	22,612	3,800
Travel, Training, Office Equipment, Printing, and Other Expenses	78,000	78,000
Accounting and Human Resources	20,000	20,000
Leased Space	23,000	23,000
Centrally Appropriated Costs*	59,073	61,850
<b>DEPARTMENT OF HUMAN SERVICES</b>	<b><u>(\$504,250)</u></b>	<b><u>(\$504,250)</u></b>
Contract for Child Protection Ombudsman	(504,250)	(504,250)
<b>TOTAL</b>	<b><u>\$38,661</u></b>	<b><u>\$22,626</u></b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Assumptions.** The fiscal note is based on the following assumptions:

- after the transfer, the OCPO will generally continue current operations at existing salary levels;
- leased space is required to house the OCPO (1,150 square feet at \$20 per square foot per year);
- accounting and human resource functions for the OCPO will be handled by Legislative Council Staff; and
- the ombudsman is transferred to the Legislative Department on July 1, 2015, after the current contract with the OCPO concludes.

**Legislative Department.** The costs for operating the OCPO as an agency of the General Assembly are shown in Table 1. These costs reflect the current budget of the OCPO as it operates under contract with the DHS, with certain modifications. These modifications include an increase in leased space costs; adjustments to conform personal services, employee benefit, and operating costs with state common policies; and the allocation of some costs for accounting and human resource support to Legislative Council Staff. Reimbursement of expenses for board members will be paid by the OCPO from its operating budget.

**Department of Human Services.** By eliminating the requirement that the DHS contract with an entity to act as child protection ombudsman, costs are reduced in the DHS by \$504,250 beginning in FY 2015-16. Workload will also decrease for contract oversight and managing the annual contract renewal process.

**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.

<b>Table 2. Centrally Appropriated Costs Under SB 15-204*</b>		
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$32,388	\$32,388
Supplemental Employee Retirement Payments	26,685	29,462
<b>TOTAL</b>	<b>\$59,073</b>	<b>\$61,850</b>

\*More information is available at: <http://colorado.gov/fiscalnotes>

### **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

### **State Appropriations**

The bill requires the following General Fund appropriations in FY 2015-16:

- a reduction of (\$504,250) from the Department of Human Services;
- an increase of \$483,838 to the Legislative Department, including \$463,838 and 4.0 FTE for the OCPO and \$20,000 for Legislative Council Staff.

### **State and Local Government Contacts**

Human Services      Child Protection Ombudsman      Legislature