SB13-177

Colorado Legislative Council Staff Fiscal Note

FINAL FISCAL NOTE

Drafting Number:	LLS 13-0844	**Date:**	May 23, 2013
Prime Sponsor(s):	Sen. Lambert Rep. Gerou	**Bill Status:**	Signed into Law
		Fiscal Analyst:	Bill Zepernick (303-866-4777)

TITLE: CONCERNING CHANGES TO JUVENILE CORRECTIONS PROGRAMS RESULTING IN COST REDUCTIONS, AND, IN CONNECTION THEREWITH, REDUCING THE JUVENILE DETENTION BED CAP, REDUCING THE APPROPRIATION FOR COMMITMENT BEDS AND ASSESSMENT SERVICES, AND MAKING AN APPROPRIATION FOR TRANSPORTATION.

Fiscal Impact Summary	FY 2012-13	FY 2013-14	FY 2014-15
State Revenue			
State Expenditures	**($1,316,993)**	**($3,206,964)**	**($3,206,964)**
General Fund	(1,075,330)	(2,965,301)	(2,965,301)
Reappropriated Funds*	(36,464)	(36,464)	(36,464)
Federal Funds	(241,663)	(241,663)	(241,663)
FTE Position Change	(11.5 FTE)	(46.3 FTE)	(46.3 FTE)
Effective Date: The bill was signed into law by the Governor and took effect on March 29, 2013.			
Appropriation Summary for FY 2013-2014: See State Appropriations section.			
Local Government Impact: None.			

** Reappropriated funds are excluded from the total in order to avoid the double-counting of transferred funds.*

Summary of Legislation

This bill, **recommended by the Joint Budget Committee**, reduces the bed cap for the Division of Youth Corrections (DYC) in the Department of Human Services (DHS). Beginning on April 1, 2013, the bed cap is reduced from 422 to 382. The bed cap reduction is part of a larger set of changes that will reduce detention, commitment, and assessment capacity at the DYC.

Background

The DYC oversees youths in the juvenile justice system between the ages of 10 and 21 who have been detained, committed, or paroled. In recent years, the number of youths held in DYC facilities has decreased markedly. The lower detention population allows the bed cap to be reduced, which in combination with the reduced commitment population and the consolidation of three assessment units into a single unit located in Denver will allow the DHS to close five "pods" (living units in DYC facilities).

State Expenditures

The bill reduces expenditures in the DHS by $1.3 million and 11.5 FTE in FY 2012-13 (current year) and by $3.2 million and 46.3 FTE in FY 2013-14 and beyond. These savings are primarily General Fund, but also include reappropriated funds and federal funds. The savings and costs under the bill are summarized in the discussion and tables below.

Pod closures. The closure of five pods in DYC facilities reduces staffing and operating expenses. Savings from closing these living units are estimated at $402,928 and 7.7 FTE in FY 2012-13 and $1,629,316 and 31.0 FTE per year beginning in FY 2013-14.

Assessment center consolidation. The consolidation of three Front Range assessment centers into a single center further reduces staff and operating costs. Specifically, the DYC plans to close the assessment centers in Greeley and Colorado Springs and consolidate assessments in Denver. Consolidation is expected to save $336,272 and 5.1 FTE in FY 2012-13 and $1,337,052 and 20.3 FTE per year beginning in FY 2013-14.

Transportation program costs. The reduced number of assessment centers requires increased transportation of youths among facilities. The department will also provide transportation to the Denver assessment center for families so they can participate in the assessment process. These costs are estimated at $115,826 and 1.3 FTE in FY 2012-13 and $453,023 and 5.0 FTE per year beginning in FY 2013-14.

Contract placements. The declining commitment population also reduces the need for contract placements for youths in the custody of the DYC. While a majority of this reduction has been included in the supplemental appropriation bill for the DHS (SB 13-091), a portion, $693,619 per year, has been included in this bill. These placement costs include Medicaid funding transferred from the Department of Health Care Policy and Financing ($36,464).

Table 1. DYC Program Savings and Costs Under SB 13-177

Program Area	FY 2012-13	FY 2013-14
Pod Closure	($402,928)	($1,629,316)
Assessment Center Consolidation	(336,272)	(1,337,052)
Transportation Program	115,826	453,023
Contract Placements	(693,619)	(693,619)
TOTAL	**($1,316,993)**	**($3,206,964)**
General Fund	**(1,057,098)**	**(2,947,069)**
Reappropriated Funds	**(36,464)**	**(36,464)**
Federal Funds	**(223,431)**	**(223,431)**

Table 2. Staffing Changes in the DYC Under SB 13-177		
DYC Program Area	**FY 2012-13**	**FY 2013-14**
Pod Closure	(7.7 FTE)	(31.0 FTE)
Assessment Center Consolidation	(5.1 FTE)	(20.3 FTE)
Transportation Program	1.3 FTE	5.0 FTE
TOTAL	**(11.5 FTE)**	**(46.3 FTE)**

State Appropriations

The bill requires and includes the following adjustments in appropriations in FY 2012-13:

- a reduction of $1,316,993 and 11.5 FTE to the Department of Human Services, and
- a reduction $36,464 to the Department of Health Care Policy and Financing, split evenly between General Fund and federal funds, the entire amount of which is for reappropriation to the DHS.

Table 3 provides a more detailed breakdown of the FY 2012-13 appropriations. No appropriation is required for FY 2013-14 at this time. It is assumed that the impact of this bill and the supplemental appropriation to the DHS concerning realignment of DYC resources will be incorporated into the 2013 Long Bill through the budget process.

Table 3. FY 2012-13 Appropriations Required Under SB 13-177					
	General Fund	**Cash Funds**	**Reapprop. Funds**	**Federal Funds**	**Total**
Department of Human Services					
Executive Director's Office	($83,086)	$0	$0	$0	($83,086)
DYC, Institutional Programs, Personal Services	($548,272)	$0	$0	$0	($548,272)
DYC, Institutional Programs, Operating Expenses	$7,984	$0	$0	$0	$7,984
DYC, Community Programs, Contract Placements	($433,724)	$0	($36,464)	($223,431)	($693,619)
DHS Subtotal	**($1,057,098)**	**$0**	**($36,464)**	**($223,431)**	**($1,316,993)**
Department of Health Care Policy and Financing					
Transfers to Other Departments, DHS Medicaid Funded Programs, DYC Medicaid Funding	($18,232)	$0	$0	($18,232)	($36,464)
HCPF Subtotal	**($18,232)**	**$0**	**$0**	**($18,232)**	**($36,464)***
TOTAL	**($1,075,330)**	**$0**	**($36,464)***	**($241,663)**	**($1,316,993)**

*Excluded from total to avoid the double-counting of transferred funds.

Departments Contacted

JBC Staff	Human Services	Health Care Policy and Financing