



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-043: DEFLECTION SUPPORTS JUSTICE-INVOLVED YOUTH

Prime Sponsors:
Sen. Michaelson Jenet; Amabile
Rep. Bradfield; English

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Bill Outcome: Deemed Lost
Drafting number: LLS 25-0112

Version: Final Fiscal Note
Date: September 4, 2025

Fiscal note status: The final fiscal note reflects the introduced bill, as amended by the Senate Judiciary Committee. The bill was deemed lost in the Senate Appropriations Committee on May 8, 2025; therefore, the impacts identified in this analysis do not take effect. The bill was recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems.

Summary Information

Overview. The bill would have made various changes to the juvenile competency process and created the Deflection and Community Investment Grant Program in the Department of Public Safety.

Types of impacts. The bill was projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill would have required an appropriation of \$3.3 million to the Department of Public Safety.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$3,353,132	\$3,353,132
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.0 FTE	1.0 FTE

¹ Fund sources for these impacts are shown in the table below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$3,333,333	\$3,333,333
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$19,799	\$19,799
Total Expenditures	\$3,353,132	\$3,353,132
Total FTE	1.0 FTE	1.0 FTE

Summary of Legislation

The bill makes changes to the juvenile competency process, and creates a new grant program.

Juvenile Competency Process

The bill makes changes to the process for determining juvenile competency and whether a youth is incompetent to proceed to trial.

First, if a juvenile is found incompetent to proceed for a class 2 misdemeanor, petty offense, drug misdemeanor, or traffic offense, the court must dismiss the delinquency petition or charges against the juvenile.

Second, the court may order any member of the juvenile's professional team to consult with various parties for an appropriate case management plan. The bill updates what information can and cannot be included in the plan, and notification requirements. If a juvenile or parent does not engage in the services entered into the plan, the court may update the plan to refer the juvenile to a local collaborative management program or open a dependency and neglect investigation or proceeding.

Deflection and Community Investment Grant Program

The bill creates the Deflection and Community Investment Grant Program in the Colorado Department of Public Safety (CDPS). The program provides competitive grants for three years to implement a mixed-delivery system of trauma-informed health and development deflection programs for youth. The bill requires the division to develop an application process, contract with a third party to provide technical assistance, and support data collection. The bill outlines eligibility requirements, and requires grant awards to be distributed by June 30 each year funding is provided for grants, starting in 2026. The bill also requires the CDPS to contract with an evaluation partner to conduct an evaluation. Finally, the bill requires the General Assembly to annual appropriate necessary funds to the grant program for FY 2025-26, FY 2026-27, and FY 2027-28 and outlines how the money may be spent. CDPS may accept gifts, grants, and donations for the program. The program is repealed on January 1, 2031.

State Revenue

From FY 2025-26 through FY 2030-31, state revenue may increase from gifts, grants, and donations. No source for gifts, grants, and donations has been identified at this time; therefore, it is assumed that any revenue will be minimal. Gifts, grants, and donations are not subject to the TABOR revenue limit.

State Expenditures

The bill increases state General Fund expenditures by \$3.4 million in FY 2025-26 and FY 2026-27. These costs will be incurred in the CDPS as shown in Table 2 and described below. Potential impacts to other agencies, including the Department of Human Services and Judicial Department, are also outlined below.

Table 2
State Expenditures
Department of Public Safety

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$79,314	\$79,314
Operating Expenses	\$1,280	\$1,280
Capital Outlay Costs	\$6,670	\$0
Technical Assistance Contract	\$250,000	\$250,000
Evaluation Contract	\$100,000	\$100,000
Grants	\$2,896,069	\$2,902,739
Centrally Appropriated Costs	\$19,799	\$19,799
Total Costs	\$3,353,132	\$3,353,132
Total FTE	1.0 FTE	1.0 FTE

Department of Public Safety

The CDPS requires 1.0 FTE in FY 2025-26, FY 2026-27, and FY 2027-28 to provide administrative support to the grant program. This includes work to create and oversee contracts, coordinate the grant program, create applications and policies, provide financial oversight, and to complete all close-out requirements for grants. First-year costs assume a September 1 start date.

Technical Assistance Contract

Starting in FY 2025-26, the bill increases expenditures by up to \$250,000 to contract with a third party to provide technical assistance. This amount is based on the maximum allowable amount the department can use to contract with a third party outlined in the bill.

Evaluation Contract

Starting in FY 2025-26, the bill increases expenditures by up to \$100,000 per year to contract with a university to conduct an evaluation of the grant program. This amount is based on the maximum allowable amount the department can use to contract with a third party outlined in the bill.

Grants

Expenditures will increase by \$2.6 million in FY 2025-26 and FY 2026-27 to provide grants to grantees. These amounts represent the remainder of funds after accounting for administrative and contracting costs.

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. These costs, which include employee insurance and supplemental employee retirement payments, are shown in the expenditure table above.

Department of Human Services

The bill may impact the Department of Human Services in two ways.

First, to the extent the dismissal of charges or applying confinement credits decreases the amount of time a juvenile spends in the Division of Youth Services, expenditures to the CDHS will decrease. Based on FY 2022-23 Length of Stay data for juveniles in detention, the majority of juveniles spend less than two weeks in detention; therefore, any savings from sentence credit is expected to be minimal.

Second, to the extent the bill leads to more juveniles being referred to community management placement or referred to the child welfare system, costs to the state could increase to reimburse counties for placement. It is unknown how many additional juveniles may be referred to these services, therefore, any cost adjustments will be made through the annual budget process.

Judicial Department

To the extent that following the juvenile justice process for incompetency instead of the adult process allows for more parties objecting or bringing up competency proceedings, workload to the courts will increase. However, based on the low number of juveniles being prosecuted in adult courts, any increase is expected to be minimal.

Local Government

If the dismissal of juvenile cases due to incompetency increases referrals to county departments of human services or collaborative management programs, costs to counties will increase. It is unknown how many dismissed cases will end up in these placements.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires General Fund appropriations of \$3,333,333 to the Department of Public Safety and 1.0 FTE.

State and Local Government Contacts

Judiciary

Public Safety

Human Services