



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 19-0944 Date: July 9, 2019
Prime Sponsors: Sen. Foote Bill Status: Signed into Law
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Bill Topic: PROGRAM TO SUBSIDIZE ADOPTION FOR CHILDREN & YOUTH

- Summary of Fiscal Impact:
State Revenue
State Expenditure
State Transfer
TABOR Refund
Local Government (minimal)
Statutory Public Entity

This bill repeals and reenacts the Adoption Assistance Program in the state Department of Human Services. The bill increases state workload and local costs and workload on an ongoing basis

Appropriation Summary: For FY 2019-20, the bill requires and includes an appropriation of \$60,204 to the Department of Human Services.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 19-178

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Federal Funds, Total), Transfers, and TABOR Refund.

Summary of Legislation

This bill repeals and reenacts the Adoption Assistance Program in the Department of Human Services (DHS) to codify rules and makes modifications. The program allows the DHS or a county department of human services to enter into an adoption assistance agreement with an adoptive parent to provide benefits to the adoptive parent who adopts an eligible child. Benefits may include a monthly subsidy payment; medical assistance; reimbursement for nonrecurring expenses incurred in connection with adoption; and payment or reimbursement for other services or benefits. Benefits continue until the child reaches 18 years old (or 21 if certain conditions are met); the adoptive parents are no longer legally responsible for the support of the child; the child is no longer receiving support from the adoptive family; or the DHS or county department certifies the death, marriage, or enrollment in military service of the eligible child. The DHS, county department of human services, or nonprofit placement agency, must provide information about the Adoption Assistance Program including, but not limited to, the right to legal representation during negotiations for an adoptive assistance agreement, at the time that a family is matched for adoption with a potentially eligible child.

Eligibility. In order for a child to be eligible for benefits, the child must meet the medical and disability requirements for federal supplemental security income (SSI) or have special needs that create a barrier to his or her adoption and meets the following conditions:

- the child is legally available for adoption;
- the child cannot or should not be returned home to his or her biological parents;
- reasonable but unsuccessful efforts have been made to place the eligible child for adoption without assistance; and
- the county department or nonprofit child placement agency has determined that the adoptive family has the capability of providing for the nonfinancial needs of the child.

Adoptive assistance agreements. Adoptive parents of eligible children must enter into an agreement with the DHS or a county department administering the program in order to determine what benefits will be provided to the adoptive parents. In determining the type and amount of benefits, the circumstances of the adoptive family and the current and anticipated needs of the eligible child must be considered. The amount of a monthly subsidy cannot exceed the foster care maintenance payment and may be adjusted after the agreement. In addition, the agreement must be reviewed at least every three years with the DHS or the county department providing written notice to the family of the upcoming review. If an agreement cannot be reached, the adoptive parents may go through the administrative law appeals process to review their request for adoption assistance. An adoptive parent may also appeal any decisions in this process to an administrative court.

Suspension. The DHS or county department may suspend subsidies when contact with the family cannot be established and the agency cannot establish that a parent is providing support to the eligible child. When suspending subsidy payments, the DHS or county department must provide notice at least 10 days prior. If a subsidy payment is suspended, the child still remains eligible for Medicaid and any Title IV-E benefits.

Reporting. Finally, the bill requires the DHS to keep data necessary to evaluate the program's effectiveness in providing stability to eligible children and families. The DHS must report annually to the General Assembly, starting on November 1, 2019, on the costs of running the program.

Background and Assumptions

Under current law, adoptive parents of eligible children may receive a subsidy payment from the DHS. Payments may include maintenance of costs, medical expenses, and other costs such as care, training, or education. For FY 2018-19, the DHS was appropriated \$40.9 million for adoption assistance including \$22.1 million in General Fund, \$4.1 million in local funds from counties, and \$14.6 million federal funds. The fiscal note assumes that county department of human services will continue to enter into these agreements within existing funding allocations.

State Expenditures

In FY 2019-20 only, the bill will increase General Fund expenditures by \$60,204 in the DHS. In addition, starting in FY 2019-20, workload will increase to various state departments, as described below.

Department of Human Services. In FY 2019-20, General Fund expenditures in the DHS will increase by \$60,204 to make modification to the TRAILS system in order to collect and report on the necessary data required by the bill. The cost is based the need for 692 hours of work at \$87 per hour. Federal matching funds are available to cover 30 percent of this cost. In addition, workload will increase for the DHS to train county workers on the change in law, create a report on the adoption program, and to provide oversight of the program. The fiscal note assumes that the increase in workload can be accomplished within existing appropriations.

Department of Health Care and Financing. Workload in the Department of Health Care and Financing will increase in order to give expenditure data to the DHS for the report required by the bill. The fiscal note assumes that this workload can be accomplished within existing appropriations. To the extent the bill changes the Medicaid caseload, the fiscal note assumes any change in costs will be addressed through the annual budget process.

Administrative and trial courts. To the extent that this bill increases the number of appeals that are filed with an administrative court, workload and costs to the Department of Personnel and Administration will increase. To the extent that an appeal ends up in a state court, costs and workload for the Judicial Department will increase. The fiscal note assumes that the increase will be minimal and can be accomplished within existing appropriations. Should an additional administrative law judge be required, that will be requested through the annual budget process.

Local Government

Starting in FY 2019-20, costs and workload to county departments of human services will increase to provide adoptive parents with benefits information; manage any increase in adoption agreements; attend any additional appeal hearings; and keep track of any information required by DHS to be included in the report. Overall, the impact to county departments is expected to be minimal.

Effective Date

This bill was signed into law by the Governor on May 16, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires and includes a General Fund appropriation of \$42,143 and a federal funds appropriation of \$18,061 to the Department of Human Services. The entire amount is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Counties
Judicial

Health Care Policy And Financing
Information Technology

Human Services
Personnel