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FISCAL NOTE

Drafting Number: LLS 19-0987
Prime Sponsors: Sen. Rankin, Rep. Esgar

Date: April 23, 2019
Bill Status: Senate Appropriations
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Bill Topic: CHILD WELFARE PREVENTION & INTERVENTION FUNDING

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

Joint Budget Committee. This bill extends the Title IV-E waiver demonstration project for one year and creates two accounts in the Child Welfare Prevention and Intervention Services Cash Fund to delineate child welfare spending. It will increase state expenditures in FY 2019-20 only.

Appropriation Summary: For FY 2019-20, the bill includes a net adjustment of \$15.7 million in the Department of Human Services. See the State Appropriations section for more information.

Fiscal Note Status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB19-258

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditure (Federal Funds), Transfer, and TABOR Refund.

Summary of Legislation

Under current law, the Title IV-E waiver demonstration project is scheduled to repeal on June 30, 2019. This bill extends the repeal date by one year to June 30, 2020. In addition, the bill also creates two accounts in the Child Welfare Prevention and Intervention Services Cash Fund, as described below.

All-Counties Account. The All-Counties Account consists of any gifts, grants, and donations to the cash fund; any remaining General Fund money after the child welfare surplus distribution; and any direct General Fund appropriations to the cash fund. Money in the account is allocated by the state Department of the Human Services (DHS), with input from counties, to any county in order to increase local child welfare prevention and intervention services capacity.

Small- and Medium-Sized Account. The Small- and Medium-Sized Account includes money the DHS retains from unspent General Fund allocations to small- and medium-sized counties. Money in the account is allocated by DHS, with input from small- and medium-sized counties, to small- and medium-sized counties in order to increase local child welfare prevention and intervention services capacity.

Appropriations. Finally, the bill adjusts DHS appropriations, as outlined in the State Appropriations section of this fiscal note. Specifically, it allocates an additional \$9.7 million in federal Temporary Assistance for Needy Families (TANF) and reroutes certain General Fund appropriation through the Child Welfare Prevention and Intervention Services Cash Fund.

Background

Senate Bill 18-254. Senate Bill 18-254 required the DHS to retain any unspent capped allocation money to "balance of state" counties in the Child Welfare Prevention and Intervention Services Cash Fund, which was also created in that bill. Under current law, money in the cash fund is allocated by DHS to small- and medium-sized counties in order to increase local child welfare prevention and intervention services capacity.

Families First Prevention Services Act. On February 9, 2018, the federal government passed the Families First Prevention Services Act, which changed how states can spend federal Title IV-E funds. The federal act also extended existing Title IV-E waivers, including Colorado's, through the end of federal fiscal year 2018-19 (September 30, 2019).

State Expenditures

The bill increases expenditures of federal funds in the DHS by \$15.7 million in FY 2019-20 only. This funding includes \$6.0 million from continuing the Title IV-E waiver through the end of the federal fiscal year. In addition, \$9.7 million is from an increase in federal TANF funding, as appropriated by the bill. The bill also routes certain General Fund appropriations for child welfare through the Child Welfare Prevention and Intervention Services Cash Fund.

Local Government

To the extent that counties that, under current law, did not qualify to receive funding from the Child Welfare Prevention and Intervention Services Cash Fund, now receive funding from the fund due to the creation of the All-Counties Account, funding to that county to pay for allowable child welfare services will increase.

Effective Date

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

State Appropriations

This bill requires and includes the following appropriations:

- a decrease of \$9,700,000 of General Fund appropriations to the DHS;
- an increase of \$9,700,000 from the General Fund to the Child Welfare Prevention and Intervention Services Cash Fund;
- an increase of \$9,700,000 from the Child Welfare Prevention and Intervention Services Cash Fund to the DHS; and
- an increase of \$9,700,000 in federal funds to the DHS for child welfare services.

State and Local Government Contacts

Counties Human Services Information Technology Law