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**SB 19-258**

**REVISED  
FISCAL NOTE**

(replaces fiscal note dated April 23, 2019)

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

**Date:** April 25, 2019  
**Bill Status:** House Appropriations  
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**Bill Topic:** CHILD WELFARE PREVENTION AND INTERVENTION FUNDING

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

**Joint Budget Committee.** This bill extends the Title IV-E waiver demonstration project for one year, creates two accounts in the Child Welfare Prevention and Intervention Services Cash Fund to delineate child welfare spending, and creates the Title IV-E Administration Cost Cash Fund. 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 revised fiscal note reflects the reengrossed bill, as recommended by the Joint Budget Committee.

**Table 1  
State Fiscal Impacts Under SB19-258**

		FY 2019-20	FY 2020-21
<b>Revenue</b>		-	-
<b>Expenditure</b>	Federal Funds	\$15,700,000	-
<b>Transfer</b>		-	-
<b>TABOR Refund</b>		-	-

## **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, and requires the Department of Human Services (DHS) to submit a report, on behalf of counties, outlining a plan for the sustainability of interventions defined in performance agreements with counties. The report must be submitted to the Joint Budget Committee by January 2, 2020. In addition, the bill also creates two accounts in the Child Welfare Prevention and Intervention Services Cash Fund and a new Title IV-E Administrative Cost 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 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.** 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 Assistant for Needy Families (TANF) and reroutes certain General Fund appropriation through the Child Welfare Prevention and Intervention Services Cash Fund.

**Title IV-E Administrative Cost Cash Fund.** Finally, the bill creates the Title IV-E Administrative Cost Cash Fund, which consists of any federal reimbursement for administrative costs associated with independent legal representation for a child eligible for or in foster care. The bill requires the State Board of Human Services and DHS to work together for approved uses and allocation of money in the fund. DHS must submit a request to the General Assembly for spending authority from the fund during the annual budget process.

## **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, and increases federal fund expenditures on an ongoing basis as described below.

**Child Welfare Prevention and Intervention Services Cash Fund.** For FY 2019-20, federal funds include \$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. In the FY 2019-20 Long Bill (Senate Bill 19-207), the DHS received an appropriation of \$6.0 million for the Title IV-E waiver program and therefore, an appropriation is not necessary for this amount.

**Administrative costs and reporting.** The bill may also increase federal fund expenditures to the extent the DHS receives reimbursement for administrative costs. The exact increase is unknown at this time. Finally, workload to the DHS will increase to provide a report to the Joint Budget Committee, as required by the bill. The fiscal note assumes this can be accomplished within existing appropriations.

## **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 in 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

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).