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Fiscal Note

Drafting Number: LLS 21-0645 **Date:** March 11, 2021
Prime Sponsors: Rep. Daugherty; Van Beber **Bill Status:** House HHS
 Sen. Zenzinger **Fiscal Analyst:** Will Clark | 303-866-4720
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Bill Topic: **FOSTER YOUTH IN TRANSITION PROGRAM**

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

The bill establishes two programs — the Foster Youth in Transition Program and the Foster Youth Successful Transition to Adulthood Grant Program — in the Department of Human Services. The bill increases state and local expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$888,038 to the Department of Human Services.

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

Table 1
State Fiscal Impacts Under HB 21-1094

		Budget Year FY 2021-22	Out Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-	-
Expenditures	General Fund	\$408,498	\$1,121,448	\$1,543,107
	Cash Funds ¹	\$102,124	\$102,124	\$102,124
	Federal Funds	\$377,416	\$377,416	\$377,416
	Total	\$888,038	\$1,600,988	\$2,022,647
Transfers		-	-	-
TABOR Refund		-	-	-

¹ Cash funds represent local matching funds

Summary of Legislation

This bill establishes two new programs in the Department of Human Services (DHS) to serve older foster youth: the Foster Youth in Transition Program and the Foster Youth Successful Transition to Adulthood Grant Program. These programs are described in more detail below.

Foster Youth in Transition Program. The bill requires county departments of human or social services to provide extended foster care services to eligible youth ages 18 to 21 on a voluntary basis. The bill establishes eligibility and enrollment criteria for the program, as well as the process to bring program participants under the jurisdiction of the juvenile court. The DHS is responsible for supervising the programs and establishing rules for the new transition program.

The bill specifies the services and supports that counties must provide to eligible foster youth in their transition to adulthood, including assistance related to:

- Medicaid enrollment;
- housing;
- case management;
- employment; education;
- acquisition of driver's licenses and identification documents;
- acquisition of health and education records;
- record expungement;
- maintaining supportive relationships; and
- locating relatives.

Many of these services are already provided by counties to youth currently enrolled in foster care. However, this bill will allow youth who left foster care during the Covid-19 pandemic to re-enter foster care, as required by federal Supporting Foster Youth and Families through the Pandemic Act enacted in December 2020.

Youth Successful Transition to Adulthood Grant Program. In addition, the bill establishes the Youth Successful Transition to Adulthood Grant Program (grant program) and an associated advisory board to serve youth age 18 to 23 who are making the transition to independence and adulthood. Services are to be provided throughout the state by county departments and other entities that are awarded program grants. The bill also creates the Colorado Foster Youth Successful Transition to Adulthood Grant Program Fund to pay for related services, which will consist of any money appropriated to the fund by the General Assembly. The bill allows DHS to use money awarded through the Federal Social Security Act for the purposes of the grant program.

State Expenditures

This bill increases expenditures for the DHS by \$888,038 in FY 2021-22, \$1,600,988 in FY 2022-23 and \$2,022,647 in FY 2023-24 and future years. It will also increase workload in the Judicial Department and the Office of the Respondent Parent’s Counsel. These impacts are summarized in Table 2 and described below.

**Table 2
 Expenditures Under HB 21-1094**

Cost Components	FY 2021-22	FY 2022-23	FY 2023-24
Department of Human Services			
Foster Youth in Transition Program	\$888,038	\$888,038	\$888,038
Grant Program	-	\$712,950	\$1,134,609
Total Expenditures	\$888,038	\$1,600,988	\$2,022,647

Department of Human Services. Expenditures in the DHS are for the Foster Youth in Transition Program beginning in FY 2021-22 and the grant program beginning in FY 2022-23, as described below.

Foster Youth in Transition Program. Services for youth who reenter foster care are estimated to cost \$888,038 per year. This fiscal note assumes per-participant costs for the Foster Youth in Transition Program are \$15,311 and that 58 additional youth statewide will be served by the program each year. Program participants are assumed to be youth that left foster care during the Covid-19 pandemic and will be allowed to return to foster care as a result of this bill. Average participant costs are based on an assumption of \$8,525 for housing, \$4,786 for county staff time and \$2,000 for additional core services. Funding for the program is assumed to include \$408,498 from the General Fund, \$102,124 from local matching funds and \$377,416 from federal funds.

Grant program. This fiscal note assumes that per-participant costs for the grant program are \$2,037 and that 350 youth will be served by the grant program starting in FY 2022-23, and 557 youth will be served in out years. Costs for the program will be paid from the General Fund, with actual grant distribution determined by the DHS. The DHS will also support the advisory board established in the bill to make recommendations on the grant program.

Judicial Department. The bill increases workload and costs by a minimal amount in the Judicial Department. The bill will increase hearing volume for the trial courts for youth 18 to 21 years old seeking voluntary foster care services, and will increase the duration of existing hearings for youth approaching adulthood. It will also increase related judicial officer work outside of court hearings. Although the bill will increase trial court and judicial officer workload, the impact is expected to be addressed within existing appropriations given the relatively small number of cases involved. The bill will also require updates to the Department’s case management system and reporting database, which is also absorbable within existing resources.

Office of the Child’s Representative. The Office of the Child’s Representative (OCR) could see up to 58 new cases per year, which will increase costs for contract guardians ad litem. The OCR will also be required to update its rules and procedures concerning appointments in voluntary foster care cases. Additionally, the OCR will need to provide training to all guardians ad litem, which can be addressed within current appropriations. If caseload and costs are higher than discussed in this fiscal note, it is assumed that additional funding, if needed, will be addressed through the annual budget process.

Local Government

The bill requires county departments of social or human services to offer certain services to eligible foster youth. The amount of additional services provided will vary by county and depend on the number of eligible foster youth in the county who seek out services. Based on the fiscal note estimate in the State Expenditure section above, it is assumed that each voluntary foster youth case will result in costs of about \$15,300 per youth. It is assumed that counties will be allocated funding from the DHS through the existing Child Welfare Allocation Committee process.

In addition, counties that seek out grant funding through the Youth Successful Transition to Adulthood Grant Program will have additional workload to apply for grants, and, if approved, will have additional revenue and costs to provide services to eligible youth.

Effective Date

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

State Appropriations

For FY 2021-22, the bill requires appropriations of \$888,038 to the Department of Human Services. Of this total:

- \$408,498 is from the General Fund;
- \$102,124 is from local matching funds; and
- \$377,416 is from federal funds.

State and Local Government Contacts

Counties	Education
Health Care Policy and Financing	Human Services
Information Technology	Judicial
Law	Local Affairs
Public Health and Environment	