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Fiscal Note

Drafting Number: LLS 21-0830 Date: May 24, 2021
Prime Sponsors: Sen. Moreno Bill Status: Senate HHS
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Bill Topic: CHILDRENS HABILITATION RESIDENTIAL PROGRAM ENROLLMENT

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

The bill makes updates to a program within the Department of Human Services for children with intellectual and developmental disabilities who are placed in out-of-home settings. The bill increases state expenditures on an ongoing basis and may also decrease state expenditures in future years.

Appropriation Summary: For FY 2021-22, the bill includes an appropriation of \$1.2 million to the Department of Human Services.

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

Table 1
State Fiscal Impacts Under SB 21-276

Table with 3 columns: Category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and TABOR Refund.

## Summary of Legislation

Under current law, the Department of Human Services (DHS) contracts with a licensed provider to administer services to children and youth with intellectual and developmental disabilities who are placed by county departments of human services in out-of-home settings. The DHS currently contracts for 10 beds. The bill makes the following changes to the program:

- allows the DHS to contract with multiple providers;
- requires that providers be approved as service providers for the Children’s Habilitation Residential Program Waiver (CHRP);
- requires county departments to refer children to be assessed for enrollment in the CHRP program before placing a child in the DHS program;
- requires the DHS, instead of the county departments, to reimburse the provider for costs associated with placing a child in the DHS program;
- adds providers of case management services to the list of entities that may voluntarily apply children for placement in the DHS program;
- requires that eligible children who are referred to the DHS program by entities other than county departments to be enrolled in CHRP; and
- clarifies that a family who is voluntarily applying for placement in the DHS program must work directly with the provider to determine responsibility for payment.

## State Expenditures

The bill increases state expenditures in the DHS by \$1.2 million and 0.4 FTE in FY 2021-22 and \$1.2 million and 1.0 FTE in FY 2022-23, as shown in Table 2 and discussed below.

**Table 2**  
**Expenditures Under SB 21-276**

	FY 2021-22	FY 2022-23
<b>Department of Human Services</b>		
Personal Services	\$29,910	\$71,783
Operating Expenses	\$675	\$1,350
Capital Outlay Costs	\$6,200	-
Additional Beds	\$1,126,127	\$1,126,127
Centrally Appropriated Costs <sup>1</sup>	\$6,706	\$16,495
<b>Total Cost</b>	<b>\$1,169,618</b>	<b>\$1,215,755</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>1.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Additional beds.** The bill appropriates \$1.1 million to allow for the DHS to contract with an additional provider to provide beds for children with intellectual and developmental disabilities placed in out-of-home care. The fiscal note assumes the DHS will purchase about 10 beds for 181 days at \$636 per day.

**Staffing.** Starting in FY 2021-22, the DHS will require 1.0 FTE to administer the additional 10 beds purchased by the DHS. Staffing costs include personal services, and operating and capital outlay expenses. Costs in FY 2021-22 are prorated for a January 1, 2022, start date and the General Fund paydate shift.

**State savings.** To the extent more children are qualified for CHRP, state General Fund expenditures will decrease to the extent children are placed in CHRP, which draws down federal funds, instead of the DHS program, which is funded by the General Fund. The fiscal note assumes that any changes in appropriations for savings will be handled through the annual budget process.

**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 estimated to be \$6,706 in FY 2021-22 and \$16,495 in FY 2022-23.

## **Local Government**

By increasing the amount of beds in the DHS program, counties will be able to place more children in placements located within Colorado, rather than in more expensive out-of-state placements, increasing the amount of funds that a county can use on other child welfare services.

## **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 includes an appropriation of \$1,162,912 and 0.4 FTE to the Department of Human Services.

## **State and Local Government Contacts**

Counties	Health Care Policy and Financing
Human Services	Information Technology