

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING INCREASING SUPPORT FOR KINSHIP FOSTER CARE HOMES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Zenzinger and Kirkmeyer  
Reps. Pugliese and Young

JBC Analyst: Emily Hansen  
Phone: 303-866-4961  
Date Prepared: April 30, 2024

**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendments in Packet**

**General Fund Impact**

**Significant Cost Increase in Second or Third Year**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/17/24.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
J.004	Staff-prepared appropriation amendment
L.007	Bill Sponsor amendment - does not change fiscal impact

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates \$4.6 million federal Temporary Assistance for Needy Families (TANF) funds to the Department of Human Services and \$54,436 cash funds from the CBI Identification Unit Fund to the Department of Public Safety. The bill requires an appropriation of \$190,672 General Fund and \$5.5 million TANF funds to the Department of Human Services, and \$55,748 cash funds to the Department of Public Safety.

**Description of Amendments in This Packet**

**J.004** Staff has prepared amendment **J.004** (attached) to change the existing clause to appropriate a total of \$5,763,000 for FY 2024-25, including \$190,672 General Fund to the Department of Human Services, \$5,516,580 TANF funds to the Department of Human Services, and \$55,748 cash funds from the CBI Identification Unit Fund to the Department of Public Safety. An additional \$1,221,710 local funds are appropriated to the Department of Human Services for informational purposes only. This provision also states that the appropriation is based on the assumption that the Department of Human Services will require an additional 2.5 FTE, the Department of Public Safety will require an additional 0.3 FTE, and the Department of Human Services will receive \$6,459,409 federal funds to implement the act.

**L.007** Bill Sponsor amendment **L.007** (attached) specifies that the General Assembly may appropriate TANF funds in FY 2024-25 and FY 2025-26 for foster care payments. Legislative Council Staff and JBC Staff agree that the General Assembly may appropriate TANF funds regardless of whether the amendment is adopted. However, the amendment clarifies the General Assembly's intent to appropriate TANF funds, rather than General Fund, for the first two fiscal years of implementation.

The Committee **should adopt J.004 regardless of whether it adopts L.007.**

**Points to Consider***General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its FY 2024-25 budget package \$190,672 General Fund to be appropriated for implementation of this bill.

*Future Fiscal Impact*

Expenditures for the bill may continue to be offset by TANF funds in FY 2025-26. However, the bill is expected to become a General Fund obligation of at least \$11.6 million by FY 2026-27.

*Related Budget Information*

The Colorado Long-term Works Reserve, created in Section 26-2-721 (1), C.R.S., consists of unappropriated Temporary Assistance for Needy Families (TANF) Block Grant funds, state General Fund, and other money transferred to the Reserve pursuant to statute. Section 26-2-709 (1)(b)(III and IV), C.R.S., establishes a minimum reserve for the Colorado Long-term Works Reserve of 25.0 percent of the annual TANF Block Grant award, which equals \$33.9 million for FY 2024-25. If the Colorado Long-term Works Reserve falls below this balance, either excess county TANF reserves or the state General Fund must backfill the Reserve.

In the 2024 legislative session, the General Assembly is considering two bills that require additional

**SB24-008****JBC Staff Analysis**

appropriations from the TANF Block Grant or the Reserve: S.B. 24-008 (Kinship Foster Care Homes) and H.B. 24-1431 (Stable Housing for Survivors of Abuse Program). The table below details the fiscal impact of these bills on the balance of the Colorado Long-term Works Reserve.

Colorado Long-term Works Reserve Balance Projections					
Fiscal Year	Unappropriated TANF Funds	S.B. 24-008	H.B. 24-1431	Adjusted Reserve Balance	Reserve Balance Above Minimum
2023-24	\$92,839,115	\$0	\$0	\$92,839,115	\$58,937,190
2024-25	86,555,895	(5,516,580)	(2,000,000)	79,039,315	45,137,390
2025-26	72,756,095	(4,561,004)	(2,000,000)	66,195,091	32,293,166
2026-27	59,911,871	0	(2,000,000)	57,911,871	24,009,946
2027-28	53,628,651	0	(2,000,000)	51,628,651	17,726,726
2028-29	47,345,431	0	(2,000,000)	45,345,431	11,443,506