



**Colorado
Legislative
Council
Staff**

SB16-190

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1198

Date: April 21, 2016

Prime Sponsor(s): Sen. Steadman

Bill Status: Senate Appropriations

Rep. Rankin

Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: IMPROVE COUNTY ADMINISTRATION PUBLIC ASSISTANCE PROGRAMS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	<u>\$550,000</u>	
General Fund	0*	
Federal Funds	550,000	
Appropriation Required:	See State Appropriations section.	
Future Year Impacts:	None.	

* See Table 1. Under this bill, General Fund appropriations are increased by \$550,000 and reduced by \$550,000.

Summary of Legislation

The bill, **recommended by the Joint Budget Committee**, establishes performance standards to improve the administration of the Supplemental Nutrition Assistance Program (SNAP). The Department of Human Services (DHS) and counties must endeavor to exceed federal performance measures and must establish a formula for distributing federal monetary bonuses or sanctions associated with SNAP administration to the counties.

The DHS is required to contract with an external vendor to collect and analyze data related to county department costs and performance associated with the administration of public assistance programs, including:

- SNAP;
- Medicaid;
- the Children's Basic Health Plan (CHP+);
- the Colorado Works Program;
- the Program for Aid to Needy Disabled;
- the Old-Age Pension Program; and
- long-term care services.

To ensure the data collection and analysis project yields beneficial information, the DHS must also contract with an external consultant to work with program administrators, fiscal agents, and program stakeholders to identify the scope of the data collection and analysis project. In collaboration with the county departments, the DHS must also design a continuous quality improvement program to improve the administration of public assistance programs. Funding is provided in the bill to accomplish this work.

State Expenditures

For FY 2016-17, this bill increases state expenditures by \$550,000. These costs are shown in Table 1 and discussed below. Workload also increases in the DHS and the Department of Health Care Policy and Finance (HCPF) as discussed below.

Table 1. DHS Appropriations Under SB16-190.		
Cost Components	FY 2016-17	FY 2017-18
Data Collection and Analysis (General Fund)	\$450,000	
Scope of Data Collection and Analysis (General Fund)	50,000	
Quality Improvement Project (General Fund)	50,000	
Division of Child Welfare (General Fund)	(550,000)	
Division of Child Welfare (Federal Funds)	550,000	
TOTAL	\$550,000	

Department of Human Services. For FY 2016-17, this bill increases state expenditures in the DHS by \$550,000. These funds are to be used to for the collection and analysis of data on county public assistance program costs and performance. This includes \$50,000 to contract with a consultant to design the scope of the data collection and analysis project and \$450,000 to contract with a vendor to complete the data collection and analysis project. Funding in the amount of \$50,000 is also required to design a continuous quality improvement program. Workload increases in the DHS to:

- work with the counties to establish a formula for distributing federal bonuses or sanctions to the counties;
- contract with a consultant to determine the scope of the data collection and analysis project;
- contract with a vendor to perform the data collection and analysis project
- assist the selected vendor with the data collection related to department costs and performance associated with administering public assistance programs; and
- design a continuous quality improvement program.

Department of Human Services — Division of Child Welfare. For FY 2016-17, this bill decreases the General Fund appropriation to the Division of Child Welfare Services by \$550,000. This reduction is offset by a Temporary Assistance for Needy Families (TANF) federal funds appropriation of \$550,000. By replacing General Fund appropriations with federal TANF funds, the DHS must ensure that these funds are spent only on TANF eligible clients and activities.

Department of Health Care Policy and Financing. Workload will increase in the HCPF to assist with the data collection project to share HCPF costs and performance associated with the administration of public assistance programs. This increase in workload can be accomplished within existing appropriations.

Local Government Impact

This bill impacts county workload and costs in the following ways. First, county workload increases to work with the selected vendor to provide data on costs and performance associated with the administration of public assistance programs. Second, workload is also increased to work

with the DHS to create a distribution formula through which any monetary bonuses or sanctions received related to their administration of SNAP are allocated among the counties. Lastly, once the distribution formula is established, counties may receive federal bonus funds to be used for the administration of SNAP or be required to pay a sanction if they fail to meet SNAP performance requirements.

Effective Date

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

State Appropriations

For FY 2016-17, this bill includes the following appropriations:

- a reduction of \$550,000 General Fund to the Department of Human Services, Division of Child Welfare;
- an increase of \$550,000 federal TANF reserve funds to the Department of Human Services, Division of Child Welfare; and
- an increase of \$550,000 General Fund to the Department of Human Services for data collection and analysis.

State and Local Government Contacts

Counties

Human Services

Health Care Policy and Financing