



Legislative
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HB 19-1308

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 11, 2019)

Drafting Number: LLS 19-1069
Prime Sponsors: Rep. Singer; Landgraf

Date: April 16, 2019
Bill Status: House Appropriations
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Bill Topic: FOSTER CARE PREVENTION SERVICES

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill authorizes the state Department of Human Services to implement a foster care prevention services program, and makes other changes to begin the state's implementation of the federal Families First Prevention Services Act. The bill increases state and local expenditures on an ongoing basis.

**Appropriation
Summary:**

For FY 2019-20, the bill requires an appropriation of \$238,137 to the Department of Human Services.

**Fiscal Note
Status:**

This revised fiscal note reflects the introduced bill, as amended by the House Public Health Care and Human Services Committee. It has been updated to include new information.

**Table 1
State Fiscal Impacts Under HB 19-1308**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$205,824	\$278,335
	Federal Funds	\$32,313	\$40,155
	Centrally Appropriated	\$16,785	\$40,461
	Total	\$254,922	\$358,951
	Total FTE	1.2 FTE	2.9 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill authorizes the state Department of Human Services (DHS) to implement a foster care prevention services program, and makes other changes to begin the state's implantation of the federal Families First Prevention Services Act. In implementing the act, the bill requires DHS to promulgate rules for foster care prevention services; requires a review by DHS or the courts of any child in a qualified residential treatment program within sixty days of placement; and allows a qualified individual, as defined by federal law, to evaluate a minor's condition for mental health services. The bill defines foster care prevention services as trauma-informed, promising, supported or well-supported mental health and substance abuse prevention and treatment services, in-home parent skill based programs, and kinship navigator programs in order to prevent foster care placement. These services are available to children, their parents, or caregivers when their needs for services are directly related to the safety, permanent placement, or well being of the child, or to prevent the child from entering the foster care system. Services are available for 12 months per episode of eligibility. Finally, the bill requires the Office of Behavioral Health in the DHS to establish care standards and an approval process to ensure qualified residential treatment programs have a trauma-informed treatment model.

Background

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. Colorado is required to notify the federal government of its intent to implement the provision of the Families First Prevention Services Act by October 1, 2019, or may delay the implementation of provisions related to congregate care placements for up to two years.

Assumptions

The fiscal note assumes that the DHS will submit a plan to the federal government, have it approved, and begin implementation by January 1, 2020.

State Expenditures

The bill increases state expenditures in the DHS by \$254,922 and 1.2 FTE in FY 2019-20 and by \$358,951 and 2.9 FTE in FY 2020-21, as shown in Table 2. The bill will also increase workload and potentially costs in the Judicial Department and its independent agencies as described below.

**Table 2
 Expenditures Under HB 19-1308**

	FY 2019-20	FY 2020-21
Department of Human Services		
Personal Services	\$67,806	\$162,735
Operating Expenses and Capital Outlay Costs	\$10,831	\$2,755
Third Party Assessor	\$150,000	\$150,000
Computer Programming	\$9,500	\$3,000
Centrally Appropriated Costs*	\$16,785	\$40,461
Total Cost	\$254,922	\$358,951
<i>General Fund</i>	\$205,824	\$278,335
<i>Federal Funds</i>	\$32,313	\$40,155
<i>Centrally Appropriated</i>	\$16,785	\$40,461
Total FTE	1.2 FTE	2.9 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. The bill will increase state expenditures in the DHS by \$254,922 in FY 2019-20 and 1.2 FTE and by \$358,951 and 2.9 FTE, as described below.

Personal services. The bill requires 0.5 FTE in FY 2019-20 and 1.0 FTE in FY 2020-21 to conduct rule making and to establish and implement a foster care prevention service program. It is assumed that staff will start on August 2019. In addition, starting on January 1, 2020, 1.9 FTE is required to review that children are appropriately placed in qualified residential treatment programs within 60 days. This assumes that there will be an additional 187 reviews per month by the DHS for children in a qualified residential treatment program and that one FTE can do 100 reviews a month. Costs include personal services and operating and capital outlay expenses. First-year costs are prorated for the General Fund paydate shift.

Third-party assessor. The bill increases expenditures by \$150,000 per year to contract with a third-party assessor who will evaluate a minor's mental health condition and placement. Federal law requires that the evaluator be an approved independent third-party assessor. The fiscal note assumes that 1,044 youth per year will be assessed at a cost of \$100 per youth.

Computer programming. The bill will increase expenditures by \$9,500 in FY 2019-20 in order to update data systems for quarterly reporting and to support activities required by the bill. Starting in FY 2020-21, expenditures will increase by \$3,000 per year to cover any maintenance and revisions to the system. These costs are paid to an external vendor and do not need to be reappropriated to the Office of Information Technology.

Training. The bill increases workload to the DHS to provide training to a number of actors in the child welfare system about changes being impended. The fiscal note assumes that this increase in workload can be accomplished within existing appropriations.

Judicial Department. Requiring the trial courts to review and determine if a qualified residential treatment program is appropriate will increase their workload. While it is assumed that this increase will be minimal for most jurisdictions, if there is a significant increase in court workload, the fiscal note assumes that the Judicial Department will request additional resources through the annual budget process.

Independent judicial agencies. Costs and workload to the Office of the Child's Representative and the Office of the Respondent Parents' Counsel will increase to the extent there are more or longer court hearings to review a qualified residential treatment program placement and other matters under the new federal framework. To the extent the bill changes how children are placed, or changes how dependency and neglect cases are litigated by these agencies, costs and workload will be affected. Because it is not known how this bill will affect placement of children or how cases are litigated, the fiscal note assumes that any change in workload, if incurred, will be addressed through the annual budget process.

Federal funds. By aligning state law with the federal Families First Prevention Services Act, this bill will allow the state to continue receiving federal funds for child welfare purposes and may increase federal funds for other purposes. Any increase in federal funds will be allocated 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 \$16,785 in FY 2019-20 and \$40,461 in FY 2020-21.

Local Government

Starting in FY 2019-20, expenditures and workload will increase for county departments of human services to train staff about the changes being implemented; to provide documentation for reviews of children in qualified residential treatment programs; and to update any documentation requirements. The exact cost to county departments has not been estimated at this time.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires an appropriation of \$238,137, and an allocation of 1.2 FTE to the Department of Human Services; of which \$205,824 is General Fund and \$32,313 is federal funds.

State and Local Government Contacts

Counties	Health Care Policy and Financing
Human Services	Information Technology
Judicial	