

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0976	Date: August 5, 2015
Prime Sponsor(s): Sen. Steadman Rep. Young	Bill Status: Signed into Law
	Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: COLLABORATIVE MANAGEMENT PROGRAM HUMAN SERVICES

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	<u>\$1,876,277</u>	<u>\$1,869,373</u>
General Fund	1,856,635	1,848,945
Centrally Appropriated Costs**	19,642	20,428
FTE Position Change	1.5 FTE	1.5 FTE
Appropriation Required: \$1,856,635 - Department of Human Services (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill, **recommended by the Joint Budget Committee**, allows General Fund to be appropriated to the Collaborative Management Program in the Department of Human Service (DHS). It also makes several changes to this program for coordinating the management of services to children and family that involve multiple state and local agencies. Key provisions in the bill include:

- clarifying that children and families do not need to be in the child welfare system or foster care system to receive services under the program;
- clarifying the role of the DHS in ensuring statewide consistency in memoranda of understanding relating to the system of collaborative management;
- requiring that memoranda of understanding include performance measures and that agencies participate in an annual program evaluation using these measures; and
- specifying that incentive funding is provided to agencies that meet or exceed the performance measures identified in the memoranda of understanding.

Background

The Collaborative Management Program was created to improve outcomes for children and families who receive services from multiple systems, including the child welfare system, education system, mental health system, the youth corrections system, and the courts. It is currently funded through court docket fees paid to the Performance-based Collaborative Management Incentive Cash Fund.

State Expenditures

The bill increases costs in the Department of Human Services by about **\$1.9 million per year** beginning in FY 2015-16 for administrative costs, including personal services, operating and capital outlay expenses for 1.5 FTE; additional funding for incentive payments to agencies that participate in the program through a memorandum of understanding with the DHS; and costs for an annual performance evaluation of participating agencies. These costs are summarized in Table 1 below. The bill includes General Fund appropriations to cover these expenses.

Table 1. Expenditures Under SB 15-241		
Cost Components	FY 2015-16	FY 2016-17
Administration Costs	\$106,635	\$98,945
FTE	1.5 FTE	1.5 FTE
Incentive Payments	1,500,000	1,500,000
Annual Performance Evaluation	250,000	250,000
Centrally Appropriated Costs	19,642	20,428
TOTAL	\$1,876,277	\$1,869,373

Other agency costs. State agencies and judicial districts that are involved in the Collaborative Management Program through memoranda of understanding may have additional workload and costs to participate in, and provide data for, the performance evaluations required under the bill. Generally, the additional appropriation of funds for incentive payments will increase the available incentive payments to participating agencies; however, the distribution may change given that receipt of incentive payments is linked under the bill to meeting specific performance measures.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 15-241*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$12,083	\$12,083
Supplemental Employee Retirement Payments	7,559	8,345
TOTAL	\$19,642	\$20,428

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government Impact

Similar to the state impact above, the bill may increase workload and costs to local government agencies by requiring that they participate in performance evaluations. Local agencies may be eligible for increased incentive payments, subject to meeting the performance measures outlined in their memoranda of understanding with the DHS.

Effective Date

The bill was signed into law by the Governor and took effect on May 1, 2015.

State Appropriations

For FY 2015-16, the bill requires and includes a General Fund appropriation of \$1,856,635 to the Department of Human Services.

State and Local Government Contacts

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