

Colorado Legislative Council Staff Fiscal Note

STATE and LOCAL FISCAL IMPACT

Drafting Number: LLS 15-0978
Prime Sponsor(s): Sen. Grantham
 Rep. Young

Date: March 27, 2015
Bill Status: Senate Appropriations
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: CHILD WELFARE STAFF FUNDING ALLOCATION

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	\$6,420,155	\$5,728,866
General Fund	5,714,028	5,111,915
Cash Funds (Local Funds)	606,415	566,415
Federal Funds	87,704	38,114
Centrally Appropriated Costs**	12,008	12,422
FTE Position Change	1.0 FTE	1.0 FTE
Appropriation Required: \$6,408,147 - 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

This bill, **recommended by the Joint Budget Committee**, creates a new allocation for distributing funds to counties to hire additional child welfare staff. The new allocation is meant to supplement, not supplant, existing county child welfare staff hired using the current block grant funding provided to counties. The Child Welfare Allocations Committee is required to develop a formula for distributing this funding to counties. Counties receiving an allocation are required to pay a 10 percent match, except that counties qualifying as a Tier 1 or 2 county for the purposes of the County Tax Base Relief Fund distributions (i.e., counties with limited tax bases) are exempt from the match requirement.

The Department of Human Services is required to contract for a study concerning county child welfare caseloads. Based on the results of this study, the Child Welfare Allocations Committee will modify the formula for the new staff funding allocation.

Background

Under current law, counties receive funding for child welfare through a block grant, which they may use to provide child welfare services and fund county administration, out-of-home care, subsidized adoption, relative guardianship agreements, and other services. The existing block grant is distributed to counties according to a formula set by the allocations committee. An August 2014 study estimated that counties require an additional 574 caseworkers and 122 supervisors to manage their current child welfare caseloads. Unlike the existing child welfare block grant which is provided to counties without categorical restrictions, the new allocation proposed in this bill is specifically for hiring new staff.

State Expenditures

The bill increases costs in the Department of Human Services by **\$6.4 million and 1.0 FTE in FY 2015-16 and \$5.7 million and 1.0 FTE in FY 2016-17** and each year thereafter. These costs are primarily paid from the General Fund, with a smaller portion paid by local funds and federal funds. The costs of the bill are summarized in Table 1 and discussed below.

Table 1. Expenditures Under SB 15-242		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$51,345	\$51,345
FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
County Child Welfare Staff Allocation	6,064,149	5,664,149
County Caseload Study	235,000	0
Training Development	52,000	0
Centrally Appropriated Costs*	12,008	12,422
TOTAL	\$6,420,155	\$5,728,866
General Fund	5,714,028	5,111,915
Cash Funds (Local Funds)	606,415	566,415
Federal Funds	87,704	38,114
Centrally Appropriated Costs	12,008	12,422

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

County child welfare staff allocation. The bill includes an appropriation of \$6,064,149 for the newly created county allocation for hiring new child welfare staff. It is assumed that a 10 percent match will be paid by counties receiving this funding.

Training staff and development. The Department of Human Services will require an additional 1.0 FTE to assist in training new county child welfare workers. Costs for this staff, along with standard operating and capital outlay costs, are included in the bill's appropriation and shown in Table 1 above. A one-time cost of \$52,000 will also be incurred to develop training in FY 2015-16. Staff is assumed to start in June 2015 and thus the General Fund paydate shift is not applied to the first-year costs.

County caseload study. The Department of Human Services will have a one-time cost of \$235,000 in FY 2015-16 to contract for a detailed study of county child welfare caseload and staffing. An appropriation for this cost is included in the bill. The results of this study will be used to modify the allocation formula used to distribute funding to counties. The study must be complete by June 30, 2016.

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 15-242*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,028	\$8,028
Supplemental Employee Retirement Payments	3,980	4,394
TOTAL	\$12,008	\$12,422

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

Local Government Impact

The bill increases funding available to counties by about \$6.1 million for the purpose of hiring new child welfare staff. It is estimated that the funding included in the bill will allow counties to hire an additional 100 FTE, including 85 caseworkers, 11.5 supervisors, and 3.5 case aides. Counties will be required to pay a 10 percent match to receive funding under the new allocation unless they are exempt from this requirement. The exact funding to individual counties will depend on the decisions of the Child Welfare Allocations Committee and, in future years, the results of the county caseload study conducted under the bill.

Effective Date

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

State Appropriations

For FY 2015-16, the Department of Human Services requires, and the bill includes, appropriations totaling \$6,408,147 and an allocation of 1.0 FTE. The required appropriations consist of \$5,714,028 General Fund, \$606,415 cash funds (local funds), and \$87,704 federal funds.

State and Local Government Contacts

Joint Budget Committee Staff

Human Services

Counties