

**Schedule 13**  
**Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11  Supplemental FY 2009-10  Budget Amendment FY 2010-11

Request Title: Refinance \$3,000,000 of Child Welfare Services with TANF  
 Department: Human Services Dept. Approval by: *Will [Signature]* Date: 10-15-09  
 Priority Number: BRI - 5 OSPB Approval: *[Signature]* Date: 10-19-09

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
<b>Total of All Line Items</b>	<b>Total</b>	345,340,609	353,575,261	0	353,575,261	345,161,289	0	345,161,289	0	345,161,289	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	171,716,693	171,949,309	0	171,949,309	167,794,450	(3,000,000)	164,794,450	0	164,794,450	(3,000,000)
	CF	62,775,661	61,947,571	0	61,947,571	65,196,739	0	65,196,739	0	65,196,739	0
	CFE/RF	12,872,178	18,746,950	0	18,746,950	14,508,228	0	14,508,228	0	14,508,228	0
	FF	97,976,077	100,931,431	0	100,931,431	97,661,872	3,000,000	100,661,872	0	100,661,872	3,000,000
	MCF	13,865,508	18,746,950	0	18,746,950	14,508,228	0	14,508,228	0	14,508,228	0
	MGF	5,939,424	9,373,475	0	9,373,475	7,254,114	0	7,254,114	0	7,254,114	0
	NGF	177,656,117	181,322,784	0	181,322,784	175,048,564	(3,000,000)	172,048,564	0	172,048,564	(3,000,000)
<b>(5) Division of Child Welfare, Child Welfare Services</b>	<b>Total</b>	345,340,609	353,575,261	0	353,575,261	345,161,289	0	345,161,289	0	345,161,289	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	171,716,693	171,949,309	0	171,949,309	167,794,450	(3,000,000)	164,794,450	0	164,794,450	(3,000,000)
	CF	62,775,661	61,947,571	0	61,947,571	65,196,739	0	65,196,739	0	65,196,739	0
	CFE/RF	12,872,178	18,746,950	0	18,746,950	14,508,228	0	14,508,228	0	14,508,228	0
	FF	97,976,077	100,931,431	0	100,931,431	97,661,872	3,000,000	100,661,872	0	100,661,872	3,000,000
	MCF	13,865,508	18,746,950	0	18,746,950	14,508,228	0	14,508,228	0	14,508,228	0
	MGF	5,939,424	9,373,475	0	9,373,475	7,254,114	0	7,254,114	0	7,254,114	0
	NGF	177,656,117	181,322,784	0	181,322,784	175,048,564	(3,000,000)	172,048,564	0	172,048,564	(3,000,000)

Non-Line Item Request: None  
 Letternote Revised Text: <sup>1</sup> Of these amounts, \$76,313,995 shall be from Title IV-E of the Social Security Act, \$22,690,313 shall be from the Title XX Social Services Block Grant, ~~\$9,500,000~~ \$12,500,000 shall be from the Temporary Assistance for Needy Families (TANF) Block Grant, and \$4,019,549 shall be from Title IV-B, Subpart 1. of the Social Security Act.  
 Cash or Federal Fund Name and COFRS Fund Number: Federal Title IV-E; Temporary Assistance for Needy Families Block Grant  
 Reappropriated Funds Source, by Department and Line Item Name: Not applicable.  
 Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: Not applicable.

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**CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE**

Department:	Human Services
Priority Number:	BRI - 5
Change Request Title:	Refinance \$3,000,000 of Child Welfare Services with TANF

**SELECT ONE (click on box):**

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is proposing a \$3,000,000 refinance to the Child Welfare Services Line (Child Welfare Block) by reducing the General Fund by \$3,000,000 and refinancing it with federal Temporary Assistance for Needy Families (TANF) funds for FY 2010-11 and FY 2011-12. This refinancing would create a Net General Fund savings of \$3,000,000 in FY 2010-11 and FY 2011-12.

Background and Appropriation History:

The Child Welfare Services Block Appropriation provides funding for Child Welfare Services as defined in Section 26-5-101, C.R.S. (2009) with the exception of certain services (such as Core services, Promoting Safe and Stable Families services, and Chafee Independent Living services).

The following are brief descriptions of some of the broad categories of service, which may be provided through the Child Welfare Block services:

- Out of Home Placement provides 24-hour temporary or long-term care for those children who must live outside their own homes. Out-of-Home Placement

Services are provided in the least restrictive most appropriate setting that meets the child's need. This includes a variety of settings including county department family foster homes, kinship care homes and group care, Child Placement Agency family foster and group care (CPAs), Therapeutic Residential Child Care Facility (TRCCF), Psychiatric Residential Treatment Facility (PRTF), and Residential Child Care Facilities (RCCFs) and Children's Habilitation Residential Program (CHRP) placements.

- Subsidized Adoption provides funding to families adopting children with special needs. These special needs include significant physical or mental disabilities, emotional disturbance or other considerations such as membership in a sibling group. Most of the children adopted with this subsidy were previously in out-of-home placement.
- Case Services Payments for Subsidized Adoptions provides funding for certain one-time costs incurred in freeing a child for adoption, such as legal fees. In addition, these payments fund certain ongoing costs incurred in maintaining the child in the adoptive home, such as physical and speech therapy, special transportation needs or funding for pre-existing medical conditions that are not covered by insurance. These payments are necessary for the initial adoptions and to prevent later disruptions.
- Child Welfare Related Child Care (Special Circumstance Child Care) provides less than 24-hour care to children at risk of out-of-home placement due to abuse, neglect or exploitation. This care is authorized by the county department and is provided primarily by private child care facilities. These services are used to prevent out-of-home placements and to maintain children in the least restrictive settings and most appropriate setting as possible.
- Funding for Child Welfare staffing including intake and ongoing staff and line supervisors (Direct Line Staff) that perform a wide array of services to families that enter the child welfare system.

A portion of Child Welfare Services line has been claimable for Maintenance of Effort (MOE) for the Temporary Assistance for Needy Families (TANF) program as the expenditure fits one of the four purposes of TANF. The Child Welfare Service appropriation provide assistance to needy families so that children may be cared for in their homes or in the homes of family members aligns with some of the family preservation goals.

General Description of Request:

For FY 2010-11, the Department is proposing a \$3,000,000 refinancing of the Child Welfare Services appropriation resulting in a reduction to the General Fund of \$3,000,000 and an increase in federal TANF funds by \$3,000,000. Counties' Child Welfare Services allocations will remain the same as appropriated through S.B. 09-259.

Consequences if Not Funded:

There will be no programmatic change to the Child Welfare Services allocation at the county level if this request is not approved. There will, however, be less General Fund available to the state if the request is not approved. There will also be fewer TANF funds available to the TANF program.

Calculations for Request:

<b>Summary of Request FY 2010-11 and FY 2011-12</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	\$0	(\$3,000,000)	\$0	\$0	\$3,000,000	0.0
(5) Division of Child Welfare, Child Welfare Services	\$0	(\$3,000,000)	\$0	\$0	\$3,000,000	0.0

Cash Funds Projections:

Not Applicable

Assumptions for Calculations:

Current General Fund appropriation for (5) Division of Child Welfare, Child Welfare Services appropriation under S.B. 09-259 is \$353,575,261. The department is proposing to refinance \$3,000,000 with TANF funds for FY 2010-11 and FY 2011-12.

The Department has proposed a \$3,000,000 refinance for FY 2010-11 and FY 2011-12 to help with the revenue shortfall associated with the current economic downturn. The Department's decision to request an additional refinance is based on two factors, 1) impact of the refinance to TANF MOE and 2) the impact to the TANF long-term reserve balance.

Factor #1 – Impact to TANF MOE

Federal welfare reform legislation requires states to maintain a certain level of spending on TANF programs called maintenance of effort or "MOE". General Fund expenditures in the Child Welfare Services line item contribute to Colorado's Maintenance of Effort (MOE) requirement for the TANF program. A loss of \$3,000,000 General Fund is potentially a loss of \$3,000,000 in MOE for the TANF program. If the state loses this MOE, then it must identify other expenditures on TANF eligible activities to meet its federal MOE obligation. If a state does not comply with federal TANF MOE requirements, the state's TANF grant would be decreased by the amount of the shortfall in the following fiscal year and the state's TANF MOE requirement would be increased the following year.

The Department believes that there is more claimable MOE in the Family and Children's Programs line (CORE) that could be identified to make up some or all of the \$3,000,000. The Department believes it may be able to claim this additional TANF MOE from the Family and Children's program up to \$3,000,000, but amounts above that seem uncertain based on a preliminary review of the activities funded by this line.

Factor #2 – Impact to TANF Long-term Reserve

The use of federal TANF funding as the source of refinancing for this request also has an impact to the TANF funds projected to be available in future years. The TANF long-term reserve is TANF funds available and not yet appropriated by the General Assembly. Based on the current level of the long-term reserve and the anticipated level of future TANF grants from the federal government, there are sufficient TANF funds available to meet FY 2009-10 and FY 2010-11 obligations. (Please note this assumes all TANF appropriations are 100% spend.) Based on current estimates, there will not be sufficient

funds in the TANF long-term reserve and within the annual TANF grant to meet anticipated appropriations in FY 2011-12. As a result, it is likely that for FY 2011-12 TANF appropriations will need to be reduced. By limiting this proposed refinance to \$3,000,000 the impact of these reduction in FY 2011-12 is mitigated.

Impact on Other Government Agencies: Not Applicable.

Cost Benefit Analysis: Not Applicable.

Implementation Schedule:

Task	Month/Year
Refinance Child Welfare Services	July 2010 ending June 2012

Statutory and Federal Authority:

*Section 26-5-101, C.R.S. (2009). As used in this article, unless the context otherwise requires: (1) "Capped allocation" means a capped amount of funds distributed to counties or a group of counties for the purpose of providing all or a portion of the child welfare services as defined in subsection (3) of this section. (1.5) "Caseload" means the number of children who are eligible for child welfare services that are defined in subsection (3) of this section and who are currently receiving such child welfare services on a regular basis from a county. (3) "Child welfare services" means the provision of necessary shelter, sustenance, and guidance to or for children who are or who, if such services are not provided, are likely to become neglected or dependent, as defined in section 19-3-102, C.R.S. (2009). "Child welfare services" includes but is not limited to: (a) Child protection; (b) Risk assessment; (c) Permanency planning; (d) Treatment planning; (e) Case management; (f) Core services, as defined in rules promulgated by the state department, as authorized in sections 26-5-102 and 26-5.5-104; (g) Adoption and subsidized adoption; (h) Emergency shelter; (i) Out-of-home placement, including foster care; (j) Utilization review; (k) Early intervention and prevention; (l) Youth-in-conflict functions; (m) Administration and support functions; (n) Services described in section 19-3-208, C.R.S.; and (o) (I) provision of verifiable documents to youth who plan to emancipate from foster care.(II) Verifiable documents shall include but are not limited*

*to, a certified copy of the youths birth certificate and social security card. The cost of providing the verifiable documents shall not fall to the youth. (6) "Targeted allocation" means a fixed amount of funds from a capped allocation to a group of counties that is designated for a specific county within that group of counties.*

*Section 26-5-104, C.R.S. (2009) (4) (a) Allocations. (a) For state fiscal year 1997-98, and for each state fiscal year thereafter, all counties shall receive capped allocations for child welfare services. A county may receive one or more capped allocations for the provision of child welfare services. The counties may use capped allocation moneys for child welfare services without category restriction within a specific capped allocation if not prohibited by federal law.*

*Section 26-2-705 (2), C.R.S (2009). Works program – purposes. (2) The purposes of the works program are to: (b) Provide assistance to needy families so that children may be cared for in their homes or in the homes of family members;*

*Section 26-2-706.6, C.R.S. (2009). Colorado works Program – Supportive Services (4) (V) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support;*

Performance Measures:

Not Applicable.