

SENATE BILL 18-254

BY SENATOR(S) Lambert and Moreno, Lundberg, Aguilar, Court, Crowder, Donovan, Fields, Kefalas, Kerr, Martinez Humenik, Merrifield, Priola, Tate, Todd, Williams A., Zenzinger; also REPRESENTATIVE(S) Young and Rankin, Hamner, Becker K., Bridges, Coleman, Exum, Garnett, Gray, Hansen, Herod, Hooton, Jackson, Kraft-Tharp, Lontine, McLachlan, Melton, Michaelson Jenet, Pettersen, Reyher, Salazar, Singer, Valdez, Duran.

CONCERNING REFORMS TO CHILD WELFARE SERVICES, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 19-3-208, amend (2)(b) introductory portion and (2)(b)(I) as follows:

- 19-3-208. Services county required to provide rules. (2) (b) The following services shall MUST be available and provided, as determined necessary and appropriate by individual case plans, commencing on or after July 1, 1993:
- (I) Screening, assessments, INCLUDING THOSE REQUIRED BY THE FEDERAL "FAMILY FIRST PREVENTION SERVICES ACT OF 2018", TITLES IV-B

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AND IV-E OF THE FEDERAL "SOCIAL SECURITY ACT", AS AMENDED, and individual case plans;

SECTION 2. In Colorado Revised Statutes, 24-1.9-102, amend (2)(h) as follows:

24-1.9-102. Memorandum of understanding - local-level interagency oversight groups - individualized service and support teams - coordination of services for children and families requirements - waiver. (2) (h) Reinvestment of money saved to serve additional children and families. (1) The memorandum of understanding shall MUST require the interagency oversight group to create a procedure, subject to approval by the head or director of each agency or department specified in paragraphs (a) and (a.5) of subsection (1) SUBSECTIONS (1)(a) AND (1)(a.5) of this section, to allow any moneys MONEY resulting from waivers granted by the federal government, and any state general fund savings realized as a result of the implementation of the collaborative system of management of multi-agency services provided to children and families related to the funding sources specified by the parties to the memorandum of understanding pursuant to paragraph (b) of this subsection (2) to be reinvested by the parties to the memorandum of understanding to provide appropriate services, as defined in paragraph (b) of this subsection (2) ANY LOCAL FUNDS, AND ANY STATE GENERAL FUND MONEY APPROPRIATED TO THE PROGRAM TO BE USED TO PROVIDE SERVICES to children and families who would benefit from integrated multi-agency services, as the population is defined by the memorandum of understanding pursuant to paragraph (c) of this subsection (2) SUBSECTION (2)(c) OF THIS SECTION.

(II) A county that has implemented a collaborative management process for services to children and families, which services are not included as services to be provided to children and families who would benefit from integrated multi-agency services in the memorandum of understanding pursuant to paragraph (b) of this subsection (2), and that underspends the general fund portion of its capped or targeted allocation may use the portion of general fund savings realized, as referenced in this section, of its underspent capped or targeted allocation for provision of existing services for such children and families in the county.

SECTION 3. In Colorado Revised Statutes, 26-5-101, amend the

introductory portion; and add (4.5) as follows:

- **26-5-101. Definitions.** As used in this article ARTICLE 5, unless the context otherwise requires:
- (4.5) "Family First Prevention Services Act of 2018" means Titles IV-B and IV-E of the federal "Social Security Act", as amended.
- **SECTION 4.** In Colorado Revised Statutes, 26-5-102, add (3) and (4) as follows:
- 26-5-102. Provision of child welfare services system reform goals out-of-home placements for children and youth with intellectual and developmental disabilities rules definition. (3) (a) ON OR BEFORE AUGUST 1, 2018, THE STATE DEPARTMENT SHALL DEVELOP A PROGRAM TO SERVE CHILDREN AND YOUTH WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES WHO ARE PLACED BY COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES IN A LICENSED OUT-OF-HOME SETTING AS DEFINED IN SECTION 26-6-102 (33) AND CHILDREN OR YOUTH COMMITTED TO OR IN THE CUSTODY OF THE STATE DEPARTMENT.
- (b) The state department shall promulgate rules concerning the placement of children or youth in the program. The rules must include, but need not be limited to, quality assurance monitoring, admissions, discharge planning, appropriate length of stay, and an appeals process for children or youth who are determined to be ineligible for the program.
- (c) On or before December 31, 2018, the state department shall contract with a licensed provider for the delivery of services to children and youth with intellectual and developmental disabilities who are placed in the program. The state department shall utilize a request for proposal process to define the scope of the contract and to select the licensed provider.
- (d) A COUNTY DEPARTMENT THAT WISHES TO PLACE A CHILD OR YOUTH IN THE PROGRAM SHALL SUBMIT AN APPLICATION TO THE STATE DEPARTMENT FOR REVIEW. THE STATE DEPARTMENT SHALL APPROVE

ADMISSIONS INTO THE PROGRAM AND DETERMINE DISCHARGE CRITERIA FOR EACH PLACEMENT. A COUNTY DEPARTMENT THAT HAS APPLIED FOR THE ADMISSION OF A CHILD OR YOUTH INTO THE PROGRAM SHALL BE NOTIFIED IN WRITING OF A PLACEMENT APPROVED BY THE STATE DEPARTMENT.

- (e) FOR THE DURATION OF THE TREATMENT, AS DEFINED IN THE APPROVAL LETTER FROM THE STATE DEPARTMENT, AND FOR THIRTY DAYS AFTER THE COMPLETION OF TREATMENT, THE COUNTY DEPARTMENT RESPONSIBLE FOR THE PLACEMENT OF THE CHILD OR YOUTH IN THE PROGRAM MUST BE REIMBURSED BY THE STATE DEPARTMENT FOR ONE HUNDRED PERCENT OF THE COSTS ASSOCIATED WITH THE APPROVED PLACEMENT.
- (f) The state department shall notify the county department that is responsible for the placement of the child or youth of the date on which the reimbursement eligibility will expire. Upon expiration of the reimbursement eligibility, if the child or youth remains in placement at the facility, the county department is responsible for one hundred percent of the placement costs.
- (g) A COUNTY DEPARTMENT THAT HAS PLACED A CHILD OR YOUTH IN THE PROGRAM RETAINS THE RIGHT TO REMOVE THE CHILD OR YOUTH FROM THE PROGRAM ANY TIME PRIOR TO THE DISCHARGE DATE SPECIFIED BY THE STATE DEPARTMENT.
- (h) THE STATE DEPARTMENT SHALL REIMBURSE THE PROVIDER ONE HUNDRED PERCENT OF THE COST OF UNUTILIZED BEDS IN THE PROGRAM TO ENSURE AVAILABLE SPACE FOR EMERGENCY RESIDENTIAL OUT-OF-HOME PLACEMENTS.
- (i) Entities other than county departments, including but not limited to hospitals, health care providers, single entry point agencies, and community-centered boards, may refer a family to voluntarily apply and assist with the application to the state department for admission of the family's child or youth with intellectual and developmental disabilities into the program pursuant to this subsection (3). Such applications will be considered if space is available. However, children and youth with intellectual and developmental disabilities placed by county departments or the state department shall have priority for

ADMISSION TO THE PROGRAM. THE STATE DEPARTMENT SHALL NOT ACCEPT APPLICATIONS FOR PLACEMENT OF A CHILD OR YOUTH WHO IS EXCLUSIVELY INSURED BY PRIVATE INSURANCE. A CHILD OR YOUTH WHO IS DUALLY INSURED BY PRIVATE INSURANCE AND MEDICAID AND WHOSE RESIDENTIAL LEVEL OF CARE HAS BEEN DENIED BY PRIVATE INSURANCE MAY BE ELIGIBLE FOR SERVICES IN THE PROGRAM.

- (j) ANY ENTITY DEFINED IN SUBSECTION (3)(i) OF THIS SECTION THAT RECEIVES PLACEMENT APPROVAL FROM THE STATE DEPARTMENT SHALL CONTRACT DIRECTLY WITH THE PROVIDER FOR SUCH PLACEMENT AND IS RESPONSIBLE FOR THE COSTS ASSOCIATED WITH THE PLACEMENT.
- (k) THE STATE DEPARTMENT MAY MAINTAIN UP TO THREE OPEN BEDS SPECIFICALLY FOR CHILDREN AND YOUTH IN THE CUSTODY OF A COUNTY OR COMMITTED TO OR IN THE CUSTODY OF THE STATE DEPARTMENT WHO MAY NEED SERVICES ON AN EMERGENCY BASIS.
- (4) AS USED IN THIS SECTION, "COUNTY DEPARTMENT" MEANS A COUNTY DEPARTMENT OF HUMAN OR SOCIAL SERVICES.

SECTION 5. In Colorado Revised Statutes, **amend** 26-5-103.5 as follows:

- 26-5-103.5. Child welfare allocations committee organization advisory duties funding model allocations model definitions.

 (1) THE STATE DEPARTMENT SHALL CONVENE a child welfare allocations committee, shall be convened by the state department REFERRED TO IN THIS SECTION AS THE "COMMITTEE", as necessary in order to make advisory recommendations as described in this article ARTICLE 5.
- (2) (a) The child welfare allocations committee shall consist of eleven members, eight of whom shall be appointed by a statewide association of counties and three of whom shall be appointed by the state department. Of the members appointed by the statewide association of counties, at least two members shall be from small or medium-sized counties, and at least three shall be from large counties. The appointing authorities shall consult with each other to ensure that the child welfare allocations committee is representative of the counties in the state. A representative from the county that has the greatest percentage of the state's child welfare caseload will automatically be appointed, which appointment

shall be credited against the eight appointments allocated to the statewide association of counties The Committee Consists of Thirteen Members, EIGHT OF WHOM MUST BE APPOINTED BY COUNTY COMMISSIONERS AND FIVE OF WHOM MUST BE APPOINTED BY THE STATE DEPARTMENT.

- (b) OF THE MEMBERS APPOINTED BY THE STATE DEPARTMENT, AT LEAST TWO MEMBERS MUST BE REPRESENTATIVES FROM THE TWO COUNTIES IN THE STATE WITH THE GREATEST PERCENTAGE OF THE STATE'S CHILD WELFARE CASELOAD.
- (c) Of the appointments made by county commissioners, only one representative per county may serve on the committee at the same time, and:
- (I) ONE MUST BE APPOINTED BY THE COMMISSIONERS OF EACH OF THE FOLLOWING REGIONS, AS THOSE REGIONS ARE DEFINED IN SUBSECTION (2)(d) OF THIS SECTION:
 - (A) THE EASTERN REGION;
 - (B) THE FRONT RANGE REGION;
 - (C) THE MOUNTAIN REGION;
 - (D) THE SOUTHERN REGION; AND
 - (E) THE WESTERN REGION; AND
- (II) Three must be at-large appointments. Of the three at-large appointments, two must be appointed by the commissioners of the counties described in section 26-5-104 (4)(b)(I), and one must be appointed by the commissioners who represent the counties described in section 26-5-104 (4)(b)(II).
 - (d) For the purposes of this subsection (2):
- (I) THE EASTERN REGION IS COMPRISED OF CHEYENNE, ELBERT, KIT CARSON, LINCOLN, LOGAN, MORGAN, PHILLIPS, SEDGWICK, WASHINGTON, AND YUMA COUNTIES;

- (II) THE FRONT RANGE REGION IS COMPRISED OF ADAMS, ARAPAHOE, BOULDER, DOUGLAS, EL PASO, JEFFERSON, LARIMER, AND WELD COUNTIES, AND THE CITY AND COUNTY OF BROOMFIELD AND THE CITY AND COUNTY OF DENVER;
- (III) THE MOUNTAIN REGION IS COMPRISED OF CHAFFEE, CLEAR CREEK, CUSTER, EAGLE, FREMONT, GILPIN, GRAND, JACKSON, LAKE, PARK, PITKIN, SUMMIT, AND TELLER COUNTIES;
- (IV) THE SOUTHERN REGION IS COMPRISED OF ALAMOSA, BACA, BENT, CONEJOS, COSTILLA, CROWLEY, HUERFANO, KIOWA, LAS ANIMAS, MINERAL, OTERO, PROWERS, PUEBLO, RIO GRANDE, AND SAGUACHE COUNTIES; AND
- (V) The western region is comprised of Archuleta, Delta, Dolores, Garfield, Gunnison, Hinsdale, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, and San Miguel counties.
- (3) The child welfare allocations committee shall develop its own operating procedures.
- (4) No later than January 15, 1999, the state department, with input from the child welfare allocations committee, shall make recommendations to the joint budget committee of the general assembly for a definition of what shall constitute CONSTITUTES administration and support functions as referred to in section 26-5-101 (3)(m) and a method for identifying costs for such functions.
- (5) Pursuant to section 26-5-104 (3), the child welfare allocations committee shall develop a formula to allocate additional funding to counties in addition to the child welfare block grant for the specific purpose of hiring new child welfare staff at the county level in addition to county child welfare staff existing as of January 1, 2015; pursuant to the requirements of section 26-5-104 (8). Counties shall continue to pay for child welfare staff positions existing as of January 1, 2015, through the child welfare block grant. The child welfare allocations committee shall modify the allocation formula as necessary in consideration of any findings from the child welfare caseload study performed pursuant to section 26-5-112 at such time as those findings are available.

- (6) On or before June 15, 2017, the child welfare allocations committee shall consider developing an allocations model based on the recommendations developed pursuant to section 26-5-104 (9). None of the provisions of Senate Bill 16-201, enacted in 2016, supersede or infringe on the statutory authority of the child welfare allocations committee.
- (7) (a) Beginning with state fiscal year 2018-19, and every three years thereafter, the state department shall contract with an outside entity to develop a funding model that must be used to inform the committee, the general assembly, the governor, and the state department of the appropriate level of funding required to fully meet all state and federal requirements concerning the comprehensive delivery of child welfare services, as defined in section 26-5-101 (3). The funding model must take into consideration workload; demographic data, including poverty statistics; and state and local economic drivers that may influence the delivery of services. The funding model developed pursuant to this subsection (7) must be informed by the recommendations of the delivery of child welfare services task force as set forth in section 26-5-105.8 and must be used to inform the decision-making process of the committee.
- (b) (I) On or before November 1, 2019, and each November 1 thereafter, the state department, in collaboration with the committee, shall submit an annual report to the joint budget committee, or any successor committee. The report must include the results of regular evaluations of the funding model developed pursuant to subsection (7)(a) of this section, the allocation formulas developed pursuant to section 26-5-104 (3), and outcomes and performance measures related to the delivery of child welfare services, pursuant to section 26-5-105.8.
- (II) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENT IN SUBSECTION (7)(b)(I) OF THIS SECTION CONTINUES INDEFINITELY.

SECTION 6. In Colorado Revised Statutes, 26-5-104, **amend** (1), (3)(a), (3)(b), (3)(c), (4)(d), (6)(a), (6)(b), (6)(d), (6)(g), and (7); **repeal** (9); and **add** (3)(a.5), (3)(a.6), (4)(d.5), (4)(f), and (6.6) as follows:

- 26-5-104. Funding of child welfare services rules report provider contracts funding mechanism review fund definitions rules repeal. (1) Reimbursement. (a) EXCEPT AS PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION, the state department shall, within the limits of available appropriations, reimburse the county departments eighty percent of amounts expended by county departments for child welfare services, up to the amount of the county's allocation as determined pursuant to the provisions of this section, except as otherwise authorized in accordance with the close-out process described in subsection (7) of this section.
- (b) The state department shall reimburse the county departments ninety percent of the amounts expended by county departments for adoption and relative guardianship assistance. The adoption and relative guardianship assistance is exempt from the close-out process described in subsection (7) of this section and the capped allocation described in subsection (3) of this section.
- (3) Allocation formula. (a) For state fiscal year 1997-98 2018-19, and for each state fiscal year thereafter, the state department, after input from the child welfare allocations committee, shall develop formulas for capped and targeted allocations, that must include, INCLUDING THE CHILD WELFARE SERVICES ALLOCATION, THE ALLOCATION FOR ADDITIONAL COUNTY CHILD WELFARE STAFF, AND THE ALLOCATION FOR FAMILY AND CHILDREN'S PROGRAMS. ALLOCATION FORMULAS DEVELOPED PURSUANT TO THIS SUBSECTION (3)(a) MUST INCLUDE, effective for state fiscal year 1998-99 2018-19 AND EACH STATE FISCAL YEAR THEREAFTER, the estimated caseload for the delivery of those specific child welfare services to be funded by the money in the capped or targeted allocations. THE FORMULAS MUST ALSO INCLUDE A PERFORMANCE-ALIGNED COMPONENT THAT SUPPORTS THE IMPLEMENTATION OF PROMISING, SUPPORTED, OR WELL-SUPPORTED PRACTICES, AS DEFINED IN THE FEDERAL "FAMILY FIRST PREVENTION SERVICES ACT OF 2018", AS DEFINED IN SECTION 26-5-101 (4.5); BE OUTCOME-DRIVEN; AND BE ALIGNED WITH DESIRED STATE DEPARTMENT-DEFINED OR FEDERALLY REQUIRED OUTCOMES AND GOALS. THE ALLOCATION TO EACH COUNTY FROM ANY GIVEN FORMULA MUST BE EQUITABLE AND REFLECTIVE OF THE COST OF DELIVERING SERVICES. If a county receives more than one capped or targeted allocation for the delivery of child welfare services, the formula must identify the specific caseload

estimate attributable to each capped or targeted allocation. The determination of the formulas pursuant to the provisions of this subsection (3) must also take into consideration factors that directly affect the population of children in need of child welfare services, as determined by the state department and the child welfare allocations committee.

- (a.5) Pursuant to this subsection (3), a county that receives an allocation for county child welfare staff in addition to the child welfare services allocation shall fund existing staff positions as of January 1,2015, through the child welfare services allocation. Positions created after January 1,2015, may be funded through the allocation for county child welfare staff.
- (a.6) On or before March 1 of any state fiscal year, the CHILD WELFARE ALLOCATIONS COMMITTEE SHALL SUBMIT WRITTEN RECOMMENDATIONS TO THE STATE DEPARTMENT TO INFORM THE CAPPED AND TARGETED ALLOCATIONS. THE CHILD WELFARE ALLOCATIONS COMMITTEE IS ENCOURAGED TO INCLUDE DOCUMENTATION ON HOW THE RECOMMENDATIONS SUPPORT THE ACHIEVEMENT OF EXPECTATIONS DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION.
- (b) In the event that the state department and the child welfare allocations committee do not reach an agreement on the allocation formula on or before June 15 JUNE 1 of any state fiscal year for the succeeding state fiscal year, the state department and the child welfare allocations committee shall submit alternatives to the joint budget committee of the general assembly from which such joint budget committee shall select an allocation formula before the beginning of such succeeding state fiscal year.
- (c) The formulas developed by the state department, after input from the child welfare allocations committee, shall PURSUANT TO THIS SUBSECTION (3) MUST identify the portion of the amounts appropriated for child welfare services that shall MUST be allocated to the counties for the provision of child welfare services.
- (4) Allocations. (d) EXCEPT AS PROVIDED FOR IN SUBSECTIONS (4)(e) AND (4)(f) OF THIS SECTION, the state department may only seek additional funding from the general assembly in a supplemental appropriations bill based upon caseload growth, subject to the provisions of subsection (7) of this section, or changes in federal law or federal funding.

For fiscal years 2006-07 and 2007-08, the state department may seek supplemental funding related to the implementation of the placement of children in a residential child health care program as specified in section 25.5-5-306, C.R.S.

- (d.5) (I) For fiscal years 2018-19 through 2023-24, in addition to funding received pursuant to subsection (4)(d) of this section, the state department may seek additional funding from the general assembly in a supplemental bill related to the implementation of subsection (6) of this section, and subject to the provisions of subsection (7) of this section or changes in Federal Law or Federal funding.
 - (II) This subsection (4)(d.5) is repealed, effective July 1, 2024.
- (f) In addition to funding received pursuant to subsection (4)(d) of this section, the state department may submit a request to the general assembly for a change in a supplemental appropriations bill to the appropriation that funds adoption and relative guardianship assistance expenditures.
- (6) County negotiations with providers. (a) Subject to rules promulgated by the state department pursuant to subsection (6)(b) of this section AND THE METHODOLOGY ADOPTED PURSUANT TO SUBSECTIONS (6)(e) TO (6)(h) OF THIS SECTION, FOR EACH CHILD OR YOUTH PLACED IN AN OUT-OF-HOME PLACEMENT SETTING, a county is authorized to negotiate rates RELATED TO services and outcomes with licensed out-of-home placement providers; if the county has EXCEPT THAT A COUNTY MAY NOT NEGOTIATE RATES BELOW THE BASE ANCHOR RATES ESTABLISHED BY THE STATE DEPARTMENT. COUNTIES WITH AN APPROVED ALTERNATIVE METHODOLOGY SHALL USE a request for proposal process in effect for soliciting TO SOLICIT bids from licensed out-of-home placement providers or another mechanism for evaluating the rates, services, and outcomes that it is negotiating with such licensed out-of-home placement providers that is acceptable to the state department THAT ALLOWS FOR ADEQUATE PRIVATE COMPETITION AND PROVIDES OPPORTUNITIES FOR COMPETITIVE NEGOTIATIONS.
- (b) On or before January 1, 2008 JANUARY 1, 2019, and as necessary thereafter, the state department shall WORK COLLABORATIVELY WITH THE STATE BOARD OF HUMAN SERVICES TO promulgate rules governing the

methodology by which counties may negotiate rates, services, and outcomes with licensed out-of-home placement providers. If a County negotiates a contract with a licensed out-of-home placement provider, the county may define the expected outcomes and include options for the payment of incentives to providers when such outcomes are achieved. The state department shall work collaboratively with the state board of human services to promulgate rules concerning such outcomes and incentive payments.

- (d) By July 1, 2008, and by July 1 of each even-numbered year ON OR BEFORE JULY 1, 2019, AND EACH JULY 1 thereafter, the state department shall complete a review of the methodology by which counties evaluate and negotiate rates, services, and outcomes, AND INCENTIVES with licensed out-of-home placement providers DEVELOPED PURSUANT TO THIS SUBSECTION (6) AND ANY ALTERNATIVE METHODOLOGY FOR WHICH COUNTIES HAVE APPROVAL FROM THE STATE DEPARTMENT TO UTILIZE. The methodology used is governed by rules promulgated by the state department pursuant to subsection (6)(b) of this section. In preparing for and conducting the review, the state department shall convene a group of persons representing the directors of county departments of human or social services and the licensed out-of-home placement provider community. On or before September 1 of each fiscal year, the group shall submit a report to the joint budget committee detailing any changes to the rate-setting methodology that results from the review conducted pursuant to this subsection (6)(d).
- (g) SUBJECT TO AVAILABLE APPROPRIATIONS, the methodology must be implemented on or before July 1, 2018, except for those rates that must be approved by CMS. Rates that must be approved by CMS must be implemented upon approval. In the event that the representatives identified in subsection (6)(e) of this section do not agree on the rate-setting methodology on or before February 1, 2018, the state department, the county representatives, and the licensed out-of-home placement providers shall submit alternatives to the joint budget committee. The joint budget committee shall then select a methodology prior to the start of the succeeding state fiscal year. It is the intent of the General assembly That the rate methodology developed pursuant to this subsection (6) be fully implemented on or before June 30, 2022, through incremental rate increases established by the state department. For fiscal year 2019-20 through fiscal year 2021-22, the state

DEPARTMENT IS ENCOURAGED TO SUBMIT, AS A PART OF THE ANNUAL BUDGET PROCESS, A REQUEST FOR INCREASED APPROPRIATIONS TO FUND THE INCREASED RATES REQUIRED BY THE METHODOLOGY.

- (6.6) (a) EACH COUNTY OR REGION OF COUNTIES, AS DETERMINED BY THE STATE DEPARTMENT, SHALL, WITH ASSISTANCE FROM THE STATE DEPARTMENT, PERFORM AN ANALYSIS OF AVAILABLE IN-HOME, FAMILY-LIKE, AND OUT-OF-HOME PLACEMENT SETTINGS. ON OR BEFORE JULY 1, 2019, EACH DESIGNATED COUNTY OR REGION OF COUNTIES SHALL SUBMIT A REPORT TO THE STATE DEPARTMENT, INCLUDING AN EVALUATION OF THE TYPES AND AVAILABILITY OF EACH PLACEMENT OPTION IN THE COUNTY OR REGION OF COUNTIES, AVAILABLE PLACEMENT OPTIONS IN ADJACENT COUNTIES OR REGION OF COUNTIES, AND A PLAN TO EXPAND IN-HOME, FAMILY-LIKE, AND OUT-OF-HOME PLACEMENT SETTINGS CAPACITY WITHIN THE COUNTY OR REGION OF COUNTIES, IF NECESSARY.
- (b) On or before July 1, 2020, the state department shall submit a report to the joint budget committee. The report must include:
- (I) THE COUNTY UTILIZATION RATE FOR IN-HOME, FAMILY-LIKE, AND OUT-OF-HOME PLACEMENT SETTINGS;
- (II) AN ANALYSIS OF PROJECTED FEDERAL REIMBURSEMENT FOR EACH TYPE OF PLACEMENT PURSUANT TO THE FEDERAL "FAMILY FIRST PREVENTION SERVICES ACT OF 2018", AS DEFINED IN SECTION 26-5-101 (4.5);
- (III) A DESCRIPTION OF ANTICIPATED CHANGES IN FEDERAL REIMBURSEMENT FOR EACH TYPE OF PLACEMENT;
- (IV) An analysis of statewide services and placement capacity, informed by the county reports required pursuant to subsection (6.6)(a) of this section;
- (V) PROJECTIONS FOR THE STATEWIDE FISCAL IMPACT RESULTING FROM CHANGES IN FEDERAL REIMBURSEMENT; AND
- (VI) A PLAN TO MINIMIZE THE FISCAL IMPACT TO THE STATE RESULTING FROM CHANGES IN FEDERAL REIMBURSEMENT FOR SERVICES AND

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- (7) Close-out process for county allocations. (a) (I) For state fiscal year 1998-99 2018-19, and for each state fiscal year thereafter, and THE STATE DEPARTMENT SHALL RETAIN ANY UNSPENT GENERAL FUND MONEY INCLUDED IN THE INITIAL ALLOCATION TO EACH BALANCE OF STATE COUNTY, UP TO FIVE PERCENT OF THE TOTAL GENERAL FUND MONEY ALLOCATED TO BALANCE OF STATE COUNTIES, AS DESCRIBED IN SUBSECTION (4)(b) OF THIS SECTION AND REFERRED TO IN THIS SUBSECTION (7)(a) AS "SMALL AND MEDIUM-SIZED COUNTIES".
- (II) RETAINED MONEY PURSUANT TO SUBSECTION (7)(a)(I) OF THIS SECTION MUST BE TRANSFERRED INTO THE CHILD WELFARE PREVENTION AND INTERVENTION SERVICES CASH FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY AND REFERRED TO IN THIS SUBSECTION (7) AS THE "FUND".
- (III) THE STATE DEPARTMENT IS AUTHORIZED TO ACCEPT GIFTS, GRANTS, AND DONATIONS, WHICH MUST BE TRANSFERRED INTO THE FUND, IN ADDITION TO TRANSFERS FROM THE GENERAL FUND AS APPROPRIATED BY THE GENERAL ASSEMBLY.
- (IV) Money from the fund must be allocated by the state department, in consultation with counties, to small and medium-sized counties to increase local child welfare prevention and intervention services capacity and shall be used by counties for the delivery of child welfare prevention and intervention services that have been approved by the state department.
- (V) THE STATE DEPARTMENT SHALL WORK COLLABORATIVELY WITH THE STATE BOARD OF HUMAN SERVICES TO PROMULGATE RULES CONCERNING THE ALLOCATION AND USE OF MONEY FROM THE FUND.
- (a.5) Subject to the limitations set forth in this subsection (7), the state department may, at the end of a state fiscal year based upon the recommendations of the child welfare allocations committee, allocate any unexpended capped funds for the delivery of specific child welfare services to any one or more counties whose spending has exceeded a capped allocation for such specific child welfare services. Subsequent to the Allocation of any unexpended capped funds, any remaining state general fund money must be transferred into the fund for

ALLOCATION BY THE STATE DEPARTMENT TO COUNTIES FOR THE DELIVERY OF STATE DEPARTMENT-APPROVED CHILD WELFARE PREVENTION AND INTERVENTION SERVICES.

- (b) A county may only receive funds pursuant to the provisions of paragraph (a) of this subsection (7) SUBSECTION (7)(a) OF THIS SECTION if the requirements of section 26-5-103.5 (4) have been satisfied, for expenditures other than those attributable to administrative and support functions as referred to in section 26-5-101 (3)(m), as defined in accordance with the provisions of section 26-5-103.5 (4), and for authorized expenditures attributable to caseload increases beyond the caseload estimate established pursuant to subsection (3) of this section for a specific capped allocation.
- (c) A county may not receive funds pursuant to the provisions of paragraph (a) of this subsection (7) SUBSECTION (7)(a) OF THIS SECTION for authorized expenditures attributable to caseload increases for services in one capped allocation from unexpended capped funds in another capped allocation.
- (d) As used in this section, "unexpended capped funds" means funds that have been appropriated for child welfare services, allocated to a county or group of counties as a capped allocation or allocations pursuant to the provisions of subsection (4) of this section. but not spent by such county or group of counties or subject to the provisions of section 26-5-105.5 (3).
- (9) Child welfare funding review and restructure. (a) On or before August 1, 2016, the child welfare allocations committee shall consider whether a restructuring of child welfare funding policy would be advisable. The child welfare allocations committee shall solicit and include input from any interested county commissioners, directors of county departments of human or social services, county child welfare directors, county financial officers, the state department, and the joint budget committee in its consideration of child welfare funding restructuring. Any such policy changes must reflect federal and state law, as well as current child welfare practices.
- (b) On or before December 15, 2016, the child welfare allocations committee shall provide the joint budget committee with its findings and any recommendations for restructuring child welfare funding. The

recommendations must include the input from stakeholders as provided for in paragraph (a) of this subsection (9), and may include standards for a new allocations model for child welfare funding and an evaluation process. The child welfare allocations committee is not required to recommend changes to the current child welfare funding structure if it determines that the current structure is the preferable option.

- (c) The child welfare allocations committee shall consider input from stakeholders as provided for in paragraph (a) of this subsection (9) in discussing:
- (I) Funding for county-level staff, services, child welfare-related operational expenses, and administrative and support functions;
- (II) Strategies that enhance the flexibility for counties to use child welfare funding in accordance with state and federal laws;
 - (III) Strategies to improve job enrichment and employee retention;
- (IV) The impact of any recommendation on local spending requirements;
- (V) Any statutory changes necessary to implement the recommendations; and
 - (VI) Allocations that support current child welfare practices.
- (d) On or before January 1, 2018, and each January 1 thereafter, the child welfare allocations committee shall submit an annual report to the joint budget committee, the public health care and human services committee of the house of representatives, and the senate health and human services committee, or any successor committees. The report must include the results of regular assessments of the methods for the evaluation of and reporting on the allocation, use, sufficiency, and effectiveness of funding and services funded through line items from which allocations are made to counties.

SECTION 7. In Colorado Revised Statutes, 26-5-105.5, **repeal** (3) as follows:

26-5-105.5. State department integrated care management program - county performance agreements - authorized - performance incentive cash fund created - repeal. (3) Any county that has entered into a performance agreement with the state department and underspends the general fund portion of its capped or targeted allocation may use those funds, not to exceed five percent of the general fund portion of its total capped or targeted allocation for child welfare services, to either reduce its county share by the amount of the underexpenditure or spend such moneys on additional services for children in the county. Any balance of the general fund portion of its capped or targeted allocation shall be used for additional services for children in the county.

SECTION 8. In Colorado Revised Statutes, add 26-5-105.8 as follows:

- 26-5-105.8. Delivery of child welfare services task force duties membership reporting requirements repeal. (1) There is created in the state department the delivery of child welfare services task force, referred to in this section as the "task force". The state department, in collaboration with counties, shall convene the task force at least once per quarter, beginning July 1, 2018. The purpose of the task force is to:
- (a) ANALYZE LAWS AND RULES RELATED TO THE DELIVERY OF CHILD WELFARE SERVICES TO ENSURE ALIGNMENT WITH THE FEDERAL "FAMILY FIRST PREVENTION SERVICES ACT OF 2018", AS DEFINED IN SECTION 26-5-101 (4.5);
- (b) Develop a method through which to incentivize counties for the provision of services and placements that are based on the needs of the child or youth, as determined by the assessment and review process required by the federal "Family First Prevention Services act of 2018", as defined in section 26-5-101 (4.5), and determine the level to which the state department shall reimburse the counties for certain out-of-home placements that do not meet the criteria of the federal "Family First Prevention Services act of 2018";
- (c) ESTABLISH PERFORMANCE AND OUTCOME MEASURES AND THE PROCESS BY WHICH TO EVALUATE THE MEASURES ASSOCIATED WITH THE

DELIVERY OF CHILD WELFARE SERVICES, INCLUDING BUT NOT LIMITED TO RESIDENTIAL OUT-OF-HOME PLACEMENTS; FOSTER CARE; ADOPTION; AND SERVICES TO CHILDREN AND YOUTH IN THEIR OWN HOMES, INCLUDING PREVENTION AND INTERVENTION SERVICES, AND DETERMINE HOW THE MEASURES AND EVALUATION WILL BE USED TO INFORM THE FUNDING MODEL DESCRIBED IN SECTION 26-5-103.5 (7)(a) AND THE ALLOCATION OF FUNDS PURSUANT TO SECTION 26-5-104 (3);

- (d) Investigate collaborative prevention and intervention models throughout the country and determine modifications that can be made to the collaborative management and integrated care management programs in order to guarantee ongoing cross-systems collaboration, improved outcomes for children and families, integration of multi-system services, and expansion of system-of-care principles, while maintaining the integrity and capacity of the child welfare system and its associated funding;
- (e) EVALUATE AND SELECT ONE OR MORE STATEWIDE LEVEL-OF-CARE TOOLS TO ENSURE COMPLIANCE WITH THE FEDERAL "FAMILY FIRST PREVENTION SERVICES ACT OF 2018", AS DEFINED IN SECTION 26-5-101 (4.5);
- (f) EVALUATE THE PROCESS THROUGH WHICH THE STATE ACCESSES FEDERAL FUNDING AND DETERMINE METHODS THROUGH WHICH THE STATE WILL MAXIMIZE FEDERAL FUNDING FOR THE DELIVERY OF PREVENTION AND INTERVENTION SERVICES, OUT-OF-HOME PLACEMENT SERVICES, AND ANY OTHER FEDERALLY FUNDED PROGRAMS OR SERVICES;
- (g) EVALUATE MEDICAID RATES AND THE ELIGIBILITY DETERMINATION PROCESS AND TIMELINE SPECIFICALLY RELATED TO INDIVIDUALS INVOLVED IN THE CHILD WELFARE SYSTEM AND DEVELOP A PROCESS THROUGH WHICH COUNTIES CAN MAXIMIZE MEDICAID UTILIZATION; AND
- (h) Make recommendations to the general assembly, the governor, the state department, and the child welfare allocations committee concerning the task force's responsibilities and findings.
 - (2) THE TASK FORCE MEMBERS MUST BE APPOINTED BY AUGUST 1,

- 2018, AND MUST INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING MEMBERS:
- (a) THE EXECUTIVE DIRECTOR OF THE STATE DEPARTMENT, OR HIS OR HER DESIGNEE;
- (b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, OR HIS OR HER DESIGNEE;
 - (c) THE STATE COURT ADMINISTRATOR, OR HIS OR HER DESIGNEE;
- (d) ONE PERSON FROM A BEHAVIORAL HEALTH SERVICES PROVIDER, APPOINTED BY THE STATE DEPARTMENT;
- (e) THREE PERSONS WHO REPRESENT THE PROVIDER COMMUNITY, APPOINTED BY THE STATE DEPARTMENT AS FOLLOWS:
- (I) ONE PERSON WHO REPRESENTS PREVENTION AND INTERVENTION PROVIDERS;
- (II) ONE PERSON WHO REPRESENTS OUT-OF-HOME PLACEMENT PROVIDERS; AND
- (III) ONE PERSON WHO REPRESENTS PROVIDERS WITH EXPERTISE IN PROMISING, SUPPORTED, OR WELL-SUPPORTED PRACTICES OR PROGRAMMING; AND
- (f) Three persons who represent the counties, appointed by the state department.
- (3) EXCEPT AS PROVIDED FOR IN SECTION 2-2-326, MEMBERS OF THE TASK FORCE SHALL SERVE ON A VOLUNTARY BASIS WITHOUT COMPENSATION BUT ARE ENTITLED TO REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.
- (4) The task force shall develop a plan to implement its recommendations and provide a quarterly update, beginning October 15, 2018, on the task force's progress to the joint budget committee, the public health care and human services committee of the house of representatives, and the health and human

(5) This section is repealed, effective June 30, 2022.

SECTION 9. Appropriation - adjustments to 2018 long bill.

- (1) To implement this act, appropriations made in the annual general appropriation act for the 2018-19 state fiscal year to the department of human services for use by the division of child welfare are adjusted as follows:
- (a) The general fund appropriation for child welfare services is decreased by \$11,022,949; and
- (b) The cash funds appropriation from the local funds is decreased by \$5,333,022.
- (2) The decrease in subsection (1) of this section is based on the assumption that the anticipated amount of federal funds received for the 2018-19 state fiscal year by the department of human services for use by the division of child welfare for child welfare services will decrease by \$9,977,107.
- **SECTION 10.** Appropriation. (1) For the 2018-19 state fiscal year, \$26,422,638 is appropriated to the department of human services for use by the division of child welfare. This appropriation consists of \$22,297,793 from the general fund and \$4,124,845 from cash funds from local funds. To implement this act, the division may use this appropriation as follows:
 - (a) \$150,000 from the general fund for administration; and
- (b) \$26,272,638, which consists of \$22,147,793 from general fund and \$4,124,845 from cash funds from local funds, for adoption and relative guardianship assistance.
- (2) For the 2018-19 state fiscal year, \$3,271,836 is appropriated to the department of human services for use by the division of child welfare. This appropriation is from the general fund, is subject to the "(M)" notation as defined in the annual general appropriation act for the same fiscal year, and is based on an assumption that the division will require an additional

0.9 FTE. To implement this act, the division may use this appropriation as follows:

- (a) \$925,156 for adoption and relative guardianship assistance; and
- (b) \$2,346,680 for residential placements for children with intellectual and developmental disabilities, which amount is based on an assumption that the division will require an additional 0.9 FTE.
- (3) For the 2018-19 state fiscal year, the general assembly anticipates that the department of human services will receive \$15,007,391 in federal funds to implement this act. The appropriations in subsections (1) and (2) of this section are based on the assumption that the department will receive this amount of federal funds, which is included for informational purposes only, to be used by the division of child welfare as follows:
- (a) \$346,747 for foster and adoptive parent recruitment, training, and support;
- (b) \$14,643,774 for adoption and relative guardianship assistance; and
- (c) \$16,870 for residential placments for children with intellectual and developmental disabilities.

SECTION 11. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Kevin J. Grantham PRESIDENT OF THE SENATE Crisanta Duran SPEAKER OF THE HOUSE OF REPRESENTATIVES

Effie Ameen

SECRETARY OF

THE SENATE

Marilyn Eddins

CHIEF CLERK OF THE HOUSE

OF REPRESENTATIVES

APPROVED_/SYSPM

John W. Hickenlooper

GOVERNOR OF THE STATE OF COLORADO