Bill Number	**Sponsors**
House Bill 17-1052	*Representative Beckman, Senator Smallwood*

Short Title	**Research Analyst**
Child Welfare Allocation Formula Factors	Anne Wallace (x4364)

Status

The bill is currently pending before the Senate on second reading. This research note reflects the bill as referred by the Senate Health and Human Services Committee on February 22, 2017.

Background

The Division of Child Welfare in the Colorado Department of Human Services (DHS) supervises the county administration of programs that protect children from harm and assist families in caring for and protecting their children. The state contributes approximately 80 percent of the funding for child welfare services, and local revenue sources contribute 20 percent. Since FY 1997-98, DHS has used a formula to allocate state funds for child welfare, called the Child Welfare Service Block Allocation, to counties. The formula is reviewed and revised annually by the 11-member Child Welfare Allocation Committee in the DHS.

Currently, the formula has seven factors that drive 98 percent of the block allocation. The county factors and their percentage of the total amount are:

- number of children under age 18 (15 percent);
- number of children under age 18 in poverty (10 percent);
- three-year average of program services cost, including administrative services (40 percent);
- three-year average of days paid for foster care (15 percent);
- three-year average of days paid for congregate care (5 percent);
- three-year average of days paid for subsidized adoptions (10 percent); and
- three-year average of number of new adoptions (5 percent).

The remaining two percent of the block allocation is distributed through performance incentive measures including permanence of cases, absence of maltreatment recurrence, and timeliness of assessment closure. In addition, the formula prevents any county from receiving more than a 3 percent reduction in allocation from year-to-year. In FY 2015-16, approximately $350 million in state funding was distributed to the counties through the formula.

The bill removes the requirement that a county's three year allocations and expenditures be taken into consideration when determining the formula, and adds a requirement that factors directly affecting the child welfare population be taken into consideration.

House Action

House Public Health Care and Human Services (January 31, 2017). At the hearing, a representative from Weld County Commissioners and Colorado Counties, Inc. testified in support of the bill. The committee referred the bill to the House Committee of the Whole with no amendments.

House second reading (February 3, 2017). The House passed the bill on second reading with no amendments.

House third reading (February 6, 2017). The House passed the bill on third reading with no amendments.

Senate Action

Senate Health and Human Services (February 22, 2017). At the hearing, a representative from Weld County Commissioners and Colorado Counties, Inc. testified in support of the bill. The committee referred the bill to the Senate Committee of the Whole with no amendments.

Relevant Research

Colorado Legislative Council Staff. *Colorado's Child Welfare System.* Issue Brief, August 2013. http://leg.colorado.gov/sites/default/files/child_welfare_ib_2013.pdf.