PCG Child Welfare Funding Model

OCYF - FY 22-23

Detailed Look at the Funding Model

COLORADO
Financial Services
Department of Human Services

Purpose & Agenda

1. **Summary of the Model**

   Detailed look into each factor that impacts funding in the model

2. **Next Steps**

   Where we go from here

3. **How to Read the Model-(Reference Material)**

   In the weeds look at how the model works

Summary of the Model-Factors

PCG Child Welfare Funding Model is not currently an allocation, it is a funding model.

Factors for PCG's Model:

- Historical Spending Data
- Historical Case Data
- Economic Indicator Pools
- Performance Pool
- Outcomes and Incentives Pool
- Prevention Funding
- New Workload Study (242 Staffing Increase)
- Upcoming Legislative Changes

Total Funding			
FY24	FY25	FY26	FY27
Increase	4%	4%	4%
$ 544,695,672	$ 566,010,096	$ 587,081,771	$ 608,152,304
Outcomes and Incentives			
$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000
Performance Pool			
$ 11,238,963	$ 11,238,963	$ 11,238,963	$ 11,238,963
Chafee			
$ 3,607,593	$ 3,607,593	$ 3,607,593	$ 3,607,593
Economic Indicator			
$ 10,599,982	$ 11,028,413	$ 11,451,964	$ 11,875,492
Core			
$ 63,315,040	$ 64,432,826	$ 65,552,170	$ 66,763,456
Block			
$ 361,302,168	$ 370,039,321	$ 378,188,408	$ 385,883,506
Staffing 242			
$ 39,002,399	$ 47,706,000	$ 56,736,642	$ 66,106,617
Adoption R-GAP			
$ 53,129,528	$ 55,456,981	$ 57,806,031	$ 60,176,677

Taken from Summary Tab of the CDHS Child Welfare Funding Model

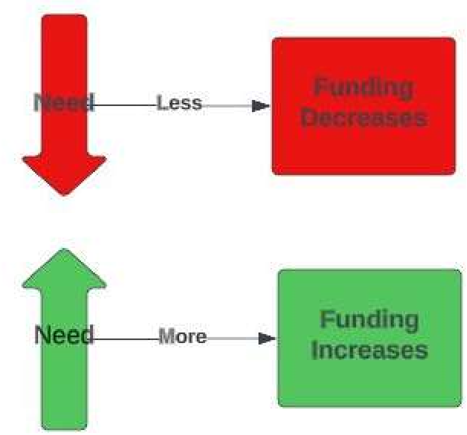
Summary of Funding-Base Funding Changes

1. **Base Funding:** Core Funding, Block Funding, Core and Block Staffing, Staffing (242), and Adoption – RGAP, and Economic Indicator Pool
2. **Economic Indicator Pool:** Redistributes a percent of base funding based on county economic performance, with higher need counties receiving a greater portion of funds
3. **Added Funding:** Performance Pool, Outcomes and Incentives Pool, Workload Study and Prevention Work

Summary of Funding-Economic Indicators

Economic Indicator Pool: Redistributes a percent of base funding based on county economic performance, with higher need counties receiving a greater portion of funds. This adjusts funding in the amount of $10,599,982 for the first year and goes up each year with inflation.

Original Index		Changed Index	
Index	**Issues**	**Index**	**Fix**
Poverty	Used Index percentage	Poverty	Uses number of kids with weighted average
Housing	Used only housing data; Lumped Counties into larger areas	Cost of Living	Updated index: Cost of housing, travel, food, Healthcare Taxes and has a more direct county to county correlation
Drug Overdose	Used only deaths	No Data	Not using this until we can get a good data source for it.



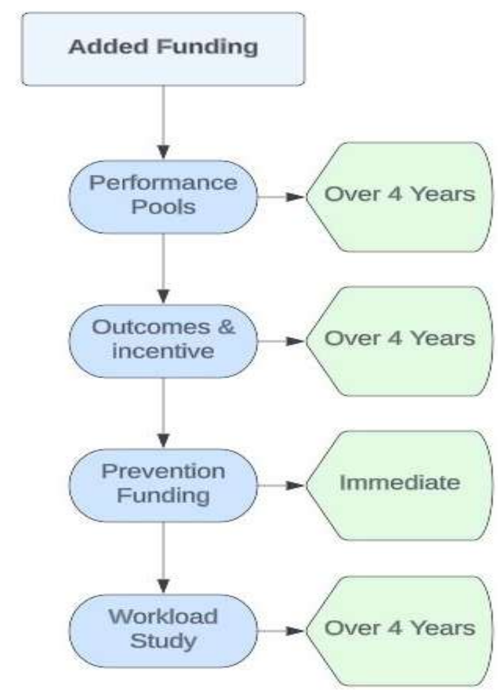
Summary of the Model-Proposed Increased Funding

Proposed Increase to Funding from PCG:

- Performance Pool ($10,000,000)
- Outcomes and Incentives Pool ($22,477,925)
- Prevention Funding ($6,386,597)
- New Workload Study ($27,146,449)
- Legislative Changes ($0 to date)

Total Increase: $66,010,962 Over 4 Years

Total Ongoing Increase: 4-5% Inflation increase per year thereafter.



Summary of Funding-Performance Pool

Proposed Methodology

Funding is in addition to base funding that has been identified for this purpose.

1. Counties select which metrics they would like to measure for the next funding cycle
2. The metric must be trackable in CO state data at the county level
3. The metric must have at least three to five years' worth of historical data for comparison
4. Counties must demonstrate to CDHS how the metric is in support of FFPSA objectives and will improve outcomes related to the stability and well-being of children receiving child welfare services
5. Each Counties will receive their additional Performance Pool funding if their metric is equal to or surpasses the baseline

Summary of Funding-Performance Pool Continued

- Total Involvement Days
- Average Daily Census
- Re-Referrals
- Re-Assessments
- In Home Involvement
- In Home Return to Involvement
- OOH Outcomes
- Addressing Racial Disparity
- Placement/ADP in Congregate Care
- Placement Stability
- CFSR/PIP Measures

- Involved on 1st Day of Period
  - Foster Care Involvement- 1st day
  - In-Home Involvement - 1st day
- Entered Involvement
  - Foster Care Entry
  - In-Home Entry
  - Transferred to Foster Care Involvement
  - Transferred onto In-Home Caseload
  - Involved Count during Period

- Exited Involvement
  - Foster Care Exit
  - In-Home Exit
  - Transferred off Foster Care Caseload
  - Transferred off In-Home Caseload
- Involved on Last Day of Period
  - Foster Care Involvement - Last Day
  - In-Home Involvement - Last Day

Summary of Funding-Outcomes and Incentives Pool

Proposed Methodology

Funding is in addition to base funding that has been identified for this purpose.

1. Counties design projects or identify needs tied to achieving objectives consistent with FFPSA and/or maintaining social connections.
2. Considering that the total need can not be identified until counties apply, and there will likely be a need to select who should have priority, the model presents the counties prioritized by the greatest need first. This prioritization is based on the economic indicators identified and used in the economic indicators pool.
3. Employs a grant-like application process
4. Model provides a space for these funds to be tracked and budgeted.

Summary of Funding-New Workload Study

Total staffing recommendation in the Workload Study- 342.8 FTE:

- Was 216.9 FTE before we removed Prevention FTE
- Added 125.9 FTE when we removed the Prevention piece into Core.

Proposed FTE figures in the Workload Study has been updated:

- Used the Annual Staffing Survey (original, not revised) to gather the average Salaries for each position.
- Used a blended rate for Supervisors and Caseworkers, the two most expensive FTE, to get to a BOS and B11 total.
- Broke out BOS and B11 FTE cost for the first time with this model.

Proposed Salary		
Workload Study		
Group	Salary	
BOS	$	74,868
B11	$	87,132
Prevention Work		
Group	Salary	
BOS	$	87,132
B11	$	87,132

Current FTE are funded at a flat rate of: $60,000

Summary of Funding-Prevention Funding

Prevention is a forward-looking metric to determine how much funding our system would need to provide services.

This was done by using the data from the Prevention Survey filled out by the counties:

- Incorporated the proposed FTE increased salary.
- Converted the cost of prevention work from FTE, to dollars so counties could enact their method of prevention work.
- If a County provided data in the prevention survey lower than their reported cases in Trails, the higher figure was used (Trails data or Prevention Survey data).

Proposed Salary	
Workload Study	
Group	Salary
BOS	$ 74,868
B11	$ 87,132
Prevention Work	
Group	Salary
BOS	$ 87,132
B11	$ 87,132

Additional funds of $6,386,597

Summary of Funding-Legislative Changes

Legislative Changes will be a forward looking metric to determine how much funding we would need to provide services.

- OCYF has a staff member that will track changes as they occur for legislative or proposed changes to the allocation.
- All changes will be included in the formula, dispersed in their proper funding mechanism, and be used for future recommendations for funding.
- Creates a history of changes to the Child Welfare Funding Model for future increases and shows impact from the legislative or programmatic changes that occurred.
- Set up in the model, but not currently used until changes have been made. A good example of this that's not currently legislative in nature, but could be in the future, is parental fees.

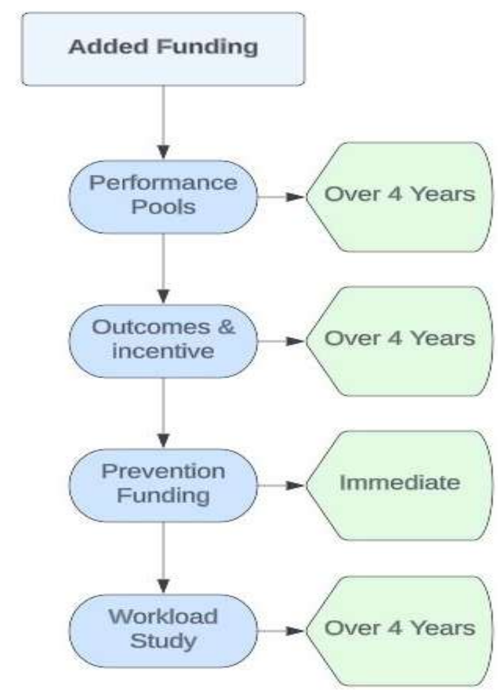
Questions, Concerns, Discussion-Summary of Funding

Proposed Increase to Funding from PCG:

- Performance Pool ($10,000,000)
- Outcomes and Incentives Pool ($22,477,925) Currently at 1% of total allocation but adjustable
- Prevention Funding ($6,386,597)
- New Workload Study ($27,146,449)
- Legislative Changes ($0 to date)

Total Increase: $66,010,962 Over 4 Years

Total Ongoing Increase: 4-5% Inflation increase per year thereafter.



Next Steps

I. Need all feedback from this group by **June 30.**
   A. Have individual discussions with counties if desired.
   B. Update model with suggested changes.

II. Present to the CWAC group on final figures and request any final recommendations by **September 8.**
   A. Update model with suggested changes.

III. Release the model to the JBC per statute SB21-277 **after incorporation of feedback from CWAC.**
   A. Inform group thereafter if any information is forthcoming.

Questions, Concerns, Discussion-Next Steps

How to Read the Report-Included Totals

Included:

- Block Funding
- Core Funding
- 242 Staffing Funding
- R-GAP Adoption Funding
- PRTF Medicaid Funding
- New Proposed Funding

Not Included:

- Mitigation (calculated after allocation)
- Holdouts
- Separated PRTF Medicaid Funding

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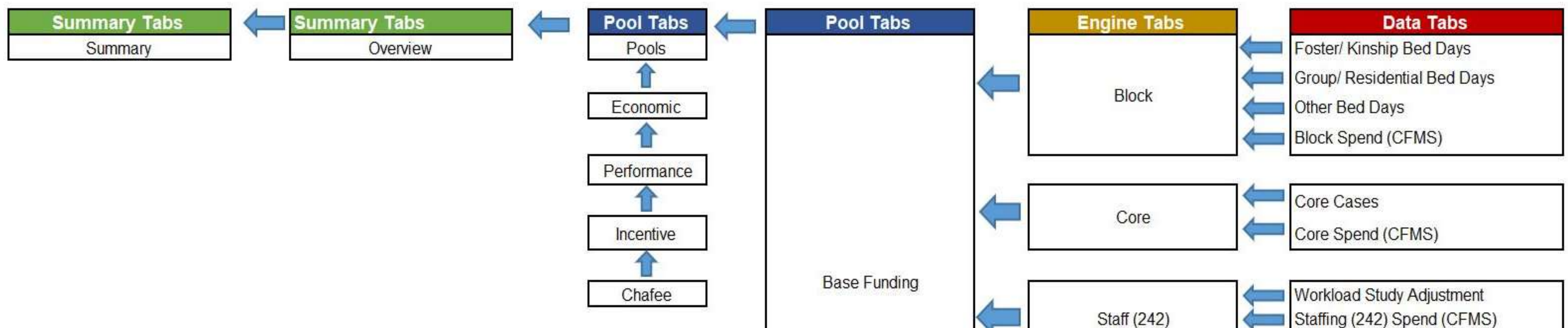
Taken from Summary Tab of the CDHS Child Welfare Funding Model

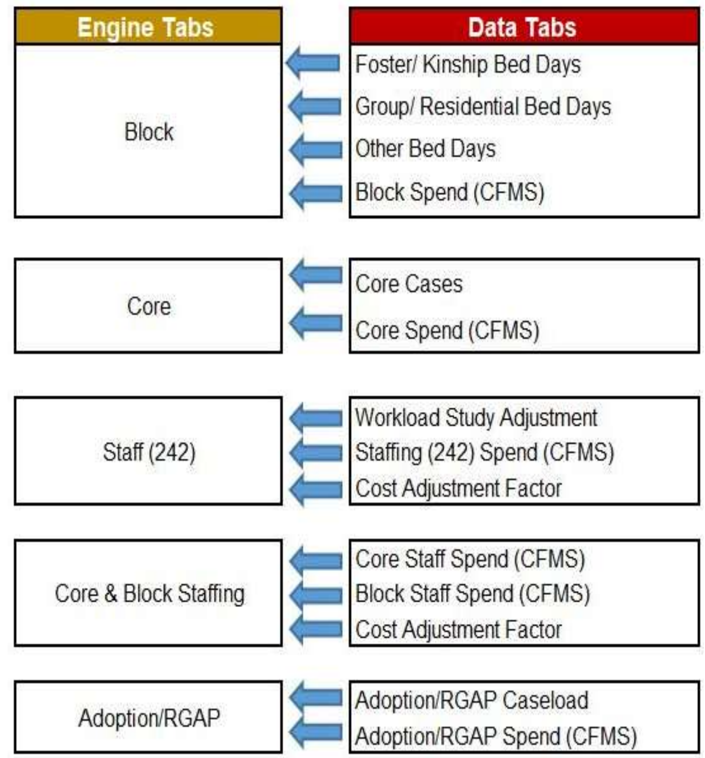
How to Read the Report



Topic

Data Tabs: Historic data are entered and used to fuel the model Engines. Data sources are included throughout this document and within the spreadsheet.

Engine Tabs: Funding Model formulas are entered, and calculations are auto-calculated based on data entered into the data tabs and 'Dashboard' tab.



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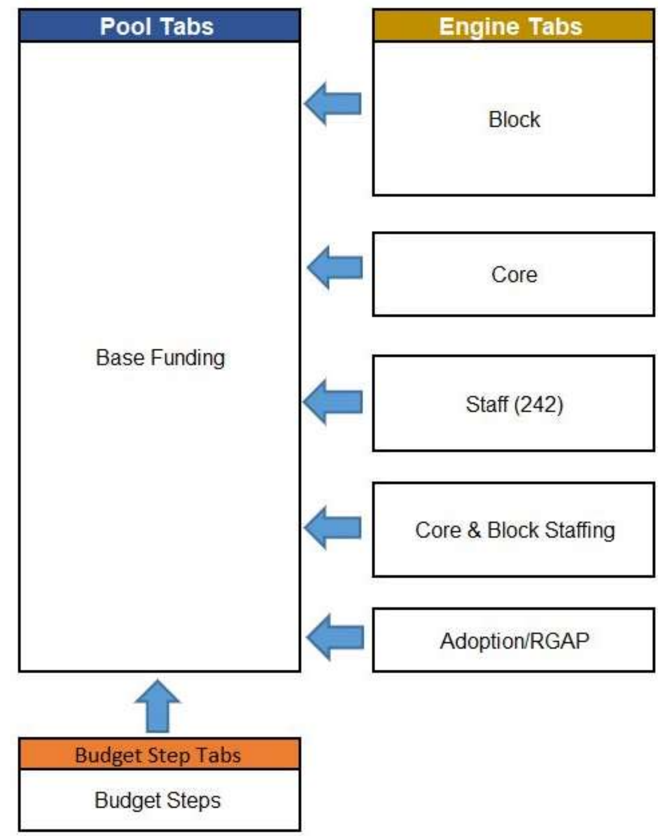
Topic

Engine Tabs: Funding Model formulas are entered, and calculations are auto-calculated based on data entered into the data tabs and 'Dashboard' tab.

Budget Step Tabs: This is the location to input policy-level funding from the legislature that would increase the funding needed in future years. Examples could include rate increases, program expansion efforts, and new program implementation.

Pool Tabs: Calculations and User inputs pertaining to the three model 'pools;' and a summary of total Base Funding.



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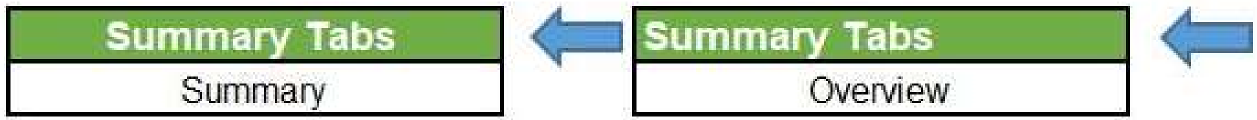

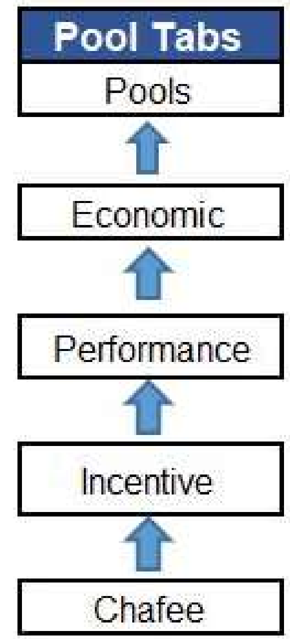

Summary Tab: The highest-level summary, displaying total funding recommended and the percent change year-over-year for each model component for each year used to project funding need.

Overview Tab: An expanded view of the Summary Tab, including totals for the Big 11 (B11) counties and counties which make up the Balance of State (BOS), as well as county-level estimates used to derive total funding amounts.

Dashboard Tab: State-determined inputs for use in Core, Block, and Staffing model calculations. Inputs include pool funding amounts, guardrails for model fluctuation, and staffing decisions.

Pool Tabs: Calculations and User inputs pertaining to the three model ‘pools;’ and a summary of total Base Funding.

Topic

Model Component	User Input	Funding Model Tab
Block Funding	Restricts year-over year changes in caseloads and funding	Dashboard
	Updating historical caseload	Block Days
	Updating historical spend	Block Spend
Core Funding	Restricting year-over year changes in caseloads and funding	Dashboard
	Updating historical caseload	Core Cases
	Updating historical spend	Core Spend
Staff (242)	Average Staffing Costs for New Staff	Dashboard
	Number of Years for Staff Ramp Up	Dashboard
	Volume of Staff to be Hired	Staff Data
	Staff Spend Data	Staff Spend
Core & Block Staffing	Cost Adjustment Factor (CAF)	CAF Tab
	Core Historic Staffing Spend	Core Spend
	Block Historic Staffing Spend	Block Spend
Adoption-RGAP	Caseload Data	Adoption-RGAP Caseload
	Spend Data	Adoption-RGAP Spend
Economic Indicator Pool	Funding Amount	Dashboard
	Poverty Concentration Index	Economic Indicator Pool
	Cost of Housing Index	Economic Indicator Pool
	Drug Usage Index	Economic Indicator Pool
Performance Pool	Pool Funding Level	Dashboard
	Pool Funding Awarded	Performance Pool Tab
Incentives & Outcomes Pool	Pool Funding Level	Dashboard
	Incentive Amount Awarded	Outcomes & Incentives Pool
	Pervious Cycle Incentive Amounts	Incentive Pool History

- Model Password = funding

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Questions, Concerns, Discussion-Walkthrough