



November 15, 2023

The Honorable Shannon Bird
Chair, Joint Budget Committee

Representative Bird:

The Colorado Department of Human Services, in response to reporting requirements set forth in Section 26-5-103.7, C.R.S., respectfully submits the attached child welfare funding model report.

“(5) notwithstanding section 24-1-136 (11)(a)(i), on or before November 15, 2021, and on or before November 15 of each year thereafter, the state department and the child welfare allocations committee shall submit a report regarding the funding model to the joint budget committee. the report must include the following information concerning the previous fiscal year:

- (a) The results of the funding model, including the cost per county necessary to meet all state and federal requirements for the comprehensive delivery of child welfare services;*
- (b) The difference between each county's actual allocation and the allocation amount identified by the funding model;*
- (c) The final close-out pursuant to section 26-5-104 (7) for the previous fiscal year;*
- (d) Any modifications made to the model to improve the accuracy of the data;*
- (e) A description of the incentives included in the funding model and the amount of incentives provided to each county; and*
- (f) Any other issues related to funding child welfare services identified by the child welfare allocations committee.”*

If you have any questions, please contact Angelica Granados, CDHS' Legislative Analyst, at 303-877-0562.

Sincerely,

Clint Woodruff

Clint Woodruff
Interim Co-Executive Director



Division of Child Welfare
Legislative Report Child Welfare Funding Model

Legislative Report Child Welfare Services Funding Model directs the following:

(5) notwithstanding section 24-1-136 (11)(a)(i), on or before November 15, 2021, and on or before November 15 of each year thereafter, the state department and the child welfare allocations committee shall submit a report regarding the funding model to the joint budget committee. The report must include the following information concerning the previous fiscal year: (a) The results of the funding model, including the cost per county necessary to meet all state and federal requirements for the comprehensive delivery of child welfare services; (b) The difference between each county's actual allocation and the allocation amount identified by the funding model; (c) The final close-out pursuant to section 26-5-104 (7) C.R.S. for the previous fiscal year; (d) Any modifications made to the model to improve the accuracy of the data; (e) A description of the incentives included in the funding model and the amount of incentives provided to each county; and (f) Any other issues related to funding child welfare services identified by the child welfare allocations committee.

Note - This report is required to provide information regarding the child welfare funding model. The funding model was not used to allocate funds in FY 2022-23 as the completion date for this funding model was due March 2023, past the FY 2022-23 allocation date to counties. SB21-277 requires the new funding model to be implemented in the following state fiscal year, starting in FY 2023-24, after the recommendations of the State Department, Child Welfare Allocation Committee, and Evaluation groups.

The following table shows funding and expenditure information per county for FY 2022-23. The letter descriptions below correspond to the letters in the RFI requirements.

(a) - Column (a) shows the results of the funding model, including the cost per county necessary to meet all state and federal requirements for the comprehensive delivery of child welfare services as \$508,465,549. This amount includes Core Funding, Block Funding, Core and Block Staffing, Staffing (Senate Bill 15-242), and Adoption and Relative Guardianship (RGAP). While Adoption and RGAP funding were included in this base funding column, this funding is not included in the allocation to counties for FY 2022-23. The Adoption and RGAP funding is an entitlement program.

(b) - Column (b) is the difference between each county's actual allocation and the allocation amount identified by the funding model. The total difference was \$59,140,257. However, Column (d) shows that an additional \$58,454,549 was paid out to the counties through the Adoption and RGAP, which PCG considered and included in Column (a). Currently, Adoption and Relative Guardianship is not allocated directly to the counties.

(c) - Column (c) shows the actual expenditures used at close-out for the three main funding streams (Child Welfare Block, Core Services, and Senate Bill 15-242 New County Staffing) was \$472,069,541. The total close-out expenditures combined with the Adoption and RGAP expenditures at close out was \$527,069,541.

(d) - In FY 2022-23, there was a shift in data points from the previous models used to improve the accuracy of the data utilized to allocate funding. Previously, the Child Welfare Block used

six (6) factors including child population, child poverty, average program services costs, average foster care days paid, average congregate care paid days, and average workload essential functions. The PCG funding model uses county-level out of home caseload and spend data to trend and project service need and cost for future fiscal years. In Core Services, the previous model used five (5) factors for allocation including families below 200% poverty population, referrals, assessments, involvements and out of home placements. The PCG funding model sources historic annual caseload and spending data to project cost for future fiscal years.

(e) - The funding model includes both a Performance Pool and an Outcomes and Incentives Pool.

1. All counties are eligible for Performance Pool funding which will be distributed based upon county achievement of selected predetermined outcome metrics. Eligible performance metrics support Family First Prevention Services Act (FFPSA) objectives and must be trackable in Colorado state data. Funding for the Performance Pool is in *addition to* Base funding and expressed as a percent of Total Base funding to be added. The proposed amount for the Performance Pool is \$22,477,925, or 1% of the base funding amount, funded over 4 years beginning in FY 2024.
2. The Outcomes and Incentives Pool makes additional funds available to counties to meet unmet needs. Counties must apply for these funds and are prioritized based on their economic indicator performance. A grant-like application process is used to request funds. There is no restriction on individual funding amounts. It is recommended that the awarded amount is determined by the objectives and stated goal of each initiative. Funding for the Outcomes and Incentives Pool is *in addition to* Base Funding. The proposed amount for the Outcomes and Incentive Pool is \$10,000,000 funded over 4 years beginning in FY 2024.

(f) - In FY 2022-23, the Child Welfare Allocation Committee recommended three changes to the funding model:

1. Using the new methodology of historical spending vs population and other areas of the model previously used.
2. Did not address the legislation of changes throughout the previous years to address current cost. A tracker for legislation was created to incorporate in future models.
3. The economic indicator pool garnered both positive and negative assessments. This economic indicator pool is based on 1% of the total allocation. It adjusts funding through poverty and cost of living indexes.

County	(a) FY 2022-23 PCG Funding Model Amount Base Funding	FY 2022-23 Total Child Welfare Allocation for Block, Core, and 242 Staffing	(b) Difference Between PCG Funding Model and Total Allocation	(c) Final Expenditures for Block, Core, and 242 Staffing Considered at Close-out	Difference Between Allocation and Final Expenditures Considered at Close-out	(d) Final Expenditures for Relative Guardianship Adoption Program at Close-out	Difference Between PCG Funding Model and All Final Expenditures Considered at Close-out (c + d)
Adams	\$ 56,150,341	\$ 50,830,326	\$ 5,320,015	\$ 51,467,423	\$ (637,097)	\$ 8,073,616	\$ (3,390,699)
Alamosa	4,029,167	4,191,080	(161,912)	2,856,593	1,334,487	492,838	679,736

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Arapahoe	50,509,290	47,832,676	2,676,615	45,381,258	2,451,418	5,152,238	(24,206)
Archuleta	978,920	923,037	55,883	876,451	46,586	66,459	36,010
Baca	323,112	401,032	(77,920)	296,552	104,481	2,161	24,400
Bent	474,219	648,536	(174,317)	309,404	339,132	38,531	126,285
Boulder	23,090,150	17,351,378	5,738,772	20,428,896	(3,077,518)	1,787,640	873,614
Broomfield	3,793,267	2,889,683	903,584	2,805,206	84,477	243,037	745,024
Chaffee	1,896,961	1,495,809	401,152	1,772,644	(276,835)	85,083	39,234
Cheyenne	141,737	251,293	(109,556)	147,703	103,591	-	(5,966)
Clear Creek	1,091,880	798,592	293,288	1,185,574	(386,981)	175,158	(268,851)
Conejos	810,876	968,782	(157,906)	832,007	136,775	83,498	(104,629)
Costilla	1,651,410	979,144	672,266	1,225,928	(246,784)	229,384	196,098
Crowley	1,213,487	787,386	426,101	1,110,044	(322,658)	236,899	(133,456)
Custer	181,068	463,211	(282,143)	199,907	263,304	-	(18,838)
Delta	4,725,888	3,520,392	1,205,496	4,449,950	(929,558)	684,707	(408,769)
Denver	70,593,267	57,474,713	13,118,554	67,823,679	(10,348,966)	8,807,359	(6,037,771)
Dolores	198,275	282,853	(84,577)	212,131	70,722	13,271	(27,127)
Douglas	11,643,291	14,307,881	(2,664,590)	13,160,239	1,147,642	924,582	(2,441,530)
Eagle	2,506,801	2,114,927	391,874	2,405,433	(290,506)	79,923	21,445
El Paso	74,971,464	66,264,080	8,707,384	70,176,013	(3,911,934)	6,551,218	(1,755,768)
Elbert	1,578,416	1,559,849	18,567	1,864,738	(304,889)	55,458	(341,780)
Fremont	5,839,407	5,621,088	218,319	5,348,794	272,294	786,960	(296,347)
Garfield	4,339,850	4,153,144	186,706	4,694,991	(541,847)	153,587	(508,728)
Gilpin	571,528	559,555	11,973	437,154	122,401	77,887	56,487
Grand	766,228	559,609	206,619	677,077	(117,468)	60,312	28,838
Gunnison	876,157	737,001	139,156	910,666	(173,665)	33,071	(67,581)
Hinsdale	72,807	58,452	14,355	76,173	(17,721)	-	(3,365)
Huerfano	1,257,139	1,285,805	(28,666)	1,167,911	117,895	164,657	(75,429)
Jackson	103,403	251,293	(147,890)	110,344	140,949	3,040	(9,981)
Jefferson	41,553,067	33,878,054	7,675,014	36,329,762	(2,451,708)	4,585,778	637,527
Kiowa	283,721	323,843	(40,122)	225,360	98,483	47,673	10,688
Kit Carson	842,338	779,986	62,352	897,798	(117,812)	54,472	(109,932)
La Plata	3,250,576	3,367,170	(116,594)	3,914,339	(547,169)	275,926	(939,688)
Lake	684,137	784,830	(100,693)	687,871	96,959	40,373	(44,106)
Larimer	26,897,912	24,965,974	1,931,938	30,290,644	(5,324,670)	583,545	(3,976,277)
Las Animas	1,997,359	1,673,594	323,765	1,632,483	41,111	472,002	(107,126)
Lincoln	1,524,597	943,689	580,908	983,452	(39,763)	225,932	315,213

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Logan	4,847,666	3,410,234	1,437,432	4,107,218	(696,983)	1,037,922	(297,474)
Mesa	21,818,499	17,761,233	4,057,266	16,548,914	1,212,319	4,483,696	785,888
Mineral	3,007	73,573	(70,566)	3,945	69,628	-	(938)
Moffat	1,130,462	1,397,099	(266,637)	1,035,541	361,558	164,604	(69,683)
Montezuma	2,561,103	2,253,990	307,113	2,005,719	248,271	180,006	375,378
Montrose	6,074,097	4,801,748	1,272,348	4,569,982	231,766	802,408	701,707
Morgan	3,297,607	3,306,897	(9,289)	3,448,731	(141,834)	448,351	(599,474)
Otero	2,649,364	2,306,982	342,382	1,997,093	309,889	399,741	252,530
Ouray	269,698	251,487	18,211	186,460	65,027	-	83,238
Park	1,548,669	1,065,457	483,212	1,921,894	(856,437)	62,200	(435,425)
Phillips	173,489	265,429	(91,940)	169,456	95,973	18,397	(14,364)
Pitkin	841,766	562,627	279,139	711,684	(149,057)	-	130,082
Prowers	1,206,842	1,350,120	(143,278)	1,469,136	(119,016)	78,369	(340,663)
Pueblo	17,091,444	14,893,901	2,197,542	15,471,642	(577,741)	2,765,968	(1,146,167)
Rio Blanco	805,803	815,700	(9,897)	790,345	25,355	83,407	(67,949)
Rio Grande	2,255,324	1,595,266	660,058	2,159,233	(563,966)	202,609	(106,518)
Routt	1,160,669	1,107,637	53,032	1,250,611	(142,974)	24,599	(114,541)
Saguache	1,048,268	783,728	264,540	1,021,021	(237,293)	63,682	(36,435)
San Juan	53,897	53,888	9	54,627	(739)	-	(730)
San Miguel	398,483	386,436	12,047	399,203	(12,767)	12,932	(13,652)
Sedgwick	188,819	255,197	(66,378)	113,023	142,174	-	75,797
Summit	1,043,929	771,156	272,773	1,199,794	(428,638)	5,475	(161,340)
Teller	3,001,160	1,983,978	1,017,182	2,110,384	(126,406)	369,629	521,147
Washington	798,282	716,905	81,377	744,763	(27,858)	56,185	(2,667)
Weld	29,989,337	29,917,125	72,212	28,580,716	1,336,409	3,129,039	(1,720,418)
Yuma	794,350	957,751	(163,401)	625,818	331,933	73,404	95,128
Total	\$508,465,549	\$449,325,292	\$59,140,257	\$472,069,541	\$(22,744,250)	\$55,810,899	\$(19,414,891)