

MEMORANDUM



JOINT BUDGET COMMITTEE

TO JBC Members
FROM JBC Staff
DATE March 16, 2020
SUBJECT Comeback Packet 5

Included in this packet are staff comeback memos for the following items:

Health Care Policy and Financing (Eric Kurtz):

- “(M)” and “(H)” Notes (*New Item*)
- BA12 Nursing Home Closure (*New Item*)

Governor (Scott Thompson): R1 (OIT) Colorado Digital Services (*New Item*)

Capital Construction (Alfredo Kemm): Repaint Interior Dome (*New Item*)

Judicial (Steve Allen): JUD R3 Additional Probation Officers (*Tabled Item*)

Human Services (Christina Beisel):

- Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders Line Item (*Tabled Item*)
- R28 Momentum Program Reduction (*Tabled Item*)

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Eric Kurtz, JBC Staff (303-866-4952)
DATE March 16, 2020
SUBJECT "(M)" and "(H)" Notes

At a June 19, 2019, meeting this summer the JBC approved changing the "(M)" and "(H)" notes so expenditure restrictions are only applied to non-Medicaid and administrative Medicaid programs. Also, for all programs with an "(M)" or "(H)" note, including non-administrative Medicaid programs, departments would need to notify the JBC of any change in the federal match rate from the assumptions used in the budget request, if the change would take effect prior to the next fiscal year, and include an estimate of the fiscal and programmatic impact.

After consulting with Legislative Legal Services on the best way to accomplish the changes, the JBC staff recommends: (1) modifying the head notes to adjust how the "(M)" and "(H)" notes are applied; and (2) a bill to add the reporting requirement.

BACKGROUND

The headnotes to the Long Bill explain that when an "(M)" appears next to a General Fund appropriation, then the General Fund is being used to match federal funds, and if the actual federal funds received is more or less than the amount that appears in the Long Bill for that line item, then the General Fund spending authority is reduced. The rarely used "(H)" note works the same as the "(M)" note, but for cash or reappropriated funds.

An analysis¹ by the JBC staff and State Controller identified that the "(M)" and "(H)" notes were not properly enforced. However, proper enforcement for Medicaid line items with unlimited overexpenditure authority would create numerous technical overexpenditures without any additional financial control for the General Assembly.

The JBC staff recommended, and the JBC approved, modifying the "(M)" and "(H)" notes to only restrict funding for line items without the unlimited Medicaid overexpenditure authority, and to add a new reporting requirement for all line items when the federal match rate changes.

HEADNOTE MODIFICATION

The staff recommended changes to the "(M)" headnote are shown below in struck type and small caps. An identical change would be made to the "(H)" headnote.

(d) (I) Where the letter "(M)" appears directly to the right of a general fund or general fund exempt figure, that general fund or general fund exempt appropriation, when combined with the related general fund or general fund exempt transfers from the centralized appropriations to the office of the executive director, is used to support a federally supported program and is the maximum amount of general fund or general fund exempt money that may be expended in that program, except where otherwise provided.

¹ The full staff analysis and recommendation can be found here: <http://leg.colorado.gov/sites/default/files/notes-06-19-19.pdf>

(II) In the event that additional federal funds are available for ~~the~~ A FEDERALLY SUPPORTED program, the combined general fund or general fund exempt amount noted as "(M)" ~~shall be~~ IS reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds earned or received are less than the amount shown in the "federal funds" column, the combined general fund or general fund exempt amount noted as "(M)" ~~shall be~~ IS reduced proportionately. Where general fund or general fund exempt support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined general fund or general fund exempt amount noted as "(M)" ~~shall be~~ IS reduced proportionately. ~~These provisions shall apply~~ THIS SUBSECTION (1)(d)(II) only APPLIES to the general fund or general fund exempt amount ~~which~~ THAT remains unexpended at the time of the change in federal requirements or funding. THIS SUBSECTION (1)(d)(II) DOES NOT APPLY TO AN APPROPRIATION NOTED AS "(M)" TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, UNLESS THE APPROPRIATION IS IN A LINE ITEM FOR THE EXECUTIVE DIRECTOR'S OFFICE. It is intended that the general fund or general fund exempt amount and the federal funds amount ~~shall~~ be expended in equally proportioned amounts throughout the year.

LEGISLATION

Staff recommends that the JBC sponsor a bill to require departments to notify the JBC within two weeks of learning that the federal match rate for a program is changing from the assumptions used for the budget request, and include an estimate of the fiscal and programmatic impact, if the change would happen prior to the next state fiscal year. For the statute to be enforceable, departments will need to explicitly describe their assumptions about the federal match rates for programs in the budget request (which currently happens most of the time, but not always) and the JBC staff recommends allowing the Office of State Planning and Budgeting to determine the format of that description as part of the budget instructions.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Eric Kurtz, JBC Staff (303-866-4952)
DATE March 16, 2020
SUBJECT BA12 Nursing Home Closure

→ BA12 NURSING HOME CLOSURE

REQUEST

The Department requests cash funds spending authority of \$1,648,325 in FY 2019-20 and \$250,000 in FY 2020-21 from the Nursing Home Penalty Cash Fund. In addition, the Department requests roll-forward authority for \$100,000 of the FY 2019-20 appropriation. The money would pay for transition and relocation costs associated with the closure of the Union Printers Home nursing home in Colorado Springs.

The Colorado Department of Public Health and Environment (CDPHE) issued a summary suspension of Union Printers Home's license following a determination that they could no longer ensure the health and safety of residents in the building. The building was put in receivership under the state's control as of February 11, 2020. The Department hired a contractor to continue operations while residents are relocated. The Department expects it will take 45-60 days for residents to choose and transition to alternative options.

Pursuant to federal regulation¹, civil money penalties collected from nursing homes for substandard care must be used for the protection of health or property of residents in nursing facilities. The revenue from civil money penalties is deposited in the Nursing Home Penalty Cash Fund² and the Medical Services Board must establish a minimum reserve for costs associated with violations, including relocating residents to other facilities, maintaining operations pending correction of violations, closing a facility, and reimbursing residents for personal funds lost. Any remainder in the Nursing Home Penalty Cash Fund may be granted to foster innovations that improve the quality of life and care at nursing facilities. All money in the Nursing Home Penalty Cash Fund is subject to appropriation by the General Assembly. At the beginning of FY 2019-20 the Nursing Home Penalty Cash Fund had a balance of \$8,125,682 and projected revenue of \$702,076.

The request is to pay costs above and beyond daily operations, as Medicaid will continue to pay a per diem for the residents. There are no additional federal matching funds for these extraordinary costs.

RECOMMENDATION

Staff recommends approval of the request. The Nursing Home Penalty Cash Fund is designed specifically to address this type of contingency. Because the Nursing Home Penalty Cash Fund is subject to appropriation by the General Assembly, the Department needs cash funds spending authority to spend the money. Otherwise, this would likely be a General Fund overexpenditure, because the Department is required to find placements for the residents under federal law.

¹ 42 CFR § 488.442(g)

² Section 25-1-107.5 (4), C.R.S.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Scott Thompson, JBC Staff (303-866-4957)
DATE March 16, 2020
SUBJECT Governor's Office Budget Request R1 (OIT) Colorado Digital Services

→ R1 (OIT) COLORADO DIGITAL SERVICES

REQUEST: The Governor's Office of Information Technology (OIT) requests \$1,240,560 General Fund and 7.0 FTE for FY 2020-21 and ongoing to continue a Colorado Digital Services program. During figure setting, staff postponed making a recommendation for Colorado Digital Services to be able to bring the Committee an update on actions taken by the Joint Technology Committee since the House caucused on the supplemental bill package.

RECOMMENDATION: JBC staff recommends approving the Office's request to provide the second year funding for Colorado Digital Services. Since expending appropriations is consistent with OIT's broad authorization to provide information technology services to state agencies, JBC staff recommends making the appropriations in the Long Bill. The Joint Technology Committee has introduced stand-alone legislation to specifically authorize Colorado Digital Services in statute. Members of the Joint Technology Committee agreed with JBC staff that passing such legislation is being done out of an abundance of caution.

DISCUSSION:

There are efforts across Colorado to build internet or electronic network-based, virtual access through digital services. The mobile-first strategy is one element of this. However, the State does not offer sufficient, dedicated funding and resources to establish and deliver digital solutions across many state departments to improve service delivery to all Coloradans.

When compared to the industry average for state and local governments, OIT employes fewer staff than other state governments. Colorado averages about 3.5 percent IT FTE as a percent of all state employees supported by OIT and the average IT FTE for other state and local governments is 3.9 percent. IT FTEs as a percent of employees is a key measure of IT support and IT intensity from a human capital perspective. Although the 0.4 percent difference between the state average and Colorado seems immaterial, for an agency the size of OIT it equates to 120.0 FTE. Given this reality, OIT cannot easily absorb additional technical expert staff to meet the goals of this request without impacting other current agency work and ongoing state operations.

The Colorado Digital Service enriches Colorado's technology ecosystem by providing a pipeline of "digital service experts" focused on solving problems and building citizen-facing technology services benefitting Coloradans. Digital Service program engineers, designers, and product managers are term limited state employees collaborating with Colorado's career state employees to participate in procurement and other sensitive discussions. The Digital Services program focuses their efforts on high-impact, citizen-facing services and modernization priorities. The "digital tour of duty" hiring model provides an avenue for the best tech talent in Colorado to serve the State for a one to two year

term-limited period enriching the existing OIT and agency teams. OIT's Chief Information Officer, in consultation and collaboration with the Governor's Office, direct the team on what projects and issues require their support. The team focuses on large and complex IT projects, projects that are struggling to move forward, and state programs needing a new IT solution. The amount of time and number of projects the Digital Services team tackles will depend on the demand for their services and the complexity of the problem or project they are addressing.

The Digital Service benefits the State in many ways. It combines the best private sector design, engineering and product management talent that understands how to design, build and deliver digital services with the best government talent that has the policy knowledge, deep subject matter expertise and understanding to navigate bureaucracy. CODS also brings great engineers to the table alongside state agency teams to assist with the procurement process and technology decisions.

RECENT ACTIVITY OF COLORADO DIGITAL SERVICES

Between announcing the Colorado Digital Services program and January 1, 2020, the Office of Information Technology received 366 inquiries from software engineers, product managers, and designers through its online portal at Colorado.gov/digitalservice. Over 100 candidates for the talent pipeline also expressed interest through the government job board.

One thing OIT has highlighted is the difficulty it and other executive branch agencies have in hiring and retaining its IT staff. For example, the US Digital Service cites 2,000 contacts for every one candidate they hire. The Colorado pipeline funnel shows that of the 366 persons interested, 58 (22 percent) actually completed the State's hiring process. Of those, seven have been offered positions and four have accepted, giving a conversion rate of less than one percent. This attrition is partly ascribed to the unique qualification the team is seeking: senior-level talent with a depth of experience and expertise. The talent pipeline CDS has established is a state-wide asset, and is currently being used to find application developers for a separate OIT job opening, and other product manager roles across state agencies, facilitated by the OIT HR team. We will track the successful handoff and placement rate of CDS candidates into other roles as OIT continues to invest in recruitment and hiring.

The Digital Service Program works with the Governor's Chief Operating Officer and the State's Chief Information Officer to prioritize projects that would benefit immediately from the attention of the Digital Services team. Thus far, JBC staff has only heard positive reactions from program staff that have worked with Colorado Digital Services.

CHILD WELFARE SYSTEM DISCOVERY SPRINT

In January 2020, Colorado Digital Services partnered with the Office of Children, Youth and Families of the Colorado Department of Human Services for a discovery sprint to understand how financial data is collected and processed across the state's decentralized child welfare systems. This is a great example of how Colorado Digital Services can recognize an area where its expertise can immediately begin work to improve shortcomings of programs reliant upon a mixture of legacy and transitional technology. If the Digital Services program was reliant upon common policy allocations to fund its activities, it would likely have to plan what projects it would be working on during the formulation of its budget each year. This type of planning would likely postpone action on projects for several months if not an entire fiscal year.

Human Services software systems are composed of benefit systems of record. Trails is this system of record for child welfare services. There are also secondary support systems, including the County Financial Management System, which serves to reimburse providers, collect payroll expenditure data, and aggregate data into CORE. Each system is fulfilling its original purpose, however, no single system currently provides a holistic view of expenditures across child welfare. Translation and aggregation of data between layers of the system make it difficult to decode expenditures to a granular level of detail.

Some of the outcomes from discovery sprints undertaken by Colorado Digital Services may include future budget requests for new development if new development is the solution to barriers or problems identified by the Digital Services team during its initial sprints. New budget requests would only be made if the Digital Services team is unable to implement solutions itself. For example, one recommendation made at the conclusion of the discovery sprint for child welfare was for the Department of Human Services to hire a product manager for the County Financial Management System (CFMS). The Digital Services pipeline can also be leveraged to help select a product manager if the Department does not already have an internal candidate that is appropriate.

JBC staff found the report provided by Colorado digital services a very thorough but pointed analysis of the data collected by which system and why and how that data could be better utilized to make future funding decisions in Colorado child welfare system. JBC staff looks forward to future reports from the Colorado Digital Services team. In many ways, the report looks at IT systems the way the State Auditor's review programs run by state agencies. While the outcomes of the Digital Services team will vary depending on the shortcomings or future needs of IT systems it reviews, the outcomes provide a path to move forward and solve problems it faces.

JBC staff recommends the Committee approve the request of the Office to fund Colorado Digital Services for the full year in FY 2020-21. The recommendation includes an increase of \$1,240,560 General Fund and 7.0 FTE for FY 2020-21 and ongoing.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Alfredo Kemm, JBC Staff (303-866-4549)
DATE March 16, 2020
SUBJECT Staff figure setting comeback – Capital Construction – Repaint Interior Dome

The Executive Committee recommends an \$800,000 continuation capital construction appropriation for the Repaint Interior Dome, State Capitol project. Funds would be provided from the State Historical Fund and include a transfer to the Capital Construction Fund for FY 2020-21.

→ REPAINT INTERIOR DOME, STATE CAPITOL

REQUEST: The Executive Committee of the General Assembly recommends \$800,000 Capital Construction Fund, with funds originating from the State Historical Fund, for the Repaint Interior Dome, State Capitol project. This is a continuation project for FY 2020-21, funded at \$1,000,000 in FY 2019-20.

RECOMMENDATION: **Staff recommends that the Committee approve the request.**

ANALYSIS:

Since 2010, the General Assembly has annually identified a project in the State Capitol building that is eligible for funding from the State Historical Fund grant program. Each year, up to \$1.0 million is transferred from the State Historical Fund to support the identified project. The Executive Committee recommends using additional State Historical Fund dollars for the second phase of this project initiated in FY 2019-20.

Work is anticipated to begin during the 2020 interim. The second phase begins repainting the lower portion of the dome and rotunda and potentially the coffer wing ceilings on the third floor.

This project is typically a Capital Development Committee (CDC) staff-initiated project from recommendation from the Executive Committee. This year, JBC staff brings this item directly to the Committee for consideration due to the current General Assembly recess which prevents the CDC from taking action prior to JBC consideration.

While funds are provided from the State Historical Fund, these funds are included in a transfer to the Capital Construction Fund in the capital-related transfers bill in order to provide funding for the project at an earlier point in the fiscal year than the funding is provided from the State Historical Fund.

Attached, please find the CDC staff narrative for the project for additional information.

Fiscal Year 2020-21 Capital Construction Request

Personnel and Administration

Repaint Interior Dome, State Capitol

2020-108

PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$1,000,000	\$800,000	\$0	\$0	\$1,800,000
Total	\$1,000,000	\$800,000	\$0	\$0	\$1,800,000

PROJECT DESCRIPTION / SCOPE OF WORK

This is a staff-initiated budget request. Since 2010, the General Assembly has annually identified a project in the State Capitol building that is eligible for funding from the State Historical Fund grant program. Each year, up to \$1.0 million is transferred from the State Historical Fund to support the identified project. In March 2019, Legislative Council Staff presented potential uses of State Historical Fund dollars for projects in the building to the Executive Committee of the Legislative Council. After discussing the various projects eligible for funding from this source, the Executive Committee recommended using State Historical Fund dollars to repaint the interior dome. In March 2020, the Executive Committee recommended using additional State Historical Fund dollars for the second phase of the project.

Project details. In 2019, \$1.0 million was appropriated for the first phase of the project to repaint the interior of the upper portion of the State Capitol dome. Work is anticipated to begin during the 2020 interim. This request for the second phase of the project begins repainting work on the lower portion of the dome and rotunda, and potentially on the coffer wing ceilings on the third floor if funding allows.

Source of cash funds. The source of cash funds is the State Historical Fund, which is administered pursuant to Section 44-30-1201, C.R.S. The State Historical Fund accrues revenue from limited stakes gaming.

Suggested motion. Recommend support for the project to the Joint Budget Committee. Further, recommend that the project be included in the 2020 Long Bill and that a corresponding transfer be included from the State Historical Fund to the Capital Construction Fund in the capital construction transfer bill.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Steve Allen, JBC Staff (303-866-4961)
DATE March 16, 2020
SUBJECT Additional Judicial Figure Setting Decisions

During staff figure setting for the Judicial Branch on March 12, an erroneous description and recommendation of Judicial Department request JUD R3 prevented the Committee from making a decision on that request. This memo presents the request and recommendation as it should have appeared in the figure setting document.

→ JUD R3 ADDITIONAL PROBATION OFFICERS.

REQUEST: The Judicial Department requests \$1,128,947 General Fund and 15.9 FTE for additional probation officers, supervisors, and staff to achieve a statewide staffing level of 89.0 percent. The request annualizes to \$ 1,141,631 General Fund in FY 2021-22.

RECOMMENDATION: Staff recommends approval of this request and recommends the following *new* request for information:

5 Judicial Department, Probation and Related Services – The State Court Administrator’s Office is requested to provide a report to the Joint Budget Committee by November 1, 2020, concerning the Judicial Department’s use of private probation. It is requested that the report:

- Evaluate the relative effectiveness of private probation and state probation for clients with similar characteristics, using suitable measures of effectiveness such as pre- and post-release recidivism and unsuccessful terminations. To the extent possible, the report should examine the relative effectiveness of state and private probation for differing types of offenders. To the extent possible, it should examine the relative effectiveness of the various private probation providers. This analysis should be based on Colorado data
- Examine problems that arise with private probation and propose ways that these problems can be mitigated. If a problem cannot be mitigated, the report should discuss whether it is a serious problem and the reasons it cannot be mitigated.
- Explain why the number of clients on private probation has declined, including the extent to which the decline may reflect the growth of new probation practices, such as telephone reporting.
- Explain who makes the decision to place a client on state probation verses private probation and how those decisions are made.
- Propose ways to encourage the use of private probation, including ways to encourage private probation providers to begin supplying services in a Judicial District that lacks private probation providers.
- Describe and evaluate instances in which private probation providers in judicial districts have ended services.

- Evaluate the cost of providing private probation services and, based on estimates of cost, propose a suitable amount of monthly revenue that private probation providers should receive for private probation supervision.
- Estimate the number of probationers who could be effectively and safely placed on private probation if sufficient private probation providers were available.

ANALYSIS:

The Division of Probation Services (DPS) annually calculates the staffing needs for probation officers, support staff, and supervisors using a staffing model that is updated under the supervision of an independent contractor every five years. The staffing model proposes standard amounts of time that it takes for probation officers to perform various tasks, which, in combination with caseload projections, are used to estimate the Division's probation-officer needs. It's important to note however, that these standards are *not* based on actual amounts of time that probation officers spend on these tasks. The reason is the Fair Labor Standards Act (FLSA) which requires probation officers to be paid overtime or be given comp time if they work more than 40 hours per week. Judicial Department appropriations aren't large enough to permit comp time and overtime, so probation officers must stop working at 40 hours, even if they feel they should spend more time on their caseload. These workload models are based on a determination of how much time a probation officer *should* spend with her or his caseload. The Department's probation staffing model takes into account not only the number of probationers supervised, but also the needs of those probationers and the risks they pose to the community. Thus a felon on parole is likely to require more probation-officer time than a misdemeanor.

This is the second request for additional probation officers in two years. Last year, the JBC approved an increase that was spread over two years, with 36.5 FTE added this year (FY 2019-20) at a cost of \$3,040,883 General Fund and an additional 12.5 added next year (FY 2020-21) at an additional cost of \$1,263,547 General Fund. That's a total of 49.0 additional FTE over two years. Based on a projected 1 percent increase in the probation population, the department expected those 49.0 FTE to raise the staffing level, however the population of probationers grew more rapidly than the number of probation officers grew and the staffing level is now expected to decline.

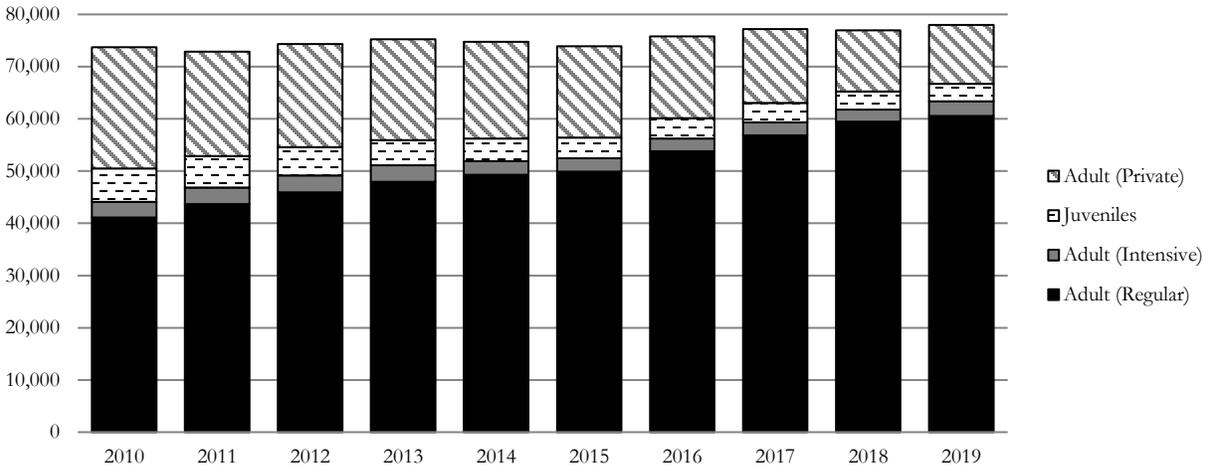
The Department projects that this request for 15.9 probation FTE will hold the current overall staffing level at 89.0%.

A look at the probation population numbers reveals that over the two-year period from June 20, 2017 to June 30, 2019 (i.e. from the end of FY 2016-17 to the end of FY 2019-20) the *total* parole population grew by 1,095, the population on *state* probation (i.e. supervised by state probation FTE) grew by 3,988, and the population on *private* probation (i.e. supervised by a private-probation provider) *declined* by 2,893. In other words, almost three quarters of the increase of the state probation population over this period was due to fewer private probationers. *Without the reduced use of private probation, the staffing percentage would have increased.*

The following chart shows this trend on a longer term basis. The *total* number of offenders on probation has gradually increased since 2010, from 73,694 to 77,989 (6 percent) with two dips along the way. Over that period, the number of adult offenders who are supervised by private probation providers has declined by more than half as the Department has relied increasingly on supervision by state employees rather than by private probation providers.

Probation

Clients on Supervision as of June 30th Each Year

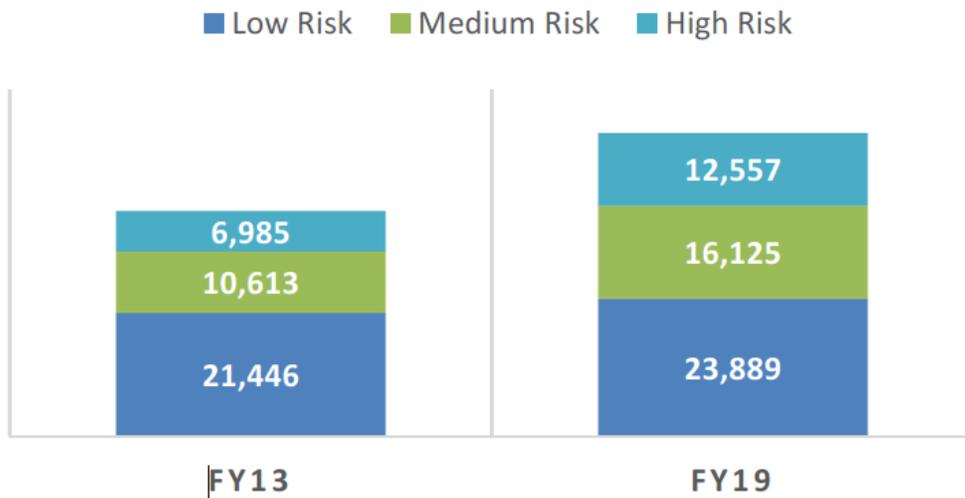


State probation costs the state an average of \$1,379 annually for an adult on regular probation. Private probation costs the state nothing; the probationer’s \$50 per month probation fee is paid directly to the private provider and those are the only payments that the provider receives.

The Department states that the increase in the use of state probation is “due to more complex risk/need profiles as well as the type of crime for which offenders are sentenced.... Leadership and staff in probation districts report that the offenders being placed on probation are not only presenting with greater needs but also have more complex stability factors (e.g. homelessness), behavioral problems, acute mental illness, and longer histories of failure on community supervision.”

The Department provided the following chart in support of this statement, which shows the growing number of high-risk probationers.

RISK LEVEL COMPARISON FY13 TO FY19



Staff is aware that some of the increased use of state probation has been due to providers dropping out of the market. For example, a private probation provider in the 21st Judicial District (Mesa County) recently stopped working with probation clients. This may have been unavoidable or it may have been a consequence of prior decisions by the Judicial Depart concerning the use of private probation in the 21st. Staff is also aware that decisions to place clients on private verses state probation are made at the Judicial-district level and the ability of the State Court Administrator's Office in Denver to influence those decisions is limited.

Staff recommends this request and but also recommends that a related Request for Information be submitted to the Judicial Branch. The report produced in response to the RFI will inform future probation funding decisions.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Christina Beisel, JBC Staff (303-866-2149)
DATE March 11, 2020
SUBJECT Tabled Items: Circle Program Line Item and R28 Momentum Program Reduction

During figure setting for the Office of Behavioral Health, the Committee tabled two items pending additional information. Included below are the original staff write-ups and additional information, as requested by the Committee. The staff recommendations have not changed.

→ CIRCLE PROGRAM AND OTHER RURAL TREATMENT PROGRAMS FOR PEOPLE WITH CO-OCCURRING DISORDERS LINE ITEM

REQUEST: The Department requests \$8,251,114 total funds, including \$3,139,251 General Fund. The request is impacted by R35 (Provider rate increase).

RECOMMENDATION: Staff recommends appropriating \$8,319,725 total funds. Staff's recommended increase related to R35 is consistent with the Committee's common policy provider rate adjustment (1.9 percent).

→ R28 MOMENTUM PROGRAM REDUCTION

REQUEST: The Department requested a reduction of \$1,284,000 total funds in FY 2020-21, including \$647,000 General Fund, for programs the Department has identified as underutilized as a result of expanded Medicaid coverage and benefits offered under the Affordable Care Act.

COMMITTEE ACTION: The Committee acted on two of the three items included in this request:

- Denying the reduction for the High Risk Pregnant Women program (\$637,000 reappropriated funds)
- Approving the reduction for the Short-Term Remedial Treatment program (\$247,000 General Fund)

RECOMMENDATION: Staff recommends approving the Department's request for a reduction of \$400,000 General Fund, based on past underutilization. Additionally, this request is relatively modest reduction compared to the full appropriation.

However, should the Committee choose to deny the request, staff has discussed options for increasing utilization of these funds. As discussed below, these could include statutory changes, or simply clarification from the Committee as to how they wish the Department to interpret the allowable use of the funds.

NEW INFORMATION: CIRCLE PROGRAM AND OTHER RURAL TREATMENT PROGRAMS FOR PEOPLE WITH CO-OCCURRING DISORDERS LINE ITEM

During figure setting, the Committee tabled the Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders line item in order to request confirmation that existing funding can be used for physical improvements or relocation for the Pueblo Circle Program.

During conversations with the MSO for that region (Signal), the Department, and advocates for the Pueblo Circle Program, it is staff's understanding there is funding available via both State and MSO dollars, and that the parties are all working together to direct this existing funding to the Pueblo Circle Program. This requires a contract amendment between Signal and OBH, but staff does not have reason to believe that this will not happen.

At this time, staff does not have a specific breakdown of the intended funding, but is told that an additional appropriation is not required to move forward. However, staff will note that while OBH indicated that they are working to make funds available to Pueblo, and that the expansion of other Circle programs in other regions are delayed, they could not guarantee that actions to ensure funding for Pueblo's capital needs would not divert funding from other projects (and, therefore, potentially further delay those expansions).

LINE ITEM DETAIL FROM STAFF FIGURE SETTING DOCUMENT

CIRCLE PROGRAM AND OTHER RURAL TREATMENT PROGRAMS FOR PEOPLE WITH CO-OCCURRING DISORDERS

This line item was first included in the FY 2019-20 Long Bill and consolidates funding for two prior line items, described below.

Community Based Circle Program

This program supports intensive treatment programs for individuals with co-occurring mental health and substance use disorders. This program was previously operated on the campus of the Colorado Mental Health Institute at Pueblo (CMHIP). The Program offered a 90-day inpatient (but unlocked) therapeutic community setting that addressed mental illness, chemical dependence, personality disorders, and criminal behavior. The program admitted adults who had been unsuccessful in other inpatient or intensive outpatient substance abuse programs; many received treatment through Circle as a condition of probation. The Program had four focus components:

- Abstinence from addictive medications¹
- Behavior change and development of coping strategies
- Tobacco cessation
- Psychiatric treatment

In June 2017, due to significant staffing shortages at CMHIP, the Department temporarily closed the Circle Program to reassign direct care staff to other CMHIP units. The Department worked with

¹ A patient on methadone or buprenorphine maintenance prior to admission may continue this form of treatment if approved by the Medical Director.

managed service organizations (MSOs) to find other treatment options for existing patients at that time and to identify alternative treatment programs for individuals waiting to be admitted to the Circle Program. In FY 2017-18, the General Assembly approved a Department proposal to convert this to a community-based program. The Department contracted with the MSO for the southeast region, Signal Behavioral Health Network, to establish a community-based Circle Program in Pueblo. Signal subcontracted with Crossroads' Turning Point Inc., to establish and operate a 16-bed program that focuses on serving those who are "justice-involved". The new community-based program was licensed in December 2018, and began serving clients the first full week of January 2019.

Rural Co-occurring Disorder Services

Since FY 2013-14, this line item has supported a full continuum of co-occurring behavioral health services for adolescents and adults in southern Colorado and the Arkansas Valley. It is staff's understanding that this appropriation was initially added based on data that demonstrated a gap in the service delivery system for southern Colorado related to the co-occurring, dually diagnosed population -- primary substance use and secondary mental health (Axis I) anxiety and depression.

Starting in FY 2018-19, the Department is contracting with two MSOs to ensure coverage in southern Colorado and the Arkansas Valley:

- Signal Behavioral Health Network administers \$737,000 of the appropriation for the southeast region, which includes: Alamosa, Baca, Bent, Conejos, Costilla, Crowley, Huerfano, Kiowa, Las Animas, Mineral, Otero, Prowers, Pueblo, Rio Grande, and Saguache Counties. Signal subcontracts with Crossroads' Turning Points and San Luis Valley Behavioral Health Group (a community mental health center) to provide services in this region.
- West Slope Casa, LLC, administers the remaining \$308,884 of the appropriation for the southwest region, which includes: Archuleta, Delta, Dolores, Gunnison, Hinsdale, La Plata, Montezuma, Montrose, Ouray, San Juan, and San Miguel Counties. West Slope Casa subcontracts with Axis Health Systems, Inc. (a community mental health center) to provide services in this region.

These programs serve both civil clients and those who are involved in the criminal justice system. The services provided in both regions include residential and outpatient based services with a combination of individual and group mental health therapies, individual and group substance use treatment, case management, medication assisted therapy (MAT), substance use testing, and other similar services. Staff understands that Medicaid currently only covers the cost of outpatient treatment, so this line item covers the additional costs of room and board, treatment costs that are not covered by Medicaid, and wraparound services that ensure a client's successful transition to outpatient treatment.

STATUTORY AUTHORITY: Section 27-66-101, et seq., C.R.S. [Community mental health services]; Section 27-80-101, et seq., C.R.S. [Alcohol and substance use – programs and services]; Section 27-82-101, et seq., C.R.S. [Substance use prevention, education, and treatment]; Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders]; Section 27-66-101, et seq., C.R.S. [Community mental health services]; Section 27-80-101, et seq., C.R.S. [Alcohol and substance use – programs and services]; Section 27-81-101, et seq., C.R.S. [Alcohol and substance use, education, prevention, and treatment]; Section 27-82-101, et seq., C.R.S. [Substance use prevention, education, and treatment]; Section 39-28.8-501 (2)(b)(IV)(C),

C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders]

REQUEST: The Department requests \$8,251,114 total funds, including \$3,139,251 General Fund. The request is impacted by R35 (Provider rate increase).

RECOMMENDATION: Staff recommends appropriating \$8,319,725 total funds. Staff's recommended increase related to R35 is consistent with the Committee's common policy provider rate adjustment (1.9 percent).

OFFICE OF BEHAVIORAL HEALTH, INTEGRATED BEHAVIORAL HEALTH SERVICES, CIRCLE PROGRAM AND OTHER RURAL TREATMENT PROGRAMS FOR PEOPLE WITH CO-OCCURRING DISORDERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 (Long Bill)	\$8,220,615	\$3,090,019	\$3,130,596	\$2,000,000	\$0	0.0
TOTAL	\$8,220,615	\$3,090,019	\$3,130,596	\$2,000,000	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$8,220,615	\$3,090,019	\$3,130,596	\$2,000,000	\$0	0.0
R35 Common policy provider rate adjustment	115,896	57,570	58,326	0	0	0.0
Annualize prior year budget actions	(16,786)	(8,338)	(8,448)	0	0	0.0
TOTAL	\$8,319,725	\$3,139,251	\$3,180,474	\$2,000,000	\$0	0.0
INCREASE/(DECREASE)	\$99,110	\$49,232	\$49,878	\$0	\$0	0.0
Percentage Change	1.2%	1.6%	1.6%	0.0%	0.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$68,611)	(\$34,082)	(\$34,529)	\$0	\$0	0.0

NEW INFORMATION: R28 MOMENTUM PROGRAM REDUCTION

During staff figure setting for OBH, the Committee acted on two of the three requested reductions for the R28 Post Affordable Care Act decision item. The Committee tabled the requested reduction of \$400,000 General Fund for the Momentum Program and requested additional information. Staff requested the Department respond to specific questions, as listed below.

However, to very briefly summarize, staff's interpretation is that the Department is underutilizing the funds for two reasons:

- Bigger picture structural challenges - primarily, lack of capacity in the community.
- Perceived limitations in the Department's ability to expand the scope of their services. The Department has interpreted that this funding is intended for direct services, not for capacity building activities.

The Committee could indicate that they wish the Department to expand this interpretation and encourage the Department, within statutory authorization, to expand their scope of services to include

capacity building efforts that may increase direct services in the future, such as providing additional training within facilities such as nursing homes to increase the number of placements in those facilities. The Department also identified statutory barriers (listed on page 10 of this memo) such as the need for a Medicaid pause period.

While staff believes that there are ways the Department could take steps to increase the utilization of these funds within existing statutory authority, at the direction of the Committee, staff does not think it would be a quick process. It would require some planning and a shift in the Department’s approach, amending of the Department’s contract with the provider, and a shift in how those provider’s case workers manage their cases.

MOMENTUM QUESTIONS AND RESPONSES

Staff Questions to the Department

- Please provide a history of funding (at least five years) for the Community Transitions line item, including:
 - Who was/is contracted with to provide services
 - What services were covered under the contract and if any particular services were excluded
 - What population was served and targeted, and if there were populations that weren’t authorized to serve
 - Reversions and expenditures
 - Number of clients served, with the number of children/youth separately identified
- Please explain, in detail, why there are reversions. What are the barriers to spending the funding? Are there statutory changes that could be made to reduce those barriers?
- Are there services that were denied/not authorized for clients, or clients that were denied? If so, what were they and why were they denied?
- Are there other funding sources that are used prior to the utilization of these funds (such as Medicaid dollars)?

Department Responses

Please provide a history of funding (at least five years) for the Community Transitions line item, including:

- o Reversions and expenditures?

For appropriations, expenditure and reversion history please see Table below.

Office of Behavioral Health Community Transition Services Line Item Momentum & Transition Services							
Fiscal Year	FY 2014-15 ²	FY 2015-16	FY 2016-	FY 2017-18	FY 2018-		

² In addition to the “Momentum” transition services program, this line also included appropriations for the ACT program, which were subsequently moved out of this Long Bill Line Item in FY 2015-16.

			17³		19⁴
Original Appropriation	\$7,722,398	\$5,147,901	\$5,147,901	\$4,307,449	\$5,938,773
Supplemental request			(\$900,000)		(\$2,150,000)
Final Appropriation	\$7,722,398	\$5,147,901	\$4,247,901	\$4,307,449	\$3,788,773
Expenditures	\$4,801,597	\$3,890,935	\$4,247,901	\$3,803,614	\$2,128,738 ⁵
Reversions	\$2,920,801	\$1,256,966	\$0	\$503,835	\$1,660,035

- o Who was/is contracted to provide services?
- o Number of clients served, with the number of children/youth separately identified?

Response: Previously, Behavioral Healthcare Incorporated was the “Momentum” contractor for FY 2014-15 through FY 2017-18. In FY 2018-19 a new procurement of this service was required and Rocky Mountain Human Services was awarded a contract for FY 2018-19 and FY 2019-20, with the Department’s option to renew for the remaining three State fiscal years.

Office of Behavioral Health Community Transition Services Line Item Momentum & Transition Services Clients Served					
Fiscal Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Contractor	Behavioral Healthcare Inc. (BHI)	Rocky Mountain Human Services			
Contract value	\$3,673,532	\$5,147,901	\$4,247,901	\$4,307,449	\$5,477,635

³ In FY 2016-17 a \$900,000 supplemental reduction request was made to the “Transition Services” Long Bill Line Item by the Department that was subsequently approved by the General Assembly.

⁴ In FY 2018-19 a \$2,150,000 supplemental reduction request under S.B 19-223 was made to the “Transition Services” Long Bill Line Item by the Department that was subsequently approved by the General Assembly.

⁵ Actual, final contract expenditures for Momentum and transition services in FY18-19 were \$3,817,600: \$2,128,738 charged to the appropriation and \$1,688,862 to Federal block grants.

Expenditures	\$813,894	\$3,890,935	\$4,247,901	\$3,803,614	\$3,817,600 ⁶
Unexpended funds	\$2,859,638	\$1,256,966	\$0	\$503,835	\$1,660,035
Momentum Clients Served:					
Adults	57	114	162	187	326
Children/Youth	0	0	0	3	37
Total	57	114	162	191	363

o What services were covered under the contract and if any particular services were excluded?

Response:

The Department contracts for intensive care planning services within the Momentum Program, to facilitate step-downs from the State mental health institutes and other psychiatric hospitals and support clients with complex mental health related needs through their transition:

- 1. Discharge Planning: Care Managers or Peer Bridgers engage clients to prior discharge and develop a plan of care that encompasses in-reach to the institution or hospital, along with a plan for community transition including interfacing with prospective providers, payers, and families, to develop a person-centered care plan.**
 - a. In order for a transition to occur, enabling the client to move to a lower acuity setting and ultimately live in the least restrictive environment possible, several resources must be identified for and available to the client prior to a discharge, which are not directly included in the scope of the contract nor the appropriation.**
 - b. Step-down housing. The Program does not provide funding for long-term housing for all clients, but does secure housing vouchers for appropriate clients. Clients who are determined to be able to live independently in the community, with intensive case management and wrap around services, may be provided with a housing voucher subject to availability through DOLA.**
 - c. Residential facilities. Many clients deemed to no longer meet the requirements to remain in the institute or psychiatric hospital, are not able to**

⁶ In addition to the \$2,128,738 expenditure from the Community Transition Services Line, \$1,266,646 was expended against the Mental Health Services Block Grant and \$422,216 from the Substance Abuse Treatment Block Grant. This occurred at FY 2018-19 fiscal year-end because of lack of spending authority available in the appropriation needed to book the supplemental budget request \$(2,150,000) against this Community Transition Services Line.

live independently in the community and instead require placement in a skilled nursing facility (SNF) or an assisted living residence (ALR). The Momentum Program facilitates discharge planning and case management with these facilities, but does not fund long-term residential placement in a SNF or ALR.

- d. Secure legal guardianship for clients, when necessary.**
- 2. On-going case management: care planning, sex offender management board treatment, polygraphs, surveillance equipment,**
- 3. Crisis stabilization,**
- 4. Guardianship fees,**
- 5. Wraparound services, such as: transportation costs, necessary assistive technology, independent living skills training, home delivered meals, pro-social activities, vocational supports, individualize peer mentoring, interpreter services, respite care for family members caring for clients,**
- 6. Other services to support the successful transition and stabilization into the community.**

o What population was served and targeted, and if there were populations that weren't authorized to serve?

Response: Since the Transition Specialist program implementation in 2013, it has evolved to serve the individuals at the Colorado Mental Health Institutes and psychiatric hospitals to serve individuals with severe mental illness and complex behavioral health needs, who have repeated admissions or are admitted to acute hospitals for longer than two weeks. Historically, the majority of the people served through the Momentum Program are adults and the most common diagnoses are bipolar disorder, schizoaffective disorder, and schizophrenia.

In FY17-18, the Momentum Program expanded the target population to include children. For children, the most common diagnoses are Depression, trauma related disorders such as PTSD, and some autism spectrum disorders.

In FY18-19, a "Transition Specialist Program" was added to target clients with severe substance use disorders who struggle to function independently in the community, and require on-going intensive wraparound services to maintain stability.

The populations covered under the Rocky Mountain Human Services contract are as follows:

- A. Clients who have barriers to successfully transitioning from inpatient settings into the community (Civil clients who have had multiple inpatient admissions or lengthy inpatient stays, Patients found Not Guilty by Reason of Insanity, or Incompetent to Proceed)**
- B. Clients who have barriers to successfully staying in the community**

C. Children and youth (under age 21) across various payer types that require intensive services and supports in order to remain in the community

- Please explain, in detail, why there are reversions. What are the barriers to spending the funding? Are there statutory changes that could be made to reduce those barriers?

Response:

The primary reasons for reversions stem from the lack of immediate availability of long-term care options that are sustainable in the community. As an example, for the children's population, there is the scarcity of residential step-down facilities, especially those that are available to serve those on the autism spectrum. The Department has at times arranged for out of state residential placements, which is not the preferred avenue. The same goes for adult clients too.

This lack of long-term residential treatment capacity and housing capacity, slows down discharges that would trigger expenditures for the temporary wraparound services from this program. Additionally, lack of capacity means more time is spent on case management efforts to find the appropriate placement needed to facilitate a transition out of the Institutes or other psychiatric hospitals.

The Division's contractor must work with facilities to accept clients that may be difficult to place because of high medical and mental health needs. This may include history of violent behavior, co-occurring medical issues, intellectual delays or disabilities, prior histories of institutionalization and criminal justice involvement (drug-related, registered sex offender), lack of available long-term care in the client's home community, and/or long-term care facility willingness and/or experienced staff to accept high acuity clients.

Funding for housing is a significant constraint, for the subset of clients who are deemed able to live independently in the community, with wrap around supports. While the program funds some housing expenses, such as DOLA housing vouchers and covering client's housing expenses in short-term/emergency situations, it does not fund long term housing costs nor long-term placements in SNF's and ALR's. The Transition Services budget line would be exhausted from bearing the cost of long-term residential and/or housing vouchers that last for many years if the Division did not assist in accessing long term care and housing with other sustainable funding.

Finally, in the event that the Department's clients do not have a familial support system, the Department's contractor must devote time and effort to the arrangement of a guardianship subcontract to facilitate community care of clients who do not have the cognitive ability to live independently in the community. Guardianship providers are scarce, expensive and complicated to arrange a fair and reasonable guardianship contract that is sustainable. The assumed liability being accepted by the guardian can be very high, and therefore the cost of guardianship would also be high, in order for a potential guardian to be willing to take on this risk.

Other considerations and/or challenges of this program include:

With regard to statutory changes that could be made to reduce those barriers, the Department would support changes in legislation that would:

- **Ensure that there is a Medicaid eligibility “pause” period where a client’s Medicaid eligibility is not interrupted when going into an institution which would make a seamless transition back into the community without having to reapply for Medicaid benefits.**
- **Collapsing statutory authority for both the Momentum contract and the Transition Specialist program that was authorized by S.B 18-270 could increase flexibility. The Appropriations for the Momentum program are authorized through Long Bill Spending authority and the Transition Specialist Program appropriation is contained in the same Long Bill Line Item.**
- **Amending the statutory language for who is eligible to receive services through the Transition Specialist Program (27-66.5, C.R.S.) could provide more flexibility in how services may be provided to eligible individuals.**
- **Due to the fact that there are limited providers in the target market (providers of housing/residential willing to accept high behavioral health needs, higher risk adults and youth), it may be necessary for the State to provide business/network development to attract potential providers and support expansion in this market. Setting up a cash fund, similar to the High Risk Families Cash Fund, funded by the reversions out of this line item with funding authority greater than one year would be extremely helpful to support capital investments in housing, SNF’s, and ALR’s. Additional uses could be directed towards start-up costs and small business supports, i.e. business consulting services to design and operationalize an economically viable housing/residential model, real estate planning and acquisition, and back-office business shared services and offload some of the administrative burden that is a barrier to market entry or financial sustainability for smaller providers lacking scale and administrative infrastructure.**
- **Are there services that were denied/not authorized for clients, or clients that were denied? If so, what were they and why were they denied?**

Response: The Department is not aware of an instance where services have been denied and there is no waitlist for the program. However, there have been disputes with families regarding the Department’s practice of having insurance and other public benefits utilized first as state general fund should be the payer of last resort. The Department has an appeals process for individuals and families to follow if there are complaints.

- **Are there other funding sources that are used prior to the utilization of these funds (such as Medicaid dollars)?**

Response: Yes, for therapeutic services the contractor works with the individual to determine which public benefits are available. Oftentimes this includes Medicaid, Medicaid, SSDI (adults), Medicaid Waiver services for IDD, traumatic brain injuries or other available waivers and for residential step-down services (typically covered by Medicaid & Medicare) However, these other revenue “offsets” are relatively small as compared to the contract value(s), as the covered services are focused on wraparound supports that are less likely to be a covered benefit under Medicaid or other insurance. The Department works with the Division of Local Affairs to arrange housing vouchers, but the vouchers are purchased from DOLA by the Contactor and are reimbursable by OBH through allowable contract expenses.

ORIGINAL WRITE-UP FROM STAFF FIGURE SETTING DOCUMENT

Note: Staff removed some detail related to the request the Committee already took action on.

→ R28 POST AFFORDABLE CARE ACT REDUCTIONS

REQUEST: The Department requests a reduction of \$1,284,000 total funds in FY 2020-21, including \$647,000 General Fund, for programs the Department has identified as underutilized as a result of expanded Medicaid coverage and benefits offered under the Affordable Care Act.

STAFF RECOMMENDATION: Staff recommends:

- Denying the reduction for the High Risk Pregnant Women program (\$637,000 reappropriated funds)
- Approving the reduction for the Short-Term Remedial Treatment program (\$247,000 General Fund)
- Approving the reduction for the Community Transition Services (or Momentum) program (\$400,000 General Fund)

The total staff recommendation is a reduction of \$647,000 General Fund.

ANALYSIS

The Department has identified three programs as underutilized (with associated reversions):

- The High Risk Pregnant Women (or Special Connections) program
- The Short-Term Remedial Treatment program
- The Community Transition Services (or Momentum) program

The table below, provided by the Department, shows appropriation and expenditures for the past three fiscal years.

Appropriation and Expenditure History			
Line Item	FY 2016-17	FY 2017-18	FY 2018-19
High Risk Pregnant Women Program			
Appropriation	\$1,600,000	\$1,662,430	\$1,838,861
Expenditures	\$1,077,589	\$1,147,889	\$138,241
Net Total	(\$522,411)	(\$514,541)	(\$1,700,620)
Short-Term Intensive Remedial Treatment Program			
Appropriation	\$3,669,435	\$4,639,123	\$4,699,085
Expenditures	\$3,541,811	\$4,267,757	\$4,070,249
Net Total	(\$127,624)	(\$371,366)	(\$628,836)
Community Transition Services			
Appropriation	\$5,147,901	\$4,307,449	\$4,350,523
Expenditures	\$4,247,901	\$3,803,614	\$2,128,738
Net Total	(\$900,000)	(\$503,835)	(\$2,221,785)

COMMUNITY TRANSITION SERVICES

Background

The Department recently rebid this contract and awarded funding to Rocky Mountain Human Services. The Department indicates that the individuals served to date often face barriers to obtaining housing, lack of skills for independent living, and have been a behavioral disturbance in their community. This program has generally focused on serving adults with diagnoses such as bipolar, schizoaffective disorder, and schizophrenia. The Department recently renamed this the “Momentum Program”, and expanded it to serve other populations requiring intensive and innovative case management services (including children and youth). The Department indicates that this program helps to reduce the criminalization of individuals with a behavioral health disorder. Please note that eligible clients include defendants who are deemed incompetent to proceed to trial.

Senate Bill 18-270 establishes the statewide Community Transition Specialist Program to coordinate referrals of high-risk individuals from hospitals and withdrawal management facilities to appropriate transition specialists. The act requires the Office of Behavioral Health to collect information concerning current practices, criteria, procedures, and system capacity for providing follow-up care for high-risk individuals after release or discharge. The act appropriated \$1,588,250 General Fund to Office for FY 2018-19, based on the assumption that services would begin January 1, 2019. The Legislative Council staff fiscal note anticipated funding to increase by another \$1,588,250 for FY 2019-20 to provide a full 12 months of services. Given that the act essentially expanded the services that have been historically funded by this line item, the new funds were appropriated to this same line item.

Analysis

The Department provided the following as reasons for underexpenditures:

- The intensity of programing has led to turnover and subsequent staffing challenges in managing the volume of work. The Department reports that they are working on strategies for staff retention.
- Many clients eligible for discharge from the Mental Health Institutes are in need of long-term housing solutions, including nursing homes, supportive housing, or step-down residential services. These patients can be difficult to place to history of sexual or physical violence and/or guardianship issues.
- Shortage of long-term housing vouchers.

Recommendation

Staff recommends approving the Department request. Compared to the total appropriation, this request is a modest reduction. While staff believes that some of the reasons for under-expending could be addressed via the budget (staff retention, for example), as noted above, if the Department is consistently under-expending their appropriation, the General Assembly may wish to spend those dollars for another purpose.