

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2016-17 AND FY 2017-18

### DEPARTMENT OF HUMAN SERVICES (Office of Early Childhood)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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# CONTENTS

Department Overview .....	1
Summary: FY 2016-17 Appropriation and Recommendation .....	1
Summary: FY 2017-18 Appropriation and Recommendation .....	2
Prioritized Supplementals in Department-assigned Order .....	4
S8 Remove Restriction for Early Intervention Services Line .....	4
S2 EI Caseload Increase .....	6
S4 Mitigation of CCCAP Waitlist .....	8
Staff-initiated Supplemental Requests .....	11
I Note Technical Correction .....	11
Early Intervention Technical Assistance .....	12
Non-prioritized Supplementals .....	14
SNP5 DHS Early Intervention Services .....	14
Numbers Pages .....	15
S2 EI Caseload Increase .....	15
S4 Mitigation of CCCAP Waitlist .....	16
Early Intervention Technical Assistance .....	17

# DEPARTMENT OF HUMAN SERVICES

## DEPARTMENT OVERVIEW

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, the Supplemental Nutrition Assistance Program (food stamps), child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing childcare facilities and for the care and treatment of the State's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for persons with developmental disabilities, and ten institutions for juvenile delinquents. The Department also provides funding for the care of indigent mentally ill people, contracts with community centered boards for services for children qualifying for early intervention services, and contracts for the supervision and treatment of delinquent juveniles.

## SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

### REQUEST/RECOMMENDATION DESCRIPTIONS

**S8 REMOVE FY 16-17 EI OVER EXPENDITURE:** The request includes \$708,131 General Fund to release the restriction on FY 2017-18 funds due to an over expenditure in the Early Intervention Services line item in FY 2016-17. The recommendation is \$708,131 General Fund to release the restriction on this line item.

# SUMMARY: FY 2017-18 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF HUMAN SERVICES: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION</b>						
SB 17-254 (Long Bill)	\$220,436,325	\$71,298,895	\$50,369,615	\$6,696,282	\$92,071,533	88.8
<b>CURRENT FY 2017-18 APPROPRIATION</b>	<b>\$220,436,325</b>	<b>\$71,298,895</b>	<b>\$50,369,615</b>	<b>\$6,696,282</b>	<b>\$92,071,533</b>	<b>88.8</b>
<b>RECOMMENDED CHANGES</b>						
Current FY 2017-18 Appropriation	\$220,436,325	71,298,895	\$50,369,615	\$6,696,282	\$92,071,533	88.8
S4 Mitigation of CCCAP waitlist	7,250,000	0	1,500,000	0	5,750,000	0.0
S2 Early intervention caseload increase	5,600,000	5,081,956	0	518,044	0	0.0
Staff initiated EI technical assistance	19,000	19,000	0	0	0	1.0
Staff initiated I notation technical correction	0	0	0	0	0	0.0
S12 Child Care Development Fund transfer	(250,000)	0	0	0	(250,000)	0.0
S10 Indirect costs technical adjustment	(771,381)	918,536	(1,730,624)	(40,923)	81,630	0.0
<b>RECOMMENDED FY 2017-18 APPROPRIATION</b>	<b>\$232,283,944</b>	<b>\$77,318,387</b>	<b>\$50,138,991</b>	<b>\$7,173,403</b>	<b>\$97,653,163</b>	<b>89.8</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>\$11,847,619</b>	<b>\$6,019,492</b>	<b>(\$230,624)</b>	<b>\$477,121</b>	<b>\$5,581,630</b>	<b>1.0</b>
Percentage Change	5.4%	8.4%	(0.5%)	7.1%	6.1%	1.1%
<b>FY 2017-18 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$5,350,899	\$1,349,097	\$1,730,661	\$40,923	\$2,230,218	(1.0)

\*Highlighted lines are supplemental requests that are presented by staff members in other divisions but are reflected in the Office of Early Childhood

## REQUEST/RECOMMENDATION DESCRIPTIONS

**S4 MITIGATION OF CCCAP WAITLIST:** The request includes an increase of \$14.0 million total funds, including \$4.5 million General Fund and \$1.5 million from the Temporary Assistance for Needy Families reserve to mitigate the waitlists in the Colorado Child Care Assistance Program (CCCAP). The recommendation is an increase of \$7.25 million total funds.

**S2 EI CASELOAD INCREASE:** The request includes an increase of \$3.4 million total funds, of which \$2.9 million is General Fund and \$518,044 is reappropriated funds for adjustments on early intervention direct services and service coordination due to caseload increase. The recommendation is an increase of \$5.6 million total funds, of which \$5.1 million is General Fund.

**STAFF-INITIATED EARLY INTERVENTION TECHNICAL ASSISTANCE:** The request includes an increase of \$19,000 General Fund for billing and coding technical assistance in the Office of Early Childhood.

**STAFF-INITIATED I NOTATION TECHNICAL CHANGE:** The request includes \$0 total funds. A technical error the federal funds for this line item and was left off the FY 2018-18 Long Bill (S.B. 17-254) due to a technical error

**NPS05 DHS EARLY INTERVENTION:** The request includes an increase of \$518,044, including \$259,022 General Fund for early intervention services. These funds originate in the Department of

Health Care and Policy Financing and then is reappropriated to the Department of Human Services. The recommendation is to apply the committees decision from S2 as these funds correspond to the reappropriated funds in that request.

## PRIORITIZED SUPPLEMENTAL REQUESTS

### S8 REMOVE RESTRICTION FOR EARLY INTERVENTION SERVICES LINE

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$708,131</b>	<b>\$708,131</b>
FTE	0.0	0.0
General Fund	708,131	708,131
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

**DEPARTMENT REQUEST:** The Department requests an increase of \$708,131 General Fund for FY 2016-17 to release the restriction on the Department's FY 2017-18 appropriation due to over expenditures in the Early Intervention Services line item during FY 2016-17.

**STAFF RECOMMENDATION:** Staff recommends an increase of \$708,131 General Fund to release the restriction on the Early Intervention Services line item from an over expenditure on that line during FY 2016-17.

**STAFF ANALYSIS:** The supplemental budget request is the result of an over expenditure for early intervention services (EI). The Individuals with Disabilities Act (IDEA) require early intervention services, and the identification of those services, to maintain eligibility for certain federal grants. As such, Section 24-75-109(b), C.R.S. allows over expenditures for these services. However, the over expenditure resulted in a restriction by the controller in the current fiscal year. If this request is approved, the appropriation in FY 2016-17 will release the restriction on the line item for the same amount in FY 2017-18.

This over expenditure was due to larger than expected caseload growth and additional Child Find assessments performed by the Community Centered Boards (CCBs). The caseload growth in the last quarter of the fiscal year was much larger than anticipated. This growth was not known in time for the FY 2016-17 supplemental process or the FY 2017-18 budget process. This was due to a system change that caused a lag in billings, which masked the growth. The cost for the services for this growth was \$531,026.

The timely identification of infants and youths needing EI services is required by IDEA, as is the provision of those services. As part of the Child Find process (staff presented a briefing issue on this during the FY 2018-19 budget briefing for the Office of Early Childhood), the CCBs had to perform these identifications in FY 2016-17 to help maintain the 45 day compliance timeline for the process. The cost for this was \$177,105, bringing the total unexpected expenses in FY 2016-17 to \$708,131.

If these expenditures had been known during either of the previous processes described in the paragraphs above, it would have annualized into the line item for future fiscal years. As such, staff annualizes this request as part of the staff recommendation for S2, which is the next supplemental request in this document.

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## S2 EI CASELOAD INCREASE

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$3,381,398</b>	<b>\$5,600,000</b>
FTE	0.0	0.0
General Fund	2,863,354	5,081,956
Cash Funds	0	0
Reappropriated Funds	518,044	518,044
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made

**DEPARTMENT REQUEST:** The Department requests an increase of \$3,381,398 total funds, including \$2.9 million General Fund for caseload increases in the early intervention program.

**STAFF RECOMMENDATION:** Staff recommends an increase of \$5.6 million total funds, of which \$5.1 million is General fund. This request annualizes to \$5.6 million in the FY 2018-19 budget. Of the \$5.6 million, \$708,131 is the annualization of supplemental request S8 above.

Staff also recommends that NPS05 be included as part of this request as the reappropriated funds in S2 are transferred from the Department of Health Care and Policy Financing through NPS05.

**STAFF ANALYSIS:** The supplemental budget request includes an increase of \$5.6 million total funds. The request involves the same early intervention services mentioned in the previous supplemental description above. Similar to the previous fiscal year, the caseload growth was larger than anticipated, which resulted in the need for this supplemental request. The average monthly number of individuals in Colorado that receive EI services is 8,200. The program has experience growth upwards of six percent over the past several fiscal years. The amount in this request covers 287 children for direct services, service coordination for 648 children, and Child Find evaluations for 1,363 infants and toddlers.

### *Child Find Evaluations*

The CCBs has increased the number of evaluations it performs under the Child Find process over the last several fiscal years. In FY 2013-14, CCBs performed 171 Child Find evaluations and in FY 2016-17 CCBs performed 800 Child Find evaluations. Based on historical patterns, current evaluation numbers, and projected growth, it is estimated that the CCBs will perform 1,363 Child Find evaluations in FY 2017-18.

### *Services*

The need for direct services and service coordination has increased in the current fiscal year faster than projected. The growth rate in the need for direct services has increased by 287 and the need for service coordination has increased by 648 children.

*Difference between Department Request and Staff Recommendation*

The differences between the two requests are \$2.2 million General Fund. This difference is the result of two factors. The first is the annualization of S8, which staff's recommendation includes but was excluded in the Department's request. In FY 2016-17, the program experienced growth that has not subsided. In fact, that growth has continued year after year. This means that the growth should be annualized to capture the continuing costs of the growth from previous years. The growth was never captured in FY 2016-17 supplemental process, nor was it captured during the FY 2017-18 budget process as the data was not available until after both process were completed. This means that it should be captured if S8 above is approved by the committee. This accounts for \$708,131 of the difference between the Department's request and staff's recommendation.

The second difference comes from staff's analysis of the actual expenditures to date. Staff used the same growth rate as the Department, but used current and historical expenditures to adjust the costs needed for the remainder of FY 2017-18. Staff believes that the adjustments produces a number far closer to what the actual expenditures will be in FY 2017-18. This accounts for \$1.5 million of the difference between the Department's request and staff's recommendation.

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## S4 MITIGATION OF CCCAP WAITLIST

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$14,067,037</b>	<b>\$7,250,000</b>
FTE	0.0	0.0
General Fund	4,505,235	0
Cash Funds	1,500,000	1,500,000
Federal Funds	8,061,802	5,750,000

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

**DEPARTMENT REQUEST:** The Department requests \$14.0 million total funds including \$4.5 million General Fund and \$1.5 million from the Temporary Assistance for Needy Families reserve to mitigate the Colorado Child Care Assistance Program (CCCAP) waitlists.

**STAFF RECOMMENDATION:** Staff recommends that the Committee appropriate \$7.25 million total funds for the CCCAP program. This recommendation includes \$1.5 million cash funds/county match, \$1.5 million TANF reserve, and \$4.25 million Child Care Development Funds (CCDF). This would equate to a 1.25 percent increase (from 13% to 14.25 percent) in the amount of the CCCAP population the state can serve.

**STAFF ANALYSIS:** The supplemental budget request includes an increase of \$14.0 million total funds, which breaks down to \$4.5 million General Fund, \$6.6 million Child Care Development Funds (CCDF), \$1.5 million cash funds/county match, and \$1.5 million Temporary Assistance for Needy Families (TANF) Long-term Work reserve. In addition, the Department has submitted a budget request for an additional \$10.4 million in FY 2018-19 for a total of \$24.4 million over 1.5 years.

Staff has multiple concerns with the supplemental request including: using waitlists as a factor for funding, the funding allocation, eliminating the CCDF reserve, the ability for counties to use internal “levers” that affect eligibility and state funding, and the ultimate position this request puts the General Assembly in for future fiscal years.

The first concern is using waitlists as a determination of need. Waitlists are an extremely poor measure that fails to accurately predict the actual need in the state and the geographic location of the need. Furthermore, waitlists are highly susceptible to manipulation by the counties. Waitlists can easily be created by simply changing the federal poverty level (FPL). A county can move the FPL on eligible for CCCAP from 185 percent to 225 percent and essentially create a waitlist overnight. In addition, the accuracy of waitlists are highly questionable, as individuals who have been on the list for a lengthy period have likely found another option. Using waitlists for budgetary purposes allows counties to manipulate the system and misinforms the legislature of the scale of the problem at the expense of other counties, the state, and taxpayers.

The allocation of the funding is the next concern with this supplemental request. This request intends to first allocate the funds to the ten counties with current waitlists. After those counties are funded, the remaining funds will be distributed to the other counties. This creates two major problems that staff believes only exacerbates the issues with the program. The first problem is that this request treats counties differently based on the ability to manipulate the system. Many counties have used other funding sources and reserves to prevent waitlists. The request essentially punishes those counties for doing so by reducing the amount they would receive through this request. The second problem is the request creates an incentive for counties to not spend local funds or reserve funds. The approval of the Department's request sends a message to counties that they can create waitlists and over spend the allocation with the knowledge that they will be backfilled with state funds. This will lead to larger requests for funding in the future.

The last concern presented by staff is the funding sources found in the request. The largest problem is the elimination of the CCDF reserve through this request. The request includes using \$19 million of the reserve in the current fiscal year and ultimately spends all \$31 million of the CCDF reserve in a 1.5 year period. The spending of these funds over the next 1.5 years creates a large "cliff" at the end of the FY 2018-19 budget with no reserve to mitigate any lack of funding. In essence, this elimination transforms the current small cliff to a Grand Canyon sized cliff by the end of FY 2018-19.

While the intended purpose of this request was to "put out fires" that currently exist, the reality is this request places the legislature in a no win situation. This course of action would leave the General Assembly with two options after FY 2018-19; either kick families out of the CCCAP program or fund the program at a potential annual cost of \$106 million total funds, of which \$39 million would be General Fund. This would be an annual increase of over \$14 million General Fund as compared to current levels.

Staff recommends changes to the funding of the program to provide stability for future planning by the state and counties. The first recommendation from staff is using a more stable funding method that is less susceptible to manipulation. A far better method of measuring the need for this program is to compare the percentage of use by total population verses the CCCAP population. Twenty-seven percent of the general population uses daycare. Currently, there is enough funding for CCCAP participants to use daycare at a rate of thirteen percent. The difference between the CCCAP participation rate and the general population rate would make a good predictor of the unmet need in the program. This would also allow for an apple-to-apple comparison between counties that would provide a level funding field without the ability to manipulate the system. Generally speaking, the cost to increase the CCCAP participation rate is \$5.8 million per percentage point, which calculates to \$80 million to fully fund the unmet need in the program to a comparable level of the general population.

The second recommendation is for the state to set a standard funding level for all counties, with exceptions for items such as disparate income ranges within a county, poverty, and taxable base. This would provide stability for planning purposes for the state and the counties. This would also allow the state to set funding goals for the program that would be measurable and reliable. Staff has been working with stakeholders on the appropriate levels and exceptions with a timeframe of presenting the proposed changes during figure setting.

The third recommendation is to review and make changes to how allocations of funds are distributed for the program based on the changes recommended above. Similar to the second recommendation above, Staff has been working with stakeholders on the appropriate allocations with a timeframe of presenting the proposed changes during figure setting.

Finally, staff recommends distribution of the recommended funds differently from the Department. While the allocation process has its own issues, this should be the method of distribution until a better system is established. This would disperse the funds in a more equitable manner.

These changes would help better inform the conversation on how to fund the program. Because of local control, and the ability to run the program differently by county, it has been difficult to have tangible discussions on the program. Reorienting how the program is discussed and funded provides for an environment where the funds are directed to the areas and families with the greatest needs. It also allows for direct discussion on what the appropriate funding levels should be and the goals the General Assembly has for funding the program. Without these changes, it will continue to be difficult to make funding decision that have the intended impact of the legislature.

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## STAFF-INITIATED SUPPLEMENTAL REQUESTS

### STAFF-INITIATED: I NOTATION TECHNICAL CHANGE

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?      YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff believes this request falls within a technical error in calculating the original appropriation.

**DEPARTMENT REQUEST:** The Department did not request this change. However, the Department is aware of staff's recommendation and is supportive of it.

**STAFF RECOMMENDATION:** Staff recommends that the Committee add an I notation to the Promoting Safe and Stable Families line item.

**STAFF ANALYSIS:** The supplemental budget request is to add an I notation to the Promoting Safe and Stable Families line item. The I notation applies to the federal funds for this line item and was left off the FY 2018-18 Long Bill (S.B. 17-254) due to a technical error. These funds are information and without the I notation, the controller will restrict the federal funds in that line item. This line item has historically had the I notation.

STAFF-INITIATED: EARLY INTERVENTION TECHNICAL ASSISTANCE

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$0</b>	<b>\$19,000</b>
FTE	0.0	1.0
General Fund	0	19,000
Cash Funds	0	0
Federal Funds	0	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**  
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff data that was not available when the original appropriation was made

**DEPARTMENT REQUEST:** The Department did not request this technical assistance. However, the Department is aware of staff's recommendation.

**STAFF RECOMMENDATION:** Staff recommends that the Committee appropriate \$19,000 General Fund and 1.0 FTE for billing and coding technical support for early intervention services in the Office of Early Childhood. This annualizes to \$38,000 General Fund in FY 2018-19 and beyond.

**STAFF ANALYSIS:** The supplemental budget request is for an increase of \$19,000 General Fund in the Early Intervention Services line item for FY 2017-18. This annualizes to \$38,000 in FY 2018-19 and beyond. These funds would be used for a billing and coding professional to provide technical assistance to early intervention service providers.

During the interim, staff met with multiple stakeholders in all areas of early intervention. During these meetings, one issue stood out as a problem for every stakeholder staff engaged, which was bill for services. There is a large amount of confusion around early intervention billing. This confusion spanned across the various funding sources (private insurance, Medicaid, state funds, etc). This confusion centers around what items can be billed, which source to bill them to, the codes to use for billing, and how to register as a provider for certain services. The combination of these issues creates problems for providers of EI services. These problems filter up to the Department and down to families.

An example of a problem is understanding which Medicaid codes to use for EI services (i.e. Medicaid uses clinical billing and EI uses non-clinical billing). This has created cash flow problems for many providers as a wrong coding can get a claim delayed or denied. It can also be time consuming for these providers to figure out the system and process the billing. This leads to reduced time for these providers to provide direct services. Another example comes from the different understandings of what can be billed and to whom. This creates circumstances where payments for the same services differ among providers based on knowledge of the system.

Registering as a provider can be cumbersome in multiple areas. Some of the registration portals are lengthy, they ask vague questions that can delay an application if answered incorrectly, and can take months for approval. Any misstep in the process can cause lengthy delays or even require the provider to start over from scratch.

Throughout all the discussions staff had with stakeholders, it became apparent that the program could use a central place for billing and coding information. A resource that could point a provider in the right direction or answer a question that results in major time savings, not to mentioned reduced frustrations from the providers who often find themselves in limbo with the current system.

The best place to house this resource would be within the Department of Human Services', Office of Early Childhood (OEC). OEC has the programmatic expertise to inform the technical assistance to the providers. The Department also houses the billing components of the program which allows it to ensure that the same information is passed out to all the providers, reducing conflicting information and confusion.

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**NON-PRIORITIZED SUPPLEMENTAL REQUESTS**  
**HEALTH CARE POLICY AND FINANCING REQUEST**  
**SNP5 DHS EARLY INTERVENTION**

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$518,044</b>	<b>\$518,044</b>
FTE	0.0	0.0
General Fund	259,022	259,022
Cash Funds	0	0
Federal Funds	259,022	259,022

**DEPARTMENT REQUEST:** The Department requests \$518,044 total funds, including \$259,022 General Fund for early intervention services.

**STAFF RECOMMENDATION:** Staff recommends that the Committee incorporate the decision made in S2 above for this non-prioritized decision item as this is the original source of the reappropriated funds in S2 above. The use of General Fund allows for a federal match that is then reappropriated to the Early Intervention Services line item in the Department of Human Services.

*JBC Staff Supplemental Recommendations - FY 2017-18*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	FY 2016-17 Actual	FY 2017-18 Appropriation	FY 2017-18 Requested Change	FY 2017-18 Rec'd Change	FY 2017-18 Total w/Rec'd Change
<b>DEPARTMENT OF HUMAN SERVICES</b>					
<b>Reggie Bicha, Executive Director</b>					
<b>S2 EI Caseload Increase</b>					
<b>(6) OFFICE OF EARLY CHILDHOOD</b>					
<b>(B) Division of Community and Family Support</b>					
Early Intervention Services	<u>43,825,823</u>	<u>44,597,569</u>	<u>1,985,314</u>	<u>3,485,314</u>	<u>48,082,883</u>
FTE	6.5	6.5	0.0	0.0	6.5
General Fund	23,304,162	23,630,843	1,985,314	3,485,314	27,116,157
Cash Funds	12,518,502	12,693,988	0	0	12,693,988
Federal Funds	8,003,159	8,272,738	0	0	8,272,738
Early Intervention Services Case Management	<u>7,960,959</u>	<u>11,138,994</u>	<u>1,396,084</u>	<u>2,114,686</u>	<u>13,253,680</u>
General Fund	4,421,631	4,483,635	878,040	1,596,642	6,080,277
Reappropriated Funds	3,539,328	6,655,359	518,044	518,044	7,173,403
<b>Total for S2 EI Caseload Increase</b>	<b>51,786,782</b>	<b>55,736,563</b>	<b>3,381,398</b>	<b>5,600,000</b>	<b>61,336,563</b>
FTE	<u>6.5</u>	<u>6.5</u>	<u>0.0</u>	<u>0.0</u>	<u>6.5</u>
General Fund	27,725,793	28,114,478	2,863,354	5,081,956	33,196,434
Cash Funds	12,518,502	12,693,988	0	0	12,693,988
Reappropriated Funds	3,539,328	6,655,359	518,044	518,044	7,173,403
Federal Funds	8,003,159	8,272,738	0	0	8,272,738

*JBC Staff Supplemental Recommendations - FY 2017-18*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2016-17 Actual	FY 2017-18 Appropriation	FY 2017-18 Requested Change	FY 2017-18 Rec'd Change	FY 2017-18 Total w/Rec'd Change
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**S4 Mitigation of CCCAP Waitlist**

**(6) OFFICE OF EARLY CHILDHOOD**

**(A) Division of Early Care and Learning**

Child Care Assistance Program	<u>91,187,197</u>	<u>92,147,947</u>	<u>14,067,037</u>	<u>7,250,000</u>	<u>99,397,947</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	24,456,347	24,791,827	4,505,235	0	24,791,827
Cash Funds	9,762,470	9,899,322	1,500,000	1,500,000	11,399,322
Federal Funds	56,968,380	57,456,798	8,061,802	5,750,000	63,206,798

<b>Total for S4 Mitigation of CCCAP Waitlist</b>	91,187,197	92,147,947	14,067,037	7,250,000	99,397,947
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	24,456,347	24,791,827	4,505,235	0	24,791,827
Cash Funds	9,762,470	9,899,322	1,500,000	1,500,000	11,399,322
Federal Funds	56,968,380	57,456,798	8,061,802	5,750,000	63,206,798

*JBC Staff Supplemental Recommendations - FY 2017-18*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2016-17 Actual	FY 2017-18 Appropriation	FY 2017-18 Requested Change	FY 2017-18 Rec'd Change	FY 2017-18 Total w/Rec'd Change
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**Staff-initiated EI technical assistance**

**(6) OFFICE OF EARLY CHILDHOOD**

**(B) Division of Community and Family Support**

Early Intervention Services	<u>43,825,823</u>	<u>44,597,569</u>	<u>19,000</u>	<u>44,616,569</u>	
FTE	6.5	6.5	1.0	7.5	
General Fund	23,304,162	23,630,843	19,000	23,649,843	
Cash Funds	12,518,502	12,693,988	0	12,693,988	
Federal Funds	8,003,159	8,272,738	0	8,272,738	

<b>Total for Staff-initiated EI technical assistance</b>	43,825,823	44,597,569	19,000	44,616,569	
FTE	<u>6.5</u>	<u>6.5</u>	<u>1.0</u>	<u>7.5</u>	
General Fund	23,304,162	23,630,843	19,000	23,649,843	
Cash Funds	12,518,502	12,693,988	0	12,693,988	
Federal Funds	8,003,159	8,272,738	0	8,272,738	

<b>Totals Excluding Pending Items</b>					
<b>HUMAN SERVICES</b>					
<b>TOTALS for ALL Departmental line items</b>	1,869,828,418	2,035,604,120	17,448,435	12,869,000	2,048,473,120
FTE	<u>4,729.7</u>	<u>4,937.6</u>	<u>0.0</u>	<u>1.0</u>	<u>4,938.6</u>
General Fund	823,299,481	866,955,020	7,368,589	5,100,956	872,055,976
Cash Funds	374,557,668	415,732,200	1,500,000	1,500,000	417,232,200
Reappropriated Funds	102,511,241	174,562,607	518,044	518,044	175,080,651
Federal Funds	569,460,028	578,354,293	8,061,802	5,750,000	584,104,293

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Representative Hamner  
FROM Vance Roper, JBC Staff (303-866-3147)  
DATE January 23, 2018  
SUBJECT Staff CCCAP Recommendation Overview

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Staff's CCCAP recommendation for the Department of Human Services' supplemental request (S4) does the following:

- Staff recommends \$7.25 million total funds in FY 2017-18. These funds annualize to \$7.25 million in FY 2018-19. This is a recommended funding of \$14.5 million total funds over 1.5 years. Staff's recommendation for building the base means that the state can increase assistance on a permanent basis by 1.25 percent in the CCCAP population.
- The Department's request does not annualize the funding, which means the \$14.5 million total funds in the request in one-time funding that the Department does not propose to be sustainable. This means the state increases services for 6 months and then the program runs out of funding for those increased services.
- The Department's request in the budget amendment for FY 2018-19 proposes \$10.4 million total funds that does not annualize, making it one-time funding. Staff's recommendation in figure setting will be base building and increases the assistance to families on a permanent basis.
- Currently, counties can create waitlists on demand by simply changing the eligibility through the federal poverty level. This manipulates the system and drives funding in a manner that is not equitable.
- Staff recommends changing the funding method for the program to a percentage based model with exceptions for items such as disparate income ranges within a county, poverty, and taxable base. This allows for a comparison between the CCCAP population and the general population, which enables the legislature to discuss the funding needs with tangible numbers that cannot be manipulated.

Staff is available to discuss this document, the supplemental request/recommendation, or any concerns that may arise.