

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2021-22

DEPARTMENT OF HUMAN SERVICES (Division of Child Welfare and Division of Youth Services)

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

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JANUARY 13, 2022

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DEPARTMENT OF HUMAN SERVICES

DEPARTMENT OVERVIEW

The Department of Human Services (DHS) is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State. This document concerns the Divisions of Child Welfare and Youth Services. The Division of Child Welfare provides funding for programs that assist families and protect children from harm, including kinship and residential care. The Division of Youth Services is responsible for the supervision, care, and treatment of juveniles held in secure detention facilities pre- or post-adjudication, juveniles committed or sentenced by courts, and juveniles receiving mandatory parole services following commitment.

Certain programs within the Department receive funding through the Medicaid program. The federal Medicaid funds that support DHS programs and any state matching funds are first appropriated to the Department of Health Care Policy and Financing and subsequently reappropriated to DHS for various programs. Within the Department of Health Care Policy and Financing's budget, these funds are reflected in the section entitled: Department of Human Services Medicaid-Funded Programs (Division 7). Both divisions in this document receive reappropriated Medicaid Funds.

SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF HUMAN SERVICES: RECOMMENDED CHANGES FOR FY 2021-22						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
SB 21-205 (Long Bill)	\$707,781,232	\$442,518,428	\$109,223,469	\$16,716,688	\$139,322,647	1,291.1
Other legislation	1,629,018	1,222,887	102,125	(98,199)	402,205	(22.0)
CURRENT FY 2021-22 APPROPRIATION:	\$709,410,250	\$443,741,315	\$109,325,594	\$16,618,489	\$139,724,852	1,269.1
RECOMMENDED CHANGES						
Current FY 2021-22 Appropriation	\$709,410,250	\$443,741,315	\$109,325,594	\$16,618,489	\$139,724,852	1,269.1
S2 Federal Title IV-E spending authority	391,321	0	391,321	0	0	0.0
S3 Legal Representation spending authority	27,382	0	27,382	0	0	0.0
RECOMMENDED FY 2021-22 APPROPRIATION:	\$709,828,953	\$443,741,315	\$109,744,297	\$16,618,489	\$139,724,852	1,269.1
RECOMMENDED INCREASE/(DECREASE)	\$418,703	\$0	\$418,703	\$0	\$0	0.0
Percentage Change	0.1%	0.0%	0.4%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

The table does not reflect a staff initiated technical correction discussed in this document as the adjustment only impacts the Department of Health Care Policy and Financing budget and does not impact the Department of Human Services.

REQUEST/RECOMMENDATION DESCRIPTIONS

S2 EXCESS FEDERAL TITLE IV-E CASH FUND SPENDING AUTHORITY: The request includes an increase of \$391,321 cash fund spending authority from the Excess Federal Title IV-E

Reimbursements Cash Fund in FY 2021-22 to provide post-permanency services to eligible families. The Department has submitted a related budget amendment to request this adjustment for FY 2022-23 and ongoing. Staff recommends approval of the request.

S3 LEGAL REPRESENTATION CASH FUND SPENDING AUTHORITY: The request includes an increase of \$27,382 cash fund spending authority from the Title IV-E Administrative Cost Cash Fund in FY 2021-22 to align spending authority with Title IV-E expenses from the Office of the Respondent Parents' Counsel and the Office of the Child's Representative in the Judicial Branch. The Department has submitted a related budget amendment to request this adjustment for FY 2022-23 and ongoing. Staff recommends approval of the request.

STAFF INITIATED TECHNICAL CORRECTION: Staff recommends a technical correction for a decrease of \$391,364 total funds to the Division of Youth Services – Medicaid Funding line item in the Department of Health Care Policy and Financing budget to align the FY 2021-22 appropriation with the related Medicaid appropriations in the Department of Human Services. This recommendation only impacts the Department of Health Care Policy and Financing budget and is therefore not reflected in the summary table above for the Department of Human Services.

PRIORITIZED SUPPLEMENTAL REQUESTS

S2 EXCESS FEDERAL TITLE IV-E CASH FUND SPENDING AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	\$391,321	\$391,321
FTE	0.0	0.0
General Fund	0	0
Cash Funds	391,321	391,321
Reappropriated 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 \$391,321 cash fund spending authority from the Excess Federal Title IV-E Reimbursements Cash Fund in FY 2021-22 to align spending authority with adoption savings from the Title IV-E Adoption Assistance Program. The Department has submitted a related budget amendment to request this adjustment for FY 2022-23 and ongoing.

STAFF RECOMMENDATION: JBC staff recommends approval of the Department’s request.

STAFF ANALYSIS:

The Adoption Assistance Program provides expanded eligibility provisions for any child who meets the criteria for an “applicable child” as defined in section 473(e) of the Social Security Act. Application of the Act’s provisions tends to result in more children being determined Title IV-E eligible as it decouples eligibility for the Title IV-E Adoption Assistance Program from the Aid to Families with Dependent Children requirements. Federal law requires Title IV-E agencies to spend an amount equal to any savings they achieve as a result of applying the differing program eligibility criteria for other child welfare activities permitted under Titles IV-B or IV-E of the Act. These funds are referred to as “adoption savings.”

Adoption savings is calculated from an assessment of Title IV-E Adoption Assistance Program claims made for children who would not have been eligible for Title IV-E adoption assistance absent the applicable child eligibility criteria. It is generally equal to the federal share of the claims since, in most instances, that amount would have been paid from non-federal Title IV-E agency funds. Adoption savings are deposited into the Excess Federal Title IV-E Reimbursements Cash Fund.

REQUEST SUMMARY	
Fund Balance	\$864,023
Estimated FFY 2021 Savings	921,298
Total Spending Authority Needed	\$1,785,321
Existing Spending Authority (SB 21-205)	1,394,000
Difference (Supplemental Request)	\$391,321

The increased spending authority will support adoption services. Overall, the Adoption Savings line item supports the following activities:

- Adoption services (\$1,091,321, including requested increase), providing counties with additional resources for supportive services to families moving toward adoption or relative guardianship; building partnerships with nonprofits to provide intensive adoptive family recruitment for children/youth served in the child welfare system; and supporting families and children through training, mental health services, and relationship building;
- Post-permanency prevention services (\$600,000), providing services to families after permanency has been achieved through adoption, guardianship, or reunification. Services can include respite, trauma informed training, support groups, in home services, an online directory of mental health and community services, and regional resource navigation;
- NEICE activities (\$85,000), ensuring that the State complies with federal requirements related to a centralized electronic interstate case processing system for securely exchanging data and documents required by the Interstate Compact on the Placement of Children;
- Interstate Compact on Adoption and Medical Assistance (ICAMA) membership (\$7,500), allowing the Department to utilize agreements between and among the member states enabling coordination of provisions of medical benefits and services to children and youth receiving adoption assistance or relative guardianship assistance in interstate cases; and
- Voice for Adoptions (\$1,500) membership, allowing the State to recruit nationally on behalf of Colorado children and youth.

JBC staff recommends approval of the Department’s request to supplement adoption services and align cash fund spending authority with adoption savings from the Title IV-E Adoption Assistance Program.

S3 LEGAL REPRESENTATION CASH FUND SPENDING AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	\$27,382	\$27,382
FTE	0.0	0.0
General Fund	0	0
Cash Funds	27,382	27,382
Reappropriated 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 new data available to the Department and a technical error in calculating the original appropriation.

DEPARTMENT REQUEST: The Department requests an increase of \$27,382 cash fund spending authority from the Title IV-E Administrative Cost Cash Fund in FY 2021-22 to align spending authority with Title IV-E expenses from the Office of the Respondent Parents’ Counsel and the Office

of the Child’s Representative under the Judicial Branch. The Department has submitted a related budget amendment to request this adjustment for FY 2022-23 and ongoing.

STAFF RECOMMENDATION: Staff recommends approval of the Department’s request.

STAFF ANALYSIS:

Senate Bill 19-258 (Child Welfare Prevention and Intervention Funding) created the Title IV-E Administrative Cost Cash Fund into which federal Title IV-E reimbursements for certain legal administrative costs associated with out of home legal activities are deposited. As the State’s Title IV-E agency, the Department of Human Services receives the reimbursements for the legal representation of:

- The Title IV-E agency;
- A candidate for Title IV-E foster care; or
- A Title IV-E eligible child in foster care and the child’s parents in order to prepare for and participate in all stages of foster care related legal proceedings.

Pursuant to S.B. 19-258, approved purposes for which the funds in the Title IV-E Administrative Cost Cash Fund may be used include, but are not limited to: advocacy for unhoused and at-risk youth, education advocacy, and activities and advocacy in specialty courts that serve children and families involved in the child welfare system. Funds are distributed to the Office of the Child’s Representative (OCR) and the Office of the Respondent Parents’ Counsel (ORPC) according to Memorandums of Understanding between the agencies and the Department. Cash fund spending authority is provided in the Department of Human Services section of the Long Bill, and funds are subsequently reappropriated to the OCR and ORPC in the Judicial Branch.

The Department requests an increase of \$27,382 cash fund spending authority in FY 2021-22 to align the Department’s cash fund spending authority with the total reappropriated funds spending authority in the OCR and ORPC. The Department has submitted a related budget amendment to request the same adjustment for FY 2022-23 and ongoing. JBC staff recommends approval of the technical correction to align the Department’s cash fund spending authority with the OCR and ORPC reappropriated funds spending authority.

DEPARTMENT OF HUMAN SERVICES			
S3 LEGAL REPRESENTATION CASH FUND SPENDING AUTHORITY			
	OCR	ORPC	TOTAL
Judicial Long Bill Appropriation	\$1,746,024	\$5,278,136	\$7,024,160
DHS Child Welfare Legal Representation Appropriation	1,735,536	5,261,242	6,996,778
Difference (Requested increase)	\$10,488	\$16,894	\$27,382

STAFF-INITIATED SUPPLEMENTAL REQUESTS

STAFF-INITIATED TECHNICAL CORRECTION – DEPARTMENT OF HEALTH CARE POLICY AND FINANCING MEDICAID FUNDS

	REQUEST	RECOMMENDATION
TOTAL	\$0	(\$391,364)
FTE	0.0	0.0
General Fund	0	(187,772)
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	(203,592)

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 made a technical error in calculating the original appropriation.

DEPARTMENT REQUEST: The Department did not request but is aware of JBC staff's recommendation for this technical correction.

STAFF RECOMMENDATION: JBC staff recommends a decrease of \$391,364 total funds to the Division of Youth Services – Medicaid Funding line item in the Department of Health Care Policy and Financing budget to align the FY 2021-22 appropriation with Medicaid appropriations in the Department of Human Services.

STAFF ANALYSIS

The Department of Human Services is required to coordinate with the Department of Health Care Policy and Financing (HCPF) to ensure that the line items in HCPF's Division 7, Department of Human Services Medicaid-Funded Programs, reflect the appropriate level of Medicaid funding to support DHS programs.

Staff identified a data entry error that caused the FY 2021-22 HCPF Medicaid appropriations for DYS to be \$391,364 total funds higher than the related appropriations in DHS. The recommended adjustment would align the Medicaid appropriation with the existing Federal Medical Assistance Percentage (FMAP) for DYS in FY 2021-22 of 52.0 percent. The Department of Health Care Policy and Financing has requested a supplemental adjustment to increase the FMAP to 54.65 percent. This request will be considered during the staff presentation for HCPF on January 20, 2022.

JBC Staff Supplemental Recommendations - FY 2021-22
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2021-22 Requested Change	FY 2021-22 Rec'd Change	FY 2021-22 Total w/Rec'd Change
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DEPARTMENT OF HUMAN SERVICES
Michelle Barnes, Executive Director

S2 Excess federal Title IV-E cash fund spending authority

(5) DIVISION OF CHILD WELFARE

Adoption Savings	<u>609,000</u>	<u>1,394,000</u>	<u>391,321</u>	<u>1,785,321</u>
General Fund	0	0	0	0
Cash Funds	609,000	1,394,000	391,321	1,785,321
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

Total for S2 Excess federal Title IV-E cash fund spending authority	609,000	1,394,000	391,321	1,785,321
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0
Cash Funds	609,000	1,394,000	391,321	1,785,321
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2021-22
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2021-22 Requested Change	FY 2021-22 Rec'd Change	FY 2021-22 Total w/Rec'd Change
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S3 Legal representation cash fund spending authority

(5) DIVISION OF CHILD WELFARE

Child Welfare Legal Representation	<u>1,159,968</u>	<u>6,996,778</u>	<u>27,382</u>	<u>7,024,160</u>
General Fund	0	0	0	0
Cash Funds	1,159,968	6,996,778	27,382	7,024,160
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

Total for S3 Legal representation cash fund spending authority	1,159,968	6,996,778	27,382	7,024,160
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0
Cash Funds	1,159,968	6,996,778	27,382	7,024,160
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

Totals Excluding Pending Items				
HUMAN SERVICES				
TOTALS for ALL Departmental line items	2,201,754,162	2,957,638,755	418,703	2,958,057,458
<i>FTE</i>	<u>5,153.0</u>	<u>5,194.4</u>	<u>0.0</u>	<u>5,194.4</u>
General Fund	1,027,590,963	1,108,252,446	0	1,108,252,446
Cash Funds	272,121,764	548,063,145	418,703	548,481,848
Reappropriated Funds	168,557,948	228,925,941	0	228,925,941
Federal Funds	733,503,487	1,072,397,223	0	1,072,397,223