

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2023-24

DEPARTMENT OF HUMAN SERVICES

(Executive Director's Office, Administration & Finance, Office
of Economic Security, Office of Adults, Aging, and Disability
Services)

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

PREPARED BY:
TOM DERMODY, JBC STAFF
JANUARY 16, 2024

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

CONTENTS

Department Overview	1
Summary: FY 2023-24 Appropriation and Recommendation	1
Request/Recommendation Descriptions	2
Prioritized Supplemental Requests	3
S2 Human Resources Support	3
Department Request:	3
Staff Recommendation:	3
Staff Analysis:	3
S3 TANF-PEAF Spending Authority	5
Department Request:	5
Staff Recommendation:	5
Staff Analysis:	5
Staff-initiated Supplemental Requests	6
Staff-initiated – CCDHHDB increase	6
Department Request:	6
Staff Recommendation:	6
Staff Analysis:	7
Staff-initiated – Letternote Corrections	7
Department Request:	8
Staff Recommendation:	8
Staff Analysis:	8
Statewide Common Policy Supplemental Requests	8
Staff Recommendation:	9
Appendix A: Numbers Pages	A-1

DEPARTMENT OF HUMAN SERVICES

DEPARTMENT OVERVIEW

The Department of Human Services is responsible for the administration and supervision of most 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 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, and contracts for the supervision and treatment of delinquent juveniles.

SUMMARY: FY 2023-24 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF HUMAN SERVICES (SELECT DIVISIONS): RECOMMENDED CHANGES FOR FY 2023-24						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
S.B. 23-214 (Long Bill)	\$1,091,225,390	\$301,627,538	\$234,577,620	\$176,767,117	\$378,253,115	2,346.6
Other legislation	6,469,568	5,611,057	(1,341,564)	(940,337)	3,140,412	4.2
CURRENT FY 2023-24 APPROPRIATION:	\$1,097,694,958	\$307,238,595	\$233,236,056	\$175,826,780	\$381,393,527	2,350.8
RECOMMENDED CHANGES						
Current FY 2023-24 Appropriation	\$1,097,694,958	\$307,238,595	\$233,236,056	\$175,826,780	\$381,393,527	2,350.8
S2 Human resources support	0	0	0	0	0	0.0
S3 TANF-PEAF spending authority	1,509,417	0	0	0	1,509,417	0.0
BHA S1 Ombudsman staffing	45,088	45,088	0	0	0	0.5
Staff-initiated CCDHHDB increase	500,000	500,000	0	0	0	0.0
Staff-initiated letternote corrections	0	0	0	0	0	0.0
Statewide common policy supplemental requests	3,050,719	2,356,777	32,198	510,692	151,052	0.0
RECOMMENDED FY 2023-24 APPROPRIATION:	\$1,102,800,182	\$310,140,460	\$233,268,254	\$176,337,472	\$383,053,996	2,351.3
RECOMMENDED INCREASE/(DECREASE)	\$5,105,224	\$2,901,865	\$32,198	\$510,692	\$1,660,469	0.5
Percentage Change	0.5%	0.9%	0.0%	0.3%	0.4%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$1,102,945,090	\$310,010,968	\$233,268,254	\$176,611,872	\$383,053,996	2,357.3
Request Above/(Below) Recommendation	\$144,908	(\$129,492)	\$0	\$274,400	\$0	6.0

* The decision items shaded in grey is not addressed in this document and the amount in the table does not represent a JBC Staff recommendation. This item is addressed by the JBC Staff supplemental presentation for the Behavioral Health Administration scheduled for Wednesday, January 17.

REQUEST/RECOMMENDATION DESCRIPTIONS

S2 HUMAN RESOURCES SUPPORT: The request includes \$644,908 total funds, including \$370,508 General Fund and \$274,400 cash funds, and 6.0 FTE to fund and extend 12 term-limited positions through the end of the current fiscal year. The recommendation is denial of the request based on the assessment that it does not meet supplemental criteria.

S3 TANF-PEAF SPENDING AUTHORITY: The request includes an increase of \$1.5 million federal funds from the Temporary Assistance for Needy Families (TANF) block grant for the State's share of 2023 Pandemic Emergency Assistance Fund (PEAF) allocations, which were awarded to the Department in May 2023. The recommendation is to approve the request.

STAFF-INITIATED CCDHHDB INCREASE: The recommendation is to increase the FY 2023-24 appropriation for the Colorado Commission for the Deaf, Hard of Hearing, and DeafBlind (CCDHHDB) by \$500,000 General Fund to cover an anticipated budgetary shortfall to ensure that services for affected Coloradans are maintained.

STAFF-INITIATED LETTERNOTE CORRECTIONS: The recommendation is to correct technical drafting errors in two letternotes in the Department's section of the FY 2023-24 Long Bill. These corrections have a neutral impact on the budget.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS: The request includes an increase of \$3.2 million total funds, including \$2.4 million General Fund, for non-prioritized requests associated with statewide common policy requests. The majority of this increase is associated with an adjustment to the Department's Payments for Risk Management and Property Funds line item, which is determined through operating common policies. The prioritized versions of these requests will be presented during the supplemental presentations for the *Department of Personnel* and *Office of the Governor (OIT)*. The recommendation is pending Committee action on common policy supplementals.

PRIORITIZED SUPPLEMENTAL REQUESTS

S2 HUMAN RESOURCES SUPPORT

	REQUEST	RECOMMENDATION
TOTAL	\$644,908	\$0
FTE	6.0	0.0
General Fund	370,508	0
Cash Funds	274,400	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **NO**

[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 disagree that this request is the result of any circumstance that meet the supplemental criteria. The term-limited FTE began their employment with the Department between September 2021 and May 2022, well before figure setting for the FY 2023-24 budget cycle.

DEPARTMENT REQUEST: The Department requests includes \$644,908 total funds, including \$370,508 General Fund and \$274,400 cash funds, and 6.0 FTE to extend 12 term-limited positions through the end of the current fiscal year.

STAFF RECOMMENDATION: Staff recommends that the Committee deny the request.

STAFF ANALYSIS: Beginning in September 2021 through May 2022, the Department hired 12 term-limited human resources staff to address increasing workload in recruitment, retention, and employee and labor relations. Half of these term-limited positions were initially funded through hiring holds placed on vacant positions within the Administration and Finance budgetary group. The funding for these positions was shifted to federal American Recovery Plan Act (ARPA) funding in January of 2022. The remaining six (6) term-limited positions were filled by May 2022 and were funded with APRA funds. The ARPA funds were provided to the Department through an Interagency Agreement with the Office of the Governor, which expired at the end of FY 2022-23.

The length of employ of the term-limited employees varied. Currently, seven of the 12 positions remain filled and are funded through holds on vacancies within the Administration and Finance budgetary group. The expiration dates for the 12 term-limited positions were/are:

- Two expired on Sept. 30, 2023;
- Three expired on Dec. 31, 2023; and
- Seven expire on June 30, 2024.

From July 1, 2023 through December 31, 2023, the Department expended \$401,921 to support 10 of the term-limited positions. The Department anticipates expending \$240,150 for the remainder of the current fiscal year to support the last seven positions. Given the starting dates of the term-limited positions, the funding needs were well known prior to figure setting for FY 2023-24. Additionally, the Department was able to fund the remaining seven position through the end of the current fiscal year through administrative action. The fixed terms and administrative actions demonstrate the Department's knowledge of the funding needs for these positions, which underpins JBC staff's

assessment that this request does not meet the Committee's supplemental criteria. As such, staff's recommendation is to deny the request

BACKGROUND

The Division of Human Resources (DHR, Division) within the Department of Human Services supports department staff through all aspects of personnel administration. The Department is the second largest department in the state with 5,351.8 FTE, including 3,071 direct care staff. The Division is in charge with managing the recruitment and retention for more than 291 different job classifications across more than 80 lines of business. The Division is working to fill 1,185 vacancies that are in various stages of the recruitment and selection process for all divisions within the Department. Not having a sufficiently resourced Human Resources team is causing significant delays in the recruitment and retention of direct care and other staff, resulting in impactful reductions of support for the programs run by the Department.

The Division consists of the following five functional units:

- Workforce Strategy, which manages talent acquisition and job evaluations;
- Total Rewards, which handles compensation and benefits;
- Human Resources Operations, which manages operations (e.g., processes Personnel Action Forms, conducts on-boarding and off-boarding, etc.) and includes the Background Investigation Unit;
- Learning, Engagement, and Development, which provides training and employee development services; and
- Employee and Labor Relations, which engages rank-and-file employees and management to investigate and address workplace issues and provides consulting services regarding compliance.

The Workforce Strategy unit has six staff conducting job evaluations. This staff reviews an average of 247 Position Descriptions (PDs) per month totaling 618 hours. Position Descriptions, which detail a job's responsibilities and qualifications, are an essential part of the hiring process and subject to frequent updates. The review process of Position Descriptions includes a paneling process with multiple certified analysts working to determine if all legal requirements of the documentation are being met. The Workforce Strategy unit spends an additional 156 hours per month reviewing an average of 1,414 Personnel Action Forms (PAFs). Personnel Action Forms are required to be submitted each time something changes on an employee record (e.g. change of position or supervisor, pay adjustment, location change, etc.).

The Workforce Strategy's talent acquisition team has experienced an increase in workload in the last year. This team reviewed over 31,000 applications in FY 2022-23, for an average of 1,550 per specialist. The Department has approximately 1,185 open vacancies and 439 job postings, a posting can be associated with multiple vacancies. An average recruitment takes 20 hours from start to finish. Each recruiter has approximately 80 vacancies (i.e. positions) they are actively recruiting for at a given time and 36 recruitments (i.e. job postings).

Currently the ability to engage in strategic planning and process improvement is limited due to the large volume of job posting and applications. Previously, the number of applicants was capped to 50; however, the recent COWINS Partnership Agreement prohibits limiting the number of applicants to be reviewed during the comparative analysis phase of the recruitment process. Every posting must allow as many applicants that apply to the position, resulting in it taking longer to complete the

minimum qualification review and comparative analysis. Another driver of the increase in work volume is the internal transfer process that previously required the job posting to be opened for three days, but the Partnership Agreement now requires seven days and consequently nets more applications to review.

The Employee and Labor Relations unit was created from current staff in 2021 to provide support to Department staff and managers with employee and labor relations matters, including personnel matters, unemployment, State Personnel Board rule guidance, and training and guidance regarding the Partnership Agreement between the State and Colorado WINS. With the signing of the State Partnership agreement in November 2021, the move to a hybrid workplace model, the changing mindset of employees interested in developing a career with a single organization, and high demands and stressors of the workplace, the unit has seen an increase in employee and labor relations cases (i.e., labor disputes, grievances, employee conflicts, misconduct or performance issues; 654 cases in 2021 and 1029 in 2022). On average, a unit specialist should handle between 9-10 cases at any given time. However, the specialists are handling between 15 -20 cases at any given time.

S3 TANF-PEAF SPENDING AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	\$1,509,417	\$1,509,417
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Federal Funds	1,509,417	1,509,417

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 FY 2023-24 appropriation was made.

DEPARTMENT REQUEST: The Department requests an increase of \$1.5 million federal funds from the Temporary Assistance for Needy Families (TANF) block grant.

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

STAFF ANALYSIS: The supplemental budget request seeks one-time spending authority in FY 2023-24 to expend \$1,509,417 federal Pandemic Emergency Assistance Fund (PEAF) dollars that were awarded to Colorado in May 2023. The federal Administration on Children and Families (ACF) requires the funds to be spent within one calendar year of the award date. The Department intends to issue one-time payments to the TANF Basic Cash Assistance recipients to offset the ongoing effects of the pandemic, including loss of income and increased costs of goods.

The American Rescue Plan Act of 2021 (ARPA) was signed into law in March 2021 to provide economic relief to households and businesses across the country from the COVID-19 pandemic. Among many provisions, ARPA created PEAFF to allocate federal funds to states, tribes, and territories

administering the TANF program to provide direct assistance to needy families disproportionately impacted by COVID-19. Federal guidance stipulated that these funds could not supplant existing TANF dollars. The Department was awarded \$13.5 million in PEAFF in 2021 and received a state appropriation for the amount in the FY 2021-22 Long Bill (S.B. 21-205). The Department was issued one-time payments, through the Colorado Benefits Management System (CBMS), to all active TANF cases. The FY 2021-22 PEAFF appropriation provided a one-time payment of \$1,182 to all 11,424 active TANF cases in August 2021. These transactions utilized the available funds in full.

Federal guidance noted that states who fully spent their PEAFF allotment would be eligible to receive additional funds from states that did not fully spend their allotments. As the initial PEAFF allotment was fully spent, Colorado was eligible to receive additional funds, and was notified in May 2023 that an additional \$1,509,417 of PEAFF funds would be available. The exact payment amount to Colorado TANF recipients will be the total allotment divided by the caseload on the date the payments are issued, anticipated to be in April 2024, but the Department estimates that each recipient will receive \$106. Payments will be issued through the Colorado Benefits Management System, placing the funds directly onto households' Electronic Benefits Transfer (EBT) cards. Previous coding will be used to issue these payments, so the full amount of available PEAFF funds will go directly to households avoiding associated administrative costs.

STAFF-INITIATED SUPPLEMENTAL REQUESTS

STAFF-INITIATED – CCDHHDB INCREASE

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$500,000
FTE	0.0	0.0
General Fund	0	500,000
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 was made aware of the budgetary constraints of the Colorado Commission for the Deaf, Hard of Hearing, and DeafBlind in November 2023, as such, this information was not available when the original FY 2023-24 appropriation was made.

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

STAFF RECOMMENDATION: **Staff recommends that the Committee increase by \$500,000 General Fund** the FY 2023-24 appropriation for the Colorado Commission for the Deaf, Hard of Hearing, and DeafBlind (CCDHHDB).

STAFF ANALYSIS: In November 2023, the Committee became aware of potential budgeting issues for the Colorado Commission for the Deaf, Hard of Hearing, and DeafBlind through outreach from advocates and affected constituents. During the JBC Staff briefing on December 4, 2023 and the Department of Human Services hearing on December 15, 2023, the Committee asked for an update on this issue and for an assessment of the budgetary shortfall of the CCDHHDB. This staff-initiated supplemental request is a result of those Committee actions.

The total appropriation for the Colorado Commission for the Deaf, Hard of Hearing, and DeafBlind in FY 2023-24 \$2,541,841 total funds, including \$103,214 General Fund and \$2,438,627 reappropriated funds originating from the Colorado Commission for the Deaf and Hard of Hearing Cash Fund (Commission's Cash Fund) created in Section 26-21-107 (1), C.R.S. Revenue in the Commission's Cash Fund is derived from a portion of a monthly surcharge per telephone access line. Pursuant to Section 40-17-103 (3), C.R.S., the Colorado Public Utilities Commission (PUC) sets this monthly surcharge to generate revenue to "recover its costs and the cost to voice service providers in implementing and administering telecommunications relay services." As of April 1, 2023, the monthly surcharge is 3 cents per telephone access line.

Historically, the Colorado Commission for the Deaf, Hard of Hearing and Deafblind has not fully spent its annual appropriation. As of November 30, 2023, \$1,233,332 (48.5 percent) of the CCDHHDB appropriation has been expended. This includes expenditures for personnel and operating costs, such as payroll, benefits, travel, office supplies, as well as expenditures for vendor services. This amount is just 4.0 percent greater than where the Department might expect the expenditures to be five months into the fiscal year. The Department attributes the increase in requests for services to an increased awareness of and need for services following the height of the COVID-19 pandemic and the transition of the Rural Auxiliary Services Program (RAS) from the initial pilot program to a permanent program in FY 2021-22. Due to these factors, the Department anticipates the demand for services will continue to increase. As a result, the Department projects appropriations to be \$500,000 lower than anticipated expenditures for FY 2023-24, if service trends continue.

The Department became aware of the increased demand for services and resulting increased expenditures for the CCDHHDB in June 2023. Service needs and requests often vary throughout the year and can fluctuate for a variety of reasons. The Department to conducted an assessment of the factors behind the increased expenditures to develop a strategic approach to respond. The Department has identified and is implementing measures to reduce operational overhead costs and establish prioritization criteria for services provided. The Department is simultaneously assessing the long-term needs of deaf, heard of hearing, and deafblind Coloradans.

STAFF-INITIATED – LETTERNOTE CORRECTIONS

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
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 made a technical error in the drafting of the Long Bill with regards to the letternotes identified below.

DEPARTMENT REQUEST: The Department did not request these corrections. However, the Department is aware and supportive of staff's recommendation.

STAFF RECOMMENDATION: **Staff recommends that the Committee approve the letternote corrections.**

STAFF ANALYSIS: During review of the FY 2023-24 Long Bill (S.B. 23-214) over the 2023 interim, staff found two drafting errors in letternotes in the Executive Director's Office and the Office of Economic Security.

- 1 Executive Director's Office, General Administration, Letternote "b"
 - a. This letternote identifies an estimated \$24,183 cash funds coming from the Child Care Licensing Cash Fund and the amount is annotated with an (I) Note. This cash fund was transferred to the Department of Early Childhood and is annually appropriated. This amount should have been identified as coming from various sources of cash funds. **JBC Staff recommends correcting this error and identifying the \$24,183 cash funds as coming from various sources of cash funds.**
- 2 Office of Economic Security, Colorado Benefits Management System, Ongoing Expenses, Letternote "d"
 - a. This letternote identifies \$133,040 federal funds as coming from Title IV-E of the Social Security Act. This is a drafting error. The federal funds are from the Supplemental Nutrition Assistance Program. **Staff recommends correcting this error and identifying the \$133,040 federal funds as coming from the Supplemental Nutrition Assistance Program.**

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SNP Risk management	\$2,990,985	\$2,302,793	\$46,294	\$454,992	\$186,906	0.0
SNP OIT Real time billing	215,070	65,271	10,445	80,440	58,914	0.0
DPA Annual fleet supplemental	(34,783)	(11,287)	(1,583)	(15,532)	(6,381)	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	\$3,171,272	\$2,356,777	\$55,156	\$519,900	\$239,439	0.0

STAFF RECOMMENDATION: The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

APPENDIX A: NUMBERS PAGES

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

DEPARTMENT OF HUMAN SERVICES
Michelle Barnes, Executive Director

S2 Human resources support

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) General Administration

Health, Life, and Dental	<u>48,850,091</u>	<u>59,617,696</u>	<u>66,198</u>	<u>0</u>	<u>59,617,696</u>
General Fund	37,653,120	39,113,789	38,032	0	39,113,789
Cash Funds	2,196,120	3,448,791	0	0	3,448,791
Reappropriated Funds	8,680,892	8,189,105	28,166	0	8,189,105
Federal Funds	319,959	8,866,011	0	0	8,866,011
Short-term Disability	<u>446,773</u>	<u>463,271</u>	<u>749</u>	<u>0</u>	<u>463,271</u>
General Fund	357,116	311,892	430	0	311,892
Cash Funds	19,709	21,106	0	0	21,106
Reappropriated Funds	66,517	55,312	319	0	55,312
Federal Funds	3,431	74,961	0	0	74,961
Paid Family Medical Leave Insurance	<u>0</u>	<u>0</u>	<u>2,108</u>	<u>0</u>	<u>0</u>
General Fund	0	0	1,211	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	897	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
S.B. 04-257 Amortization Equalization Disbursement	<u>14,363,158</u>	<u>15,808,083</u>	<u>23,418</u>	<u>0</u>	<u>15,808,083</u>
General Fund	11,418,994	10,638,368	13,454	0	10,638,368
Cash Funds	668,991	731,715	0	0	731,715
Reappropriated Funds	2,167,647	1,909,082	9,964	0	1,909,082
Federal Funds	107,526	2,528,918	0	0	2,528,918
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>14,363,158</u>	<u>15,808,083</u>	<u>23,418</u>	<u>0</u>	<u>15,808,083</u>
General Fund	11,418,994	10,638,368	13,454	0	10,638,368
Cash Funds	668,991	731,715	0	0	731,715
Reappropriated Funds	2,167,647	1,909,082	9,964	0	1,909,082
Federal Funds	107,526	2,528,918	0	0	2,528,918
(2) ADMINISTRATION AND FINANCE					
(A) Administration					
Personal Services	<u>35,680,592</u>	<u>38,550,147</u>	<u>529,017</u>	<u>0</u>	<u>38,550,147</u>
FTE	546.7	472.9	6.0	0.0	472.9
General Fund	15,557,458	22,224,631	303,927	0	22,224,631
Cash Funds	0	0	0	0	0
Reappropriated Funds	20,023,843	16,325,516	225,090	0	16,325,516
Federal Funds	99,291	0	0	0	0
Total for S2 Human resources support	113,703,772	130,247,280	644,908	0	130,247,280
FTE	<u>546.7</u>	<u>472.9</u>	<u>6.0</u>	<u>0.0</u>	<u>472.9</u>
General Fund	76,405,682	82,927,048	370,508	0	82,927,048
Cash Funds	3,553,811	4,933,327	0	0	4,933,327
Reappropriated Funds	33,106,546	28,388,097	274,400	0	28,388,097
Federal Funds	637,733	13,998,808	0	0	13,998,808

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

S3 TANF PEAFF reallocation

(4) OFFICE OF ECONOMIC SECURITY

(C) Employment and Benefits Division

(II) Colorado Works Program

Short-term Non-recurrent Benefits for Colorado

Works Participants	<u>0</u>	<u>0</u>	<u>1,509,417</u>	<u>1,509,417</u>	<u>1,509,417</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,509,417	1,509,417	1,509,417

Total for S3 TANF PEAFF reallocation	0	0	1,509,417	1,509,417	1,509,417
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,509,417	1,509,417	1,509,417

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

Staff initiated CCDHHDB increase

(7) OFFICE OF ADULTS, AGING, AND DISABILITY SERVICES

(B) Programs and Commissions for Persons with Disabilities

Colorado Commission for the Deaf, Hard of Hearing,
and Deafblind

	<u>2,358,997</u>	<u>2,541,841</u>	<u>0</u>	<u>500,000</u>	<u>3,041,841</u>
FTE	11.2	13.7	0.0	0.0	13.7
General Fund	103,214	103,214	0	500,000	603,214
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,255,783	2,438,627	0	0	2,438,627
Federal Funds	0	0	0	0	0

Total for Staff initiated CCDHHDB increase	<u>2,358,997</u>	<u>2,541,841</u>	<u>0</u>	<u>500,000</u>	<u>3,041,841</u>
<i>FTE</i>	<u>11.2</u>	<u>13.7</u>	<u>0.0</u>	<u>0.0</u>	<u>13.7</u>
General Fund	103,214	103,214	0	500,000	603,214
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,255,783	2,438,627	0	0	2,438,627
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

Staff initiated letternote tech

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) General Administration

Health, Life, and Dental	<u>48,850,091</u>	<u>59,617,696</u>	<u>0</u>	<u>0</u>	<u>59,617,696</u>
General Fund	37,653,120	39,113,789	0	0	39,113,789
Cash Funds	2,196,120	3,448,791	0	0	3,448,791
Reappropriated Funds	8,680,892	8,189,105	0	0	8,189,105
Federal Funds	319,959	8,866,011	0	0	8,866,011
Short-term Disability	<u>446,773</u>	<u>463,271</u>	<u>0</u>	<u>0</u>	<u>463,271</u>
General Fund	357,116	311,892	0	0	311,892
Cash Funds	19,709	21,106	0	0	21,106
Reappropriated Funds	66,517	55,312	0	0	55,312
Federal Funds	3,431	74,961	0	0	74,961
S.B. 04-257 Amortization Equalization Disbursement	<u>14,363,158</u>	<u>15,808,083</u>	<u>0</u>	<u>0</u>	<u>15,808,083</u>
General Fund	11,418,994	10,638,368	0	0	10,638,368
Cash Funds	668,991	731,715	0	0	731,715
Reappropriated Funds	2,167,647	1,909,082	0	0	1,909,082
Federal Funds	107,526	2,528,918	0	0	2,528,918
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>14,363,158</u>	<u>15,808,083</u>	<u>0</u>	<u>0</u>	<u>15,808,083</u>
General Fund	11,418,994	10,638,368	0	0	10,638,368
Cash Funds	668,991	731,715	0	0	731,715
Reappropriated Funds	2,167,647	1,909,082	0	0	1,909,082
Federal Funds	107,526	2,528,918	0	0	2,528,918

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
Total for Staff initiated letternote tech	78,023,180	91,697,133	0	0	91,697,133
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	60,848,224	60,702,417	0	0	60,702,417
Cash Funds	3,553,811	4,933,327	0	0	4,933,327
Reappropriated Funds	13,082,703	12,062,581	0	0	12,062,581
Federal Funds	538,442	13,998,808	0	0	13,998,808
Totals Excluding Pending Items					
HUMAN SERVICES					
TOTALS for ALL Departmental line items	2,187,076,645	2,373,290,954	2,154,325	2,009,417	2,375,300,371
<i>FTE</i>	<u>5,567.8</u>	<u>5,345.3</u>	<u>6.0</u>	<u>0.0</u>	<u>5,345.3</u>
General Fund	1,070,305,880	1,014,436,841	370,508	500,000	1,014,936,841
Cash Funds	279,591,256	562,091,644	0	0	562,091,644
Reappropriated Funds	181,430,699	219,580,604	274,400	0	219,580,604
Federal Funds	655,748,810	577,181,865	1,509,417	1,509,417	578,691,282

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Tom Dermody, JBC Staff (303-866-4963)
DATE January 15, 2024
SUBJECT State Funding for Senior Services Contingency Reserve Fund

On Friday, January 12, the Joint Budget Committee discussed a bill concept to create a State Funding For Senior Services Contingency Reserve Fund (Fund). The following information was provided to Committee staff for consideration and evaluation of a bill to create the Fund.

BACKGROUND

Area Agencies on Aging (AAA), as defined by Section 26-11-201 (2), C.R.S., are “private nonprofit or public agency designated by the [State Office on Aging] which works for the interests of older Coloradans within a planning and service area and which engages in community planning, coordination, and program development and provides a broad array of social and nutritional services.” There are 16 AAAs across the State serving approximately 55,710 individuals. The duties of the AAAs are enumerated in Section 26-11-204 (1)(a-m), C.R.S., and include:

- assisting older persons in navigating the various public assistance and entitlement programs;
- partner with the State in sharing information regarding the special needs of older persons;
- engage their local communities in assessing needs and barriers to older persons continued engagement in those communities;
- advocating for and representing the issues of and concerns of older persons; and
- providing services including in-home services, transportation, and nutrition assistance.

The State Funding for Senior Services line item within the Department of Human Services supports the 16 Area Agencies on Aging. Pursuant to Section 26-11-205.5 (2), C.R.S., the funding provided to AAAs through the State Funding for Senior Services Long Bill line item must be disbursed to the AAAs via the federally-approved Intrastate Funding Formula (IFF). Statute specifies that this formula must be the same used to distribute federal funds allocates through Title III, Parts (B), (C), (D), and (F) of the federal Older American Act. The IFF is an allocation formula based on several population demographic figures provided annually by the State Demography Office.

The AAAs provide services (both the AAA and by contracting with local service organizations) to allow seniors to remain in their homes and “thrive in place”. This allows them to remain in their communities rather than relocating to costlier facilities (assisted living, nursing homes, etc.). The AAAs contract for the following types of services:

- Nutrition (home delivered meals and congregate meals)
- Transportation
- In-Home Services (chore, personal care, homemaker)
- Adult Day Care/Health
- Respite Care/Caregiver Support
- Case Management
- Material Aid (audiology, vision, dental)

JANUARY 15, 2024

- Other (counseling, legal, reassurance)

The AAAs use a variety of providers, and in some cases provide the services themselves, and there are periodic disruptions caused by providers stopping business, sudden demographic, or other changes that occur on short notice.

PROPOSED SOLUTION BY ADVOCATES

The creation of the State Funding For Senior Services Contingency Reserve Fund could provide some stability to address unforeseen circumstances. The State could appropriate \$2 million to the State Funding for Senior Services Contingency Reserve Fund. Statute could specify:

- 1 The funds are continuously appropriated.
- 2 The Department of Human Services could allocate money from the Fund to individual AAAs to address unforeseen contingencies. This would not disrupt existing allocation formulas.
- 3 The criteria could include:
 - a. financial or operational emergencies caused by force majeure;
 - b. unforeseen change in provider capacity or availability to meet an existing need;
 - c. delay or interruption state or federal appropriations; and
 - d. a disaster emergency declaration
- 4 Any disbursement of funds would need to be reported to OSPB and JBC.
- 5 The fund could sunset in 5 years for a legislative review.

JBC STAFF EVALUATION AND CONSIDERATION

Given the limitations of the funding provided through the State Funding for Senior Services line item, both in terms of the timing of appropriations and the formula used to allocate funding, the creation of a contingency fund has utility in ensuring the continuation of services provided by the AAA in Colorado. There are a few considerations that staff would like to highlight for the Committee, as it considers this legislative proposal.

Cash Fund Revenue

This cash fund's revenue would be non-fee based. The primary source of revenue would be transfers and appropriations of General Fund, being at the complete discretion of the General Assembly. The amounts to be transferred and appropriated would be subject to available General Fund in the fiscal year in which a transfer and appropriation occurs. While far less reliable, should this cash fund also be able to accept gifts, grants, or donations?

Continuous Appropriation Authority

JBC staff would be remiss if they did not broach the subject of continuous appropriation authority. There are few circumstances that actually call for the need of continuous appropriations, and this does not seem to be one of them. The primary source of revenue for this cash fund would be General Fund transfers and appropriations, which could also carry the necessary spending authority for the cash fund. As appropriations are spending ceilings, the General Assembly could appropriate the full balance of the cash fund in any given fiscal year; thereby, providing maximum flexibility for the Department to distribute the money in the cash fund. Any unspent revenue would remain in the cash fund.

JANUARY 15, 2024

Practically, the spending authority for the proposed cash fund could be appropriated annually through a line item in the Long Bill and trued-up through the figure setting process.

Reporting and Oversight

JBC staff agrees that including reporting requirements in statute is a best practice. The Department could be required to report on expenditures from this cash fund during their SMART Act hearing. Additionally, by making this cash fund annually appropriated, the Department will be required to annually report the fund's balance and expenditures through the budgeting process. JBC staff receive cash fund reports (Schedule 9s) and line item expenditures (Schedule 3s) each November 1st that would provide the necessary information for ensuring the ongoing maintenance and appropriations from the cash fund.