

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2023-24

DEPARTMENT OF HUMAN SERVICES (Office of Children, Youth and Families)

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

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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 programs in the state. It supervises programs that are administered at the local level by counties and other agencies and directly operates mental health institutes, regional centers for people with developmental disabilities, and institutions for juvenile delinquents. This document focuses on one division within the Department, the Office of Children, Youth and Families (OCYF). The OCYF budget includes the following subdivisions:

- The **Division of Child Welfare** provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Nearly 80.0 percent of funding in this division is allocated to counties that are responsible for administering child welfare services under the supervision of the Department. County departments receive and respond to reports of potential child abuse or neglect and provide appropriate child welfare services to the child and the family, including providing for the residential care of a child when a court determines this is in the child's best interest.
- 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 six-month mandatory parole services following commitment. The agency maintains fourteen secure facilities and augments this capacity with contracts for community placements.
- The **Community Programs** subdivision includes state funding for community-based programs that target youth and families. Programs include the Juvenile Parole Board, the Tony Grampsas Youth Services Program, and the Domestic Abuse Program. The Tony Grampsas program promotes prevention and education programs designed to reduce the need for state interventions.

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 2023-24 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF HUMAN SERVICES: 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)	\$2,349,420,362	\$998,710,391	\$557,393,208	\$219,355,902	\$573,960,861	5,320.3
Other legislation	23,870,592	15,726,450	4,698,436	224,702	3,221,004	25.0
CURRENT FY 2023-24 APPROPRIATION:	\$2,373,290,954	\$1,014,436,841	\$562,091,644	\$219,580,604	\$577,181,865	5,345.3
RECOMMENDED CHANGES						
Current FY 2023-24 Appropriation	\$2,373,290,954	1,014,436,841	\$562,091,644	\$219,580,604	\$577,181,865	5,345.3
S1 Increase psychiatric beds	57,967,379	57,967,379	0	0	0	0.0
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
S4 Legal representation spending authority	501,707	0	501,707	0	0	0.0
S5 Excess Title IV-E spending authority	288,175	0	288,175	0	0	0.0
BHA S1 Ombudsman staffing	44,945	44,945	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 policies	3,171,272	2,356,777	55,156	519,900	239,439	0.0
Non-prioritized supplemental requests	362,254	0	0	362,254	0	0.0
RECOMMENDED FY 2023-24 APPROPRIATION:	\$2,437,636,103	\$1,075,305,942	\$562,936,682	\$220,462,758	\$578,930,721	5,345.8
RECOMMENDED INCREASE/(DECREASE)	\$64,345,149	\$60,869,101	\$845,038	\$882,154	\$1,748,856	0.5
Percentage Change	2.7%	6.0%	0.2%	0.4%	0.3%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$2,437,781,154	\$1,075,176,593	\$562,936,682	\$220,737,158	\$578,930,721	5,351.8
Request Above/(Below) Recommendation	\$145,051	(\$129,349)	\$0	\$274,400	\$0	6.0

*The table above provides the totals for the entire Department. Only the requests for the Office of Children, Youth and Families are highlighted in the table and discussed below.

REQUEST/RECOMMENDATION DESCRIPTIONS

S4 LEGAL REPRESENTATION CASH FUND SPENDING AUTHORITY: The request includes an increase of \$501,707 cash fund spending authority from the Title IV-E Administrative Cost Cash Fund in FY 2023-24 to align spending authority with anticipated expenditures in the Judicial Department. The Department has submitted a related budget amendment to request this adjustment for FY 2024-25 and ongoing. Staff recommends approval of the request.

S5 EXCESS TITLE IV-E CASH FUND SPENDING AUTHORITY: The request includes an increase of \$288,175 cash fund spending authority from the Excess Federal Title IV-E Reimbursements Cash Fund in FY 2023-24 to align with projected federal revenues. The Department has submitted a related budget amendment to request this adjustment for FY 2023-24 and ongoing. Staff recommends approval of the request.

PRIORITIZED SUPPLEMENTAL REQUESTS

S4 LEGAL REPRESENTATION CASH FUND SPENDING AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	\$501,707	\$501,707
FTE	0.0	0.0
General Fund	0	0
Cash Funds	501,707	501,707
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 that was not available to the Department when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests an increase of \$501,707 cash fund spending authority from the Title IV-E Administrative Cost Cash Fund in FY 2023-24 as part of an annual true-up to align spending authority with expenditures in the Judicial Department. The Department has submitted a related budget amendment to request this adjustment for FY 2024-25 and ongoing.

STAFF RECOMMENDATION: Staff recommends approval of the request. Staff requests permission to adjust the final amount to align with appropriations in the Judicial Department if necessary.

STAFF ANALYSIS:

Senate Bill 19-258 (Child Welfare Prevention and Intervention Funding) created the Title IV-E Administrative Cost cash fund. The bill required that the Department submit a request for cash fund spending authority for money credited into the fund as part of the annual budget process. Cash fund revenues consist of federal Title IV-E reimbursements for certain legal administrative costs associated with child welfare legal activities. As the state's Title IV-E agency, the Department of Human Services receives the reimbursements for the legal representation of:

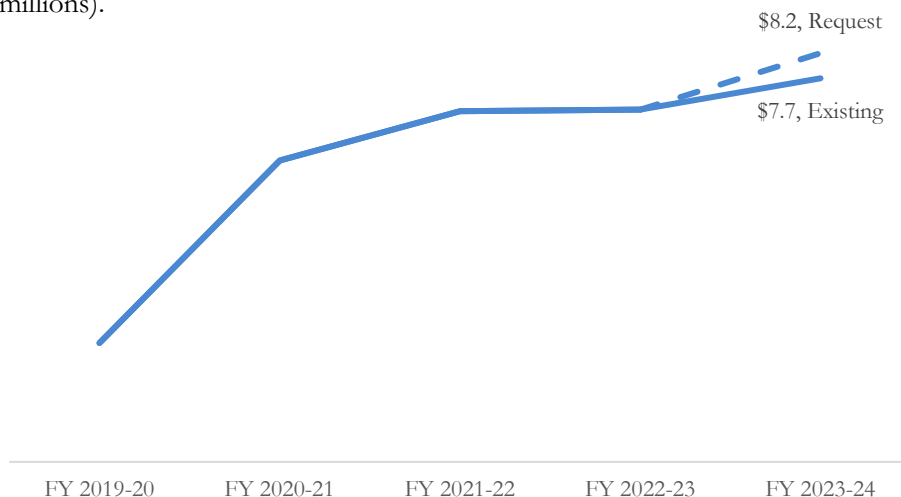
- The Title IV-E agency;
- A candidate for Title IV-E foster care; or
- A Title IV-E eligible child in foster care and the child's parents in order to prepare for and participate in all stages of foster care related legal proceedings.

Allowable uses for the cash fund 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.¹ Funds are distributed to the Office of the Child's Representative (OCR) and the Office of the Respondent Parents' Counsel (ORPC) in the Judicial Department according to Memorandums of Understanding between the agencies and DHS. Cash fund spending authority is provided in the Department of Human Services section of the Long Bill,

¹ Section 26-2-102.5 (3)(b)(III), C.R.S.

and reflected as reappropriated funds in OCR and ORPC. Historic spending authority is provided in the chart below.

Title IV-E Administrative Costs Cash Fund spending authority by fiscal year (in millions).



The Department receives updates on expected revenues from the federal government on a quarterly basis based on expenditure reports from the Judicial Department, and submits annual supplemental requests to align with anticipated revenues as necessary. The Department therefore requests an increase of \$501,707 cash fund spending authority to align with anticipated expenditures. Spending authority will total \$8.1 million if the request is approved.

If the request is not approved, OCR and ORPC will not have the authority to spend existing federal dollars that have been drawn down to support child welfare legal representation. JBC staff agrees that the request is the result of data that was not available when the original appropriation was made, and recommends approval of the amounts as requested. The request and staff recommendation are aligned with current appropriations in the Judicial Department, but staff further requests permission to adjust the final amount to align with Judicial spending authority should the Judicial appropriation change.

S5 EXCESS FEDERAL TITLE IV-E CASH FUND SPENDING AUTHORITY

	REQUEST	RECOMMENDATION
TOTAL	\$288,175	\$288,175
FTE	0.0	0.0
General Fund	0	0
Cash Funds	288,175	288,175
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 \$288,175 cash fund spending authority from the Excess Federal Title IV-E Reimbursements cash fund in FY 2023-24 as part of an annual true-up to align spending authority with federal adoption earnings. The Department has submitted a related budget amendment to request this adjustment for FY 2024-25 and ongoing.

STAFF RECOMMENDATION: Staff recommends approval of the request.

STAFF ANALYSIS:

Title IV-E of the Social Security Act is the primary source of federal funds for child welfare. Title IV-E entitles states to a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. The Department receives Title IV-E revenues from the federal government and distributes revenues to counties in amounts equal to eligible expenses.²

The Adoption Assistance Program provides expanded eligibility for Title IV-E to youth who meet federal criteria. Additional revenues received as a result of the Adoption Assistance Program are referred to as “adoption savings” and are deposited into the Excess Title IV-E Reimbursements cash fund.³ Federal law requires that Title IV-E agencies spend adoption savings for permanency and adoptive services activities as permitted under Titles IV-B or IV-E of the Social Security Act.

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 expanded eligibility criteria. The amount is generally equal to the federal share of the claims since, in most instances, that amount would have otherwise been paid from non-federal Title IV-E agency funds. The Department provides an annual report detailing how adoption savings are spent to the federal Administration for Children and Families.

The Division of Child Welfare Long Bill section includes an adoption savings line item that is funded by the Excess Title IV-E Reimbursements cash fund and supports a variety of services. The

² Section 26-1-111 (2)(d)(II)(A), C.R.S.

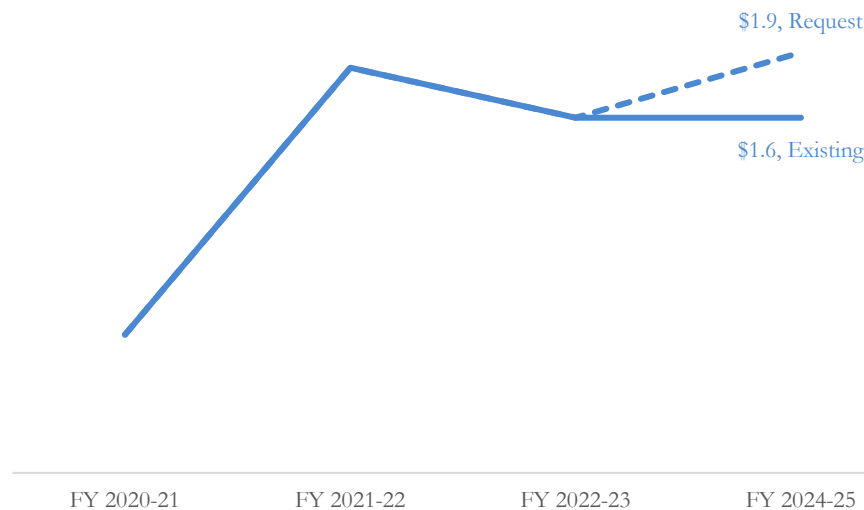
³ Section 26-1-111 (2)(d)(II)(C), C.R.S.

Committee requested an RFI on adoption savings expenditures as part of Figure Setting in 2023. The RFI and request provide the following accounting of FY 2022-23 expenditures.

TABLE 1: EXISTING ADOPTION SAVINGS PROGRAMS		
PROGRAM	CURRENT FUNDING	DESCRIPTION
Adoption Services	\$528,878	Provide additional resources to counties for adoption support.
Post Permanency Support Services	\$520,000	Services for families to prevent re-entry into foster care.
Wendy's Wonderful Kids	\$340,000	Provides state support for WWK permanency services.
National Electronic Interstate Compact Enterprise (NEICE)	\$75,000	Membership exchange data required by the Interstate Compact on the Placement of Children.
Adoption records modernization	\$30,000	Update adoption records to a digital format.
Child Abuse and Neglect Expert Staffing	\$25,000	Provide expert case consultation to all counties.
Adoption form automation	\$20,000	Automate adoption form and train state users.
Adoption case expert	\$18,000	Review and maintain county adoption documentation.
Interstate Compact on Adoption and Medical Assistance (ICAMA)	\$7,500	Membership to utilize interstate agreements.
Existing Adoption Savings	\$1,564,378	

The request includes an increase of \$288,175 cash funds to align spending authority with updated adoption savings calculations determined at the close of the federal fiscal year. The Department indicates that the increase will support adoption services, which includes funding for counties and non-profits to support families moving toward adoption, timeliness of service, permanency and guardianship recruitment, and youth mentoring programs. Historic appropriations are provided in the chart below.

Excess Title IV-E Cash Fund spending authority by fiscal year (in millions).



JBC staff agrees that the request is the result of data that was not available at the time of the original appropriation. JBC staff therefore recommends approval of the Department's request to supplement adoption services and align cash fund spending authority with federal revenues. If the request is not approved, the Department will not be able to distribute existing federal funds to counties and non-profits to support permanency services.

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
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DEPARTMENT OF HUMAN SERVICES
Michelle Barnes, Executive Director

S4 Legal representation spending authority

(3) OFFICE OF CHILDREN, YOUTH, AND FAMILIES
(B) Division of Child Welfare

Child Welfare Legal Representation	1,690,495	7,650,783	501,707	501,707	8,152,490
General Fund	0	0	0	0	0
Cash Funds	1,690,495	7,650,783	501,707	501,707	8,152,490
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S4 Legal representation spending authority

<i>FTE</i>	1,690,495	7,650,783	501,707	501,707	8,152,490
General Fund	0	0	0	0	0
Cash Funds	1,690,495	7,650,783	501,707	501,707	8,152,490
Reappropriated Funds	0	0	0	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
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S5 Federal Title IV-E spending authority

(3) OFFICE OF CHILDREN, YOUTH, AND FAMILIES
(B) Division of Child Welfare

Adoption Savings	845,328	1,564,378	288,175	288,175	1,852,553
General Fund	0	0	0	0	0
Cash Funds	845,328	1,564,378	288,175	288,175	1,852,553
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S5 Federal Title IV-E spending authority	845,328	1,564,378	288,175	288,175	1,852,553
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	845,328	1,564,378	288,175	288,175	1,852,553
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Totals Excluding Pending Items					
HUMAN SERVICES					
TOTALS for ALL Departmental line items					
<i>FTE</i>	2,187,076,645	2,373,290,954	789,882	789,882	2,374,080,836
General Fund	5,567.8	5,345.3	0.0	0.0	5,345.3
Cash Funds	1,070,305,880	1,014,436,841	0	0	1,014,436,841
Reappropriated Funds	279,591,256	562,091,644	789,882	789,882	562,881,526
Federal Funds	181,430,699	219,580,604	0	0	219,580,604
	655,748,810	577,181,865	0	0	577,181,865