



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2017-18 BUDGET BRIEFING SUMMARY

Department of Human Services

Office of Operations and Services for People with Disabilities

The Department of Human Services is responsible for the administration and supervision of most non-medical public assistance and welfare activities of the State. This staff budget briefing document concerns the general administrative functions overseen by the Office of Operations, operation of the Regional Centers, and operation of the Veterans Community Living Centers. Of the total General Fund appropriation to the Department for FY 2016-17, 3.3 percent supports these programs.

FY 2016-17 APPROPRIATION AND FY 2017-18 REQUEST

DEPARTMENT OF HUMAN SERVICES (OFFICE OF OPERATIONS, SERVICES FOR PEOPLE WITH DISABILITIES)						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405 (Long Bill)	\$156,154,109	\$26,977,303	\$40,760,601	\$63,473,121	\$24,943,084	1,864.9
Other legislation	143,350	143,350	0	0	0	0.0
TOTAL	\$156,297,459	\$27,120,653	\$40,760,601	\$63,473,121	\$24,943,084	1,864.9
FY 2017-18 REQUESTED APPROPRIATION:						
FY 2016-17 Appropriation	\$156,297,459	\$27,120,653	\$40,760,601	\$63,473,121	\$24,943,084	1,864.9
R6 Department indirect costs	3,075,586	1,239,149	0	1,301,180	535,257	6.9
R17 CDOC/CDHS interagency agreement true-up	1,167,264	0	0	1,167,264	0	0.0
R19 Mount View Youth Services Center ditch repair	473,000	473,000	0	0	0	0.0
Non-prioritized request items	12,460	(44,437)	(6,099)	76,937	(13,941)	0.0
Centrally appropriated line items	224,990	118,109	10,604	11,509	84,768	0.0
Annualize prior year budget actions	394,959	187,852	18,360	153,650	35,097	0.0
Technical changes	(459,500)	0	(45,000)	0	(414,500)	0.0
Annualize prior year legislation	(37,206)	(37,206)	0	0	0	0.0
TOTAL	\$161,149,012	\$29,057,120	\$40,738,466	\$66,183,661	\$25,169,765	1,871.8
INCREASE/(DECREASE)	\$4,851,553	\$1,936,467	(\$22,135)	\$2,710,540	\$226,681	6.9
Percentage Change	3.1%	7.1%	(0.1%)	4.3%	0.9%	0.4%

R6 DEPARTMENT INDIRECT COSTS: The Department requests a net increase of \$3,075,586 total funds in FY 2017-18 to address the budget shortfall related to the Department's indirect and administrative costs. This request affects line items in the Executive Director's Office, Office of Operations, and Office of Information Technology. The fifth briefing issue discusses this decision item in more detail.

R17 CDOC/CDHS INTERAGENCY AGREEMENT TRUE-UP: The requests an increase of \$1,167,264 reappropriated funds from the Department of Corrections (CDOC) to align the Department's appropriations with the amount billed to the CDOC for facility management of correctional facilities on the Pueblo mental health institute campus. The request contains two components: first is an increase based on the actual cost of services, and second is a spending authority increase to address the difference between spending authority and actual revenue.

The first component will require an additional \$682,085 General Fund in the Department of Corrections. DHS provides facility management services to three CDOC facilities in Pueblo on the mental health institute campus: San Carlos Correctional Facility, the LaVista Correctional Facility, and the Youthful Offender System. Services provided by DHS include building maintenance, infrastructure, security, design support, operations, irrigation, and grounds upkeep. DHS is currently reimbursed by CDOC at a rate lower than the cost of providing services. The second component addresses the accounting practices which did not comply with state fiscal rules. In order to appropriately account for the reappropriated fund from CDOC, the request includes a spending authority increase in the Department of Human Services in the amount of \$485,179.

R19 MOUNT VIEW YOUTH SERVICES CENTER DITCH REPAIR: The Department requests an increase of \$473,000 General Fund to repair the non-potable water ditch for the Harriman Ditch located on the Mount View Youth Services Center campus. The Harriman Ditch runs through the middle of the Mount View Youth Services Center campus and provides non-potable water to the campus for the purpose of irrigation. As a ditch share owner, the Department is responsible for the maintenance and upkeep of the ditch within the property boundaries of the campus. In multiple sections of the approximately 1,000 linear feet of ditch within the confines of the campus, ditch walls have collapsed, creating a blockage. Several buildings have had water penetrating through the foundation walls due to this seepage. When the water flow is heavy, the water overflows its banks due to the blockage created by cement walls that have broken away.

NON-PRIORITIZED REQUESTED CHANGES: The request includes five decision items originating in other departments. The following table summarizes the non-prioritized requests.

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP8 DOC maintenance operating	\$99,591	\$0	\$0	\$99,591	\$0	0.0
NP7 FMAP adjustments	0	0	0	0	0	0.0
NP Annual fleet vehicle request	(87,131)	(44,437)	(6,099)	(22,654)	(13,941)	0.0
TOTAL	\$12,460	(44,437)	(\$6,099)	\$76,937	(\$13,941)	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following: vehicle lease payments and Capitol complex leased space.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$392,958	\$187,852	\$18,360	\$151,649	\$35,097	0.0
Annualize personal needs allowance for RC	2,001	0	0	2,001	0	0.0
TOTAL	\$394,959	187,852	\$18,360	\$153,650	\$35,097	0.0

TECHNICAL CHANGES: The request includes the reduction of \$459,500 total funds for the Older Blind Grants because this program was moved to the Department of Labor and Employment in conjunction with the transfer of the Division of Vocational Rehabilitation and Centers for Independent Living.

ANNUALIZE PRIOR YEAR LEGISLATION: The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION			
	TOTAL FUNDS	GENERAL FUND	FTE
Annualize SB 16-019 (Videotape mental condition evaluations)	(\$37,206)	(\$37,206)	0.0
TOTAL	(\$37,206)	(37,206)	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

REGIONAL CENTERS OVERVIEW: This issue provides an overview of the services provided at the state-run Regional Centers. Included in this issue is a description of the two types of regional center licensures, the number of individuals and cost of services provided at the Regional Centers, and summary of recent legislation that impacts the Regional Centers.

REGIONAL CENTER TASK FORCE AND THE DEPARTMENT OF HCPF R10 FUNDING: The Regional Center Task Force submitted their final recommendations to the General Assembly in December 2015. While the recommendations impact three different departments, the Department of Human Services has taken the lead on implementing the recommendations. There remain unanswered structural questions on how Regional Centers should fit into the system of services for individuals with intellectual and developmental disabilities. This issue provides an update on the status of the implementation of Task Force recommendations. The Department of Health Care Policy and Financing’s (HCPF) request (R10) is discussed in this issue because of the relationship the request has with the implementation of the Regional Center Task Force recommendations.

S.B. 16-178 GRAND JUNCTION REGIONAL CENTER CAMPUS UPDATE: Senate Bill 16-178 required the Department to transition individuals currently receiving services from the Grand Junction Regional Center Campus and sell the campus by July 1, 2018, or as soon as possible. The Department was also required to assemble an advisory group which provided recommendations for how the Department should proceed with the Campus. The Department submitted a \$12.0 million FY 2017-18 capital construction request to acquire land and build four new group homes.

PUEBLO REGIONAL CENTER: The Pueblo Regional Center was found by the Centers for Medicare and Medicaid Services to have failed to protect the health and welfare of individuals who received services there. As such, the Pueblo Regional Center is required to implement a number of changes, not admit new individuals, and repay federal money used to provide services. The prohibition on new admissions and repayment of federal funds is being disputed by the State. In response to the findings, the Department has instituted pay and staffing increases at the Pueblo Regional Center as of November 1, 2016.

DEPARTMENT INDIRECT COSTS (R6): Indirect costs are designed to require programs to pay for department and state overhead administrative expenses not directly billed to specific programs. Indirect costs are paid for by assessments on the programs which use these overhead administrative services. The Department of Human Services has proposed a number of changes to how they bill for their administrative overhead costs. Staff has recommended taking the Department’s proposal a step further in order to increase the transparency for how indirect costs in the Department are paid for and to ensure equitable assessment of those costs by program.

COMMISSION FOR THE DEAF AND HARD OF HEARING: The Commission for the Deaf and Hard of Hearing is the single access point for individuals who are deaf and hard of hearing to services they are federally entitled to. The Commission is required to submit an annual report with recommendations for how services for individuals who are deaf, hard of hearing, and deaf-blind can be improved. The Commission has embraced this charge and made two recommendations for changes in their October 31, 2016 report. The Commission received funding in FY 2016-17 to provide services and outreach to individuals who are deaf-blind but has not yet begun providing those services due to the time it has taken to hire the staff which will oversee these services and outreach.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2017-18_humbrf3.pdf