



Colorado General Assembly  
Joint Budget Committee

# JOINT BUDGET COMMITTEE STAFF FY 2018-19 BUDGET BRIEFING SUMMARY

*Department of Human Services*

*Office of Information Technology Services, County Administration, Office of Self Sufficiency, Adult Assistance Programs, Division of Youth Services*

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. The Department's FY 2017-18 appropriation represents approximately 7.1 percent of statewide operating appropriations and 8.2 percent of statewide General Fund appropriations.

## FY 2017-18 APPROPRIATION AND FY 2018-19 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254 (Long Bill)	\$761,427,967	\$255,277,333	\$181,156,757	\$20,316,217	\$304,677,660	1,430.5
Other legislation	4,695,602	695,602	0	0	4,000,000	0.3
<b>TOTAL</b>	<b>\$766,123,569</b>	<b>\$255,972,935</b>	<b>\$181,156,757</b>	<b>\$20,316,217</b>	<b>\$308,677,660</b>	<b>1,430.8</b>
<b>FY 2018-19 REQUESTED APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$766,123,569	\$255,972,935	\$181,156,757	\$20,316,217	\$308,677,660	1,430.8
R1a Compensation adjustments for direct care positions	4,908,457	4,908,457	0	0	0	0.0
R2 DYS facility staffing final phase	2,001,710	2,001,710	0	0	0	49.5
R3 DYS special education services	590,410	590,410	0	0	0	5.3
R7 ReHire Colorado extension	1,278,751	1,278,751	0	0	0	1.0
R8 Colorado SNAP increased food security and county technical assistance	421,328	210,665	0	0	210,663	6.4
R11 Continuation of Respite Care Task Force recommendations	62,677	62,677	0	0	0	0.0
R12 Old Age Pension cost of living adjustment	1,908,641	0	1,908,641	0	0	0.0
R14 Increase funding for Area Agencies on Aging	4,000,000	4,000,000	0	0	0	0.0
R15 Enhancing county Colorado Works case management performance	3,139,081	0	0	0	3,139,081	1.8
R19 Spending authority for crimes against at-risk persons	20,000	0	20,000	0	0	0.0
R23 HIPAA security remediation	(14,204)	0	(248)	(62)	(13,894)	0.0
R24 Provider rate increase	852,531	622,825	90,249	10,515	128,942	0.0
Annualize prior year budget actions	2,856,878	2,442,548	27,809	3,489	383,032	27.3
Non-prioritized request items	948,484	539,853	21,891	278,378	108,362	0.0
Centrally appropriated line items	(389,372)	(189,311)	(666)	(162,063)	(37,332)	0.0
Annualize prior year legislation	(1,317,846)	(1,396,263)	78,417	0	0	1.7
<b>TOTAL</b>	<b>\$787,391,095</b>	<b>\$271,045,257</b>	<b>\$183,302,850</b>	<b>\$20,446,474</b>	<b>\$312,596,514</b>	<b>1,523.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$21,267,526</b>	<b>\$15,072,322</b>	<b>\$2,146,093</b>	<b>\$130,257</b>	<b>\$3,918,854</b>	<b>93.0</b>
Percentage Change	2.8%	5.9%	1.2%	0.6%	1.3%	6.5%

**R1a COMPENSATION ADJUSTMENTS FOR DIRECT CARE POSITIONS:** The request includes an increase of \$4,908,457 General Fund for FY 2018-19 to address difficulties in recruiting and retaining direct care staff in the Division of Youth Services’ ten state-owned and –operated secure facilities. This request is part of a larger request put forth by the Department to increase the wages of direct care staff in its mental health institutes and veterans community living centers, in addition to youth corrections facilities. The Department identified a similar shortfall in compensation in the Regional Centers that provide services to adults with intellectual and developmental disabilities last year. In November 2016 the Department completed a compensation initiative, similar to the one requested here, for its three Regional Centers.

**R2 DYS FACILITY STAFFING FINAL PHASE:** The request seeks an increase of \$2,622,691 General and 49.5 FTE (annualizes to 69.0 FTE in FY 2019-20 and beyond) for FY 2018-19 to add staff to state-owned and operated youth corrections’ facilities in an effort to improve safety and security of staff and youth. The General Assembly appropriated funds for an additional 208.7 FTE between FY 2014-15 and FY 2017-18 for this purpose, as well. The following table summarizes the requested funding:

DYS FACILITY STAFFING FINAL PHASE		
	GENERAL FUND	FTE
Correctional Youth Security Officers (salary + benefits)	\$2,886,463	48.0
Correctional Youth Security Supervisor (salary + benefits)	44,659	0.6
Human Resources Specialist (salary + benefits)	63,078	0.9
Operating Expenses	128,491	n/a
<b>Subtotal</b>	<b>\$3,122,691</b>	<b>49.5</b>
Vacancy Savings	(500,000)	n/a
<b>Total</b>	<b>\$2,622,691</b>	<b>49.5</b>

Note, the requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance for the proposed FTE. These centrally appropriated line items are not shown in the summary table because these line items appear in the Executive Director’s Office which is covered in a separate staff budget briefing.

**R3 DYS SPECIAL EDUCATION SERVICES:** The request includes an increase of \$662,233 General Fund and 5.3 FTE (annualizing to 7.0 FTE in FY 2019-20 and beyond) for FY 2018-19 to meet the special education needs of youth committed to the Division of Youth Services. The proposal calls for the addition of two special education teachers, one special education coordinator, one school psychologist, and three school social workers. These resources would be assigned to the three commitment facilities that use state-operated schools. Additionally, the plan asks for funding to add contract staff at the two DYS commitment facilities that use contracts with non-Division entities for the provision of educational services. The following table summarizes the requested funding:

DYS Special Education Services		
	GENERAL FUND	FTE
State Teachers (salary + benefits)	\$170,929	2.25
State Psychologist (salary + benefits)	69,903	0.75
State Social Workers (salary + benefits)	161,799	2.25
State Operating Expenses	37,909	n/a
Contract Teachers	56,067	n/a
Contract Social Workers	143,963	n/a
Contract Operating Expenses	21,662	n/a
<b>Total</b>	<b>\$662,233</b>	<b>5.3</b>

Note, the requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance for the proposed FTE. These centrally appropriated line items are not shown in the summary table because these line items appear in the Executive Director’s Office which is covered in a separate staff budget briefing.

**R7 REHIRE COLORADO EXTENSION:** The request asks the Joint Budget Committee to sponsor legislation to eliminate the end date for the Department’s transitional jobs program, known as ReHire Colorado, and provide an increase of \$1.3 million General Fund and 1.0 FTE for FY 2018-19 to continue the program through the final six months of the fiscal year. ReHire Colorado is statutorily-required (Section 26-2-1103, C.R.S.) to stop offering new transitional jobs after December 31, 2018 and is slated to end on June 30, 2019. This proposal puts forth a plan to continue subsidizing wages of 237 program participants through the back half of FY 2018-19 and eliminate an end date for program operation.

Note, the requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance for the proposed FTE. These centrally appropriated line items are not shown in the summary table because these line items appear in the Executive Director’s Office which is covered in a separate staff budget briefing.

**R8 COLORADO SNAP INCREASED FOOD SECURITY AND COUNTY TECHNICAL ASSISTANCE:** The request includes an increase of \$511,356 total funds, including \$255,680 General Fund, and 6.4 FTE (annualizing to 7.0 FTE in FY 2019-20 and beyond) for FY 2018-19 to provide technical assistance to counties in administering the federal Supplemental Nutrition Assistance Program (SNAP), ensure compliance with federal SNAP regulations, and provide quality assurance functions as part of the state’s role in supervising the administration of SNAP. The Department’s current appropriation includes funds for 21.0 FTE for SNAP administration and 11.7 FTE for SNAP quality assurance functions. The following table summarizes the requested increase:

Colorado SNAP Increased Food Security and County Technical Assistance				
POSITION FUNCTION	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
Sustain Performance (salary + benefits)	\$63,076	\$31,538	\$31,538	1.0
Fiscal and Contract Oversight (salary + benefits)	139,528	69,764	69,764	1.8
SB-190 Compliance (salary + benefits)	139,528	69,764	69,764	1.8
Quality Assurance (salary + benefits)	126,153	63,077	63,076	1.8
Operating Expenses	43,071	21,537	21,534	n/a
<b>Total</b>	<b>\$511,356</b>	<b>\$255,680</b>	<b>\$255,676</b>	<b>6.4</b>

Note, the requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance for the proposed FTE. These centrally appropriated line items are not shown in the summary table because these line items appear in the Executive Director’s Office which is covered in a separate staff budget briefing.

**R11 CONTINUATION OF RESPITE CARE TASK FORCE RECOMMENDATIONS:** The request seeks an increase of \$62,677 General Fund for FY 2018-19 to support the work associated with H.B. 16-1398 (Implement Respite Care Task Force Recommendations). The bill required the Department to select an entity to contract with to implement recommendations of the Respite Care Task Force, which included a variety of studies and analyses on the benefits of respite care services, online training tools to assist individuals in becoming respite care providers, and marketing and outreach projects to share information regarding respite care services. The bill transferred \$900,000 from the Intellectual and Developmental Disabilities Cash Fund to the General Fund, appropriated \$900,000 General Fund for FY 2016-17 to begin implementing these recommendations, and provided roll-forward authority for this appropriation through FY 2017-18.

The Department entered into a contract with Easter Seals to conduct the work from February 1, 2017 (FY 2016-17) through March 1, 2021 (FY 2020-21). To cover the costs associated with this contract for FY 2018-19, this request asks for an increase of \$62,677 General Fund and roll-forward authority from FY 2017-18 through FY 2018-19 for \$372,812 General Fund from the original \$900,000 appropriated in FY 2016-17 for this purpose. The Department indicates that future requests for implementing all phases of the Task Force recommendations will cost \$675,222 General Fund, bringing total appropriations for this project, if approved by the General Assembly, to \$1,637,899 General Fund.

**R12 OLD AGE PENSION COST OF LIVING ADJUSTMENT:** The request includes an increase of \$1,908,641 cash funds from the Old Age Pension (OAP) Fund for FY 2018-19 to implement a 1.5 percent cost-of-living (COLA) increase for OAP recipients. This would increase the monthly grant standard from \$773 to \$785. The State Board of Human Services has the constitutional authority to raise the OAP grant standard in accordance with the federal Social Security Administration’s (SSA) annual decision to award or not award a COLA to Supplemental Security Income (SSI) recipients. The SSA’s COLA for calendar year 2018 includes a 2.0 percent increase, which is higher than the amount proposed with this request.

**R14 INCREASE FUNDING FOR AREA AGENCIES ON AGING:** The request seeks an increase of \$4.0 million General Fund for FY 2018-19 to assist seniors in living independently in their communities. These services, provided by (and arranged for by) the state’s 16 Area Agencies on Aging (AAAs), include home-delivered meals, transportation to medical appointments, and a variety of other forms of assistance to help seniors with the activities of daily living.

**R15 ENHANCING COUNTY COLORADO WORKS CASE MANAGEMENT PERFORMANCE:** The request seeks an increase of \$3.2 million federal funds from the state’s Temporary Assistance for Needy Families (TANF) reserve and 1.8 FTE for FY 2018-19 to improve performance in the state’s TANF program, known as Colorado Works. Specifically, the funds would be used to increase employment outcomes for Colorado Works participants, decrease county-level administrative burdens associated with Colorado Works, and comply with federal work participation rate requirements for the TANF program.

ENHANCING COUNTY COLORADO WORKS CASE MANAGEMENT PERFORMANCE		
	FEDERAL FUNDS	FTE
Data Quality (salary + benefits)	\$126,155	1.8
Data Quality Operating Expenses	10,364	n/a
Automated Data Entry Tool	2,202,144	n/a
Business Process Reengineering	825,500	n/a
<b>Total</b>	<b>\$3,164,163</b>	<b>1.8</b>

Note, the requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance for the proposed FTE. These centrally appropriated line items are not shown in the summary table because these line items appear in the Executive Director’s Office which is covered in a separate staff budget briefing.

**R19 SPENDING AUTHORITY FOR CRIMES AGAINST AT-RISK PERSONS:** The request includes an increase of \$20,000 cash funds from the Crimes Against At-Risk Persons Surcharge Fund for FY 2018-19 for an additional 1,300 to 1,900 hours of contract respite services. The goal of respite services is to provide temporary relief to caregivers from the emotional and physical impacts of caring for children or adults with special needs who are unable (or require assistance) to care for themselves. Money in the Fund originates as surcharges on persons who are convicted of crimes against at-risk adults and at-risk juveniles. The FY 2017-18 Long Bill includes an appropriation of \$350,000 General

Fund and spending authority of \$28,370 from the Fund for respite services. Revenue into the Fund is projected to increase to support the requested increase in spending authority in the future.

**R23 HIPAA SECURITY REMEDIATION:** The request seeks a decrease of \$153,300 total funds, including a decrease of \$56,700 General Fund, for FY 2018-19 in the line item that conducts risk assessments to identify potential violation of privacy laws and designs and implements mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Department proposes this reduction based on prior year spending trends indicating that this line item is appropriated more funds annually than are expended.

Note, the request amount shown here includes the impact of this decision item on divisions throughout the Department that contribute to the appropriations for this line item through the Department’s indirect cost recovery plan. This full amount is not shown in the summary table because several of these impacted indirect cost assessment line items appear in divisions not included in this briefing document.

**R24 PROVIDER RATE INCREASE:** The request includes \$852,531 total funds, including \$622,825 General Fund, for FY 2018-19 for an across-the-board increase of 1.0 percent for community providers. The following table itemizes each requested provider rate increase by division and by line item.

PROVIDER RATE INCREASE						
DIVISION	LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
County Administration	County Administration	\$166,666	\$50,000	\$33,333	\$0	\$83,333
Office of Self Sufficiency	Refugee Assistance	18,439	0	0	0	18,439
Adult Assistance Programs	Adult Protective Services	188,462	131,131	36,635	0	20,696
Youth Services	Medical Services	33,216	33,216	0	0	0
Youth Services	Educational Programs	30,473	28,060	0	2,413	0
Youth Services	Purchase of Contract Placements	200,953	186,735	0	7,744	6,474
Youth Services	Managed Care Project	14,751	14,393	0	358	0
Youth Services	S.B. 91-94 Programs	150,002	129,721	20,281	0	0
Youth Services	Parole Program Services	49,569	49,569	0	0	0
<b>TOTAL</b>		<b>\$852,531</b>	<b>\$622,825</b>	<b>\$90,249</b>	<b>\$10,515</b>	<b>\$128,942</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes an increase of \$2,856,878 total funds, including \$2,442,548 General Fund, and 27.3 FTE for FY 2018-19 for adjustments related to prior year budget actions, primarily decision items. The following table itemizes each requested annualization for FY 2018-19.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 DYC 24 Hour Medical Coverage	\$1,810,901	\$1,810,901	\$0	\$0	\$0	21.9
FY 2017-18 Salary survey	1,375,605	1,084,287	19,125	2,221	269,972	0.0
FY 2017-18 Merit base pay	601,093	478,081	8,684	1,268	113,060	0.0
FY 17-18 DYC facility staffing phase 3 of 3	(930,721)	(930,721)	0	0	0	5.4
<b>TOTAL</b>	<b>\$2,856,878</b>	<b>\$2,442,548</b>	<b>\$27,809</b>	<b>\$3,489</b>	<b>\$383,032</b>	<b>27.3</b>

**NON-PRIORITIZED REQUEST ITEMS:** The request seeks \$948,484 total funds, including \$539,853 General Fund, for FY 2018-19 for items requested by other agencies that impact this department. The following table itemizes each requested non-prioritized item for FY 2018-19.

**NON-PRIORITIZED REQUEST ITEMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating System Suite (OIT)	\$684,521	\$324,911	\$1,427	\$278,251	\$79,932	0.0
CBMS/PEAK Base Adjustment Request (OIT)	234,897	214,942	19,955	0	0	0.0
Annual fleet vehicle request (DPA)	24,032	0	420	105	23,507	0.0
Cybersecurity liability insurance policy (DPA)	5,034	0	89	22	4,923	0.0
<b>TOTAL</b>	<b>\$948,484</b>	<b>\$539,853</b>	<b>\$21,891</b>	<b>\$278,378</b>	<b>\$108,362</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes a decrease of \$389,372 total funds, including a decrease of \$189,311 General Fund, for FY 2018-19 for adjustments to centrally appropriated line items for the following: legal services; Payments to OIT; indirect costs; and CORE. The following table itemizes each requested centrally appropriated line item change for FY 2018-19.

**CENTRALLY APPROPRIATED LINE ITEMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Legal services adjustment	\$8,097	\$0	\$142	\$35	\$7,920	0.0
Payments to OIT adjustment	(341,278)	(183,949)	0	(157,329)	0	0.0
Indirect cost assessment adjustment	(46,262)	0	(808)	(202)	(45,252)	0.0
CORE adjustment	(9,929)	(5,362)	0	(4,567)	0	0.0
<b>TOTAL</b>	<b>(\$389,372)</b>	<b>(\$189,311)</b>	<b>(\$666)</b>	<b>(\$162,063)</b>	<b>(\$37,332)</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes a decrease of \$1,317,846 total funds, including a decrease of \$1,396,263 General Fund, and an increase of 1.7 FTE for FY 2018-19 for adjustments related to prior year legislation. The following table itemizes each requested annualization for FY 2018-19.

**ANNUALIZE PRIOR YEAR LEGISLATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
HB 17-1329 (Reform Division Of Youth Corrections)	\$113,177	\$113,177	\$0	2.7
HB 16-1290 (Extend Transitional Jobs Program)	(1,144,653)	(1,144,653)	0	(1.0)
HB 17-1284 (Data System Check For Employees Serving At-risk Adults)	(164,700)	(243,117)	78,417	0.0
HB 17-1204 (Juvenile Delinquency Record Expungement)	(108,710)	(108,710)	0	0.0
SB 17-028 (Healthy Families And Military Preparedness Act)	(12,960)	(12,960)	0	0.0
<b>TOTAL</b>	<b>(\$1,317,846)</b>	<b>(\$1,396,263)</b>	<b>\$78,417</b>	<b>1.7</b>

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**IMPROVING COUNTY ADMINISTRATION PRACTICES:** Senate Bill 16-190 (Improve County Admin Public Assistance Programs) directed the Colorado Department of Human Services to contract with an external vendor to collect and analyze data relating to county costs and performance associated with administering public assistance programs. Additionally, the Department was tasked with designing a program to improve the products, services, and processes associated with administering public assistance programs. Both of these initiatives produced a series of recommendations for future actions that the General Assembly may wish to consider funding or crafting policy to implement.

**PROPOSED SNAP ELIGIBILITY CHANGES:** Colorado's implementation of the federal Supplemental Nutrition Assistance Program (SNAP), formerly referred to as food stamps, requires households to meet one of three eligibility categories to receive benefits. Beginning in 2010, the Department of Human Services implemented these eligibility categories in a manner inconsistent with federal guidelines. The Department is exploring a solution to attain federal compliance that does not require legislation or funding, but may increase SNAP caseload.

**ASSAULTS AND FIGHTS IN YOUTH SERVICES FACILITIES:** The General Assembly appropriated \$11.8 million General Fund to add over 200 new positions in the Division of Youth Services (formerly the Division of Youth Corrections) across the previous four fiscal years to stem increases in assaults and fights within the Division's state-owned and -operated secure facilities. Between FY 2014-15 and FY 2016-17, the number of such events has decreased by 11.9 percent, suggesting that staffing additions have made an impact in reducing violence in the Division's facilities.

**STAFFING REQUEST FOR YOUTH SERVICES FACILITIES:** The General Assembly appropriated \$11.8 million General Fund to the Division of Youth Services (formerly the Division of Youth Corrections) in the past four fiscal years to add staff to state-owned and -operated youth detention and commitment facilities in an effort to improve safety and security of staff and youth by improving staff-to-youth ratios to industry standards. Funds were used to meet these standards in seven of the Division's ten facilities. For FY 2018-19, the unit seeks \$2.6 million General Fund and 49.5 FTE to add 69 positions to reach the standard ratios in the remaining three facilities.

## FOR MORE INFORMATION

**JBC STAFF ANALYST:** Kevin Neimond  
(303) 866-4958  
Kevin.Neimond@state.co.us

**TO READ THE ENTIRE BRIEFING:** [http://leg.colorado.gov/sites/default/files/fy2018-19\\_humbrf2.pdf](http://leg.colorado.gov/sites/default/files/fy2018-19_humbrf2.pdf)