



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2019-20 BUDGET BRIEFING SUMMARY

Department of Human Services

Office of Information Technology Services and 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 2018-19 appropriation represents approximately 7.2 percent of statewide operating appropriations and 8.6 percent of statewide General Fund appropriations.

FY 2018-19 APPROPRIATION AND FY 2019-20 REQUEST

OFFICE OF INFORMATION TECHNOLOGY SERVICES AND DIVISION OF YOUTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION:						
HB 18-1322 (Long Bill)	\$215,384,807	\$174,361,864	\$3,396,245	\$19,352,602	\$18,274,096	1,236.4
Other legislation	52,511	0	0	52,511	0	0.5
TOTAL	\$215,437,318	\$174,361,864	\$3,396,245	\$19,405,113	\$18,274,096	1,236.9
FY 2019-20 REQUESTED APPROPRIATION:						
FY 2018-19 Appropriation	\$215,437,318	\$174,361,864	\$3,396,245	\$19,405,113	\$18,274,096	1,236.9
R2 Compensation for direct care employees	5,567,568	5,567,568	0	0	0	0.0
R3 Youth services capacity and behavioral health	(616,717)	(616,717)	0	0	0	(12.0)
R13 Colorado Trails maintenance	2,452,920	1,103,814	0	0	1,349,106	0.0
R15 Community provider rate increase	479,775	441,335	20,483	9,954	8,003	0.0
R20 Food service inflation	60,241	7,773	0	52,468	0	0.0
R21 Salesforce Shield	251,764	29,218	446	222,100	0	0.0
Centrally appropriated line items	5,894,079	3,182,803	0	2,711,276	0	0.0
Annualize prior year budget actions	4,171,612	3,876,097	28,465	3,246	263,804	1.7
Annualize prior year legislation	274,444	220,660	176	51,842	1,766	0.5
Indirect cost assessment	12,456	0	12,456	0	0	0.0
Non-prioritized request items	(14,567,681)	(13,897,944)	(263,701)	1,292,480	(1,698,516)	0.0
TOTAL	\$219,417,333	\$174,276,471	\$3,194,124	\$23,748,479	\$18,198,259	1,227.1
INCREASE/(DECREASE)	\$3,980,015	(\$85,393)	(\$202,121)	\$4,343,366	(\$75,837)	(9.8)
Percentage Change	1.8%	(0.0%)	(6.0%)	22.4%	(0.4%)	(0.8%)

R2 COMPENSATION FOR DIRECT CARE EMPLOYEES: The request seeks an increase of *\$8,064,380 General Fund for FY 2019-20 for the first phase of a two year process to increase salaries for direct care staff in the Division of Youth Services' ten state-owned and –operated secure facilities (annualizes to \$14,220,447 General Fund for FY 2020-21 and future fiscal years). The Department seeks to compensate existing and new direct care employees at the midpoint of the pay range for each job classification and to provide a compression increase for existing direct care staff who are already at midpoint of the range. The goal of the increase is to address difficulties in recruiting and retaining highly qualified individuals to fill direct care positions. The following table summarizes the request.

YOUTH SERVICES COMPENSATION FOR DIRECT CARE EMPLOYEES - GENERAL FUND

LINE ITEM	FY 2019-20	FY 2020-21
Personal Services	\$5,567,568	\$11,135,136
Centrally appropriated line items	*2,496,812	*3,597,668
Total	\$8,064,380	\$14,220,447

This proposal is part of a larger decision item put forth by the Department to increase salaries of direct care staff in its community living centers for veterans, in addition to youth services facilities. In prior years, the General Assembly funded similar initiatives for direct care staff supporting the Department’s regional centers for individuals with intellectual and development disabilities, as well as its two mental health institutes (Fort Logan and Pueblo).

*The requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance and PERA contributions that are dependent on staff salaries and number of staff employed. 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 prepared by Ms. Robin Smart scheduled for Tuesday, November 27th.

R3 YOUTH SERVICES CAPACITY AND BEHAVIORAL HEALTH: The request includes a series of changes within the Division of Youth Services’ state-owned facilities that net out to a decrease of *\$718,399 General Fund and a decrease of 12.0 FTE for FY 2019-20 (annualizes to \$0 General Fund and a decrease of 3.5 FTE for FY 2020-21 and future fiscal years). The components of the proposal include:

- Reducing the statutory detention bed cap from 382 to 304 beds (requires legislation);
- Realigning several of the Division’s state-owned and -operated facilities with a goal of creating single purpose (detention or commitment, not both) facilities and increasing state-owned and -operated facility commitment capacity;
- Decentralizing the Division’s Front Range assessment capabilities by adding assessment functions to the Platte Valley Youth Services Center (Greeley) and Spring Creek Youth Services Center (Colorado Springs);
- Eliminating commitment beds at the state-owned, privately-operated Robert E. DeNier Youth Services Center in Durango; and
- Increasing the number of behavioral health professionals in the Division’s state-owned and –operated commitment facilities by 11.0 FTE.

*The requested appropriation amount listed in this description includes centrally appropriated line items, such as health, life, and dental insurance and PERA contributions that are dependent on staff salaries and number of staff employed. 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 prepared by Ms. Robin Smart scheduled for Tuesday, November 27th.

R13 COLORADO TRAILS MAINTENANCE: The request seeks an increase of \$2,452,920 total funds, including \$1,103,814 General Fund, for FY 2019-20 and FY 2020-21 for the Governor’s Office of Information Technology to contract for additional developers, business analysts, database administrators, service desk support, and infrastructure to maintain the Trails system used by state and local government to support the management of youth involved in the state’s child protective services system. The proposal annualizes to \$2,143,000 total funds, including \$964,350 General Fund, for FY 2021-22 and \$1,833,080 total funds, including \$824,886 General Fund, for FY 2022-23 and future fiscal years. Note, the Governor’s Office of Information Technology budget request for FY 2019-20 includes a corresponding increase of \$2,452,920 reappropriated funds transferred from the Department for this purpose.

R15 COMMUNITY PROVIDER RATE INCREASE: The request includes \$479,775 total funds, including \$441,335 General Fund, for FY 2019-20 and future fiscal years as part of an across-the-board increase of 1.0 percent for community providers under contract with the Division of Youth Services. Note, many community providers serve youth from the youth correctional system, as well as the child welfare system. The Division of Youth Services reimburses providers at a lower rate than the child welfare system. Staff has concerns that funding incongruities may limit community capacity for youth in the correctional system, as providers favor serving clients that earn them greater reimbursements. The Committee may wish to discuss this with the Division at its hearing to determine if a plan is needed to address this potential issue.

The following table itemizes the requested across-the-board provider rate increase by line item.

PROVIDER RATE INCREASE						
DIVISION	LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Youth Services	Medical Services	\$49,298	\$49,298	\$0	\$0	\$0
Youth Services	Educational Programs	33,075	33,075	0	0	0
Youth Services	Purchase of Contract Placements	231,002	213,406	0	9,593	8,003
Youth Services	Managed Care Project	14,898	14,537	0	361	0
Youth Services	S.B. 91-94 Programs	151,502	131,019	20,483	0	0
TOTAL		\$479,775	\$441,335	\$20,483	\$9,954	\$8,003

R20 FOOD SERVICE INFLATION: The request includes \$60,241 total funds, including \$7,773 General Fund, for FY 2019-20 and future fiscal years to cover the cost of food in state-owned and –operated Division of Youth Services’ facilities. The amount of the requested increase is equal to an estimated rate of inflation of 1.5 percent, as projected by the United States Department of Agriculture, for the cost of food. Note, the “R20 Food service inflation” decision item also includes an increase of \$90,669 General Fund to cover the cost of food in the state’s two mental health institutes for FY 2019-20 and future fiscal years. This increase appears in a separate staff briefing presentation prepared by Ms. Carolyn Kampman for the Department’s Office of Behavioral Health scheduled for Tuesday, December 11th.

R21 SALESFORCE SHIELD: The request includes an increase of \$251,764 total funds, including \$29,218 General Fund, for FY 2019-20 to improve secure encryption of client identifiable information stored on the Salesforce cloud (annualizes to \$484,446 total funds, including \$29,898 General Fund, for FY 2020-21 and future fiscal years with an annual increase of 2.33 percent each succeeding fiscal year). The federal government, through enforcement of the Health Insurance Portability and Accountability Act (HIPAA), indicates that client personally identifiable information held by an organization, such as the Department, that is designated as a “Covered Entity” under HIPAA must be handled as electronic protected health information. The Governor’s Office of Information Technology has corresponding standards for handling electronic protected health information, which the Department does not currently meet. If approved, this decision item will bring the Department into compliance with federal law and the state’s corresponding standards.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$5,894,079 total funds, including \$3,182,803 General Fund, for FY 2019-20 for adjustments to centrally appropriated line items for the following: Payments to OIT and CORE. The following table itemizes each requested centrally appropriated line item change.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT adjustment	\$5,982,955	\$3,230,796	\$0	\$2,752,159	\$0	0.0
CORE adjustment	(88,876)	(47,993)	0	(40,883)	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$5,894,079	\$3,182,803	\$0	\$2,711,276	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes an increase of \$4,171,612 total funds, including \$3,876,097 General Fund, and 1.7 FTE for FY 2019-20 for adjustments related to prior year budget actions. The following table itemizes each annualization.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 year salary survey	\$2,117,686	\$2,099,715	\$921	\$3,246	\$13,804	0.0
FY 2018-19 R2 DYS staffing final phase	912,549	912,549	0	0	0	0.0
FY 2018-19 OIT CBMS/PEAK	763,554	736,010	27,544	0	0	0.0
FY 2018-19 CHATS transfer	250,000	0	0	0	250,000	0.0
FY 2018-19 DYS special education services	127,823	127,823	0	0	0	1.7
TOTAL	\$4,171,612	\$3,876,097	\$28,465	\$3,246	\$263,804	1.7

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$274,444 total funds, including \$220,660 General Fund, and an increase of 0.5 FTE for FY 2019-20 for adjustments related to prior year legislation. The following table itemizes each annualization.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-200 (Modifications To PERA Public Employees' Retirement Association To Eliminate Unfunded Liability)	\$257,343	\$255,119	\$176	\$282	\$1,766	0.0
HB 18-1323 (Pay For Success Contracts Pilot Program Funding)	51,560	0	0	51,560	0	0.5
HB 17-1329 (Reform Division Of Youth Corrections)	(34,459)	(34,459)	0	0	0	0.0
TOTAL	\$274,444	\$220,660	\$176	\$51,842	\$1,766	0.5

INDIRECT COST ASSESSMENT: The request includes an increase of \$12,456 cash funds from the Marijuana Cash Tax Fund to align the Division of Youth Services share of indirect costs with the Department's indirect cost plan.

NON-PRIORITIZED REQUEST ITEMS: The request seeks a decrease of \$14,567,681 total funds, including a decrease of \$13,897,944 General Fund, for FY 2019-20 for items requested by other departments that impact the agencies covered in this briefing document. The following table itemizes each requested non-prioritized item.

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Securing IT operations (OIT)	\$1,952,949	\$1,054,592	\$0	\$898,357	\$0	0.0
Enterprise data integration services (OIT)	667,954	360,695	0	307,259	0	0.0
Application refresh and consolidation (OIT)	80,657	43,555	0	37,102	0	0.0
Optimize self-service capabilities (OIT)	54,916	29,655	0	25,261	0	0.0
Essential database support (OIT)	36,150	19,521	0	16,629	0	0.0
Local administration transformation (HCPF)	27,865	4,578	13,401	0	9,886	0.0
IDS increased input costs (DPA)	14,955	7,083	0	7,872	0	0.0
CBMS PEAK (OIT)	(17,403,127)	(15,417,623)	(277,102)	0	(1,708,402)	0.0
TOTAL	(\$14,567,681)	(\$13,897,944)	(\$263,701)	\$1,292,480	(\$1,698,516)	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

DIVISION OF YOUTH SERVICES' DATA AND TRENDS: The General Assembly appropriated \$15.3 million General Fund to add over 277 new positions in the Division of Youth Services from FY 2014-15 through FY 2018-19 to stem increases in assaults and fights within the agency's state-owned and -operated secure facilities and improve programming. After several years of reduced numbers of assaults and fights, the Division experienced an increase of 12.5 percent in FY 2017-18 over the prior fiscal year. Additionally, nearly all of the agency's facilities continue to encounter issues filling new positions and retaining existing employees.

REALIGNING THE DIVISION OF YOUTH SERVICES' FACILITIES: The Division of Youth Services proposes a series of budgetary and statutory changes to improve the operation of its ten state-owned and -operated facilities in an effort to more effectively serve youth. These changes will have an impact on entities outside of the Division, including law enforcement officials, judges, and district attorneys.

TRAILS MODERNIZATION PROJECT CONCERNS: The General Assembly appropriated \$22.8 million total funds, including \$11.4 million General Fund, to modernize the information technology system known as Trails that supports the state's child protective services. Recent system updates implemented as part of this project raise questions of accuracy and consistency of data relied on for decision making purposes.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2019-20_humbrf2.pdf