

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2011-12 STAFF BUDGET BRIEFING

DEPARTMENT OF HUMAN SERVICES

**(Executive Director's Office, Office of Operations
County Administration, Self Sufficiency, Adult Assistance)**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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**FY 2011-12 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF HUMAN SERVICES

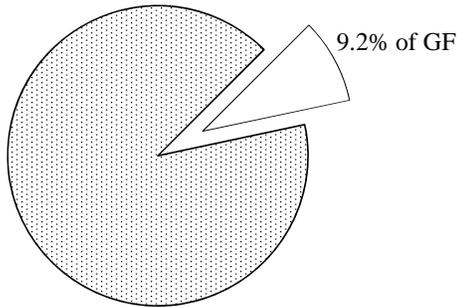
**(Executive Director's Office, Office of Operations
County Administration, Self Sufficiency, Adult Assistance)**

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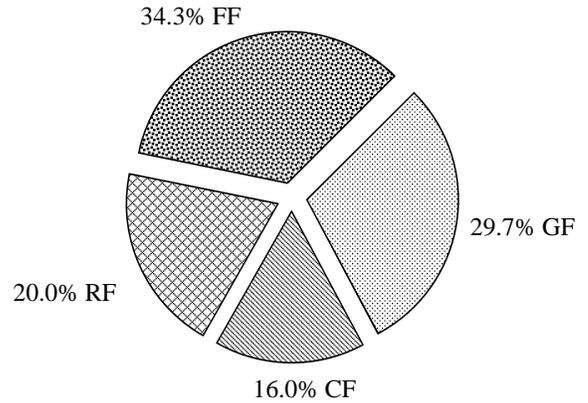
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FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

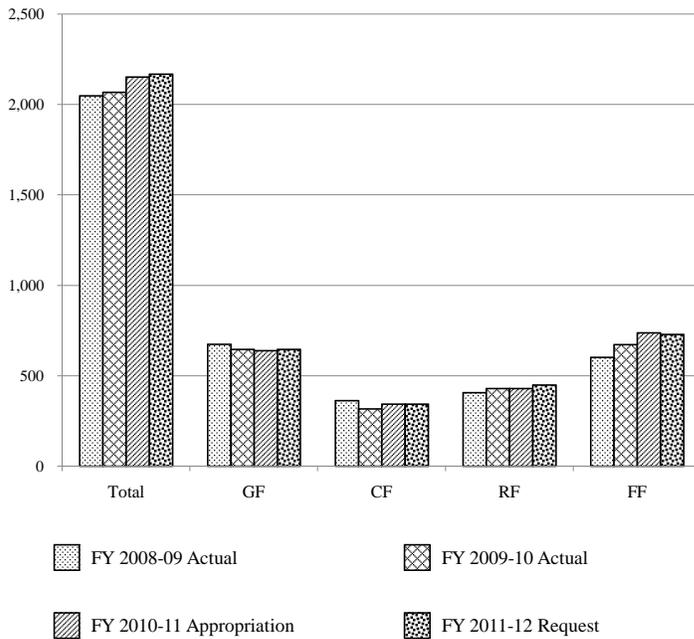


Department Funding Sources

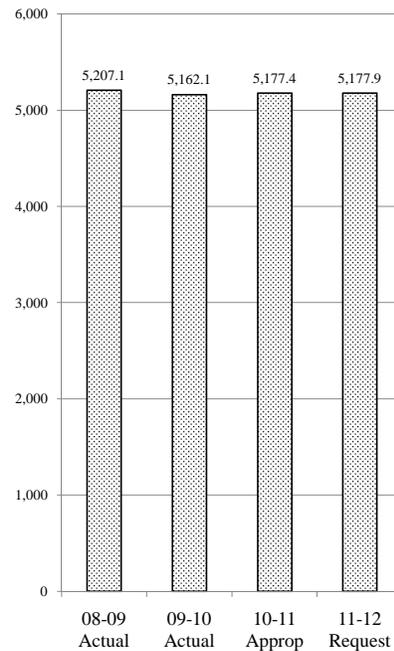


Note: If General Fund appropriated to the Department of Health Care Policy and Financing for human services programs were included in the graph above, the Department of Human Services' share of the total state General Fund would rise to 11.4%.

Budget History
(Millions of Dollars)

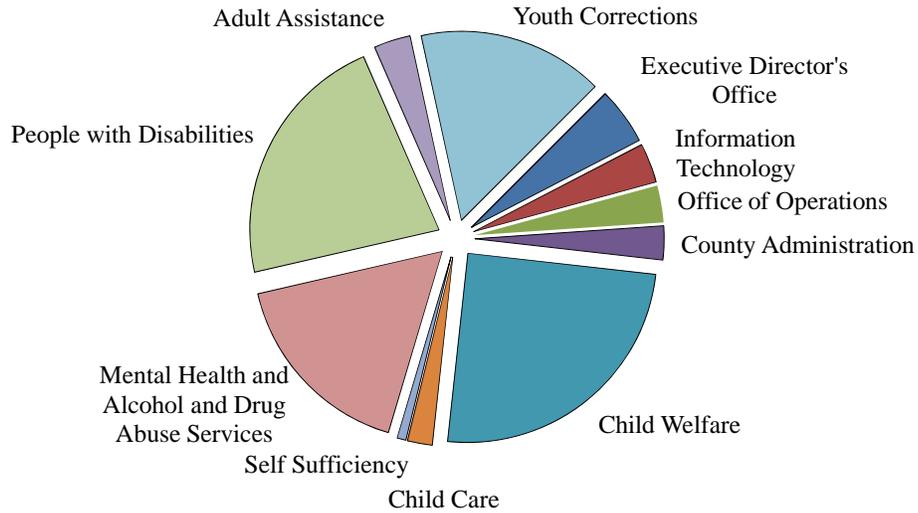


FTE History



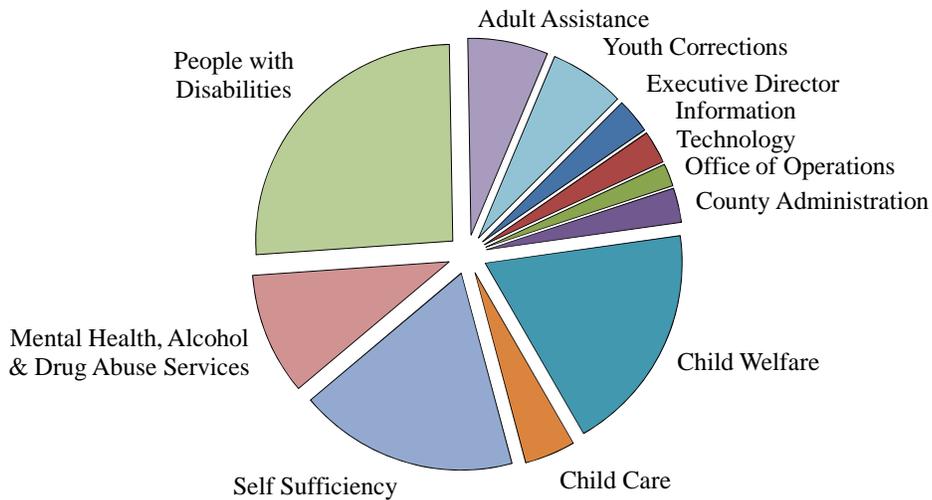
Unless otherwise noted, all charts are based on the FY 2010-11 appropriation.

Distribution of Net General Fund by Division*
FY 2010-11 Appropriation \$797.2 million

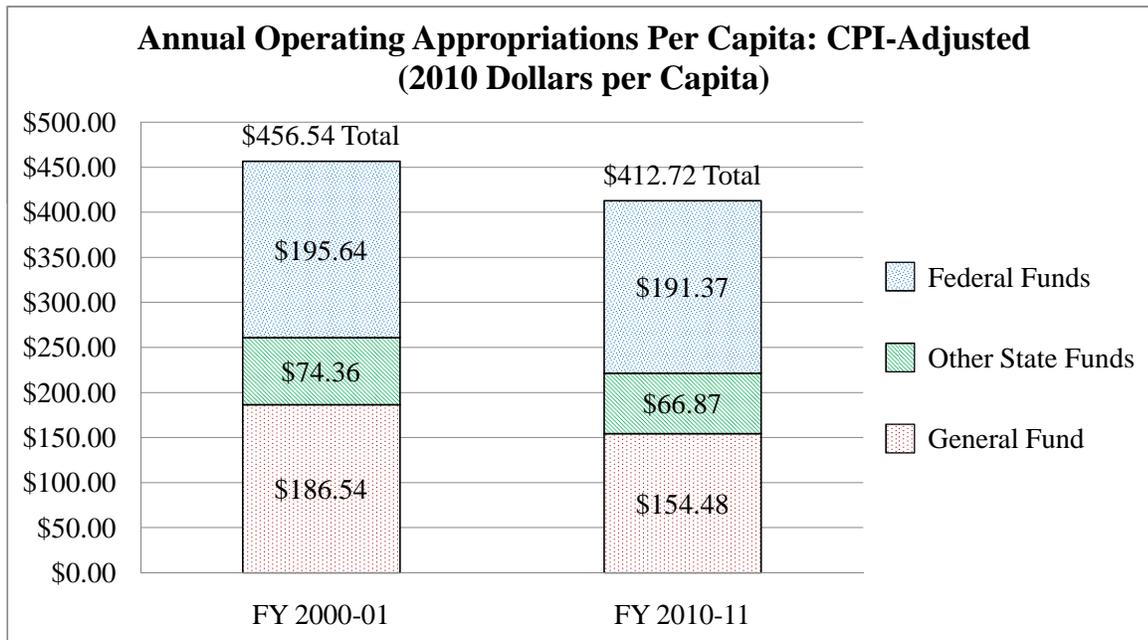
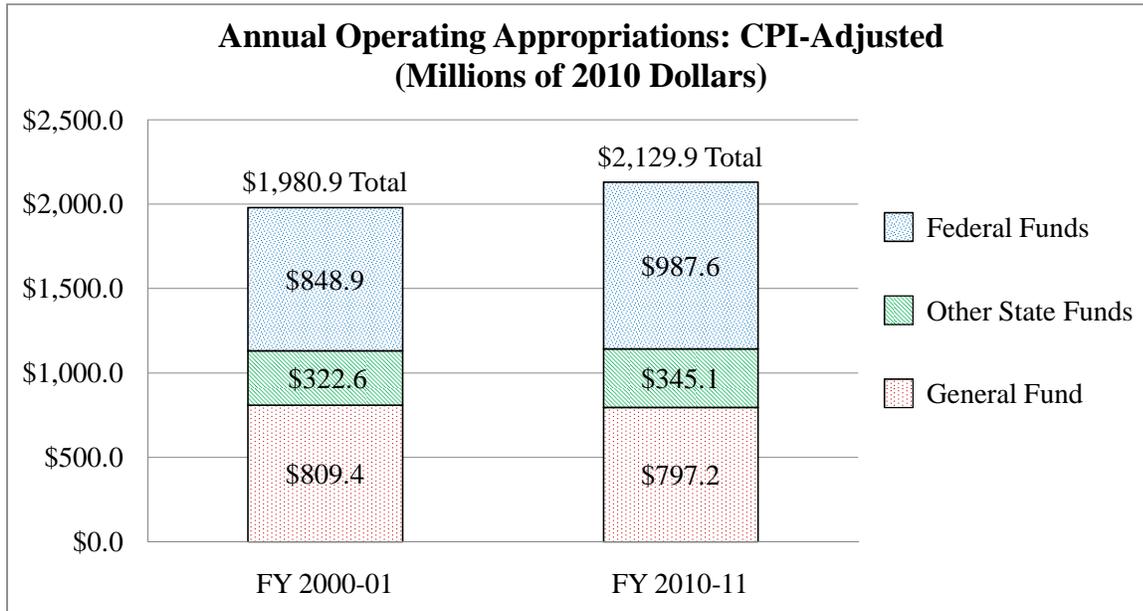


*Net General Fund includes General Fund appropriated to the Department of Human Services and General Fund appropriated to the Department of Health Care Policy and Financing for human services programs.

Distribution of Total Funds by Division
FY 2010-11 Appropriation \$2,153.1 million



**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Human Services
 COMPARISON OF FY 2000-01 AND FY 2010-11 APPROPRIATIONS**



NOTES: (1) All appropriations above *exclude* duplicate appropriations (i.e., these appropriations exclude reappropriated funds for FY 2010-11 and, for FY 2000-01, exclude amounts that would have been classified as reappropriated funds). For this department, the majority of reappropriated funds are for transfers from the Department of Health Care Policy and Financing. In this chart, these amounts are shown as General Fund and federal funds in the Department of Human Services, based on how the funds are initially appropriated in the Department of Health Care Policy and Financing, and are excluded from the Department of Health Care Policy and Financing appropriation. Other duplicate appropriations in the Department of Human Services are entirely excluded from the chart. This includes transfers from the Department of Education to support vocational rehabilitation programs, transfers from the Department of Corrections for facility support services on the Department of Human Services' Pueblo campus, and funds transferred within the Department of Human Services for administrative support services, among other items.

(2) For the purpose of providing comparable figures, FY 2000-01 appropriations are adjusted to reflect changes in the Denver-Boulder-Greeley consumer price index (CPI) from 2000 to 2010. Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, the CPI is projected to increase 21.9 percent over this period.

(3) In the per capita chart, above, appropriations are divided by the Colorado population (for 2000 and 2010, respectively). Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, Colorado population is projected to increase by 18.9 percent over this period.

FY 2010-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Executive Director's Office, Office of Operations, County Administration,
Self Sufficiency, Adult Assistance)

DEPARTMENT OVERVIEW

Key Responsibilities

- ❑ **Executive Director's Office:** Serves as the central administrative office responsible for general office policy, budgeting, public information, human resources, internal audits, and outreach to county department of human services (field administration). The Executive Director's Office also includes appropriations for various boards and commissions and for entities that provide separate quality assurance, oversight, or policy direction for human services programs, such as the Food Stamp Quality Assurance unit, the Administrative Review Division (responsible for federally-required case review and quality assurance for child welfare and some youth corrections placements), and the Juvenile Parole Board, among others. Some of these specialized programs within the Executive Director's Office are excluded from this packet and will be covered in other staff briefings.
- ❑ **Office of Operations:** Provides department-wide facility maintenance and management, accounting, payroll, contracting, and purchasing services.
- ❑ **County Administration:** Provides counties with resources related to their duties in delivering social services functions, including in determining eligibility for food assistance (food stamps) and overseeing adult protective services, among other programs. Additional funding for county administration is included program area budgets in other divisions.
- ❑ **Self-Sufficiency:** Provides income, nutritional, and support services to assist families and individuals in need, and particularly as they transition from welfare to independence.
 - Colorado Works is the State's implementation of the federal Temporary Assistance for Needy Families program and provides cash and other benefits and services intended to promote sustainable employment for low income families with children.
 - Commodity food distribution programs assist the needy in meeting nutritional needs.
 - Low-income energy assistance and low-income telephone assistance programs provide support in those areas.
 - Child Support Enforcement works to insure that child support orders that have been entered are properly complied with.

This section also includes Disability Determination Services, which determines medical disability for Colorado residents who apply for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits.

- ❑ **Adult Assistance Programs:** Provides assistance and support for the elderly and the needy adult disabled populations in Colorado.
 - Supervises the Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older.
 - Supervises the Aid to the Needy Disabled / State Only (AND-SO) program, which provides cash assistance to disabled individuals awaiting SSI eligibility determination and those individuals who meet state eligibility requirements but not federal requirements, and supervises the Aid to the Blind / Supplemental Security Income / Colorado Supplement Program.
 - Supervises Adult Protective Services programs (APS), which intervene on behalf of at-risk adults to correct or alleviate situations of abuse, neglect, or exploitation.
 - Supervises and funds the provision of services to older Coloradans throughout the state through the 16 Area Agencies on Aging (AAA).

Factors Driving the Budget

The divisions of the Department of Human Services covered in this briefing packet do not, for the most part, include line items that are driven by *mandatory* increases in response to factors such as inflation or caseload, although the demand for these programs may be affected by these factors. Most changes in these budget areas are in response to specific actions taken by the General Assembly, the federal government, or other authorities to adjust funding levels.

Executive Director's Office

The budget for the Executive Director's Office is largely driven by statewide common policy decisions, such as the cost of the state share for health life and dental benefits, funding required to support long-term solvency for the Public Employees Retirement Association, and the availability (or not) of funding for staff salary increases. Because of the large numbers of employees in this department, funding shifts associated with statewide common policy are often large. Legislative decisions to expand or reduce staffing for facilities (*e.g.*, decisions to close units in human services facilities) may also affect funding required for staff benefits. Finally, legislative decisions periodically add or eliminate programs (the Child Welfare Ombudsman program was added in FY 2010-11) or adjust funding required for particular central functions such as human resources or administrative review of child welfare placements.

Office of Operations

The budget for the Office of Operations is commonly driven by legislative decisions to open or close new department facilities or units, since this section provides facility housekeeping and maintenance services. This section is also affected by trends in utilities costs, department efficiency initiatives, and by state common policy decisions on vehicle lease and capitol complex leased space costs. Finally, the share of General Fund in this section was recently increased to compensate for reductions in fee-based revenue related to the closure of some facility units.

County Administration

Funding provided by the State for county administration of human services programs is capped, and many counties supplement state funding with county tax revenues. Recent-year changes to state funding have:

- decreased the level of support for county contingency/county tax base relief (supplemental funding for the poorest, highest need counties);
- transferred funds to other Department of Human Services sections and to other departments, often to draw down additional federal dollars (*e.g.* pursuant to S.B. 06-219 and H.B. 08-1250); and
- adjusted county funding based on common "provider rate" policy.

The FY 2009-10 appropriation included a cut to funding for county tax base relief (consistent with the provisions of S.B. 10-149) to limit support to the highest social service cost/lowest tax base counties, and funding for FY 2010-11 was reduced based on a 2.0 percent provider rate reduction, as well as a transfer of funds to the Office of Self Sufficiency.

Self Sufficiency Programs

The vast majority of funding to assist families in achieving self-sufficiency is from federal sources, and most funding changes to this budget in recent years have been based on the level of federal support available.

Approximately two-thirds of this section of the budget is comprised of federal Temporary Assistance to Needy Families (TANF) block grant funds, which are subject to appropriation by the General Assembly. The vast majority of TANF funds are directed to the Colorado Works program, which provides block grants to counties to assist need families. Overall TANF program funding has reflected:

- relatively stable county block grant funding for the Colorado Works program;
- spend-down of county-managed Colorado Works reserves based on demand for services during the recession and statutory limits on reserves imposed by S.B. 08-177;
- one-time increases for specialized programs in FY 2009-10 based on funds available under the American Recovery and Reinvestment Act of 2009 (ARRA); and
- FY 2010-11 program cuts, particularly to the TANF Statewide Strategic Uses Fund, to enable TANF to be used to refinance General Fund in the Division of Child Welfare.

Other changes to funding in this section of the budget are based on federal programs over which the General Assembly has little control, such as for the Low Income Energy Assistance Program (LEAP). Funding for the LEAP program has been particularly volatile, as reflected in the table below.

Low Income Energy Assistance Expenditures			
Fiscal Year	Expenditures	Change (Dollars)	Change (Percent)
2002-03	\$33,495,547	n/a	n/a
2003-04	\$41,279,451	\$7,783,904	23.2%
2004-05	\$44,750,486	\$3,471,035	8.4%
2005-06	\$69,947,472	\$25,196,986	56.3%
2006-07	\$46,426,404	(\$23,521,068)	-33.6%
2007-08	\$52,286,937	\$5,860,533	12.6%
2008-09	\$73,216,811	\$20,929,874	40.0%
2009-10*	\$77,409,173	\$4,192,362	5.7%

Adult Assistance Programs

Old Age Pension Program

The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals ages 60 and over. It is primarily funded through excise and state sales taxes. Excise and sales tax revenues that are not utilized for the OAP Program are transferred into the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. Grant levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill reflects anticipated increases in program expenditures, shown for informational purposes. Overall program costs increased substantially through FY 2009-10, based on the aging of the population and increases to the annual grant awarded by the State Board.

The General Assembly did modify program eligibility in 2010-11 in order to reduce costs: estimated benefit expenditures were reduced from \$90.9 million to \$77.5 million (a \$13.4 million reduction) by Senate Bill 10-1384, which imposes a five year waiting period for most new legal immigrants before they may access the program. The bill imposed additional restrictions on immigrants' access to the program, and is expected to provide additional savings, effective January 1, 2014.

Aid to the Needy Disabled and Home Care Allowance Programs

The Aid to the Needy Disabled (AND) and Home Care Allowance (HCA) programs provide cash assistance for low income individuals with disabilities. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have applications for federal SSI pending.

In the last few years, budget adjustments have been minimal, and beneficiary payment levels for these programs have been internally adjusted by the Department of Human Services so that total expenditures remain within budgeted amounts. However, some funding adjustments have been required over the years to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration to provide at least as much state assistance to SSI

recipients in each calendar year as it did in any previous calendar year. This includes adjustments in new legislation, such as those in H.B. 09-1215 and H.B. 10-1146, which are designed at least in part to direct a larger share of total funds available to individuals who qualify for the federal SSI program.

Community Services for the Elderly

The state distributes state and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels", and in-home support services. Funding levels have been adjusted in recent years based on federal funding levels, as well as based on state budgetary and statutory action by the General Assembly to direct state funds to these services. Funding from state sources increased significantly through FY 2008-09 based on statutory changes to increase funding from the Older Coloradans Cash Fund. This Fund is derived from a portion of state sales and excise taxes that is statutorily directed to the Fund in lieu of the General Fund. For FY 2010-11, funding was adjusted based primarily on additional federal funds available.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Human Services
 (Executive Director's Office, Office of Operations,
 County Administration, Self Sufficiency, Adult Assistance)**

DECISION ITEM PRIORITY LIST

Note: This table includes all Department of Human Services decision items. However, the full decision item text is shown only for those decision items that affect the sections of the budget covered in this presentation. In some cases, only a portion of the total decision item amount shown will apply to the budget sections addressed in this packet.

Decision Item	GF	CF	RF	FF	Total	Net GF*	FTE
1 Additional Funding for Electronic Benefits Transfer Service (EBTS) Office of Self Sufficiency. The request is for additional funding to pay the monthly fees charged for electronic transfer of benefits to recipients of food stamps (Supplemental Nutrition Assistance Program), Temporary Assistance to Needy Families, Old Age Pension, Aid to the Needy Disabled, Low-Income Energy Assistance, and other benefits programs. Benefits are delivered through an electronic card, similar to a credit card, and the Department's vendor receives a monthly fee to load authorized benefits onto the cards. The request is due to an increase in the average case volume per month (40 percent increase from FY 2007-08 to FY 2009-10), with further increases projected for FY 2010-11 and 12. Cash funds amounts are local (county) share. <i>Statutory authority: Section 26-2-104, C.R.S.</i>	\$185,194	\$185,194	\$0	\$270,422	\$640,810	\$185,194	0.0
2 Additional Funding for Food Assistance Administration Office of Self Sufficiency. The request is for additional funding for the administrative costs incurred by the counties related to the Food Assistance Program, for FY 2011-12 and FY 2012-13 only. The request is to address unprecedented caseload growth due to the economic downturn. The Department proposes to keep the appropriation separate from the County Administration appropriation so that it can be allocated to the 18 counties with the greatest caseload increases. <i>Statutory authority: Sections 26-1-108 (2) and 26-1-111 (1), C.R.S.</i>	2,357,640	0	0	2,357,640	4,715,280	2,357,640	0.0
3 Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs	(6,129,032)	0	13,594,096	0	7,465,064	668,016	0.0
4 Services for People with Disabilities - New Funding Developmental Disabilities Services	3,648,368	0	5,030,723	0	8,679,091	6,163,730	0.0

Decision Item	GF	CF	RF	FF	Total	Net GF*	FTE
5 Transfer of Sol Vista Youth Services Center FTE to the Division of Youth Corrections	0	0	(548,765)	0	(548,765)	0	0.0
Total	\$62,170	\$185,194	\$18,076,054	\$2,628,062	\$20,951,480	\$9,374,580	0.0
Total for Items in this Packet	\$2,542,834	\$185,194	\$0	\$2,628,062	\$5,356,090	\$2,542,834	0.0

* These amounts are shown for informational purposes only. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations are General Fund. Net General Fund equals the direct GF appropriation shown, plus the GF portion of the HCPF transfer.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Human Services
 (Executive Director's Office, Office of Operations,
 County Administration, Self Sufficiency, Adult Assistance)**

BASE REDUCTION ITEM PRIORITY LIST

Note: This table includes all Department of Human Services base reduction items. However, the full base reduction item text is shown only for those items that affect the sections of the budget covered in this presentation.

Reduction Item	GF	CF	RF	FF	Total	Net GF*	FTE
1 Purchase of Contract Placements Line Item Appropriation Reduction	(\$9,197,473)	\$0	\$5,733	(\$3,682)	(\$9,195,422)	(\$9,194,607)	0.0
2 Convert Contractual Services to FTE in the Telecommunications Equipment Distribution Program	0	0	(23,919)	0	(23,919)	0	0.5
3 Eliminate County Tax Base Relief Appropriation County Administration. The Department proposes to eliminate the County Tax Base Relief line item appropriation for FY 2011-12 and future years. This line item assists in mitigating an inequitable burden borne by taxpayers in counties that experience high caseloads and/or low property values, based on a formula updated via H.B. 08-1250. <i>Statutory authority: Section 26-1-126, C.R.S.</i>	(2,700,688)	0	0	0	(2,700,688)	(2,700,688)	0.0
Total	(\$11,898,161)	\$0	(\$18,186)	(\$3,682)	(\$11,920,029)	(\$11,895,295)	0.5
Total for Items in this Packet	(\$2,700,688)	\$0	\$0	\$0	(\$2,700,688)	(\$2,700,688)	0.0

* These amounts are shown for informational purposes only. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations are General Fund. Net General Fund equals the direct GF appropriation shown, plus the GF portion of the HCPF transfer.

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Department of Human Services
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NON PRIORITIZED CHANGE LIST

Note: This table includes all Department of Human Services non-prioritized items. However, the full non-prioritized item text is shown only for those items that affect the sections of the budget covered in this presentation. In some cases, only a portion of the total amount shown will apply to the budget sections addressed in this packet.

Base Reduction Item	GF	CF	RF	FF	Total	Net GF*	FTE
NP-1 2% Across the Board Personal Services Reduction (HCPF Impact to DHS)	(\$2,813)	\$0	(\$4,256)	(\$2,228)	(\$9,297)	(\$4,941)	0.0
NP-2 HCPF BRI-2 Medicaid Fee-For-Service Payment Delay	0	0	(325,593)	0	(325,593)	(159,471)	0.0
NP-3 HCPF CHP+ Program Reductions	9,955	1,880	15,184	13,333	40,352	17,485	0.0
NP-4 2% Across the Board Personal Services Reduction (DHS Impact) Various. The proposal is for a one-time 2.0 percent reduction to the General Fund portion of all personal services appropriations. The reduction is to be achieved through vacancies or alternative personal services actions departments feel are necessary to implement the reduction. <i>Statutory authority: Sections 24-37-301 and 34-37-304 (d), C.R.S..</i>	(1,171,795)	0	(316,239)	(336,666)	(1,824,700)	(1,325,718)	0.0
NP-5 HCPF - CBMS Compliance with Low Income Subsidy and Disability Determination Services Federal Requirements	0	0	214,920	0	214,920	107,460	0.0
NP-7 Statewide PERA adjustment Various. The request is for a continuation of S.B. 10-146, which decreased the State's PERA contribution rate by 2.5 percent of staff salaries and increased the employee contribution by a corresponding 2.5 percent. <i>Statutory authority: Section 24-51-401 (1.7) (a), C.R.S. (requires modification to implement request).</i>	(3,034,793)	(205,236)	(1,196,670)	(824,860)	(5,261,559)	(3,555,727)	0.0
NP-8 Annual Fleet Vehicle Replacement Office of Operations. This is the annual statewide request for vehicle replacements. The request is to replace only vehicles that must be replaced for critical health, life and safety concerns. <i>Statutory authority: Section 24-30-1117 through 1118, C.R.S..</i>	2,143	151	11,144	2,287	15,725	7,517	0.0
NP-9	10,115	188	407	8,607	19,317	10,261	0.0

Base Reduction Item	GF	CF	RF	FF	Total	Net GF*	FTE
Printing of Statewide Warrants and Mainframe Documents							
NP-10	(438,817)	(556)	(109,381)	(25,343)	(574,097)	(491,642)	0.0
Pro-Rated Benefits							
Executive Director's Office. The request is for an ongoing change to the Health, Life and Dental coverage policy for part-time employees. The State proposes to now only cover a pro-rated portion of these benefits, based on the number of hours each employee works. <i>Statutory authority: Sections 24-50-604 (3), 24-50-603 (7), and 24-50-604 (1), C.R.S. (requires modification to implement request).</i>							
Total	(\$4,626,005)	(\$203,573)	(\$1,710,484)	(\$1,164,870)	(\$7,704,932)	(\$5,394,776)	0.0
Total for Items in this Packet**	(\$4,643,262)	(\$205,641)	(\$1,611,146)	(\$1,184,582)	(\$7,644,631)	(\$5,365,570)	0.0

* These amounts are shown for informational purposes only. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations are General Fund. Net General Fund equals the direct GF appropriation shown, plus the GF portion of the HCPF transfer.

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OVERVIEW OF NUMBERS PAGES

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2010-11 appropriation and its FY 2011-12 request. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations are General Fund. Net General Fund (Net GF) equals the direct General Fund appropriation shown, plus the General Fund portion of the HCPF transfer.

**TOTAL Human Services Divisions in this Briefing:
 Requested Change, FY 2010-11 to FY 2011-12 (millions of dollars)**

Category	GF	CF	RF	FF	Total	Net GF	FTE
FY 2010-11 Appropriation	\$110.1	\$155.3	\$26.0	\$402.2	\$693.6	\$118.1	891.0
FY 2011-12 Request	114.5	155.4	28.3	403.3	701.5	124.2	891.5
Increase / (Decrease)	\$4.4	\$0.1	\$2.3	\$1.1	\$7.9	\$6.1	0.5
Percentage Change	4.0%	0.1%	8.8%	0.3%	1.1%	5.2%	0.1%

The following table highlights the individual changes contained in the Department's FY 2011-12 budget request, as compared with the FY 2010-11 appropriation, for the portion of the Department covered in this briefing packet. For additional detail, see the numbers pages in Appendix A.

Requested Changes, FY 2010-11 to FY 2011-12 - DHS Sections in this Briefing

Category	GF	CF	RF	FF	Total	Net GF	FTE
Executive Director's Office							
Statewide policy (primarily staff benefits for Health, Life Dental, and PERA, Workers Compensation)	\$5,148,813	\$66,685	\$2,337,430	\$811,156	\$8,364,084	\$6,336,950	0.0
Annualize prior year legislation (S.B. 10-143, H.B. 10-171, H.B. 10-1053)	287,994	(187,106)	31,865	85,923	218,676	299,874	0.0
Eliminate enhanced federal Medicaid match (FMAP adjustment)	0	0	0	0	0	609,189	0.0

Category	GF	CF	RF	FF	Total	Net GF	FTE
Statewide decision items to reduce personal services, PERA, benefits (NP-4, NP-7, NP-10)	(610,303)	(17,315)	(157,646)	(113,337)	(898,601)	(681,622)	0.0
Commission for Deaf FTE (BR-2)	0	0	(23,919)	0	(23,919)	0	0.5
Subtotal	\$4,826,504	(\$137,736)	\$2,187,730	\$783,742	\$7,660,240	\$6,564,391	0.5
Office of Operations							
Annualize prior year legislation (S.B. 10-143)	\$248,283	\$41,991	\$198,591	\$37,511	\$526,376	\$291,799	0.0
Statewide capitol complex and vehicle fleet items (common policy and NP-8)	2,143	71,750	75,914	(48,374)	101,433	21,688	0.0
Eliminate enhanced federal Medicaid match (FMAP adjustment)	0	0	0	0	0	592,205	0.0
Statewide decision items to reduce personal services, PERA (NP-4, NP-7)	(498,837)	(36,780)	(193,075)	(45,109)	(773,801)	(556,727)	0.0
Subtotal	(\$248,411)	\$76,961	\$81,430	(\$55,972)	(\$145,992)	\$348,965	0.0
County Administration							
Annualize prior year child support enforcement/ county incentives decision item	\$0	\$320,797	\$0	\$0	\$320,797	\$0	0.0
Eliminate County Tax Base Relief (BR-3)	(2,700,688)	0	0	0	(2,700,688)	(2,700,688)	0.0
Subtotal	(\$2,700,688)	\$320,797	\$0	\$0	(\$2,379,891)	(\$2,700,688)	0.0
Office of Self Sufficiency							
Food Assistance Administration (DI-2)	\$2,357,640	\$0	\$0	\$2,357,640	\$4,715,280	\$2,357,640	0.0
Electronic Benefits Management System (DI-1)	185,194	185,194	0	270,422	640,810	185,194	0.0

Category	GF	CF	RF	FF	Total	Net GF	FTE
Annualize prior year legislation (S.B. 10-143)	73,709	8,847	0	309,799	392,355	73,709	0.0
Annualize time-limited prior year items (fatherhood grant, child support enforcement)	(54,168)	(320,797)	0	(2,122,724)	(2,497,689)	(54,168)	0.0
Statewide decision items to reduce personal services, PERA (NP-4, NP-7)	<u>(122,125)</u>	<u>(8,566)</u>	<u>(1,391)</u>	<u>(407,254)</u>	<u>(539,336)</u>	<u>(122,125)</u>	<u>0.0</u>
Subtotal	\$2,440,250	(\$135,322)	(\$1,391)	\$407,883	\$2,711,420	\$2,440,250	0.0
Adult Assistance Programs							
Annualize prior year legislation (S.B. 10-143, H.B. 10-1146)	\$90,463	\$17,933	\$1,516	\$15,401	\$125,313	\$90,463	0.0
Statewide decision items to reduce personal services, PERA (NP-4, NP-7)	<u>(9,374)</u>	<u>(8,365)</u>	<u>(541)</u>	<u>(11,317)</u>	<u>(29,597)</u>	<u>(9,374)</u>	<u>0.0</u>
Subtotal	\$81,089	\$9,568	\$975	\$4,084	\$95,716	\$81,089	0.0
Total Change	\$4,398,744	\$134,268	\$2,268,744	\$1,139,737	\$7,941,493	\$6,734,007	0.5

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Executive Director's Office, Office of Operations,
County Administration, Self Sufficiency, Adult Assistance)**

BRIEFING ISSUE

ISSUE: Overview of the Department of Human Services Budget History and Request

Over the last ten years, appropriations to the Department of state and federal funds increased by 7.5 percent, after adjusting for inflation. However, because this growth was slower than population growth, funding per capita of state population fell by 9.6 percent from FY 2000-01 to FY 2010-11. The only section of the Department's budget that has increased more rapidly than population and inflation in the last ten years is services for people with developmental disabilities. Consistent with this historic trend, the FY 2011-12 \$2.2 billion request for the Department of Human Services reflects just a 0.7 percent increase from a total funds perspective, with the only significant proposed total funds increase directed to services for people with developmental disabilities. The request also includes a large increase in the General Fund share of the total budget, driven by the phase-out of enhanced federal Medicaid match rate (FMAP) available under the American Recovery and Reinvestment Act.

SUMMARY:

- ❑ Total appropriations to the Department of state funds and federal funds increased from \$2.0 billion to \$2.2 billion or about 7.5 percent between FY 2000-01 and FY 2010-11, after adjusting for inflation. However, on a per-capita, inflation-adjusted basis, funding fell by about 9.6 percent from FY 2000-01 to FY 2010-11. Among the Department's programs, only services for people with developmental disabilities grew more rapidly than inflation and state population.
- ❑ The Department's FY 2011-12 request is relatively flat from a total funds perspective, but includes a \$60 million (7.5 percent) increase in General Fund, if the General Fund portion of Medicaid funds is included. This General Fund increase is largely due to the expiry of the enhanced federal Medicaid match rate (FMAP) available under the American Recovery and Reinvestment Act of 2009.
- ❑ The single largest proposed budget adjustment, excluding the change to the federal Medicaid share, is an increase for placements for people with developmental disabilities. The request also includes increases for staff benefits driven by statewide common policy, and an increase for county administration of food assistance, offset by a proposal to eliminate assistance for high-cost, low-tax-base counties.

DISCUSSION:

Background: The Department of Human Services

Department Function. The Colorado Department of Human Services oversees and directly provides services for a wide variety of vulnerable populations: needy families; indigent elderly and disabled individuals; children who are abused and neglected; people with cognitive (developmental) disabilities; people with severe mental illness; and youths committed to state custody for juvenile delinquency, among others.

Service Delivery Methods. The Department provides services in multiple ways:

Direct services. The Department operates institutions that provide custodial care: mental health institutes, regional centers for people with developmental disabilities, youth corrections facilities, and state and veterans nursing homes. It also staffs regional offices responsible for licensing child care facilities, providing vocational rehabilitation for people with disabilities, and determining eligibility for social security disability (disability determination services).

State-supervised, county administered. The vast majority of welfare programs that provide cash, food, and other assistance to needy families and elderly and disabled individuals, as well as services for abused and neglected children, are administered at the local level by Colorado's 64 counties. Counties are supervised by the State and are considered political subdivisions of the state; however, they have considerable autonomy in structuring many services. Small state administrations provide training, technical assistance, and oversight of services delivered by the counties.

State-supervised, contracted with other governmental, non-profit, and quasi-governmental entities. Many state services are provided through contracts with non-profit and quasi-governmental entities. These organizations are typically responsible for local catchment areas. Some of these organizations include:

- Community Centered Boards - 20 entities which coordinate and provide community-based services for individuals with developmental disabilities.

- Community Mental Health Centers - 17 entities which provide mental health services for indigent individuals in their catchment areas.

- Managed Services Organizations - 4 entities which sub-contract with alcohol and drug abuse treatment providers throughout the State

- Area Agencies on Aging, which coordinate services for the elderly. Contractors include Regional Councils of Government, among other entities.

Small state administrations monitor contracts and oversee services delivered by these entities.

Funding Sources.

General Fund and Net General Fund. In this Department, the General Fund portion of Medicaid funds is often included in calculating the cost of programs. The term "net" General Fund incorporates these Medicaid funds which are appropriated as General Fund in the Department of Health Care Policy and Financing and are transferred to the Department of Human Services as reappropriated funds. This approach is particularly important when looking at services for people with disabilities, which has one of the largest Department shares of General Fund from a "net" General Fund perspective but a very small share of General Fund if Medicaid General Fund is excluded. Some Department programs, such as Youth Corrections, are very reliant on General Fund, while General Fund plays a relatively insignificant role for other programs, such as self sufficiency program.

Federal Funds: The largest single source of funding for the Department is federal funds. There are three major categories of federal funding:

1. Funding that matches state funding and increase or decreases based on state funding levels (e.g., Medicaid).
2. State-appropriated federal funds. Temporary Assistance to Needy Families (TANF) and Child Care Development Funds (CCDF) federal block grants must be appropriated by the General Assembly for purposes consistent with federal guidelines. Thus, the General Assembly has some (although not full) flexibility in use of these dollars.
3. "Custodial" federal funds. These are funds over which the executive alone has control. Some of these funds are reflected in the budget to provide information and context related to state funding levels, but state legislators have no ability to direct their use or control the amount of funding available.

Cash Funds: The Department includes a wide array of cash funding sources, but two categories are of particular note:

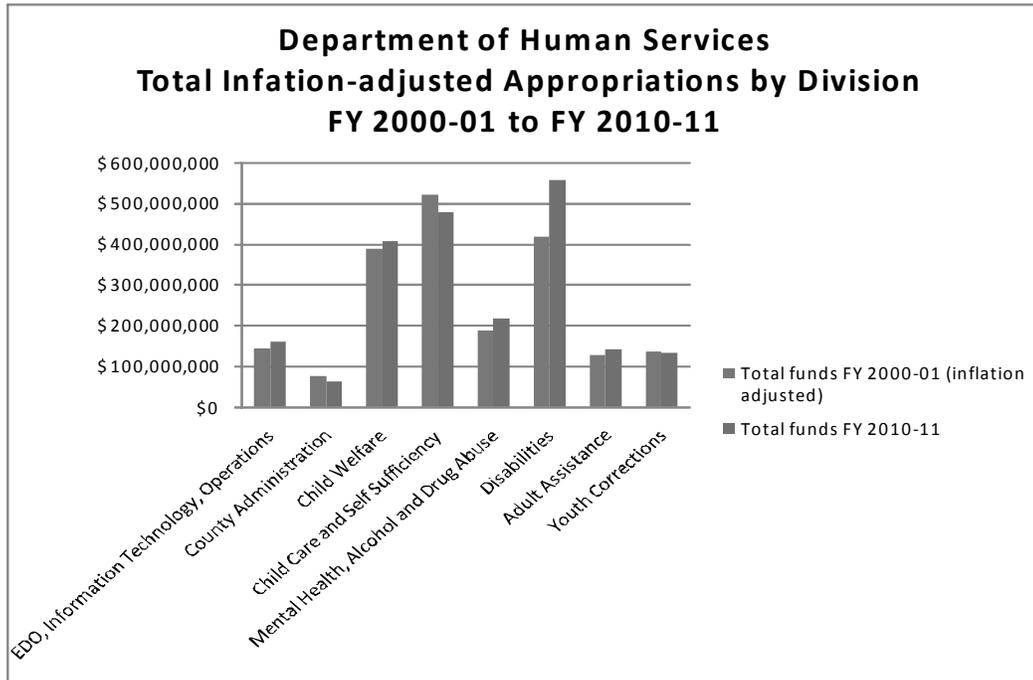
1. Local funds. Many department programs have a statutorily required local share (often 20 percent, covered by counties). Although these funds do not pass through the state accounting system, they are commonly reflected in the budget to show the local share of responsibility.
2. General Fund that "appears" to be cash fund. Funding for the Old Age Pension Program and the Older Coloradans Cash Fund are reflected in the budget as cash funds but in fact derive from general tax revenues that, per the Constitution or statute, are redirected to specific funds.

Growth of the Department Budget Over Time:

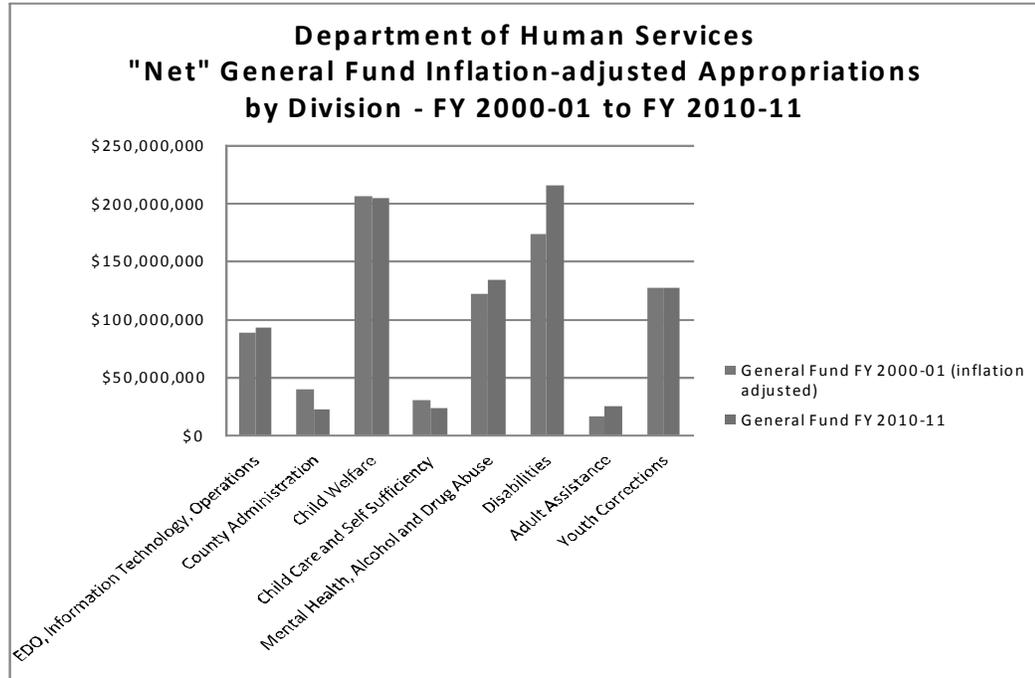
As reflected in charts on page 3, after adjusting for inflation, total appropriations to the Department of state funds and federal funds increased from \$2.0 million to \$2.1 million or about 7.5 percent between FY 2000-01 and FY 2010-11. However, on a per-capita, inflation-adjusted basis, funding fell from \$456.54 per capita of state population to \$412.72 per capita of state population or about 9.6

percent from FY 2000-01 to FY 2010-11. The Department also has a lower share of the state General Fund budget (11.4 percent) than it did in FY 2011-12 (12.3 percent), if Medicaid for human services programs is included.

The charts below compare growth in the Department by division over the last 10 years and help to reflect which program areas have, overall, been "winners" and "losers".



Notes: (1) The FY 2000-01 appropriations have been adjusted to compensate for changes in the format of the Department's appropriation and budget items that have been moved into or out of the Department's budget over the last ten years. Amounts have also been adjusted for inflation (FY 2000-01 appropriations are shown in 2010 dollars).



Notes: (1) The FY 2000-01 appropriations have been adjusted to compensate for changes in the format of the Department's appropriation and budget items that have been moved into or out of the Department's budget over the last ten years. Amounts have also been adjusted for inflation (FY 2000-01 appropriations are shown in 2010 dollars). (2) "Net" General Fund amounts include the General Fund portion of Medicaid appropriations. However, they have been modified in FY 2010-11 to eliminate the impact of the enhanced federal Medicaid match rate (FMAP) available in FY 2010-11, as this adjustment was temporary.

As shown in the charts:

- Both total and General Fund support for Services for People with Disabilities has grown far more than any other section of the Department budget. This is based almost entirely on the growth in funding for community-based, Medicaid-funded services for people with developmental disabilities. This is the only section of the Department's budget that has grown more rapidly than inflation *and* population. (Inflation adjusted appropriations for Services for People with Disabilities increased by 33.2 percent total funds and 24.5 percent General Fund, compared to total Colorado population growth of 18.9 percent during this period.)
- Total and General Fund support for Mental Health and Alcohol and Drug Abuse Services have grown from both a total and General Fund perspective, although this growth has been somewhat slower than the growth in state population. (Inflation-adjusted appropriations for mental health and alcohol and drug abuse services have increased by 15.9 percent total funds and 10.4 percent General Fund, compared to population growth of 18.9 percent.)

- Total and General Fund support for Child Welfare and Youth Corrections programs have been relatively flat, indicating overall growth that is slower than the growth in the state population.
- Total and General Fund support for County Administration, Child Care, and Self Sufficiency Programs have fallen.

FY 2011-12 Budget Request:

To some extent, the Department's FY 2011-12 budget request appears to follow the trends of the last ten years, *i.e.*, disability services appears to be the big "winner", central administrative areas tend to increase based on staff-cost drivers, while other areas (notably county administration) are relatively flat or even declining. In other respects, this year's budget differs markedly from other years.

- The requested total funds change is 0.7 percent. While the net change is consistent with prior years, the very small number of requests for base budget changes (up or down) is striking.
- The request includes a large "net" General Fund increase of 7.5 percent. This is a large increase but is substantially driven by the phase-out of provisions of federal economic stimulus legislation (the American Recovery and Reinvestment Act of 2009).

The table below shows the proposed changes for total funding and General Fund (including the General Fund portion of Health Care Policy and Financing Appropriations) by division. As reflected in the table, the largest total funds increase by far is for Services for People with Disabilities (\$14.4 million). From a "net" General Fund perspective, the largest increase by far is the increase of \$47.4 million for Services for People with Disabilities, followed by an increase of \$6.0 million for central administrative services and \$5.8 million for Child Welfare Services.

Table 1					
Comparison FY 2010-11 Appropriation and FY 2011-12 November 1, 2010 Request by Division					
		TOTAL Funds		Net General Fund /1	
EDO, Information	FY 10-11	159,958,813		91,613,950	
Technology &	FY 11-12	<u>163,189,387</u>		<u>97,578,252</u>	
Operations		3,230,574	2.0%	5,964,302	6.5%
County Administration	FY 10-11	61,422,230		22,524,068	
	FY 11-12	<u>59,042,339</u>		<u>19,823,380</u>	
		(2,379,891)	-3.9%	(2,700,688)	-12.0%
Child Welfare	FY 10-11	406,734,684		199,011,248	
	FY 11-12	<u>405,192,449</u>		<u>204,834,085</u>	
		(1,542,235)	-0.4%	5,822,837	2.9%
Child Care &	FY 10-11	478,280,811		23,110,649	

Table 1
Comparison FY 2010-11 Appropriation and FY 2011-12 November 1, 2010 Request by Division

		TOTAL Funds		Net General Fund /1	
Self Sufficiency	FY 11-12	<u>480,431,459</u>		<u>25,510,085</u>	
		2,150,648	0.5%	2,399,436	10.4%
Mental Health & Alcohol and Drug Abuse	FY 10-11	215,936,670		133,745,018	
	FY 11-12	<u>215,110,474</u>		<u>134,481,486</u>	
		(826,196)	-0.4%	736,468	0.6%
Disabilities	FY 10-11	555,822,985		174,979,798	
	FY 11-12	<u>570,200,633</u>		<u>222,331,039</u>	
		14,377,648	2.6%	47,351,241	27.1%
Adult Assistance	FY 10-11	142,110,411		24,778,748	
	FY 11-12	<u>142,206,127</u>		<u>24,859,837</u>	
		95,716	0.1%	81,089	0.3%
Youth Corrections	FY 10-11	132,844,637		126,862,324	
	FY 11-12	<u>133,014,741</u>		<u>127,333,568</u>	
		170,104	0.1%	471,244	0.4%
Department Total	FY 10-11	2,153,111,241		796,625,803	
	FY 11-12	<u>2,168,387,609</u>		<u>856,751,732</u>	
		15,276,368	0.7%	60,125,929	7.5%

1/ "Net" General Fund is defined as the sum of General Fund appropriated directly to the Department of Human Services and the General Fund portion of Medicaid funds used to support Human Services programs.

The key factors driving the changes are summarized below.

Enhanced Federal Match (FMAP) Phase-out: By far the most significant driver of "net" General Fund for FY 2011-12 is the phase-out of an enhanced federal match for Medicaid programs and the Title IV-E program (FMAP) that was available in FY 2008-09, FY 2009-10, and FY 2010-11. *This change accounts for \$48.1 million of the total "net" General Fund increase, although it has \$0 total funds impact.* It has the greatest impact on Services for People with Disabilities (\$40.4 million "net" General Fund) but also has significant impacts on child welfare services, and central administrative divisions.

"Common Policy" Changes for Staff Benefits/Centrally Appropriated Items: Statewide common policy adjustments in the Executive Directors Office, Office of Operations, and Office of Information Technology Services account for an increase of \$10.0 million total funds, including \$7.2 million "net" General Fund. The largest components include increases for health, life, and dental benefits (\$2.4 million, including \$2.0 million net General Fund), Workers Compensation (\$2.4 million, including \$1.6 million net General Fund), and increases for the two Amortization Equalization Disbursement

line items designed to ensure the long-term health of the Public Employees Retirement Association (\$1.9 million, including \$1.3 million net General Fund).

New Disability Placements: The only other significant General Fund increase is a proposed increase of \$8.7 million, including \$6.2 million net General Fund, for Decision Item #4 (New Funding for Developmental Disabilities Services).

County Administrative Funding Adjustments: Two Department requests related to county administration largely offset each other from a General Fund perspective. Pursuant to Budget Reduction Item #3, the Department requests that funding for County Tax Base Relief be eliminated, providing \$2.7 million in General Fund and total funds savings. Pursuant to Decision Item #2, it requests \$4.7 million total funds and \$2.4 million net General Fund for additional funding for county food assistance administration (although it requests this in the Self Sufficiency budget). Although both requests relate to county administration, those counties receiving cuts and those receiving increases will be different.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Executive Director's Office, Office of Operations, County Administration,
Self-sufficiency, Adult Assistance)

BRIEFING ISSUE

ISSUE: Significant Actions Taken from FY 2007-08 to FY 2010-11 to Balance the Budget

If General Fund appropriations to the Department of Health Care Policy and Financing that are transferred to the Department of Human Services are included, the General Fund appropriation to the Department of Human Services decreased by \$43.2 million (5.1 percent) from FY 2007-08 to FY 2010-11. However, total appropriations to the Department of Human Services have increased since FY 2007-08. Since the most recent economic downturn started in 2008, increases for caseloads have been limited, provider rates have declined, beds in state facilities have been closed, and staff compensation has been restricted. However, federal funds increases, including federal funds temporarily available under the American Recovery and Reinvestment Act, have offset General Fund reductions and helped to limit the depth of cuts.

SUMMARY:

- ❑ **County Administration:** The General Assembly has reduced General Fund support for County Administration, including reducing support for high social service cost/low tax-base counties by over \$3.4 million General Fund and cutting funding for general county administration by 2.0 percent, despite large public assistance caseload increases.
- ❑ **Self Sufficiency:** The General Assembly has used federal Temporary Assistance to Needy Families (TANF) block grant funds to refinance child welfare services. This has been achieved in part through a \$7.0 million cut to federal TANF funding for self-sufficiency programs, including to the TANF Statewide Strategic Uses Fund. The General Assembly has also eliminated all General Fund support for the Colorado Works program, among other reductions.
- ❑ **Adult Assistance:** The General Assembly adopted H.B. 10-1384, Concerning Noncitizen Eligibility for the Old Age Pension, which is projected to reduce Old Age Pension costs by \$13.4 million, allowing this amount to flow into the General Fund. General Fund support for Community Services for the Elderly has been reduced by \$1.3 million.

DISCUSSION:

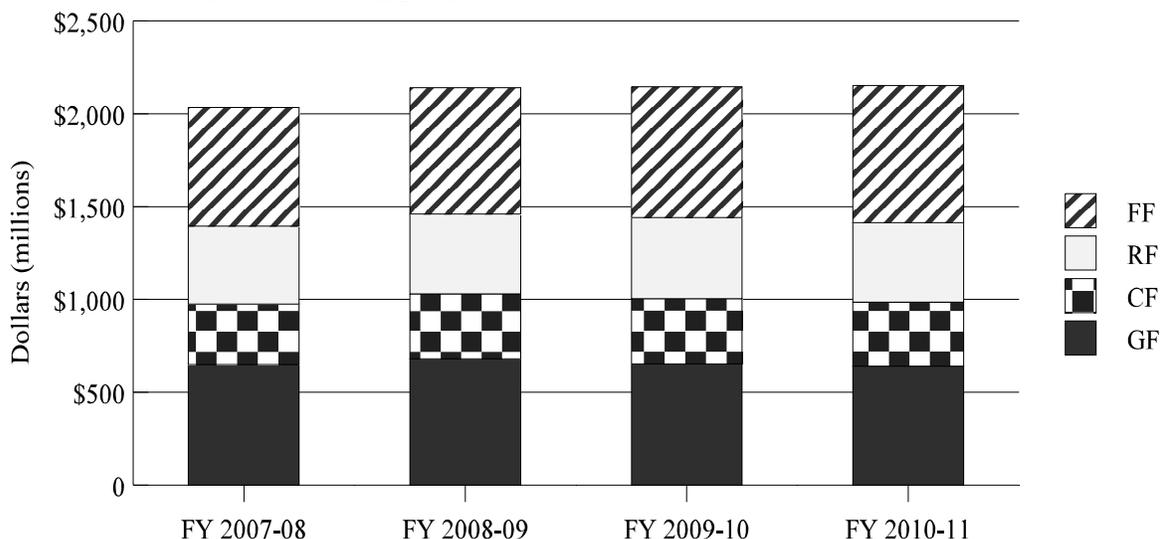
FY 2007-08 to FY 2010-11, total appropriations to the Department of Human Services increased by approximately 5.9 percent (\$119 million). Most of this increase (\$99 million) was provided through federal funds, including technical adjustments to show \$44 million in federal funds not previously reflected in the Long Bill. If these technical adjustments are excluded, appropriations to the

Department increased by 3.7 percent (\$75 million), including \$55 million federal funds. The Department appropriation also increased by \$19 million cash funds (primarily local and client share amounts) and \$11 million reappropriated funds (primarily Medicaid funds).

These increases were partially offset by a decrease of \$10 million General Fund. If General Fund amounts transferred from the Department of Health Care Policy and Financing are included, appropriations to the Department of Human Services that originate as General Fund decreased by \$43 million (5.1 percent). The General Fund decrease was largely attributable to a temporary increase to the Federal Medicaid Assistance Percentage (FMAP), which offset General Fund otherwise required in FY 2010-11.

Appropriations to the Department of Human Services for FY 2007-08 through FY 2010-11 are illustrated in the bar chart and detailed in the table below. As illustrated in the bar chart, General Fund and total appropriations increased in FY 2008-09. Since then, General Fund appropriations have declined while total appropriations have increased just 0.6 percent in the three years (\$13.2 million) from FY 2008-09 to FY 2010-11. "Net" General Fund (shown in the table but not the chart) includes General Fund appropriated directly to the Department of Human Services *and* the General Fund portion of Medicaid funds that support Human Services programs.

Department Appropriations FY 2007-08 to FY 2010-11



Department of Human Services Appropriations FY 2007-08 to FY 2010-11						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	"Net" General Fund /a
FY 2007-08 /b	\$2,033,711,435	\$649,483,006	325,981,045	\$418,626,692	\$639,620,692	\$840,401,436
FY 2008-09	2,139,923,470	680,013,238	350,103,548	429,630,630	680,176,054	877,648,618
FY 2009-10	2,144,727,107	651,948,502	351,463,783	438,101,302	703,213,520	811,376,049

Department of Human Services Appropriations FY 2007-08 to FY 2010-11						
FY 2010-11 /c	2,153,111,241	639,803,262	344,632,848	429,957,794	738,717,337	797,219,689
Increase/(Decrease)/d	\$119,399,806	(\$9,679,744)	\$18,651,803	\$11,331,102	\$99,096,645	(\$43,181,747)
Percent Change /d	5.9%	(1.5)%	5.7%	2.7%	15.5%	(5.1)%

a/ "Net" General Fund includes General Fund appropriated directly to the Department of Human Services (DHS) and the General Fund portion of Medicaid funds appropriated to Department of Health Care Policy and Financing and transferred to DHS.

b/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09. Source: Page 200 of the FY 2008-09 Appropriations Report, plus 2009 legislation affecting FY 2007-08 appropriations (S.B. 09-189).

c/ The FY 2010-11 federal funds appropriation includes the addition of \$35,279,032 for county child care and child welfare TANF reserves and \$9,044,825 for federal refugee services that were not previously reflected in the Long Bill. If these adjustments are excluded, federal funding grew by 8.6 percent and total funding by 3.7 percent between FY 2007-08 and FY 2010-11.

d/ Increase/(Decrease) and Percent Change compare FY 2007-08 and FY 2010-11.

Overall funding trends reflect:

- Increases in FY 2008-09 and FY 2009-10 related to caseload growth (for developmental disability placements, child welfare services, and mental health services), and increases in General Fund appropriations to cover fixed facility costs when alternative sources are not available (such as for the mental health institutes).
- Efforts to offset caseload and General Fund cost increases in FY 2009-10 and FY 2010-11 by reducing provider reimbursements and closing units in institutional facilities (the mental health institutes and regional centers for people with developmental disabilities).
- Use of cash and federal funds to temporarily refinance General Fund (most notable in child welfare and developmental disability services) or to temporarily enhance spending (most notable in self-sufficiency programs). Funding available under ARRA reduced the General Fund portion of child welfare appropriations and the General Fund portion of Medicaid funds transferred from the Department of Health Care Policy and Financing for Human Services programs. It also provided large, temporary increases in funding for child care, subsidized employment, and housing supports.

Overview of Human Services Budget Changes by Division

The table below summarizes the changes in Department funding by division and General Fund, including direct General Fund appropriations and the General Fund portion of Medicaid funds transferred from the Department of Health Care Policy and Financing ("net" General Fund). As demonstrated in the table, the overall distribution of increases and decreases (both total and General Fund) has varied substantially across the Department.

Notably, total and General Fund appropriations to central administrative areas (Executive Director's Office, Office of Operations, and Information Technology) have grown, particularly in comparison to most other department sections. This growth is largely due to the relocation of amounts associated with Information Technology Services and is somewhat deceptive, as information technology cuts

have been taken at a statewide level. Nonetheless, *there have been few cuts to the Executive Director's Office or the Office of Operations*. Reductions have reflected solely statewide policy changes or the indirect impact of policy changes in other program areas (closure of units in some facilities). In general, funding trends for the Executive Director's Office and Office of Operations reflect efforts to limit reductions in these areas. For example, as the Department has closed units in some of its facilities (the regional centers and mental health institutes), revenue lost to the Office of Operations due to the unit closures has been replaced with General Fund.

The balance of this briefing issue addresses the adjustments in County Administration, Self-sufficiency, and Adult Assistance. Other Human Services areas will be covered in subsequent briefing presentations.

Department of Human Services - Comparison FY 2007-08 and FY 2010-11 Appropriations by Division					
		TOTAL Funds		Net General Fund /1	
Executive Director's Office,	FY 07-08	153,417,331		85,739,984	
Information Technology &	FY 10-11	<u>159,958,813</u>		<u>91,613,923</u>	
Operations		6,541,482	4.3%	5,873,939	6.9%
County Administration	FY 07-08	58,881,878		27,297,260	
	FY 10-11	<u>61,422,230</u>		<u>22,524,068</u>	
		2,540,352	4.3%	(4,773,192)	-17.5%
Child Welfare	FY 07-08	408,493,131		219,899,357	
	FY 10-11	<u>406,734,684</u>		<u>199,011,248</u>	
		(1,758,447)	-0.4%	(20,888,109)	-9.5%
Child Care &	FY 07-08	423,722,638		25,560,192	
Self Sufficiency	FY 10-11	<u>478,280,811</u>		<u>23,110,649</u>	
		54,558,173	12.9%	(2,449,543)	-9.6%
Mental Health &	FY 07-08	215,864,570		128,258,786	
Alcohol and Drug Abuse	FY 10-11	<u>215,936,670</u>		<u>133,745,018</u>	
		72,100	0.0%	5,486,232	4.3%
Disabilities	FY 07-08	504,033,792		200,358,201	
	FY 10-11	<u>555,822,985</u>		<u>175,573,711</u>	
		51,789,193	10.3%	(24,784,490)	-12.4%
Adult Assistance	FY 07-08	137,907,305		25,827,076	
	FY 10-11	<u>142,110,411</u>		<u>24,778,748</u>	
		4,203,106	3.0%	(1,048,328)	-4.1%
Youth Corrections	FY 07-08	131,390,790		127,460,580	
	FY 10-11	<u>132,844,637</u>		<u>126,862,324</u>	
		1,453,847	1.1%	(598,256)	-0.5%

/1 "Net" General Fund includes the General Fund Portion of Medicaid funds reappropriated to the Department of Human Services from the Department of Health Care Policy and Financing.

County Administration

The county administration section of the Human Services Long Bill includes state support for the county administration of public benefits including the Supplemental Nutrition Assistance Program (formerly known as Food Stamps), child support enforcement, and adult protective and financial services. Counties also receive funds from the Department of Health Care Policy and Financing for Medicaid eligibility determination and from other sections of the Human Services budget for administration of child welfare, child care, and Colorado Works programs.

County Administration Appropriation FY 2007-08 to FY 2010-11					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2007-08 DHS /a	\$58,881,878	\$27,297,260	\$14,654,752	\$0	\$16,929,866
FY 2008-09	66,165,211	25,880,593	18,754,752	0	21,529,866
FY 2009-10	63,213,245	22,928,627	18,754,752	0	21,529,866
FY 2010-11	61,422,230	22,524,068	17,798,893	0	21,099,269
Increase/(Decrease) /b	\$2,540,352	(\$4,773,192)	\$3,144,141	\$0	\$4,169,403
Percent Change /b	4.3%	(17.5)%	21.5%	n/a	24.6%

a/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09.

b/ Increase/(Decrease) and Percent Change compare FY 2007-08 and FY 2010-11.

Background on Budget Trends

As reflected in the table, overall funding for county administration increased between FY 2007-08 and FY 2010-11 by 4.3 percent. Funding increased significantly in FY 2008-09. Among other adjustments, pursuant to H.B. 08-1250, total funding for county administration in the Departments of Human Services and Health Care Policy and Financing increased by \$8.6 million (\$5.2 million in Human Services), by reallocating General Fund within the division and between the two departments to maximize federal matching funds. However, FY 2008-09 total funds increases have been partially offset by reductions taken in FY 2009-10 and FY 2010-11.

While there have been some funding increases for county administration, growth has been out-paced by an increase in demand for services. Over the last two years, enrollment in the food assistance program (associated with two-thirds of the Human Services county administration appropriation) has increased by over 60 percent from about 115,000 households in September 2008 to 186,000 households in September 2010. Even before the recession began, counties typically spent more than

their required 20 percent share of costs: in FY 2008-09 and FY 2009-10, counties spent \$38 million to administer various public benefits beyond the county share required pursuant to the Long Bill.¹

Major Budget Balancing Actions from FY 2007-08 to FY 2010-11

1. In FY 2008-09, funding for County Tax Base Relief (a program to assist counties with high social services costs and a low property tax base) was reduced by \$417,000 General Fund. In FY 2009-10, funding was restricted to the highest needs counties ("Tier I"), resulting in an additional \$2.95 million in General Fund savings.
2. In FY 2010-11, the appropriation for county administration was reduced by 2.0 percent as part of a department-wide provider rate decrease, resulting in a total cut of \$1.0 million, including \$400,000 General Fund.

Office of Self-Sufficiency

This budget section includes appropriations for a variety of programs designed to help individuals and families achieve self-sufficiency. Two thirds of the total is for the Colorado Works program, Colorado's Temporary Assistance to Needy Families (TANF) block grant program. The balance is for a variety of assistance programs for specific populations, including the Low-income Energy Assistance Program, the Child Support Enforcement program, the Refugee Assistance program, and Disability Determination Services, among others. General Fund comprises less than 1.5 percent of the budget. The majority of federal funds are TANF funds which are subject to appropriation by the General Assembly; however, this section also includes federal funds amounts that are shown for informational purposes.

Self-sufficiency Appropriation FY 2007-08 to FY 2010-11					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2007-08 /a	\$331,748,023	\$6,908,656	\$33,670,184	\$2,179,206	\$288,989,977
FY 2008-09	357,573,275	6,404,827	38,557,933	2,183,460	310,427,055
FY 2009-10	346,166,283	6,378,081	26,094,639	2,184,598	311,508,965
FY 2010-11	388,218,547	5,731,428	32,265,728	34,766	350,186,625
Increase/(Decrease) /b	\$56,470,524	(\$1,177,228)	(\$1,404,456)	(\$2,144,440)	\$61,196,648
Percent Change /b	17.0%	(17.0)%	(4.2)%	(98.4)%	21.2%

a/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09.

b/ Increase/(Decrease) and Percent Change compare FY 2007-08 and FY 2010-11 as adjusted to exclude informational amount changes.

¹Of this amount, about \$14 million was reimbursed with federal funds, based on direct "pass through" to counties.

Background on Budget Trends

As reflected in the table above, total and federal funds in this section have increased substantially, while all other fund sources have declined. However, a large portion of the FY 2010-11 federal funds increase was based on a change to what funds were reflected "on budget" in the Long Bill, rather than a substantive change in funding available. Specifically, the FY 2010-11 federal funds appropriation includes the addition of \$35,279,032 for county child care and child welfare TANF reserves and \$9,044,825 for federal refugee services that were not previously reflected in the Long Bill. If these adjustments are excluded, the total appropriation increased by just 3.7 percent from FY 2007-08 to FY 2010-11. The balance of the federal funds increase primarily reflects items over which the General Assembly has limited or no control, including an increase in the funding estimated to be received for the federal Low Income Home Energy Assistance Program block grant.

Major Budget Balancing Actions from FY 2007-08 to FY 2010-11

1. Since FY 2009-10, the General Assembly has refinanced some General Fund services in child welfare with federal TANF funds. For \$7.0 million permanently refinanced in FY 2010-11, *increases in federal block grant funding for child welfare were offset by reductions in federal funding for programs in the Self-sufficiency budget.* Specifically, the appropriation for the TANF Statewide Strategic Uses Fund (SSUF) was reduced by \$6 million and the appropriation for the TANF Program Maintenance Fund was reduced by \$1 million. The SSUF, which was reduced to \$4 million, is used to provide grants statewide in support of TANF program goals, while the Program Maintenance Fund, which was reduced to \$100,000, provides the Department flexibility in addressing TANF program needs.
2. TANF long term reserves have also been reduced to refinance child welfare services (\$9.5 million in FY 2009-10 and \$12.5 million in FY 2010-11). While this has not had any immediate impact on the Self sufficiency budget, it does reduce the availability of funds for Self sufficiency programs over the longer term.
3. Severance Tax support for the Low Income Energy Assistance Program has been reduced via statutory changes from \$5,950,000 in FY 2007-08 to \$3,250,000 in FY 2010-11. Reduced Severance Tax expenditures for this and other programs has enabled some Severance Tax to be transferred to the General Fund. In FY 2009-10, Severance Tax support for the Low Income Energy Assistance Program was temporarily eliminated to assist in balancing the budget.
4. General Fund appropriations to this section have been subject to various smaller cuts. Through FY 2008-09 supplemental action, all General Fund was eliminated from the Colorado Works program, resulting in a \$406,000 General Fund saving. Through FY 2009-10 supplemental action, \$150,000 was eliminated from the Responsible Fatherhood program and \$400,000, including \$136,000 General Fund, was reduced from the Automated Child Support Enforcement System contract. A new program, the Inmate Assistance Demonstration Program, was also created and then eliminated in FY 2009-10 as a budget reduction measure.

The balance of General Fund reductions to this section relate to the transfer of staff to the Office of Information Technology Services, rather than budget reductions.

Adult Assistance

This section of the budget includes various cash assistance programs for people with disabilities and older adults, including the Old Age Pension (OAP) Program and Aid to the Needy Disabled programs. It also includes funding for community services for the elderly, including Older Americans Act programs supported by federal funds and the Older Coloradans Cash Fund.

Adult Assistance Appropriation FY 2007-08 to FY 2010-11					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2007-08 /a	\$137,898,305	\$25,826,176	\$97,550,159	\$98,350	\$14,423,620
FY 2008-09	145,086,441	25,431,151	104,111,571	96,991	15,446,728
FY 2009-10	153,159,854	24,443,675	113,125,613	105,280	15,485,286
FY 2010-11	142,110,411	24,777,848	101,141,238	105,817	16,085,508
Increase/(Decrease) /b	\$4,212,106	(\$1,048,328)	\$3,591,079	\$7,467	\$1,661,888
Percent Change /b	3.1%	(4.1)%	3.7%	7.6%	11.5%

Background on Budget Trends

As reflected in the table above, the overall budget for this section has increased by 3.1 percent since FY 2007-08, based on increases in cash and federal funds, offset by a General Fund reduction. Most of the cash funds appropriations in this section of the budget are comprised of general tax revenue that is deposited to the OAP and Older Coloradans Cash Funds in lieu of the General Fund. Increases since FY 2007-08 have been driven by:

- Increases in OAP costs that are largely outside the control of the General Assembly. (Pursuant to the state Constitution, the State Board of Human Services establishes the benefit level for the OAP program. The Long Bill includes estimated costs based on projected caseload.)
- Increases in Older Coloradans Cash Fund amounts that the General Assembly sets in statute (a \$3.0 million increase was provided in FY 2008-09 and has been retained); and
- Increases in federal support for Older Coloradans programs.

These increases have been partially offset by the budget reductions described below.

Major Budget Balancing Actions/Revenue Increases from FY 2007-08 to FY 2010-11

1. During the 2010 session, the General Assembly adopted H.B. 10-1384, concerning noncitizen eligibility for the Old Age Pension. This legislation bars non-citizens from receiving the OAP for five years from their date of entry to the United States, with some hardship exceptions, and applies additional limits effective January 1, 2014. Fiscal year 2010-11 savings were projected to be \$13.4 million in reduced cash fund expenditures, allowing these funds to instead flow to

the General Fund. Additional OAP Cash Fund savings of \$15.0 million per year are anticipated effective January 1, 2014. These cash fund reductions are equivalent to a General Fund revenue increase, based on the structure of OAP funding.

2. For FY 2009-10, General Fund support for State Funding for Senior Services was reduced by \$1.0 million. During the FY 2010-11 session, \$300,000 General Fund for State Funding for Senior Services was refinanced with Older Coloradans Cash Fund reserves.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Executive Director's Office, Office of Operations,
County Administration, Self Sufficiency, Adult Assistance)

BRIEFING ISSUE

ISSUE: County Administration - Proposed Increases to Food Assistance Funding and Cuts to County Tax Base Relief

The Department's request reflects adding \$4.7 million total funds (including \$2.4 million General Fund) to increase funding for county food assistance administration due to food assistance caseload increases of 70 percent since March 2008. It also proposes to eliminate the remaining appropriation for county tax base relief (\$2.7 million General Fund). County Tax Base Relief is intended to aid counties with high costs relative to their tax base. The counties that would benefit from the increase differ from those that would be affected by the cut.

SUMMARY:

- ❑ Most public welfare programs in Colorado are state-supervised and county-administered. This includes the food assistance (food stamp) program, which is one of the largest public welfare programs and provides benefits of over \$650 million to about 8.2 percent of the state population. Benefits paid are 100 percent federal and are not reflected in the state budget. However, eligibility determination and program administration, which are delegated to state and local government, are subject to a 50 percent non-federal match and are included in the Long Bill. Counties use the Colorado Benefits Management system to determine client eligibility.
- ❑ The Department's Decision Item #2 requests an additional \$4,715,280 total funds, including \$2,357,640 General Fund to increase county funding for food assistance administration for two years. The request is due to the rapid increase in the food assistance caseload: the monthly caseload for September 2010 is 70 percent greater than in March 2008, 30 months ago. Counties previously received assistance for the caseload increase through federal stimulus funding, but these funds are no longer available. The State is under pressure to ensure timely eligibility determination based on a federal corrective action plan and a potential lawsuit.
- ❑ The Department's Base Reduction Priority #3 would eliminate the remaining County Tax Base Relief appropriation of \$2,700,688 General Fund. County Tax Base Relief is intended to aid counties with high costs relative to their tax base, *i.e.*, counties that either have high costs (due to demographic factors that drive high caseloads and associated funding allocations) and/or those with a relatively low tax base. There is limited overlap between the poor, often rural counties that would lose County Tax Base Relief and the large and medium counties that would receive additional food assistance administration funding.

DISCUSSION:

Background - State-supervised County Administered Programs

Colorado is one of an estimated 12 states with a state-supervised county-administered social services structure. The current system of shared state and local responsibility was largely shaped by a 1936 state statute, in response to the federal Social Security Act. This legislation established a state role in a system that had previously relied on counties to assist poor persons who had no other means of support. Legal decisions interpreting the state Constitution have established that municipalities and counties are instruments of the state, created to carry out the will of the state (Board of County Commissioners v. City and County of Denver, 150 Colorado (1962 and appeal, dismissed, 1963) and that counties have only such powers are delegated to them (Skidmour v. O'Rourke (1963).

Largest 11 counties (pop. 100,000-600,000)	84%
Medium 26 counties (pop. 10,000-60,000)	12%
Smallest 27 counties (pop. <10,000)	<u>4%</u>
	100%

Human Services functions that are state-supervised and county administered include the following:

- Eligibility determination/fraud investigation for financial, food, and medical assistance programs such as Medicaid, food assistance (Supplemental Nutrition Assistance Program (SNAP)/ Food Stamps), and the Old Age Pension program. [Eligibility for Medicaid is funded through the Health Cared Policy and Financing budget]
- Child Welfare Services and Adult Protective Services for children and adults at risk of abuse or neglect
- Colorado Works (Temporary Assistance for Needy Families) - cash assistance, case management and support services for needy families
- Child Care Assistance Program - child care subsidies for low-income families who require financial assistance for child care in order to work
- Child Support Enforcement - ensures non-custodial parents make required child support payments

In addition, funding provided from other state departments (Labor and Employment, Public Health, Local Affairs, Health Care Policy and Financing) or the federal government are often county-administered and intersect with state-supported human services programs.

The level of county financial responsibility by program. However, for the majority of the Human Services programs included in the state budget:

- counties are responsible for covering 20 percent of costs; and

- counties are responsible for covering expenditures that exceed state funding allotments. In some cases, these costs may be covered by transferring federal TANF block grant funds from one program to another. In other cases, expenditures in excess of state funding allotments may be covered through partial federal reimbursement.

The table below provides a break-down of total county expenditures for Human Services programs, based on actual FY 2009-10 expenditures through the County Financial Management System. Note that this includes categories that are "off budget" from a state perspective. In particular, food assistance/food stamp benefits (which are 100 percent federal), most county administration of the child support enforcement program (34 percent county funding and 66 percent federal funding), and additional county expenditures ("pass through" expenditures) for which counties receive partial federal reimbursement but no state reimbursement are excluded from the Long Bill.

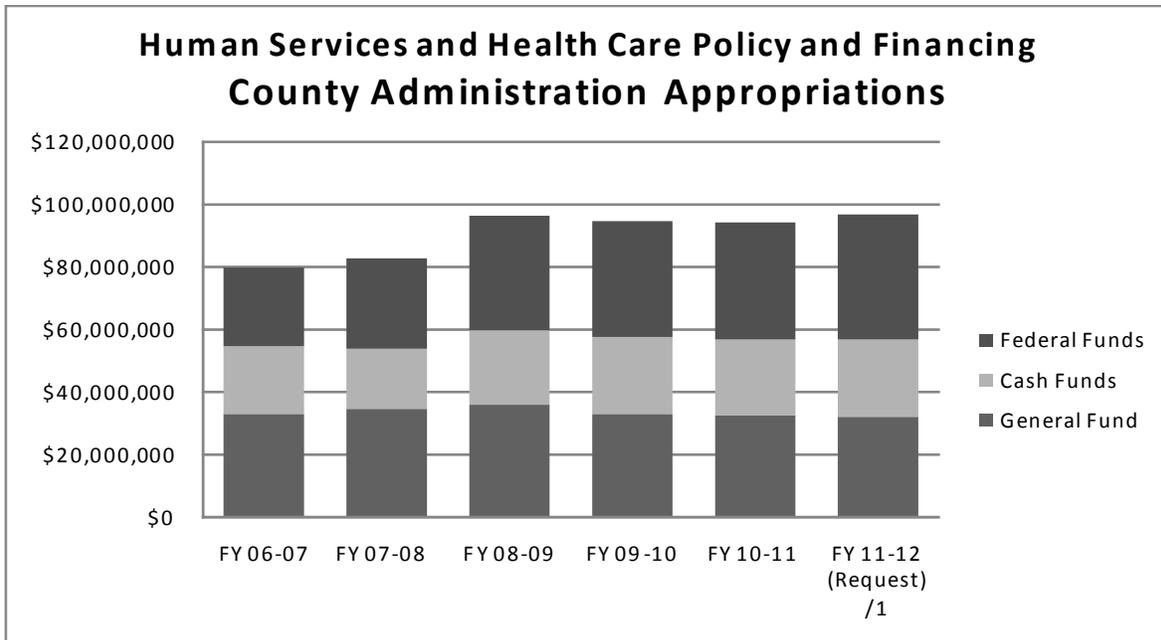
County Expenditures for Human Services Administration and Benefits	
FY 2009-10 Actual Expenditures	
	Total Funds
County Administration, Case Management, Client Services	
County Administration of Food Assistance, Medicaid, Adult Assistance	\$85,607,622
Child Welfare (all services and expenditures)	387,853,931
County Administration of Child Care	10,210,573
County Administration of Colorado Works	78,484,045
Food Assistance Job search/Other	7,366,392
Child Support Enforcement (less retained collections)	35,943,429
Additional County Expenditures (no state funding; partial federal reimbursement)	<u>39,729,372</u>
Subtotal - County Administration, Case Management, Client Services	\$645,195,363
Client Benefits	
Child Care	88,846,877
Colorado Works	89,663,905
Old Age Pension, Aid to Needy Disabled, Home Care Allowance	116,175,293
Low Income Energy Assistance	70,827,334
Food Assistance (food stamps)	<u>655,431,311</u>
Subtotal - Client Cash and Food Benefits	\$1,020,944,719
	<u>\$1,666,140,082</u>
Total - Administration and Benefits	
State Funds (General Fund and Other)	347,185,441
County Funds	157,853,804
Federal Funds	1,161,100,831

Source: FY 2009-10 County Financial Management System report

"County Administration" in the Long Bill

The "County Administration" section of the Department of Human Services budget includes funding for eligibility determination and fraud investigation for financial and food assistance programs and adult protective services in a "County Administration" line item. This section also includes support for child support enforcement and funding for county tax base relief (assistance to the highest need/poorest counties) in separate line items.² County administration of Medicaid programs is included in the Department of Health Care Policy and Financing budget.

The vast majority of county administration funding in Human Services and Health Care Policy and Financing is directed to eligibility determination for food assistance (food stamps) and Medicaid, both of which are generally funded through 30 percent state funds, 20 percent county funds, and a 50 percent federal match. The chart below reflects the funding history and request for the Human Services County Administration *division* and the County Administration line item in the Department of Health Care Policy and Financing. For purposes of this analysis, staff has *included* the requested funding for Decision Item #2 (additional funds for food assistance administration), even though the Department requested that this funding be appropriated in another budget section.



Notes: Reflects sum of appropriation for Human Services County Administration division and Health Care Policy and Financing County Administration line item. FY 2011-12 request also includes an increase for Food Assistance Administration (DI #2) requested in the Self Sufficiency section.

²County administration of Temporary Assistance to Needy Families and the Child Care Assistance Program are found within these divisions.

As reflected in the chart, funding for the Human Services county administration division and the Health Care Policy county administration line item peaked in FY 2008-09 at \$96.6 million, including \$35.8 million General Fund. The total request for FY 2011-12 is slightly higher, at \$96.8 million, but the requested General Fund share has fallen to \$32.1 million.

The increase in FY 2008-09 was largely based on:

- ❑ The opportunity to access additional federal funds without additional General Fund or county cost by reducing County Contingency Payments pursuant to H.B. 08-1250, which restructured this program into the County Tax Base Relief program; and
- ❑ A 2007 workload study that projected costs for county administration of food assistance and Medicaid programs, based on caseloads at that time, and indicated that funding increases were warranted. The State contracted with Deloitte Development to project counties' costs for administering public benefits. Deloitte conducted time-studies to determine the time required by staff to perform daily activities and built a cost-model from the study. Deloitte's study supported expenditures of \$85.2 million. House Bill 08-1250 increased the combined appropriation for the county administration line items in the two departments by \$13.6 million to a final appropriation of \$81.6 million in FY 2008-09--close to the level indicated by the 2007 Workload Study.

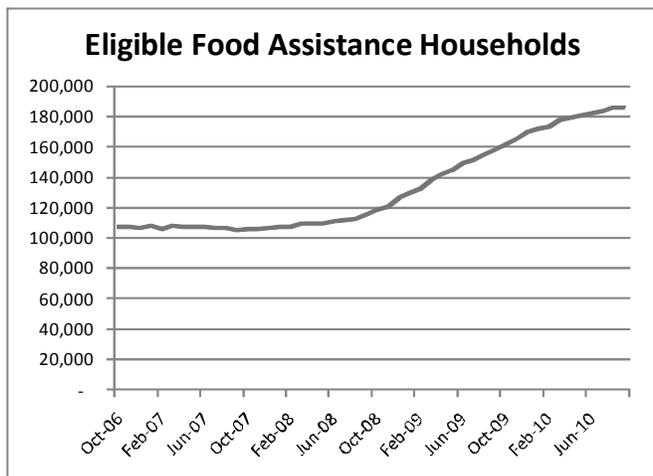
Reductions since FY 2008-09 have whittled away at the initial FY 2008-09 increase, but not erased it. Consistent with this, the overall request for FY 2011-12 does not appear to be substantially different from the FY 2010-11 appropriation. However, two points of note are discussed further below:

- Caseloads have grown at a striking rate, and, even with the proposed temporary food assistance increase, funding will not keep up with caseload growth.
- The two current requests related to county administration--Decision Item #2 (food assistance administration) and Budget Reduction Item #3 (county tax base relief)--affect different counties. The food assistance request benefits counties with rapid food assistance caseload growth. The reduction to county tax base relief affects counties with a low property tax base and high caseload costs.

Decision Item #2: Additional Funding for Food Assistance Administration

The federal food assistance program now known as the Supplemental Nutrition Assistance Program or SNAP (and formerly known as Food Stamps) provides funding for food purchases for households with gross incomes below 130 percent of the federal poverty level (200 percent if the household includes an elderly or disabled member) and net income (after various deductions) below 100 percent of the poverty level. Benefits, totaling over \$655 million for Colorado in FY 2009-10, are 100

percent federal funds. However the cost of administering the program is subject to a 50 percent federal/50 percent non-federal match.



The Department requests \$4,715,280 total funds, including \$2,357,640 General Fund, in additional funding for the administrative costs incurred by the counties related to food assistance administration. The request is to reflect these funds in a separate line item and apart from the County Administration appropriation, so that funds can be allocated specifically to counties with the greatest increase in food assistance caseload. The request is for two years only (FY 2011-12 and FY 2012-13), after which the additional funding would be discontinued.

As noted in the request, beginning in 2008 and mirroring a national trend the Food Assistance Program in Colorado began to experience unprecedented growth in the number of households applying for and receiving benefits. From March 2008 through December 2009, the rate of growth averaged a 2.0 percent increase each month over the prior month. Over the past 12 months, the rate of growth continues, but has slowed to 1.5 percent per month. The monthly caseload for September 2010 is 70 percent greater than in March 2008, 30 months ago. The increase in the monthly applications processed is even greater: 79 percent.

The table below reflects the growth in the county administration *line item* in the Department of Human Services, which is primarily used to support food assistance administration, but also supports other programs.

Food Assistance in Colorado Compared to U.S.

The percentage of the Colorado population that receives food assistance has now increased to about 8.2 percent (424,878 individuals in September 2010), compared to national usage of about 12.5 percent or 1 in 8 Americans.

Based on data from the U.S. Department of Agriculture, in FFY 2007-08, Colorado's administrative cost-per-case was \$58.00 per case per month, compared with a United States average of \$40.46. (SNAP State Activity Report - FFY 2008) This includes state costs for CBMS and state quality assurance, as well as county administration (which represents about half of the total). It is not clear how Colorado's cost-per-case has changed in relation to the national average in the last two years.

Appropriations and Allocations to Support Food Assistance Administration /1					
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12 (Request)
County Administration DHS line item /1	\$40,938,883	\$51,138,883	\$51,138,883	\$50,116,105	\$50,116,105
Federal Stimulus Funding - Distributed to Counties /2	0	0	2,091,011	2,243,895	0
Decision Item #2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,715,280</u>
Total	\$40,938,883	\$51,138,883	\$53,229,894	\$52,360,000	\$54,831,385
<i>Percent Change</i>	<i>n/a</i>	<i>24.9%</i>	<i>4.1%</i>	<i>-1.6%</i>	<i>4.7%</i>
Average Monthly F.A. Households (FFY)	109,405	138,657	176,510	207,764	246,662
<i>Percent Change</i>		<i>26.7%</i>	<i>27.3%</i>	<i>17.7%</i>	<i>18.7%</i>

1/ Counties have flexibility in the extent to which this line item is directed to food stamp administration. However, as demonstrated from the actual figures below, in fiscal years FY 2008-09 and FY 2009-10, 74.2 percent and 76.8 percent of the line item, respectively were directed to food stamp administration.

2/ These are the amounts referenced in the Department's decision item, as they were 100 percent federal funds and not reflected in the Long Bill.

The table below is based on actual county expenditures specifically billed as relating to Food Assistance Administration pursuant to the County Financial Management System data base. This includes the portion of the County Administration appropriation in the Long Bill that is used for food assistance administration and additional county expenditures beyond amounts in the Long Bill.

Actual County Expenditures for Food Assistance Administration /1		
	FY 2008-09	FY 2009-10
Food Assistance Expense in County Administration Line Item	\$37,921,806	\$39,274,714
Additional County Food Assistance Expenditures 2/	11,003,115	12,160,128
100 Percent Federal Funds for Food Assistance Administration	<u>144,613</u>	<u>2,398,712</u>
Total	\$49,069,534	\$53,833,554

1/ These amounts are from reports from the County Financial Management System.

2/ These reflect expenditures for which counties claimed a 50 percent federal match but no state funding; these amounts are not included in the Long Bill.

Points of Note:

- Appropriations for the Human Services County Administration line item (includes food assistance administration) grew by \$10.2 million (25 percent) from FY 2007-08 to FY 2008-09. This increase was authorized before the onset of the recession and was considered justified based on caseloads at that time.

- Funding adjustments for FY 2009-10 and FY 2010-11 are clearly far less than the caseload increases experienced, and the requested increase for FY 2011-12 is similarly not proportionate to the rapid caseload growth.
- In FY 2008-09 and FY 2009-10, counties spent \$11.1 million and \$12.2 million, respectively for food assistance administration above and beyond appropriations that receive state match. While counties received 50 percent federal reimbursement for these expenditures, the balance was from county tax dollars. This is indicative of the pressures on counties to deliver these services.
- The Department's request is based on an incremental increase of \$121.22 per case, based on average state costs for additional food assistance workers and an average caseload of 350 per worker. This seems a conservative figure, given that actual county expenditures per case in FY 2008-09 (actual expenditures/total cases) were \$354.89 per case and the 2007 Colorado Workload Study indicated food assistance cost per case, based on their model, was \$414 to \$374 per case depending upon the size of the county. However, staff also notes that Colorado's overall administrative costs per case are high compared to the nation as a whole and there is therefore likely room for greater cost-efficiency. (see box) Finally, H.B. 10-1022 eliminated the asset test for food assistance, which was expected to streamline eligibility determination, although no specific cost savings were estimated.
- Even with the requested increase, and assuming an incremental cost per new case of just \$121.22, the requested FY 2011-12 appropriation does not "keep up" with the caseload increase since FY 2007-08, as reflected in the calculation below. *Note that staff is not recommending a higher figure -- merely demonstrating that the request is conservative.*

Increase FY 2007-08 County Administration line item appropriation to FY 2011-12 request + Decision Item #2	\$13,892,502
Projected increase in number households determined eligible for food assistance from FY 2007-08 to FY 2011-12	134,341
Additional funding needed over FY 2007-08 @ \$121.22/case (134,341 x \$121.22)	<u>\$16,284,816</u>
Requested appropriation increase above/(below) need per this calculation	(\$2,392,314)

- Per the request: "Colorado continues to fall short of the federally required timeliness standard for processing food assistance applications and faces potential withholding of federal funding if required time frames are not met. Additionally, it is working toward an Amended Stipulation and order of Settlement in a lawsuit filed against the Department in 2005 on behalf of plaintiffs who claim to not receive benefits timely." This lawsuit was filed during the roll-out of the Colorado Benefits Management System and was related to timeliness and errors in case processing. Timeliness is the only outstanding issue. The Department's has greatly improved timeliness: 82.6 percent of cases were filed timely in FY 2009-10 (through 3/10), compared with 74.2 percent in FY 2007-08. However, this is still below the federal expectation of 90 percent timely and the commitment to comply with federal guidelines for

100 percent compliance contained in the original Stipulation to settle the food assistance lawsuit. The Department expects to know by the end of the month whether it has reached an agreement on an Amended Stipulation or whether it will be returning to court regarding food assistance timeliness. (The Department of Health Care Policy and Financing is back in court related to Medicaid timeliness issues.) With respect to federal requirements, no state has even been sanctioned for failures in timeliness, although there is reportedly some discussion at the federal level regarding this.

- In addition to the requested increase in funding, the Department is engaged in a vigorous effort to improve county efficiency. In particular, it is part of a project with the Southern Institute and the Department of Health Care Policy and Financing to examine workload processes in each county and take steps to streamline activities. Participating counties will be required to apply best practice procedures, such as use of phone interviews in lieu of in-person interviews and changing business processes from case management to task-based.
- The Department has indicated that the funding will be targeted to counties with the highest caseload growth. This is consistent with the approach used previously to distribute additional federal funds available under the American Recovery and Reinvestment Act and for distribution of additional funds provided under a Department of Defense spending bill in 2010. Based on the factors being proposed by the Department--rate of growth and whether the growth rises to the level of at least 350 new cases--the funding would go to the ten large counties and eight medium sized counties. Among the anticipated recipients, only Pueblo, Alamosa, and Fremont are also recipients of County Tax Base Relief (see below), and the amounts that they might expect to get from this additional funding would be far less than the funds lost from County Tax Base Relief. For example, Pueblo might gain approximately \$270,000 while losing \$1.0 million. Alamosa might gain \$56,000 while losing \$423,000. In general, the areas of the State that have experienced the very largest caseload growth are the large urban areas (107 percent growth for Jefferson County, 70-80 percent for most of the other "big ten" counties). Many of the counties that were previously somewhat economically depressed (Otero, Conejos, Prowers) have simply not changed as greatly (20 to 30 percent caseload growth).
- Related to this, it requests the funding in a separate line item so that it can target the funding. Staff agrees with this approach. However, staff also would recommend that some component of the funding be tied to improvements in performance and not merely caseload growth. Staff previously examined the relationship between issues of timeliness and the level of caseload growth experienced by different counties. While there is a relationship, there are clearly other factors at play. *Staff believes it is incumbent upon the Department to demand certain performance standards in return for additional funding.*

	Food Assistance Percent Applications Processed Timely -June 2010 report	Percent Increase Food Assistance Cases August 2008 to Oct 2010
Adams	79.0%	87.5%
Arapahoe	80.0%	80.7%
Boulder	75.0%	81.5%
Denver	65.0%	53.8%
El Paso	70.0%	74.5%
Jefferson	87.0%	106.6%
Larimer	73.0%	64.6%
Mesa	78.0%	71.3%
Pueblo	88.0%	33.9%
Weld	100.0%	74.3%

Base Reduction #3: Eliminate County Tax Base Relief Funding

The Department's Base Reduction Priority #3 would eliminate the remaining County Tax Base Relief appropriation of \$2,700,688 General Fund. County Tax Base Relief is intended to aid counties with high costs relative to their tax base, *i.e.*, counties that either have high costs (due to demographic factors that drive high caseloads and associated funding allocations) and/or those with a relatively low tax base. The appropriation is comprised entirely of General Fund and substitutes for a portion of the county share that affected counties are obligated to pay for human services programs. This funding is often particularly important to counties to cover cash flow needs prior to the receipt of property tax revenue.

H.B. 08-1250 (Pommer/Johnson). The current county tax base relief formula was established through H.B. 08-1250. A prior program, the County Contingency Fund, was established in 1973. It was modified to ensure that the program targeted the most needy counties (a reduction from 41 counties receiving contingency in FY 2007-08 to 23 counties in FY 2008-09), consistent with the recommendations of a 2007 taskforce. Pursuant to H.B. 08-1250, a former \$11.2 million General Fund appropriation for County Contingency was eliminated and redistributed, with \$6.2 million placed in the new County Tax Base Relief Fund and the balance in other county administration line items. (The appropriation for FY 2008-09 was subsequently reduced to \$5.8 million through supplemental action due to state revenue constraints.)

2010 Legislative Action and S.B. 10-149 (Tapia/Ferrandino). For FY 2009-10, the Executive requested, and the General Assembly approved, halving the original County Tax Base Relief appropriation to its current \$2.7 million level. The Executive further requested that this appropriation

be entirely eliminated in FY 2010-11. However, the Joint Budget Committee chose instead to introduce S.B. 10-149 to clearly limit funding to Tier I counties, and the JBC and subsequently the General Assembly, chose to retain funding for FY 2010-11 at the \$2.7 million level.

County Tax-base Relief Calculation. The base for calculation of eligibility is all mandated public assistance programs that have a county share and that appear in the Long Bill, pursuant to Section 26-1-126 (1.5), C.R.S. The calculation is based on the county share required under statute and Long Bill appropriations and excludes any additional county expenditures associated insufficient state or federal funding. A formula based on three fixed mill levy thresholds – 3.0 mills (Tier I), 2.5 mills (Tier II), and 2.0 mills (Tier III) – is used to calculate eligibility.

The following is an example of the Tier I eligibility calculation. Assume a county has a calculated county share of \$150,000, and that the property tax valuation generates \$30,000 per mill levied. The formula for the Tier I shortfall is as follows:

$$\begin{array}{rcl}
 & \$150,000 & \text{total calculated costs} \\
 - & \underline{90,000} & \text{generated by 3.0 mills} \\
 = & 60,000 & \text{Tier I shortfall} \\
 \times 0.75 = & 45,000 & \text{County Tax Base Relief Allocation (75 percent of shortfall)}
 \end{array}$$

Calculations for Tiers II is based on the difference between the shortfall not funded under Tier I and revenue generated by 2.5 mills, with a similar calculation for Tier III. The percent of shortfall funded declines under these latter tiers. As noted above, funding for these latter tiers is suspended under S.B. 10-149.

County Tax Base Relief FY 2009-10 Allocations. The table below reflects the results of the tax base relief calculation for FY 2009-10.

County Tax Base Relief FY 2009-10 Distribution				
County	County Share of Social Services Expenditures	Property Taxes Generated at 3.0 Mills	County Tax Base Relief per Formula - Tier I	Formula as percentage of County Share of expenditures
Alamosa	949,099	384,470	423,471	44.6%
Bent	286,273	164,530	91,307	31.9%
Conejos	370,028	144,240	169,341	45.8%
Crowley	208,289	104,950	77,504	37.2%
Fremont	1,376,496	1,288,581	65,935	4.8%
Lincoln	289,472	210,435	59,278	20.5%

County Tax Base Relief FY 2009-10 Distribution				
County	County Share of Social Services Expenditures	Property Taxes Generated at 3.0 Mils	County Tax Base Relief per Formula - Tier I	Formula as percentage of County Share of expenditures
Logan	747,347	607,543	104,849	14.0%
Otero	742,660	344,408	298,689	40.2%
Prowers	577,653	374,969	137,013	23.7%
Pueblo	5,085,519	3,649,111	1,077,306	21.2%
Rio Grande	551,686	513,581	28,579	5.2%
Saguache	<u>259,286</u>	<u>171,870</u>	<u>65,562</u>	<u>25.3%</u>
TOTAL	n/a	n/a	2,598,834	n/a

* The Department appears to have distributed funds up to the total amount of the appropriation (\$2,700,689), despite statute added in 2010 specifying that county tax base relief funding is limited to the amount that a county is qualified to receive from Tier I in FY 2009-10, FY 2010-11, and FY 2011-12 (Section 26-1-126 (6)).

As indicated in the table:

- For seven of the eleven counties affected, County Tax Base Relief comprises more than 20 percent of their county share. For three counties, it comprises more than 40 percent.
- The affected counties vary in size, but Pueblo is the only large county affected. If Pueblo were excluded from the calculation (would require a statutory change) the total funding estimated to be required for the program would be \$1.5 million.
- Unlike most line items that support counties, this line item does not draw matching federal funding (because it substitutes for the county share of funding that is otherwise required). This makes it an understandable target for budget reductions.
- The Department's budget request will effectively use the savings from eliminating County Tax Base Relief to fund the requested increase for Food Assistance Administration. The counties that lose Tax Base relief funding would not gain new Food Assistance Administration Funding, or will receive far less than they would from County Tax Base Relief.
- Many counties, large and small, are under significant fiscal pressure. County budgets generally rely on a combination of property tax mill levies and sales taxes. Rural areas generally rely more heavily on property taxes, due to limited commercial activity, and the county share of social services throughout Colorado is usually funded through mill levy revenues. *Regional variations are significant. Legislative Council Staff does not collect information on how overall changes in valuation or sales tax revenue may affect county budgets, which are also affected by the mix of county revenue streams and, for example, whether the county has "de-TABORed".*

In response to JBC staff questions earlier in the year about how county social services budgets are faring, CCI members generally reported that increased case loads have been a challenge, salaries have been held flat, furloughs days are being taken and, in some cases, layoffs will be required. Some smaller counties have reported very serious problems (*e.g.*, all county services apart from core fire, police, social services, and general administration such as the assessor's office suspended), while conditions are less dire for others. Some counties have been working to reduce expenditures for several years, and these counties generally report being in better condition.

- Staff has requested further information both from the affected counties and from the Department to attempt to determine further: (1) how the proposed reduction will affect them; (2) whether a possible statutory change staff had suggested last year (which would enable these counties to seek relief from their Maintenance of Effort expenditure requirement under the Temporary Assistance to Needy Families Program) is of interest; and (3) whether there are any opportunities for some fo these counties to improve efficiency, *e.g.*, by sharing administrative functions, and whether the General Assembly could promote this through statutory modification or the creation of a pilot program.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Executive Director's Office, Office of Operations, County Administration,
Self Sufficiency, Adult Assistance)

BRIEFING ISSUE

ISSUE: Temporary Assistance to Needy Families

Colorado receives \$150 million per year in federal Temporary Assistance to Needy Families (TANF) block grant funds, most of which is sub-granted to counties for the Colorado Works program. County budgets are under strain due to caseload growth associated with the recession, although both caseload demand and TANF reserve-status varies by county. The State is also spending down its reserves, in part due to budget-balancing initiatives, and a shortfall between federal funding and state appropriations will need to be addressed in FY 2012-13.

SUMMARY:

- ❑ In most years, Colorado receives \$150 million per year in federal Temporary Assistance to Needy Families (TANF) block grant funds. The majority is "sub-block-granted" to counties for the Colorado Works program. Counties use these funds to provide cash assistance to needy families, to administer the program, for child welfare and child care programs, and to support other poverty-alleviation programs.
- ❑ Between FY 2004-05 and FY 2008-09, as demand for basic cash assistance fell, counties accumulated reserves that exceeded their annual fund allocations. In response, the General Assembly adopted S.B. 08-177, which promoted an increase in the basic cash grant, created new state-controlled programs, and required counties to revert excess reserves to the State over a period of four years. In response to this legislation, and the beginning of the recession, counties spent heavily in FY 2008-09 and FY 2009-10.
- ❑ Most county budgets are under pressure due to the growth in demand for basic cash assistance, which required 47 percent of annual allocations in FY 2009-10 and could require close to 60 percent of allocations by FY 2011-12, when demand is expected to peak. However there is substantial variation among counties: some counties' TANF reserves are now at \$0, while others retain balances in the range of 50 percent of annual allocations.
- ❑ The FY 2011-12 request is for TANF appropriations to exceed annual federal block allocations to the State by nearly \$25 million. This in part reflects the deliberate spend-down of state reserves (the Long Term Reserve) due to budget-balancing efforts (refinance of General Fund in Child Welfare), as well as a structural imbalance of about \$12 million which will need to be addressed by FY 2012-13. Further use of TANF for budget balancing would require program reductions, including to county block funding.

DISCUSSION:

Background. The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PWORA) replaced the former Aid to Families with Dependent Children entitlement program with the system of Temporary Assistance to Needy Families (TANF) block grants. The purposes of TANF, as outlined in statute at 26-2-705, C.R.S., include:

- Assisting needy families so that children can be cared for in their own homes;
- Reducing the dependency of needy parents by promoting job preparation, work, and marriage;
- Preventing out-of-wedlock pregnancies; and
- Encouraging the formation and maintenance of two-parent families.

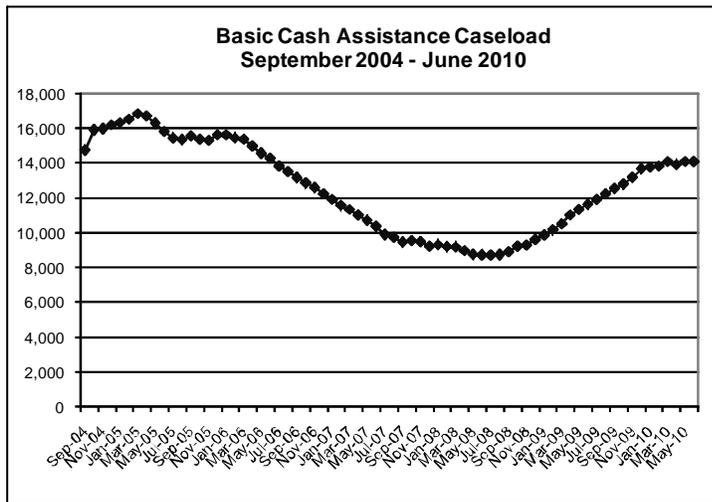
Basic Cash Assistance

Basic cash assistance (BCA) is the only "entitlement" component of the Colorado Works Program. The average household benefit is currently \$431 per month, with a lifetime limit of 60 months of cash assistance and work participation requirements.

Overall enrollment fell sharply after the Colorado Works program's inception, from 22,450 in 1998 to 9,308 in 2008, but has increased to 14,400 as reflected in the chart below. This is less than 10 percent of the food assistance caseload. According to the federal General Accountability Office, nationally, the program serves about 40 percent of those who qualify.

From a financial perspective, BCA expenses have comprised 29 to 47 percent of county allocations for Colorado Works over the last ten years.

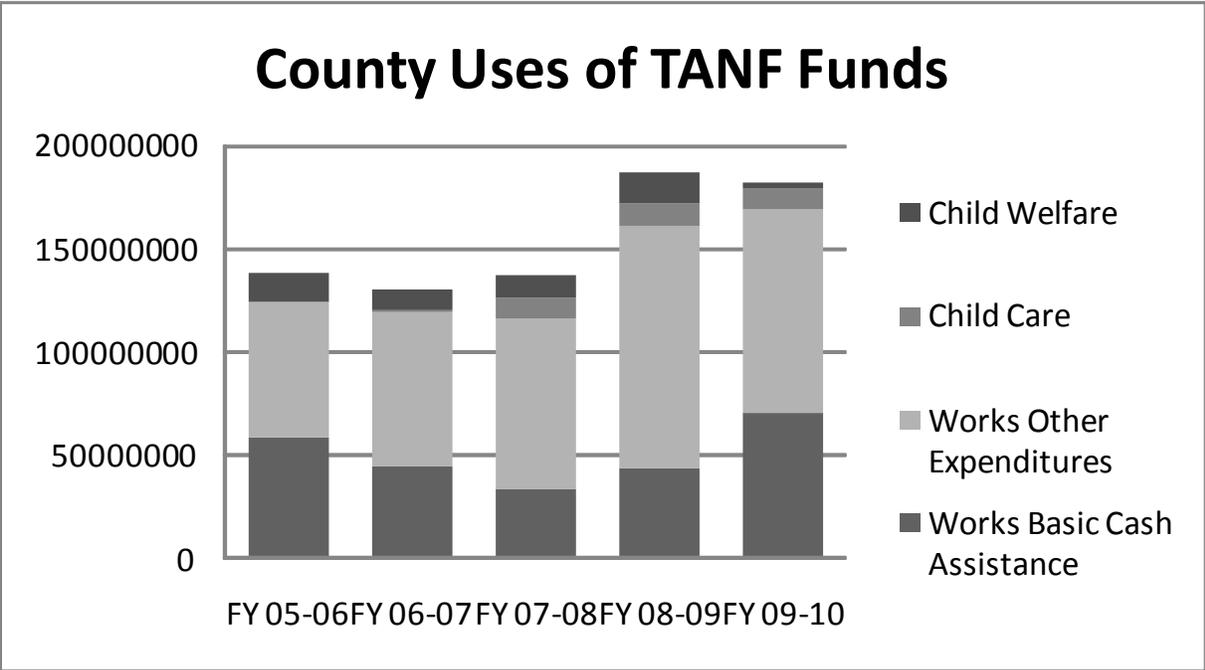
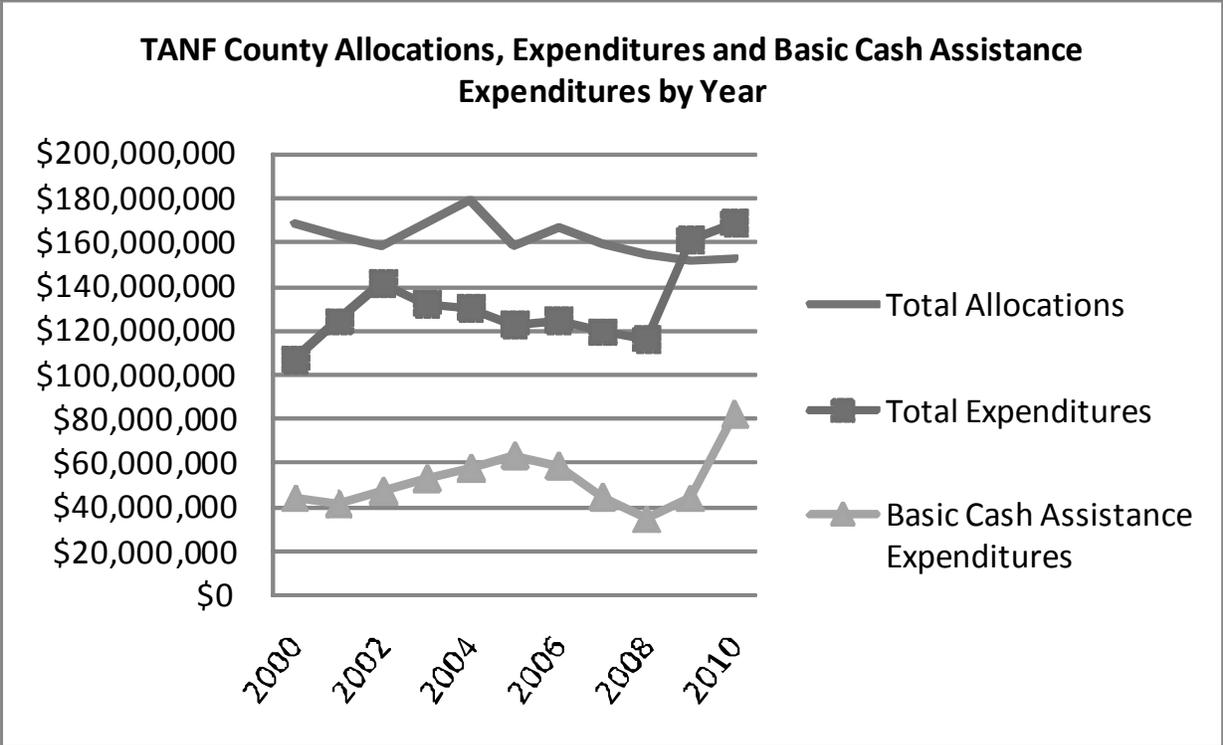
The federal government provides an annual block grant to Colorado of approximately \$150 million, as long as Colorado complies with maintenance of effort requirements (\$88.5 million) and various other federal requirements. Authorization for the current federal TANF program expired September



30, 2010. However, it is being maintained through continuing resolutions, and it is unclear when full reauthorization might occur.³ Pursuant to federal law, and unlike most federal funds, TANF funds are subject to annual appropriation by the General Assembly for purposes consistent with the federal law.

Most TANF funding is appropriated as allocations to counties for the Colorado Works program (\$135.2 million federal

³For a recent Government Accountability Office analysis of the program nationwide, in preparation for federal reauthorization, see <http://finance.senate.gov/imo/media/doc/092110kbttest.pdf>



funds in FY 2010-11). Counties are responsible for complying with the associated federal and state

requirements for providing basic cash assistance to qualifying families and ensuring qualifying individuals comply with work participation requirements⁴. They must also spend county funds for their share of the federal maintenance of effort requirement (\$22.2 million). Any funding not required for individuals and families who meet requirements for basic cash assistance may be used for a broad array of county poverty-alleviation activities, and a total of up to 30 percent may be transferred to the child welfare block grant (Title XX of the Social Security Act) and the child care block grant (the Child Care Development Fund (CCDF) block grant).

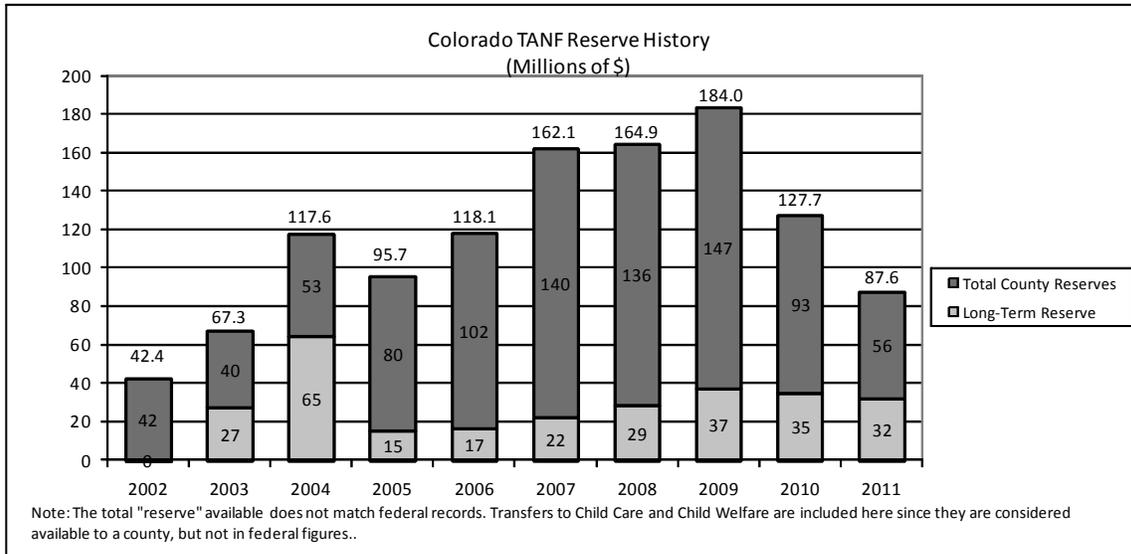
Counties have substantial flexibility in management of their TANF programs. Historically, the majority of county funding is commonly used for purposes other than basic cash assistance. Significant funding has historically been used to support local non-profits and various county-specific programs serving families with incomes of up to \$75,000 per year, and the State has limited information on these programs. Until recently, counties were also allowed to retain unlimited reserves of unspent TANF funds. During the 2008 session, the General Assembly adopted S.B. 08-177, which made a variety of changes to the program, including establishing limits on reserves, as described below.

Senate Bill 08-177. Beginning in FY 2004-05, county-controlled TANF reserves began to grow, as both total and basic cash assistance expenditures fell.⁵ By FY 2006-07, reserves of funds under county control exceeded \$160 million and, in total, were larger than total annual funding for TANF county block allocations, as reflected in the chart below.⁶ Reserves under state control (identified in the chart as Long Term Reserve amounts) were far smaller.

⁴Federal rules require a 50 percent of recipient families and 90 percent of two-parent families fulfill work participation requirements for "work eligible" families, with a credit again work participation rates for reductions in a state's caseload since FFY 2005. Colorado met the work participation requirement for FFY 2007 with a work participation rate of 29.64 percent.

⁵TANF "reserves" reflect federal spending authority for moneys not yet drawn down and expended by the State. Moneys are only transferred to the State based on qualified expenditures.

⁶This reserve figure includes TANF funds that had been transferred to separate TANF reserves for child welfare and child care programs.



In response, the Department worked with legislators to adopt S.B. 08-177 (Boyd/McGihon and Massey). The bill:

- Increased the Basic Cash Assistance Grant.** It directed the State Board of Human Services to establish a percentage by which the current statutorily-specified basic cash assistance grant must be multiplied to determine an eligible person's grant amount. In setting the percentage, the board was to ensure that the basic cash assistance grant was equal to or exceeded 102 percent of the need standard in effect as of January 1, 2008, and was encouraged to use a higher standard. *The State Board ultimately set the grant standard at 112 percent of the January 2008 level, as encouraged by the legislation. This increased grants 30 percent.*
- Limited county TANF reserves.** Upon the conclusion of FY 2008-09, required counties to remit to the Colorado Long-term Works Reserve any unspent TANF reserves in excess of 70 percent of the county block grant received in the prior fiscal year. Upon the conclusion of FY 2009-10, counties were required to remit TANF reserves in excess of 55 percent of the prior year's block grant. The percentage reduced to 40 percent at the end of FY 2010-11 and 30 percent at the end of FY 2011-12. *Largely in response to the caps, as well as the economic downturn, counties spent reserves down rapidly in FY 2008-09. At the end of the year, they reverted \$12.2 million to the Long Term Reserve. Due to the recession, they continued to spend rapidly in FY 2009-10 and thus reverted only \$685,772 at the end of the fiscal year.*
- Required future review of reserve restrictions.** Prior to the 2012 regular legislative session, required the Department of Human Services, in collaboration with advocates and counties, to review the county reserve levels existing as of FY 2011-12 and to make recommendations regarding the appropriate levels of county reserves for state fiscal years

beginning on or after July 1, 2012. *Staff believes it likely that related legislation will be offered as early as the 2011 session.*

- **Created two new funds controlled at the state-level: The Statewide Strategic Uses Fund (SSUF) and the Program Maintenance Fund.** The SSUF is to be used for specific initiatives and programs that further the purposes of the Colorado Works Program. Funding is distributed as multi-year grants is based on recommendations of the 13-member Strategic Allocations Committee. The moneys in the maintenance fund may be used by the executive director of the Department of Human Services to respond to emergencies or otherwise unforeseen situations. *Initial appropriations in the bill were set at \$10.0 million for the SSUF and \$3.0 million for the maintenance fund. They were reduced in the FY 2010-11 Long Bill to \$4.0 million for the SSUF and \$100,000 for the program maintenance fund.*

The bill also required the Department to develop training for Colorado Works service providers and county case workers and restructured the former Short-term Works Emergency Fund into a new County Block Grant Support Fund (\$1.0 million appropriation).

Current County Issues: Basic Cash Assistance Costs, County Reserves, Allocations, Audits.

Basic Cash Assistance Costs: Although basic cash assistance has been a relatively small part of TANF program expenditures in recent years, rapid caseload growth due to the recession, as well as the grant increase approved under S.B. 08-177, is making the basic cash grant more significant. A rough JBC staff model, based on the assumption that current caseloads will continue to increase at 1.2 percent per month (the 12 month average through July 2010) through December 2012 and will then decline by 1.2 percent per month suggests that basic cash assistance costs will reach approximately \$79 million (53 percent of allocations) for FY 2010-11 and approximately \$87 million (58 percent of allocations) for FY 2011-12. The basic cash demand is likely to be more extreme in individuals counties.

Variations Among Counties. Because the TANF program is largely controlled at the local level, there is large variation among counties with respect to the status of their reserves and local demand for funding. The table below reflects initial county allocations for FY 2010-11, county reserves as of September 10, 2010, and basic cash assistance expenditures as a percent of county allocations. As can be seen:

- While some counties still hold substantial reserves (45 to 50 percent for Denver, El Paso and Mesa counties), two of the big ten--Weld and Jefferson--have no remaining TANF reserves, and Jefferson county was required to remit county funds to fully cover TANF expenses at the end of FY 2009-10.
- While some counties continue to spend a small portion of their allocations on required basic cash assistance (28 percent for Mesa and 33 percent for Adams), other counties spend the majority of funds on this portion of their program. In El Paso county, basic cash assistance

requires about 61 percent of allocations, and in Pueblo, basic cash assistance requires about 71 percent of allocations, even though the state average in FY 2009-10 was 47 percent.

County TANF Reserves Compared to Initial Allocations and Basic Cash Assistance Expense					
	Preliminary FY 2010-11 Allocations	September 10, 2010 Total TANF Reserves	Reserves as % Allocation	FY 2010 Basic Cash Assistance Expense	2010 Basic Cash Expense as % FY 2011 Allocations
Adams	\$12,661,495	\$4,248,594	34%	\$4,154,125	33%
Arapahoe	12,712,097	5,373,826	42%	6,060,736	48%
Boulder	6,199,501	510,739	8%	1,867,991	30%
Denver	37,683,798	16,976,565	45%	17,118,678	45%
El Paso	19,475,277	9,293,149	48%	11,831,922	61%
Jefferson	10,990,006	0	0%	6,145,058	56%
Larimer	7,960,898	2,962,610	37%	3,341,416	42%
Mesa	5,540,681	2,704,164	49%	1,571,210	28%
Pueblo	8,143,642	2,960,101	36%	5,816,887	71%
Weld	4,845,167	0	0%	2,392,594	49%
Balance of State	<u>24,823,606</u>	<u>10,589,104</u>	43%	<u>10,779,131</u>	43%
TOTAL	\$151,036,168	\$55,618,851	37%	\$71,079,747	47%

Counties can and do "trade" allocation amounts. Typically, one county will sell a portion of its allocation to another county in return for the recipient county's paying the required maintenance of effort on the money. In FY 2008-09, when counties sought to reduce reserves to avoid reversions to the State, a total of \$21.6 million changed hands among counties. In other years, a total of \$1 to \$2 million has been typical. Counties are currently quite reluctant to sell allocations due to concerns about their own fiscal health. This creates a situation in which **some counties may be "sitting" on reasonable levels of reserves, while others are in fairly dire circumstances.**

Works Allocations and the Works Allocation Formula. County TANF programs vary substantially from each other, apart from the fact that all must provide basic cash assistance and ensure work participation. Some of the differences reflected in the table above are driven by differences in local economies and approaches to program financial management. They are also driven by the historic nature of allocations. Following welfare reform, counties were allocated funds based on their willingness to pay their share of the TANF maintenance of effort. These allocations had not been substantially adjusted in many years; however, the Colorado Works Allocation committee developed a new allocation formula for FY 2010-11 which will gradually move funding among counties to take demographic factors, such as number of children in the county in poverty, into account. The change will be gradual, so that no county gains more than 35 percent or loses more than 5 percent of its allocation in a given year.

Spending Audits. As reflected in the charts above, county spending increased 39 percent from FY 2007-08 to FY 2008-09 as counties sought to avoid reversions to the State. In response, the Department initiated an audit to ensure spending was consistent with federal guidelines. In a letter to the Audit Committee and the JBC dated April 23, 2010, the Department indicated that preliminary results of the audit indicate a fairly high error rate resulting in potential questioned costs in excess of \$1.0 million. The State has now expanded the scope of its audit. Counties will be required to repay improper payments, which may present fiscal problems, particularly in small counties.

TANF Long Term Reserve. The TANF long term reserve represents the existing and projected funding that Colorado expects to be able to draw down from the federal government for qualified TANF expenditures. *Amounts shown are the unallocated "state" reserve, as opposed to the county reserves discussed above.* The Department submitted detailed information in response to RFI #36. The data for the current year, projected forward to FY 2012-13, is summarized in the table below.

TANF Long Term Reserve Analysis - November 10, 2010			
	SFY 10-11 (Current)	SFY 11-12 (Request)	SFY 12-13 (Projected)
Estimated Funds Available to Appropriate			
Available prior year funds	\$40,819,315	\$41,140,193	\$16,783,081
Ongoing Estimated Annual Grant	149,626,381	149,626,381	149,626,381
Remaining ARRA funds - Received and pending	<u>38,000,479</u>	<u>0</u>	<u>0</u>
Subtotal	\$228,446,175	\$190,766,574	\$166,409,462
Estimated TANF Spending/Appropriations			
Allocations to Counties	\$135,237,861	\$135,237,861	\$135,237,861
Information Technology & Indirect Costs	8,666,498	7,673,225	7,673,225
CO Works State Administration	2,507,249	2,507,249	2,507,249
Works Statewide Strategic Uses Fund	4,000,000	4,000,000	4,000,000
Works Program Maintenance Fund	100,000	100,000	100,000
Refugee Assistance	2,805,334	2,805,334	2,805,334
Low Income Energy Assistance	1,500,000	1,500,000	1,500,000
Domestic Abuse Program	659,824	659,824	659,824
Child Welfare Programs	19,500,000	19,500,000	7,000,000
Roll-forward from FY 09-10 TANF supplemental (ARRA-related)	<u>12,329,216</u>	<u>0</u>	<u>0</u>
Subtotal	\$187,305,982	\$173,983,493	\$161,483,493

TANF Long Term Reserve Analysis - November 10, 2010			
	SFY 10-11 (Current)	SFY 11-12 (Request)	SFY 12-13 (Projected)
Total	\$41,140,193	\$16,783,081	(\$4,925,969)
Ongoing Shortfall			(\$11,857,112)

As reflected in the table, Colorado is rapidly spending down reserves of TANF funds.

- Temporary Imbalance - Child Welfare Refinance and ARRA.** Part of the spend-down is based on a three-year refinance of General Fund with TANF funds in the Division of Child Welfare. The Child Welfare refinance, approved as part of budget balancing efforts, includes \$12.5 million per year for three years (FY 2009-10 through FY 2011-12) that is based on spend-down of the TANF reserve. As a result of the American Recovery and Reinvestment Act, Colorado received \$68.0 million in additional federal funds. Only \$28.0 million of this has been used toward new spending initiatives. The remainder has increased available reserves and thus facilitated the refinance of child welfare services. *Effective FY 2012-13, however, staff anticipates that the State will need to restore the current \$12.5 million General Fund to child welfare or apply reductions to child welfare or TANF-funded self-sufficiency programs if General Fund for child welfare is not available.* The table above is based on the assumption that \$12.5 million in TANF funding for child welfare will be eliminated in FY 2012-13.
- Structural Imbalance.** Appropriations added through S.B. 08-177 created an imbalance between TANF funds annually received and funds annually appropriated. Staff believes this was deliberate and part of the effort to spend down the state's large accumulated reserves (most of which were held at the county level). However, because counties rapidly spent their county-held reserves, rather than remitting them to the State, and because the economic downturn made any reduction to county allocations unattractive, the State has delayed efforts to bring revenue and spending back in line. Nonetheless, in the absence of any other changes--either to federal revenue or State spending--*staff anticipates that the current \$12.0 million structural imbalance will need to be addressed beginning in FY 2012-13, in large part through reductions to county block allocations. This is in addition to any adjustments that might be required if General Fund is not restored for Child Welfare Services.*

Budget Balancing Using TANF Funds. Colorado has used TANF in its budget balancing efforts. In FY 2010-11, a total of \$19.5 million was refinanced.

- As discussed above, \$12.5 million of General Fund was refinanced on a three-year temporary basis, from FY 2009-10 through FY 2011-12, using TANF Long Term Reserve funds.
- \$7.0 million of General Fund was refinanced on a permanent basis, starting in FY 2010-11. To accomplish this, reductions of \$7.0 million were taken to other appropriations that use

TANF funds. This included reducing the Statewide Strategic Uses Fund (a grant program established under S.B. 08-177) from \$10.0 million to \$4.0 million, and reducing the TANF Program Maintenance Fund (a flexible Department funding source also established in S.B. 08-177) by \$1.0 million. (Other budget adjustments ultimately cut funding for the Program Maintenance Fund to just \$100,000.)

These adjustments were feasible because some child welfare expenditures were counted as TANF maintenance of effort expenditures. If an expenditure qualifies as a maintenance of effort expenditure, TANF funds can be used to fund the activity directly. Based on the Department's most recent Maintenance of Effort (MOE) analysis, an additional \$40 million of child welfare expenditures could theoretically qualify for refinance beyond current amounts, if there were sufficient TANF funds to cover this and other TANF program needs.

Further refinancing of General Fund in Child Welfare is feasible but problematic. Based on the current status of TANF reserves and qualifying MOE expenditures, staff believes an additional \$5.0 million General Fund for child welfare services could realistically be refinanced with TANF in FY 2011-12. However:

- Additional temporary one-year refinancing of \$5.0 million would speed program insolvency, *i.e.*, the full impact of the current \$12.0 million structural imbalance in the program would need to be addressed in FY 2012-13, rather than having this impact phased-in and not felt completely until FY 2013-14. TANF caseloads are expected to continue to rise through mid-FY 2012-13.
- Any long-term refinance would need to be tied to reductions in the TANF program, *e.g.*, through cuts to county block grants and other line items such as the Statewide Strategic Uses Fund. Given that base programs will already need to be reduced starting in FY 2012-13 and the ongoing economic downturn, this is not an attractive option.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Executive Director's Office, County Administration, Self Sufficiency, Adult Assistance)

BRIEFING ISSUE

ISSUE: Human Services Programs for Elderly and Disabled Adults

State funds of \$116 million support programs for older and disabled adults, including the Old Age Pension, Aid to the Needy Disabled programs, and Older Americans Act/State Funding for Senior Services (community services provided by Area Agencies on Aging). The majority of this funding is identified as "cash funds" but is actually general sales tax revenue diverted to the Old Age Pension and Older Coloradans Cash Funds in lieu of the General Fund. There are options for budget reductions to some of these programs, but choices are constrained by federal and state constitutional requirements.

SUMMARY:

- ❑ Colorado's Old Age Pension (OAP) program provides assistance to qualified persons aged 60 or older, pursuant to Article XXIV of the Colorado Constitution at an estimated cost of \$82.7 million for FY 2010-11. The primary source of funding for the Old Age Pension is sales and excise taxes. Within certain constraints, the General Assembly can modify eligibility for the program. H.B. 10-1384 (Concerning Noncitizen Eligibility for the Old Age Pension) generated savings of \$13.4 million for FY 2010-11. Further reductions in the near-term appear to be limited by the close relationship between eligibility for OAP and Medicaid and some provisions of federal healthcare reform.
- ❑ The Aid to the Needy Disabled - Colorado Supplement, Aid to the Needy Disabled - State-Only program, and the Home Care Allowance program drive \$22 million in General Fund appropriations per year. The Aid to the Needy Disabled - State Only program could be reduced or eliminated, providing approximately \$8.5 million General Fund in savings. This program provides approximately \$200 per month to about 6,600 disabled individuals ages 18-59 who do not qualify for the SSI program or whose SSI eligibility is being determined. Reductions to other programs are constrained the Supplemental Security Income (SSI) maintenance of effort requirement that Colorado to spend no less on supplemental payments for SSI recipients than it did in the prior calendar year.
- ❑ This Community Services for the Elderly section of the budget encompasses programs funded by the federal Older Americans Act and state-only resources for senior services. Most of the funds are distributed to 16 local Area Agencies on Aging for services such as "meals on wheels". Funding includes \$10.1 million in state funds of which \$6.2 million has been added since FY 2004-05. There are no federal strings to \$9.4 million of the state funding, although changes to \$8.0 million (Older Coloradans Funds) would require a statutory change.

DISCUSSION:

The Adult Assistance section of the budget includes three major subsections:

- Old Age Pension Program;
- Other Grant Programs, including Aid to the Needy Disabled and Home Care Allowance; and
- Community Services for the Elderly, including Older Americans Act Programs and State Funding for Senior Services.

In total, funding for these programs includes \$115.8 million in state funds. Of this amount, \$24.9 million is General Fund. The balance is from the Old Age Pension Cash Fund and the Older Coloradans Cash Fund. *Both of these funds are comprised of general tax revenue (excise and sales taxes) that are diverted to these funds in lieu of being deposited to the General Fund. Thus, reductions to expenditures from these sources effectively increases revenue to the General Fund.*

The discussion below briefly reviews each of the key program areas and the options and restrictions on funding reductions in these areas to balance the budget.

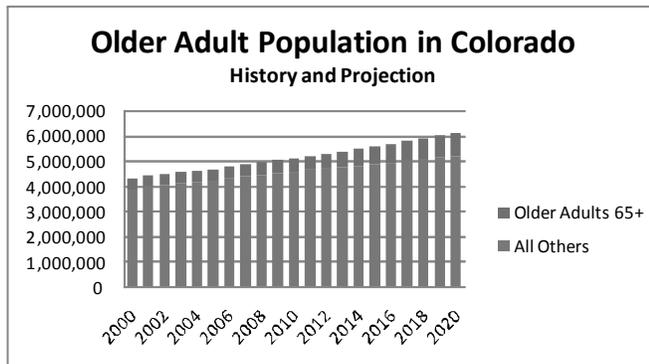
The Old Age Pension Program

Colorado's Old Age Pension program provides assistance to qualified persons aged 60 or older, pursuant to Article XXIV of the Colorado Constitution. The program was added to the State Constitution in 1937 and was subsequently amended in 1953, 2006 and 2007.

The primary source of funding for the Old Age Pension is 85 percent of net revenue from most sales and excise taxes. Pursuant to the Colorado Constitution, all moneys deposited in the Old Age Pension Fund are first made available for payment of basic minimum awards to qualified recipients. After such awards, amounts are used to "top up" a \$5.0 million stabilization fund, and then up to \$10.0 million is transferred to the OAP Health and Medical Care Fund to provide care to persons who qualify to receive old age pensions. The Constitution also authorizes funds to be used to defray costs of administering the Fund. After a further transfer to the Older Coloradans Cash Fund, all revenue received in excess of the amounts needed for these purposes (the vast majority) is transferred to the General Fund.⁷

⁷ For FY 2010-11, Legislative Council staff project total sales and excise taxes of \$2.3 billion. Eighty-five percent of this amount would be about \$2.0 billion, but actual diversion to the Old Age Pension Fund is projected to be \$107.8 million. (September 2010 LCS Forecast)

The Constitution authorizes the State Board of Public Welfare (now known as the State Board of Human Services) to administer the program, including determining the basic minimum award level. Because funds that are not needed for the OAP program "spill over" to the General Fund, an increase or decrease in the OAP program affects the total amount of state General Fund available for appropriation by the General Assembly.



Article XXIV of the Colorado Constitution provides for Old Age Pensions for U.S. citizens age 60 or over who qualify under the laws of the state. Pursuant to Section 26-2-111, C.R.S., the program serves individuals age sixty or more who meet the resource requirements of the federal supplemental security (SSI) program or who are in a state institution (not penal). Through *rule*, the Department of Human Services provides for three categories of OAP clients, all of whom must meet income restrictions:

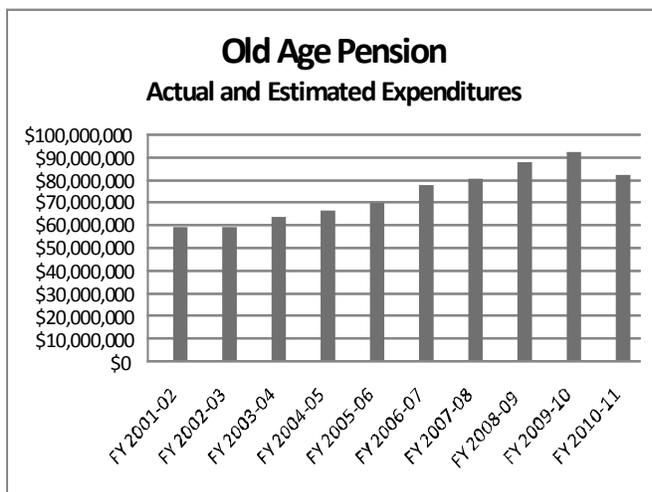
- ▶ individuals age 65 and older (OAP-A);
- ▶ individuals age 60 to 64 (OAP-B); and
- ▶ individuals age 60 or older and in a state institute (excluding penal institutions) who receive no Medicaid (OAP-C).

The maximum OAP benefit for calendar year 2010 is \$699 per month. This incorporates a 5.8 percent increase provided effective January 1, 2009. As administered, **the program provides funding to qualified individuals to bring their income up to the minimum award level.** Thus, if an individual in the OAP-A program receives a monthly maximum award from the federal SSI program of \$674, the OAP program would provide an additional \$25 per month for that individual to bring them up to the OAP minimum award level of \$699. Individuals applying for OAP are also required to apply for federal Social Security and/or Supplemental Security Income (SSI) benefits (which they may or may not ultimately receive). Individuals who are enrolled in the OAP program also receive health benefits. They are either qualified for Medicaid or for the Old Age Pension Health and Medical Care program. The table below reflects current program caseload and cost estimates.

Old Age Pension Caseload and Cash Benefit Costs FY 2010-11 Estimate			
Program	Estimated Caseload	Projected monthly cost/case	Total estimated expenditures (caseload x monthly cost x 12)
<u>FY 2010-11 Long Bill</u>			
OAP-A	19,269	\$276	\$63,911,419

Old Age Pension Caseload and Cash Benefit Costs FY 2010-11 Estimate			
Program	Estimated Caseload	Projected monthly cost/case	Total estimated expenditures (caseload x monthly cost x 12)
OAP-B	5,113	\$439	\$26,957,986
OAP-C	6	\$273	\$19,639
H.B. 10-1384	<u>(2,331)</u>	\$481	<u>(\$13,439,987)</u>
TOTAL	22,057		\$77,449,057

Growth of the OAP Program. Expenditures for the OAP program are not controlled by the



appropriations process. While the Long Bill includes an estimate for informational purposes, spending levels are routinely controlled by grant standards established by the State Board of Human Services. The chart below reflects growth of the Old Age Pension over the last ten years, (actuals and current-year estimate). As shown, from FY 2001-02 to FY 2009-10, the program grew at an average rate of 5.7 percent per year, based largely on inflationary increases to the grant standard authorized by the State Board of Human Services, as numbers of individuals served did not change dramatically.

However, estimated expenditures for FY

2010-11 reflect a decline of 9.8 percent based on the projected impact of H.B. 10-1384.

H.B. 10-1384. During the FY 2010-11 legislative session, the JBC sponsored, and the General Assembly adopted, H.B. 10-1384, concerning noncitizen eligibility for the OAP. The bill resolved conflicting state statutory provisions determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program and more closely aligned state eligibility criteria for this program with federal policy on the provision of public assistance to noncitizens.

- Five year Bar: The bill barred qualified legal aliens from accessing the OAP program for five years after their date of entry into the United States. Exceptions applied to individuals on the federal Supplemental Security Income (SSI) program, those determined to be abused or abandoned by their sponsor who would incur significant financial hardship, those without a sponsor who would incur significant financial hardship, and those who entered the U.S. prior to August 22, 1996, and others excluded under federal law such as refugees. These sections of the bill became effective on July 1, 2010.

- ❑ Deeming Sponsor Income. The bill required that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility. Exceptions applied consistent with those for the five year bar. These provisions take effect January 1, 2014 or the date upon which the revisor of statutes receives notification from the Executive Director of the Department of Health Care Policy and Financing that the federal Centers for Medicare and Medicaid Services, having taken into consideration the requirements for maintenance of effort for Medicaid eligibility contained in the federal American Reinvestment and Recovery Act (ARRA) and in the federal Patient Protection and Affordable Care Act (PPACA/federal health care reform legislation) has authorized Colorado to reduce eligibility for its Medicaid program consistent with the provisions of the act without federal penalty.

As reflected in the table above, the impact of the fiscal impact of the five year bar was estimated to be \$13.4 million, and this drove a 9.8 percent reduction in estimated FY 2010-11 program expenditures. Further, when ultimately implemented, the provisions that deem sponsor income are expected to provide an additional \$14.8 million in savings.

More recently, the Departments of Human Services and Health Care Policy and Financing have reported that:

- Due to delays in the bill becoming law, the five year bar was implemented August 1, 2010, rather than July 1, 2010, resulting in a *reduction to the FY 2009-10 savings of \$1.2 million for FY 2010-11.*
- HCPF has not approached federal authorities, and does not intend to, regarding bringing provisions related into deeming sponsor income into effect prior to January 1, 2014. It believes any changes would jeopardize federal funding for Medicaid due to the maintenance of effort requirements under PPACA.

Opportunities for Budget Balancing Related to the OAP Program. Further alternatives to reduce the OAP program could be considered, but these face certain obstacles.

OAP Stabilization Fund: The Constitution provides for an OAP Stabilization Fund of \$5.0 million (Article XXIV, Section 7 of the Colorado Constitution). Although the original intent was to ensure sufficient funding for the OAP program, based on the manner in which sales and excise tax are diverted to OAP Cash Fund, this additional fund serves no effective purpose. The General Assembly could consider referring a Constitutional amendment to the voters in 2012 to eliminate the fund, thus providing a one-time \$5.0 million boost to the General Fund.

Further Changes to OAP Eligibility. The Colorado Constitution authorizes the General Assembly to modify eligibility for the OAP program, with certain limitations. The General Assembly has elected to limit the program to those "who meet the resource eligibility requirements of the federal supplemental security income program". Staff imagines that, if desired, the General Assembly could

specify that a different resources eligibility requirement and thus target the program to those with even more limited income levels. The Constitutional and statutory provisions are included below.

Article 24, Section 3, Colorado Constitution: Persons entitled to receive pensions. Every citizen of the United States who has been a resident of the state of Colorado for such period as the general assembly may determine, *who has attained the age of sixty years or more, and who qualifies under the laws of Colorado to receive a pension, shall be entitled to receive the same*; provided, however, that no person otherwise qualified shall be denied a pension by reason of the fact that the person is the owner of real estate occupied by the person as a residence; nor for the reason that relatives may be financially able to contribute to the person's support and maintenance; nor shall any person be denied a pension for the reason that the person owns personal property which by law is exempt from execution or attachment; nor shall any person be required, in order to receive a pension, to repay, or promise to repay, the state of Colorado any money paid to the person as an old age pension.

Section 26-2-111, C.R.S: Eligibility for public assistance. (2) **Old age pension.** (a) Except as provided in paragraph (d) of this subsection (2), public assistance in the form of the old age pension shall be granted to any person who meets the requirements of subsection (1) of this section [that refers to being a resident or legal immigrant and having insufficient income, property, or other resources to meet his or her needs] and any one of the following requirements:

(I) *The person has attained the age of sixty years or more and meets the resource eligibility requirements of the federal supplemental security income program;* or

(II) Repealed.

(III) The person is an inmate of an institution, not penal in character, maintained by the state or by a municipality therein or county thereof, and the person has attained the age of sixty years or more. The period of confinement as a patient in such institution shall be considered as residence in the state of Colorado.

Legal and Financial Restrictions to Eligibility Changes. At the moment there are two legal and financial restrictions on implementing changes to OAP eligibility.

- OAP and Medicaid OAP eligibility is currently intertwined with eligibility for the Medicaid program from both a statutory and computer systems (Colorado Benefits Management System) perspective. As a result, most changes to OAP eligibility are likely to change an individual's Medicaid eligibility. Such changes face problems due to the maintenance of effort requirements in federal health care reform. The State is prohibited from changing Medicaid eligibility for older adults until January 1, 2014. *Staff believes that, in theory, it should be possible to separate eligibility for OAP (a purely state program) from eligibility for Medicaid but recognizes that there are practical difficulties. Staff encourages the Committee to discuss this issue further with the Department of Health Care Policy and Financing.* If the programs could be effectively separated, the General Assembly would have far more flexibility to make changes to the OAP program, including implementing the remaining provisions of H.B. 10-1384 prior to January 2014.
- Social Security Maintenance of Effort. As reviewed further below, Colorado is required comply with a maintenance of effort requirement ensuring that it spends no less on individuals eligible for the federal Supplemental Security Income (SSI) program than in the prior calendar year. Old Age Pension program expenditures contribute about \$10.4 million per year to this

maintenance of effort requirement. Thus, any eligibility changes need to avoid eligibility changes for those currently eligible for SSI. *This may restrict, but does not prevent, eligibility changes: H.B. 10-1384 addressed the issue by specifying that individuals on SSI would not be subject to the eligibility changes in the bill.*

Other Grant Programs - Aid to the Needy Disabled and Home Care Allowance

Of the various programs funded in the Other Grant Programs budget sub-section, only three involve significant support from state funds (General Fund appropriations): the Aid to the Needy Disabled - Colorado Supplement, the Aid to the Needy Disabled - State-Only program, and the Home Care Allowance program. In total, these programs drive approximately \$22 million in General Fund appropriations per year.

- *Aid to the Needy Disabled - Colorado Supplement.* This program provides a state supplement to individuals ages 18 to 59 receiving less than the maximum federal Supplemental Security Income (SSI). The federal SSI Program is an entitlement program that provides financial assistance to persons with a disability that precludes them from securing or retaining employment for at least 12 months. The need standard for the program, effective January 1, 2008, is \$637 or about 71 percent of the federal poverty guidelines for an individual.
- *Aid to the Needy Disabled State-only Grant Program.* This program provides assistance to persons with a disabling condition, lasting six months or longer, who are awaiting SSI determination. If an individual is found to be eligible for SSI, the Social Security Administration will reimburse the state for all AND-SO payments made to the person while waiting for SSI eligibility determination. These reimbursements are referred to as interim assistance reimbursements (IARs) and are used to offset the state and county costs of this program.⁸ The remainder of AND-SO recipients generally have a disability that is expected to last six months or less (which is less than the 12-month duration required under SSI) or have a disability resulting from alcohol or drug abuse (a disabling condition that does not qualify individuals for SSI assistance). To qualify for the program, a person must be 18-59 years old and be certified by a physician or other designated medical professional as totally disabled and unable to work at any occupation for at least six months. Applicant's income must not exceed \$200 per month and resources may not exceed \$2,000. About 18 percent of AND-SO recipients are homeless.
- *Home Care Allowance.* This program provides financial grants to individuals in order for the individual to receive personal care services from informal care givers. The intent is to keep individuals independent and in their own residences. There are three categories of Home Care Allowance, determined by the level of care required. Depending upon the individual's need

⁸ In FY 2008-09, the Department received federal SSI interim assistance reimbursements for 1,217 clients or about 20.5 percent of the FY 2008-09 average monthly caseload. Annual reimbursements are variable but are typically in the \$3 to \$4 million range.

score, he or she receives from \$200 to \$475 per month. Changes included in H.B. 10-1146, which become effective January 1, 2011, allow individuals to receive Medicaid Home- and Community-based Services or Home Care Allowance, but not both.

Appropriations for the above programs have been flat for the last few years, with the exception of an adjustment to the Home Care Allowance program included in FY 2010-11. *The Department manages caseload changes to these programs by reducing the amount of funding individuals enrolled receive.*

The table below reflects estimates of program expenditures and monthly caseload for FY 2009-10 for each program. For the AND programs, the allocation of expenditures between the two programs is an estimate, based on historic patterns.

FY 2009-10 Estimated Expenditures and Caseload for Aid to Needy Disabled and Home Care Allowance Programs			
	Home Care Allowance	AND - State Supplement /1	AND - State Only /1,2
Average Monthly Caseload	3,058	902	6,614
Average Monthly award	\$297	\$275	\$193
Total Actual/Estimate	<u>\$10,880,411</u>	<u>\$2,977,803</u>	<u>\$15,306,720</u>
General Fund	10,336,390	1,731,279	9,690,192
Cash Funds - Federal SSI Reimbursement	0	0	2,279,944
Cash Funds - SSI Stabilization Fund	0	856,028	0
Cash Funds - Other reimbursements	0	38,153	275,240
Cash Funds - Local Share	544,021	352,343	3,061,344

/1 Because AND line items were combined into a single line item in FY 2007-08, the amounts shown reflect staff estimates of the share of funding directed to each of the programs. Average awards are derived from caseload and expenditure estimates.

/2 Total interim reimbursements include amounts on-budget and off-budget amounts deposited to the SSI Stabilization Fund (annual total of \$3.5 to 4.0 million in reimbursements received).

Opportunities for Budget Balancing Related to Aid to Needy Disabled or Home Care Allowance Programs. Among these programs, *the only realistic candidate for reduction or elimination is the Aid to the Needy Disabled - State Only program.* This is because of the SSI Maintenance of Effort requirement described below. The Executive proposed to eliminate the program in August 2009 but subsequently withdrew the proposal.

Eliminating the program, which would require statutory change, is expected to provide long term savings of approximately \$8.5 million General Fund. This is because the State would, over time, stop receiving interim assistance reimbursements from federal authorities for services to members of this population who ultimately qualify for the federal SSI program. The Department expected to receive about \$4.3 million in reimbursements in FY 2009-10, representing about 27 percent of total

expenditures for the program. Even without a statutory change, the General Assembly could choose to reduce the grant standard, e.g., from \$200 to \$150 per month, to generate savings.

Social Security Maintenance of Effort Requirement. Reductions to the Home Care Allowance and Aid to the Needy Disabled - Colorado Supplement programs are constrained by the federal Supplemental Security Income (SSI) maintenance of effort (MOE). The federal SSI program is administered by the Social Security Administration and provides assistance to the needy aged, blind, and disabled. Colorado is subject to an MOE, dating to the creation of the SSI program in the 1970s.⁹ Colorado complies with the MOE by maintaining the same level of state expenditure for SSI recipients during each calendar year. This is achieved through the Colorado supplement programs shown in the table below. Only funds disbursed to individuals who are on the federal SSI program count toward the MOE. *As reflected in the table, both Home Care Allowance and Aid to the Needy Disabled - Colorado Supplement amounts are significant MOE components, as is a portion of Old Age Pension expenditures.*

CY 2009 Actual SSI MOE Spending by Program		
Program	Contribution (Dollars)	Contribution (Percentage)
Old Age Pension	\$10,434,630	41.2%
Home Care Allowance	7,919,922	31.3%
Property/Rent Tax Rebate	4,071,617	16.1%
Aid to the Needy Disabled	2,212,033	8.7%
Heat Rebate	1,467,949	5.8%
Adult Foster Care	70,463	0.3%
Refunds/Expungement	(433,430)	-1.7%
Portion applied to prior year shortfall	(435,348)	-1.7%
Total	\$25,307,836	100.0%

The state has failed to meet this MOE target in six of the last seven years. The state has been successful in executing a corrective action in each of the following years, and so has not technically been in violation of the requirement. Failure to meet the MOE puts the state at risk of severe federal sanctions; the minimum sanction that can be applied is the loss of three months of federal Medicaid matching funds. Federal authorities have begun to request monthly reports on the State's programs due to the failure to consistently meet MOE requirements.

⁹For additional information on the history and current implementation of the federal SSI program, see the *2009 Annual Report of the SSI program* at <http://www.socialsecurity.gov/OACT/ssir/SSI09/ssi2009.pdf>

Recent SSI MOE Target and Spending History			
Calendar Year	MOE Target	MOE Spending	Over/(Under)
2002	\$26,669,766	\$26,678,719	\$8,953
2003	26,678,719	22,352,304	(4,326,415)
2004	26,678,719	21,717,428	(4,961,291)
2005	26,678,719	26,101,267	(577,452)
2006	26,678,719	26,882,089	203,370
2007	26,882,089	25,811,244	(1,070,845)
2008	26,882,089	26,446,741	(435,348)
2009	26,882,089	25,307,836	(1,574,253)

From a recipient perspective, the combined impact of the MOE and the need for corrective action may lead to highly unpredictable benefit levels. During the period from July through December, the Department tries to increase spending in order to meet the MOE target; from January through June, it attempts to limit spending to stay within appropriations. Beneficiary payment levels are repeatedly adjusted to meet these conflicting goals.

SSI MOE Stabilization Fund. The JBC and the Department have taken various steps to improve compliance with the MOE. During the 2009 session, the Joint Budget Committee sponsored H.B. 09-1215 to create a stabilization fund to assist the Department in meeting the MOE requirement. Pursuant to this legislation, federal reimbursements received and other overpayments above the level appropriated are deposited to the State SSI Stabilization Fund, which is continuously appropriated to the Department to assist in addressing federal maintenance of effort requirements. Amounts in excess of \$1.5 million at the end of the fiscal year are transferred to the General Fund. The Department made its first expenditure from the Fund--\$856,028--in June 2010 for supplemental payments for the Aid to the Needy Disabled - Colorado Supplement program.

Community Services for the Elderly

This section of the budget encompasses programs funded by the federal Older Americans Act and state-only resources for senior services. The Department develops a state plan for aging services, oversees federal grants and provides assistance and funding to 16 local Area Agencies on Aging and local service providers to provide services to seniors age 60 years and older.

The state receives annual federal allocations of Older American Act funds, which are required to be matched with 5.0 percent state funds and 10 percent other non-federal funds (local funds). The state supplements its federal Older Americans Act Programs funding with moneys from the Older Coloradans Cash Fund and General Fund, which are appropriated in a separate line item (State Funding for Senior Services). A total of \$23.7 million is appropriated in these two line items, including \$9.6 million state funds (General Fund Older Coloradans Cash Funds derived from state sales and excise taxes), \$11.1 million in federal funds, and \$3.1 million local funds.

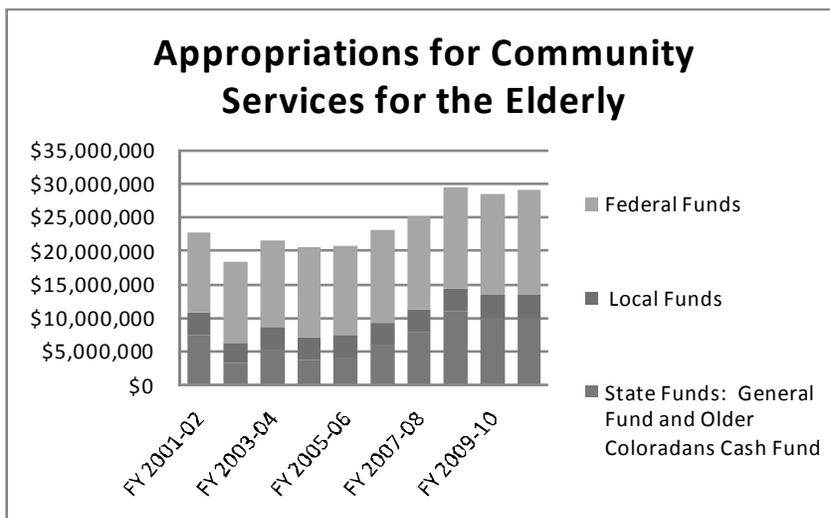
These funds are allocated to the Area Agencies on Aging to contract with provider agencies to deliver a variety of services to older persons. Services provided include:

- Supportive services and senior centers - Functions include case management, client representation, shopping assistance, transportation, chore services, personal care services, adult day care, health screening, legal services, and an ombudsman;
- Nutrition services such as congregate meals, nutrition screening and education;
- In-home services for persons above the eligibility thresholds for Medicaid, Home Care Allowance and Adult Foster Care (homemaker services, personal care services, home repair services, visiting services); and,
- Disease prevention and health promotion services (e.g., health risk assessments, programs regarding physical fitness, education regarding diagnosis, prevention and treatment of age-related diseases and chronic disabling conditions)

In general, services are available to individuals age 60 and over, regardless of income or assets. While the federal government does not allow a means test, it does require that priority be given to those with the greatest social and economic need, with particular attention to minority individuals and those who are frail, homebound, or otherwise isolated. Provider agencies often request donations or fees on a sliding scale for services such as transportation and congregate meals. In FY 2009-10, a total of 38,881 unduplicated consumers were served through the Older Americans Act and State Funding for Senior Services programs, including 16,665 whose services were supported through State Funding for Senior Services.

State Funding for Senior Services. Section 26-11-205.5, C.R.S. directs the distribution of state funds to Area Agencies on Aging consistent with federal allocation patterns. The diversion of sales and excise tax revenue to the Older Coloradans Cash Fund is governed by statute at 39-26-123 (a) (III)

(D), C.R.S.. This diversion has been statutorily set at \$8.0 million since FY 2008-09. In FY 2003-04, after reductions associated with the 2003 economic downturn, funding from the Older Coloradans Cash Fund was at \$1.6 million. As reflected in the chart below, funding for Community Services for the Elderly has grown by 28 percent over the last ten years.



Much of the growth since FY 2004-05 has been based on increases in state funding.

Opportunities for Budget Balancing Related to State Funding for Senior Services. State Funding for Senior Services is one of the relatively few budget areas in the Department of Human Services where there are few financial or legal restrictions on budget reductions outside the control of the General Assembly. Currently, \$1,723,622 General Fund and \$8,347,752 from the Older Coloradans Cash Fund is appropriated to Community Services for the Elderly. Of this amount, just over \$700,000 is used as a required match to draw down federal funds. *The balance of \$9.4 million could be cut if required by the revenue situation, although \$8.0 million of this could only be modified through statutory action.* Staff is not recommending any reduction at this time. Staff recognizes that the programs funded through State Funding for Senior Services are valuable and popular. However, the Committee should be aware that reductions in this area are an option.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(EDO, Operations, County Administration, Self-sufficiency, Adult Assistance)
APPENDIX A: NUMBERS PAGES

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	

DEPARTMENT OF HUMAN SERVICES Executive Director: Karen L. Beye
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(1) EXECUTIVE DIRECTOR'S OFFICE

The primary function of this division is general department administration, which includes overall department supervision and policy direction, budget, human resources, quality assurance, and public outreach. This section also includes central appropriations for staff benefits and other department-wide costs and for various special purpose entities that serve an independent oversight or quality assurance function.

(A) General Administration

The section includes appropriations for the Executive Director and his or her staff, including budget, public information, and field services staff (field services provides technical assistance and outreach to county departments of human services). This section also includes centrally-appropriated amounts for department-wide items such as staff benefits, legal services, and risk management.

Please note that the funding splits for this subsection are for informational purposes only as the Long Bill for this subsection reflects fund splits at the bottom-line only.

Personal Services	2,015,955	1,953,299	1,973,328	1,963,184		
FTE	21.8	<u>19.2</u>	<u>22.4</u>	<u>22.4</u>		
General Fund		(111,006)	642,242	629,784		
Cash Funds		709,258	101,117	101,476		
Reappropriated Funds		192,090	303,113	303,797		
Federal Funds		1,162,957	926,856	928,127		
<i><u>For Information Only</u></i>						
Medicaid Reappropriated Funds		197,952	196,246	356,648		
Medicaid - General Fund therein		98,976	98,123	98,320		
Net General Fund		(12,030)	740,365	728,104		

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	
Health, Life, and Dental	21,523,421	<u>24,261,461</u>	<u>22,776,859</u>	<u>24,581,299</u>	NP-10
General Fund		14,815,062	13,471,188	14,600,642	
Cash Funds		427,706	366,761	392,538	
Reappropriated Funds		5,965,171	5,907,508	6,289,692	
Federal Funds		3,053,522	3,031,402	3,298,427	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>		5,390,524	4,921,389	5,701,223	
<i>Medicaid - General Fund therein</i>		2,695,127	2,448,863	2,850,613	
<i>Net General Fund</i>		<u>17,510,189</u>	<u>15,920,051</u>	<u>17,451,255</u>	
Short-term Disability	307,343	<u>346,171</u>	<u>337,497</u>	<u>379,352</u>	
General Fund		215,293	211,569	233,444	
Cash Funds		6,168	6,319	6,679	
Reappropriated Funds		76,491	72,045	82,414	
Federal Funds		48,219	47,564	56,815	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>		68,693	63,929	73,849	
<i>Medicaid - General Fund therein</i>		34,299	31,805	36,925	
<i>Net General Fund</i>		<u>249,592</u>	<u>243,374</u>	<u>270,369</u>	
S.B. 04-257 Amortization Equalization Disbursement	3,742,266	<u>4,425,165</u>	<u>5,176,818</u>	<u>6,001,060</u>	
General Fund		2,752,621	3,236,301	3,692,903	
Cash Funds		77,887	97,828	105,660	
Reappropriated Funds		987,198	1,106,232	1,303,731	
Federal Funds		607,459	736,457	898,766	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		888,664	980,800	1,168,232	
<i>Medicaid - General Fund therein</i>		443,723	487,948	584,123	
<i>Net General Fund</i>		<u>3,196,344</u>	<u>3,724,249</u>	<u>4,277,026</u>	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
S.B. 06-235 Supplemental Amortization Equalization Disbursement	1,706,467	<u>2,725,931</u>	<u>3,749,316</u>	<u>4,822,280</u>	
General Fund		1,692,007	2,339,203	2,967,511	
Cash Funds		48,676	71,333	84,905	
Reappropriated Funds		607,718	801,779	1,047,641	
Federal Funds		377,530	537,001	722,223	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		545,993	710,110	938,758	
<i>Medicaid - General Fund therein</i>		272,621	353,280	469,384	
<i>Net General Fund</i>		1,961,628	2,692,483	3,436,895	
Salary Survey and Senior Executive Service	8,575,696	0	<u>0</u>	<u>0</u>	
General Fund			0	0	
Cash Funds			0	0	
Reappropriated Funds			0	0	
Federal Funds			0	0	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>			0	0	
<i>Medicaid - General Fund therein</i>			0	0	
<i>Net General Fund</i>			0	0	
Performance-based Pay Awards	3,871,146	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund			0	0	
Cash Funds			0	0	
Reappropriated Funds			0	0	
Federal Funds			0	0	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>			0	0	
<i>Medicaid - General Fund therein</i>			0	0	
<i>Net General Fund</i>			0	0	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	
Shift Differential	3,958,334	<u>3,386,914</u>	<u>3,761,311</u>	<u>4,317,634</u>	
General Fund		2,241,471	2,496,087	2,812,941	
Cash Funds		5,563	0	6,364	
Reappropriated Funds		1,134,482	1,258,558	1,492,312	
Federal Funds		5,398	6,666	6,017	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		1,118,620	1,234,084	1,469,746	
<i>Medicaid - General Fund therein</i>		559,309	617,042	731,498	
<i>Net General Fund</i>		2,800,780	3,113,129	3,544,439	
Workers' Compensation	8,587,528	<u>9,771,533</u>	<u>9,659,080</u>	<u>12,081,739</u>	
General Fund		5,313,287	5,096,972	6,375,378	
Cash Funds		769,108	28,876	36,119	
Reappropriated Funds		3,240,131	4,110,065	5,140,938	
Federal Funds		449,007	423,167	529,304	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		3,234,518	2,881,615	3,604,372	
<i>Medicaid - General Fund therein</i>		1,617,259	1,440,808	1,802,187	
<i>Net General Fund</i>		6,930,546	6,537,780	8,177,566	
Operating Expenses	494,643	<u>139,962</u>	<u>377,010</u>	<u>377,010</u>	
General Fund		139,962	22,623	22,623	
Cash Funds		0	119,393	119,393	
Reappropriated Funds		0	158,792	158,792	
Federal Funds		0	76,202	76,202	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		0	148,277	148,277	
<i>Medicaid - General Fund therein</i>		0	74,139	74,139	
<i>Net General Fund</i>		139,962	96,762	96,762	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Legal Services	1,384,769	1,386,932	1,352,869	1,352,869	
Hours		<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>	
General Fund		1,270,777	1,123,821	1,123,821	
Cash Funds		116,155	165,836	165,836	
Reappropriated Funds		0	12,927	12,927	
Federal Funds		0	50,285	50,285	
Administrative Law Judge Services	800,999	<u>1,007,557</u>	<u>792,374</u>	<u>837,593</u>	
General Fund		1,007,557	478,932	506,262	
Cash Funds		0	48,010	50,750	
Federal Funds		0	265,432	280,581	
Payment to Risk Management and Property Funds	1,768,970	<u>1,700,473</u>	<u>517,365</u>	<u>1,539,650</u>	
General Fund		1,191,116	430,764	1,281,930	
Cash Funds		182,305	1,134	3,375	
Reappropriated Funds		228,049	64,530	192,038	
Federal Funds		99,003	20,937	62,307	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		225,911	41,905	124,707	
<i>Medicaid - General Fund therein</i>		112,955	20,953	61,280	
<i>Net General Fund</i>		<u>1,304,071</u>	<u>451,717</u>	<u>1,343,210</u>	
Staff Training	31,870	<u>1,501</u>	<u>31,870</u>	<u>31,870</u>	
General Fund		821	0	0	
Cash Funds		680	31,870	31,870	
Reappropriated Funds		0	0	0	
Injury Prevention Program	54,461	<u>97,184</u>	<u>105,970</u>	<u>105,970</u>	
General Fund		94,184	0	0	
Reappropriated Funds		3,000	105,970	105,970	
<i>For Information Only</i>				0	
<i>Medicaid Reappropriated Funds</i>		0	105,970	105,970	
<i>Medicaid - General Fund therein</i>		0	52,985	52,985	
<i>Net General Fund</i>		<u>94,184</u>	<u>52,985</u>	<u>52,985</u>	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
					Request v. Approp.
(1) EXECUTIVE DIRECTOR'S OFFICE					
Subtotal - (A) General Administration	58,823,868	51,204,083	50,611,667	58,391,510	15.4%
FTE	<u>21.8</u>	<u>19.2</u>	<u>22.4</u>	<u>22.4</u>	<u>0.0</u>
General Fund	36,154,195	30,623,152	29,549,702	34,247,239	15.9%
Cash Funds	1,655,482	2,343,506	1,038,477	1,104,965	6.4%
Reappropriated Funds	14,997,635	12,434,330	13,901,519	16,130,252	16.0%
Federal Funds	6,016,556	5,803,095	6,121,969	6,909,054	12.9%
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	13,542,317	11,670,875	11,284,325	13,691,782	21.3%
<i>Medicaid - General Fund therein</i>	6,593,460	5,831,269	5,625,946	6,761,455	20.2%
<i>Net General Fund</i>	42,747,655	36,454,421	35,175,648	41,008,694	16.6%

(B) Special Purpose

This section includes Employment and Regulatory Affairs, which incorporates the Department's human resources, internal audit, food stamp quality assurance, and boards and commissions staff. This section also includes line items for other entities designed to provide independent oversight, quality assurance, or policy direction, such as the Administrative Review Unit (which provides independent review of child welfare placements) and the Juvenile Parole Board. Many of these line items are addressed in other staff Human Services presentations.

Employment and Regulatory Affairs (formerly Office of Performance Improvement)	4,674,128	4,802,390	5,128,389	5,073,591	NP-4, NP-7
FTE	<u>64.1</u>	<u>63.6</u>	<u>74.1</u>	<u>74.1</u>	
General Fund	1,776,921	1,852,269	1,888,039	1,853,229	
Cash Funds	227,131	232,824	233,544	230,924	
Reappropriated Funds	568,233	644,169	761,186	747,251	
Federal Funds	2,101,843	2,073,128	2,245,620	2,242,187	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	578,456	651,305	713,839	700,122	
<i>Medicaid - General Fund therein</i>	289,228	325,653	356,921	350,048	
<i>Net General Fund</i>	2,066,149	2,177,922	2,244,960	2,203,277	
Administrative Review Unit	2,000,821	2,185,084	2,196,359	2,170,199	NP-4, NP-7
FTE	<u>22.2</u>	<u>24.0</u>	<u>25.2</u>	<u>25.2</u>	
General Fund	1,196,083	1,416,270	1,426,693	1,401,291	
Federal Funds	804,738	768,814	769,666	768,908	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Records and Reports of Child Abuse or Neglect - Cash Funds	566,937	474,010	577,496	575,825	NP-7
FTE	6.2	7.2	7.5	7.5	
Juvenile Parole Board	247,971	234,917	248,050	244,895	NP-4, NP-7
FTE	<u>3.0</u>	<u>2.9</u>	<u>3.0</u>	<u>3.0</u>	
General Fund	196,097	200,587	202,282	199,936	
Reappropriated Funds	51,874	34,330	45,768	44,959	
Developmental Disabilities Council - Federal Funds	990,742	819,674	875,525	875,792	NP-7
FTE	4.4	4.0	6.0	6.0	
Colorado Commission for the Deaf and Hard of Hearing	770,625	850,494	1,037,999	1,009,754	NP-4, NP-7, BR-2
FTE	<u>2.7</u>	<u>2.6</u>	<u>5.8</u>	<u>6.3</u>	
General Fund	131,079	131,429	127,809	124,882	
Cash Funds	87	0	0	0	
Reappropriated Funds	639,459	719,065	910,190	884,872	
Colorado Commission for Individuals who are Blind or Visually Impaired - Reappropriated Funds	51,292	91,812	112,067	111,002	NP-7
FTE	0.1	0.6	1.0	1.0	
HIPAA Security Remediation	521,102	524,085	419,569	420,230	NP-4, NP-7
FTE	<u>2.0</u>	<u>2.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	389,001	389,793	311,385	311,824	
Cash Funds	0	687	377	375	
Reappropriated Funds	102,664	103,307	82,178	82,302	
Federal Funds	29,437	30,298	25,629	25,729	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	102,664	99,904	82,178	82,302	
<i>Medicaid - General Fund therein</i>		49,952	41,089	41,151	
<i>Net General Fund</i>	440,333	439,745	352,474	352,975	
CBMS Emergency Processing Unit	0	104,623	217,767	217,330	NP-4, NP-7
FTE	<u>0.0</u>	<u>1.9</u>	<u>4.0</u>	<u>4.0</u>	
General Fund	0	52,986	75,149	74,161	
Cash Funds	0	(1,345)	17,421	17,490	
Federal Funds	0	52,982	125,197	125,679	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
Child Protection Ombudsman General Fund	N.A	N.A	175,000	370,000	
Older Coloradans Study (HB 10-1053) Cash Funds	N.A	N.A	200,000	0	
					Request v. Approp.
(1) EXECUTIVE DIRECTOR'S OFFICE					
Subtotal - (B) Special Purpose	9,823,618	10,087,089	11,188,221	11,068,618	-1.1%
FTE	<u>104.7</u>	<u>108.8</u>	<u>127.6</u>	<u>128.1</u>	<u>0.5</u>
General Fund	3,689,181	4,043,334	4,206,357	4,335,323	3.1%
Cash Funds	794,155	706,176	1,028,838	824,614	-19.8%
Reappropriated Funds	1,413,522	1,592,683	1,911,389	1,870,386	-2.1%
Federal Funds	3,926,760	3,744,896	4,041,637	4,038,295	-0.1%
<i>For Information Only</i>					
Medicaid Reappropriated Funds	681,120	751,209	796,017	782,424	-1.7%
Medicaid - General Fund therein	209,481	244,176	398,010	391,199	-1.7%
Net General Fund	3,898,662	4,287,510	4,604,367	4,726,522	2.7%
					Request v. Approp.
TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE	68,647,486	61,291,172	61,799,888	69,460,128	12.4%
FTE	<u>126.5</u>	<u>128.0</u>	<u>150.0</u>	<u>150.5</u>	<u>0.5</u>
General Fund	39,843,376	34,666,486	33,756,059	38,582,562	14.3%
Cash Funds	2,449,637	3,049,682	2,067,315	1,929,579	-6.7%
Reappropriated Funds	16,411,157	14,027,013	15,812,908	18,000,638	13.8%
Federal Funds	9,943,316	9,547,991	10,163,606	10,947,349	7.7%
<i>For Information Only</i>					
Medicaid Reappropriated Funds	14,223,437	12,422,084	12,080,342	14,474,206	19.8%
Medicaid - General Fund therein	6,802,941	6,075,445	5,414,767	7,152,654	32.1%
Net General Fund	46,646,317	40,741,931	39,170,826	45,735,216	16.8%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
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(3) OFFICE OF OPERATIONS

(A) Administration

Personal Services	22,819,214	22,534,124	22,878,463	22,633,071	NP-4, NP-7
FTE	<u>444.8</u>	<u>440.9</u>	<u>447.2</u>	<u>447.2</u>	
General Fund	10,022,524	10,767,285	13,038,838	12,801,222	
Cash Funds	2,516,710	1,969,190	1,491,002	1,496,911	
Reappropriated Funds	7,535,727	7,093,398	6,417,036	6,410,949	
Federal Funds	2,744,253	2,704,251	1,931,587	1,923,989	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	3,658,138	3,061,354	3,008,364	2,966,888	
<i>Medicaid - General Fund therein</i>	1,529,526	956,236	1,155,512	1,483,340	
<i>Net General Fund</i>	11,552,050	11,723,521	14,194,350	14,284,562	
Operating Expenses	<u>3,435,663</u>	<u>3,660,635</u>	<u>3,402,171</u>	<u>3,402,171</u>	
General Fund	2,380,047	2,941,005	2,502,443	2,502,443	
Cash Funds	194,588	35,562	4,294	4,294	
Reappropriated Funds	749,713	608,341	695,340	695,340	
Federal Funds	111,315	75,727	200,094	200,094	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	482,605	447,194	335,628	335,628	
<i>Medicaid - General Fund therein</i>	207,038	238,597	128,916	167,814	
<i>Net General Fund</i>	2,587,085	3,179,602	2,631,359	2,670,257	
Vehicle Lease Payments	<u>623,346</u>	<u>815,012</u>	<u>1,001,577</u>	<u>1,017,302</u>	NP-8
General Fund	397,114	537,039	643,967	646,110	
Cash Funds	22,296	47,486	35,025	35,176	
Reappropriated Funds	157,061	170,944	248,474	259,618	
Federal Funds	46,875	59,543	74,111	76,398	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	143,675	170,689	227,148	237,895	
<i>Medicaid - General Fund therein</i>	61,637	85,345	87,248	118,946	
<i>Net General Fund</i>	458,751	622,384	731,215	765,056	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	
Leased Space	<u>2,225,245</u>	<u>2,180,773</u>	<u>2,537,805</u>	<u>2,537,805</u>	
General Fund	580,758	559,852	619,746	619,746	
Cash Funds	10,675	9,421	16,936	16,936	
Reappropriated Funds	0	0	46,162	46,162	
Federal Funds	1,633,812	1,611,500	1,854,961	1,854,961	
Capitol Complex Leased Space	<u>1,267,295</u>	<u>1,269,007</u>	<u>1,246,413</u>	<u>1,332,121</u>	
General Fund	1,267,295	1,269,007	623,205	610,267	
Cash Funds	0	0	0	71,599	
Reappropriated Funds	0	0	0	77,708	
Federal Funds	0	0	623,208	572,547	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	0	0	0	41,279	
<i>Medicaid - General Fund therein</i>	0	0	0	20,640	
<i>Net General Fund</i>	1,267,295	1,269,007	623,205	630,907	
Utilities	<u>7,418,676</u>	<u>7,770,805</u>	<u>7,756,203</u>	<u>7,756,203</u>	
General Fund	5,893,354	6,212,185	5,846,693	5,846,693	
Cash Funds	0	0	0	0	
Reappropriated Funds	1,525,322	1,558,620	1,909,510	1,909,510	
Federal Funds	0	0	0	0	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	1,142,254	1,172,216	1,538,491	1,538,491	
<i>Medicaid - General Fund therein</i>	490,027	586,108	590,934	769,246	
<i>Net General Fund</i>	6,383,381	6,798,293	6,437,627	6,615,939	
					Request v. Approp.
Subtotal - (A) Administration	37,789,439	38,230,356	38,822,632	38,678,673	-0.4%
FTE	<u>444.8</u>	<u>440.9</u>	<u>447.2</u>	<u>447.2</u>	<u>0.0</u>
General Fund	20,541,092	22,286,373	23,274,892	23,026,481	-1.1%
Cash Funds	2,744,269	2,061,659	1,547,257	1,624,916	5.0%
Reappropriated Funds	9,967,823	9,431,303	9,316,522	9,399,287	0.9%
Federal Funds	4,536,255	4,451,021	4,683,961	4,627,989	-1.2%
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	5,426,672	4,851,453	5,109,631	5,078,902	-0.6%
<i>Medicaid - General Fund therein</i>	2,288,228	1,866,286	1,962,610	2,559,986	30.4%
<i>Net General Fund</i>	22,829,320	24,152,659	25,237,502	25,586,467	1.4%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
(B) Special Purpose					
Buildings and Grounds Rental	678,798	901,309	465,150	464,452	NP-7
FTE	<u>4.2</u>	<u>3.7</u>	<u>6.5</u>	<u>6.5</u>	
General Fund	0	0	0	0	
Cash Funds	678,798	901,309	465,150	464,452	
Reappropriated Funds	0	0	0	0	
State Garage Fund	698,927	652,320	731,856	730,521	NP-7
FTE	<u>2.0</u>	<u>0.0</u>	<u>2.6</u>	<u>2.6</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	698,927	652,320	731,856	730,521	
					Request v. Approp.
Subtotal - (B) Special Purpose	1,377,725	1,553,629	1,197,006	1,194,973	-0.2%
FTE	<u>6.2</u>	<u>3.7</u>	<u>9.1</u>	<u>9.1</u>	<u>0.0</u>
General Fund	0	0	0	0	n/a
Cash Funds	678,798	901,309	465,150	464,452	-0.2%
Reappropriated Funds	698,927	652,320	731,856	730,521	-0.2%
					Request v. Approp.
TOTAL - (3) OFFICE OF OPERATIONS	39,167,164	39,783,985	40,019,638	39,873,646	-0.4%
FTE	<u>451.0</u>	444.6	456.3	456.3	0.0
General Fund	20,541,092	22,286,373	23,274,892	23,026,481	-1.1%
Cash Funds	3,423,067	2,962,968	2,012,407	2,089,368	3.8%
Reappropriated Funds	10,666,750	10,083,623	10,048,378	10,129,808	0.8%
Federal Funds	4,536,255	4,451,021	4,683,961	4,627,989	-1.2%
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	5,426,672	4,851,453	5,109,631	5,078,902	-0.6%
<i>Medicaid - General Fund therein</i>	2,288,228	1,866,286	1,962,610	2,559,986	30.4%
<i>Net General Fund</i>	22,829,320	24,152,659	25,237,502	25,586,467	1.4%

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests

(4) COUNTY ADMINISTRATION

This division provides counties with resources for duties related to their social services functions. Funding includes a county's 20.0 percent share or a maintenance of effort and other funding for the administrative costs of cash assistance programs. Such programs include Adult Protection, child support enforcement, and Food Stamps. County administration for Medicaid programs is appropriated to the Department of Health Care Policy and Financing.

County Administration	<u>49,039,688</u>	<u>51,305,313</u>	<u>50,116,105</u>	<u>50,116,105</u>	
General Fund	18,968,410	20,394,369	19,823,380	19,823,380	
Cash Funds	8,541,412	9,381,078	9,193,456	9,193,456	
Federal Funds	21,529,866	21,529,866	21,099,269	21,099,269	
Department of Health Care Policy and Financing, Medicaid					
County Administration [non-add - information only]	<u>34,616,961</u>	<u>31,153,170</u>	<u>33,058,207</u>	<u>33,547,878</u>	
General Fund	11,176,396	9,627,844	9,894,550	9,894,550	
Cash Funds	6,172,217	5,948,741	6,674,686	6,919,522	
Federal Funds	17,268,348	15,576,585	16,488,971	16,733,806	
Subtotal County Administration HCPF & DHS [non-add - information only]	<u>83,656,649</u>	<u>82,458,483</u>	<u>83,174,312</u>	<u>83,663,983</u>	
General Fund	30,144,806	30,022,213	29,717,930	29,717,930	
Cash Funds	14,713,629	15,329,819	15,868,142	16,112,978	
Federal Funds	38,798,214	37,106,451	37,588,240	37,833,075	
County Tax Base Relief - General Fund	5,652,654	2,700,688	2,700,688	0	BR-3
County Share of Offsetting Revenues	<u>3,933,693</u>	<u>3,506,431</u>	<u>3,789,313</u>	<u>3,789,313</u>	
Cash Funds	3,933,693	3,506,431	3,789,313	3,789,313	
County Incentive Payments	<u>5,584,361</u>	<u>6,662,816</u>	<u>4,816,124</u>	<u>5,136,921</u>	
Cash Funds	5,584,361	6,662,816	4,816,124	5,136,921	
Request v. Approp.					
TOTAL - (4) COUNTY ADMINISTRATION	<u>64,210,396</u>	<u>64,175,248</u>	<u>61,422,230</u>	<u>59,042,339</u>	<u>-3.9%</u>
General Fund	24,621,064	23,095,057	22,524,068	19,823,380	-12.0%
Cash Funds	18,059,466	19,550,325	17,798,893	18,119,690	1.8%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	21,529,866	21,529,866	21,099,269	21,099,269	0.0%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
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(7) OFFICE OF SELF SUFFICIENCY

(A) Administration

The Office of Self Sufficiency's Administration section is responsible for the oversight of the the Colorado Works Program, the Special Purpose Welfare Programs (Low Income Energy Assistance Program, Food Stamp Job Search, Food Distribution, Low-Income Telephone Assistance Program, Income Tax Offset, Electronic Benefits Transfer Service, Refugee Assistance, and Systematic Alien Verification for Eligibility), Child Support Enforcement, and Disability Determination Services.

Personal Services	1,722,036	1,601,551	1,695,888	1,680,388	NP-4, NP-7
FTE	<u>18.8</u>	<u>18.8</u>	<u>22.0</u>	<u>22.0</u>	
General Fund	824,137	722,601	712,328	715,901	
Federal Funds	897,899	878,950	983,560	964,487	
Operating Expenses and Food Stamp Settlement	<u>12,978,501</u>	<u>88,792</u>	<u>75,539</u>	<u>75,539</u>	
General Fund	36,895	31,714	52,173	52,173	
Cash Funds	12,905,342		0	0	
Federal Funds	36,264	57,078	23,366	23,366	
Food Stamp COLA Sanction - Cash Funds	279,000	0	0	0	

Request v. Approp.

(7) SELF SUFFICIENCY

Subtotal - (A) Administration

Subtotal - (A) Administration	14,979,537	1,690,343	1,771,427	1,755,927	-0.9%
FTE	<u>18.8</u>	<u>18.8</u>	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>
General Fund	861,032	754,315	764,501	768,074	0.5%
Cash Funds	13,184,342	0	0	0	n/a
Federal Funds	934,163	936,028	1,006,926	987,853	-1.9%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
(7) OFFICE OF SELF SUFFICIENCY					
(B) Colorado Works Program					
The Colorado Works Program implements federal welfare reform. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created the Temporary Assistance for Needy Families (TANF) to replace the Aid to Families with Dependent Children (AFDC). Colorado Works supervises administration of TANF programs delivered at the county level. TANF provides cash assistance benefits and other support services to eligible families to assist these families in finding and retaining employment.					
Colorado Works Administration - Federal Funds	1,415,065	1,377,176	1,568,274	1,571,470	NP-7
FTE	16.4	17.1	19.0	19.0	
County Block Grants	<u>126,248,209</u>	<u>151,536,168</u>	<u>151,536,168</u>	<u>151,536,168</u>	
Cash Funds	22,430,135	22,375,278	22,823,033	22,823,033	
Federal Funds	103,818,074	129,160,890	128,713,135	128,713,135	
Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement - Federal Funds	0	11,049,452	5,524,726	5,524,726	
County Block Grant Support Fund (formerly Short-term Works Emergency Fund) - Federal Funds	2,963	1,000,000	1,000,000	1,000,000	
County Reserve Accounts [CO Works only through FY 2009-10; County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs starting FY 2010-11] - Federal Funds	90,609,366	57,393,455	92,672,487	92,672,487	
County Training - Federal Funds	564,834	313,975	588,968	588,968	NP-7
FTE	2.0	1.0	2.0	2.0	
Domestic Abuse Program	789,679	808,910	1,830,757	1,827,806	NP-7
FTE	<u>1.3</u>	<u>1.6</u>	<u>2.7</u>	<u>2.7</u>	
Cash Funds	126,801	149,086	1,170,933	1,169,989	
Federal Funds	662,878	659,824	659,824	657,817	
Works Program Evaluation - Federal Funds	499,762	75,215	350,007	350,007	
Workforce Development Council - Federal Funds	105,007	74,741	105,007	105,007	
Federal TANF Reauthorization CBMS Changes - Federal Funds	0	0	0	0	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	
Promoting Responsible Fatherhood Grant	<u>2,736,972</u>	<u>2,058,355</u>	<u>2,067,459</u>	<u>515,333</u>	
General Fund	163,917	72,000	72,222	18,054	
Federal Funds	2,573,055	1,986,355	1,995,237	497,279	
Colorado Works Program Maintenance Fund - Federal Funds	0	1,747,109	100,000	100,000	
Colorado Works Statewide Strategic Uses Fund - Federal Funds	204,322	11,167,935	4,000,000	4,000,000	
TANF-Supported Subsidized Employment - Federal Funds [New line item]	n/a	3,653,489	0	0	
TANF-Funded Homeless Prevention - Federal Funds [New line item]	n/a	2,355,385	0	0	
					Request v. Approp.
(7) SELF SUFFICIENCY					
Subtotal - (B) Colorado Works Program	223,176,179	238,602,491	261,343,853	259,791,972	-0.6%
FTE	<u>19.7</u>	<u>19.7</u>	<u>23.7</u>	<u>23.7</u>	<u>0.0</u>
General Fund	163,917	72,000	72,222	18,054	-75.0%
Cash Funds	22,556,936	22,524,364	23,993,966	23,993,022	0.0%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	200,455,326	216,006,127	237,277,665	235,780,896	-0.6%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
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(7) OFFICE OF SELF SUFFICIENCY

(C) Special Purpose Welfare Programs

This program provides administrative oversight to counties for food, energy, and other cash assistance to low-income households.

(1) Low Income Energy Assistance	73,216,811	77,409,173	73,442,997	73,442,155	NP-7
FTE	<u>5.1</u>	<u>6.4</u>	<u>5.6</u>	<u>5.6</u>	
Cash Funds	3,041,082	1,071,461	5,399,832	5,399,832	
Reappropriated Funds	2,149,832	0	0	0	
Federal Funds	68,025,897	76,337,712	68,043,165	68,042,323	
(2) Food Stamp Job Search Units					
Program Costs	2,071,252	2,055,553	2,058,687	2,052,588	NP-4, NP-7
FTE	<u>5.4</u>	<u>4.6</u>	<u>6.2</u>	<u>6.2</u>	
General Fund	171,002	176,806	178,373	175,358	
Cash Funds	409,382	409,382	409,382	409,382	
Federal Funds	1,490,868	1,469,365	1,470,932	1,467,848	
Supportive Services	<u>261,251</u>	<u>256,611</u>	<u>261,452</u>	<u>261,452</u>	
General Fund	78,360	76,620	78,435	78,435	
Cash Funds	52,291	52,291	52,291	52,291	
Federal Funds	130,600	127,700	130,726	130,726	

Request v. Approp.

(7) OFFICE OF SELF SUFFICIENCY					
Subtotal - (C) (2) Food Stamp Job Search Units	2,332,503	2,312,164	2,320,139	2,314,040	-0.3%
FTE	<u>5.4</u>	<u>4.6</u>	<u>6.2</u>	<u>6.2</u>	<u>0.0</u>
General Fund	249,362	253,426	256,808	253,793	-1.2%
Cash Funds	461,673	461,673	461,673	461,673	0.0%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	1,621,468	1,597,065	1,601,658	1,598,574	-0.2%

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	
(3) Food Distribution Program	573,048	491,368	564,062	566,905	NP-4, NP-7
FTE	<u>6.0</u>	<u>5.3</u>	<u>6.5</u>	<u>6.5</u>	
General Fund	37,447	45,303	45,766	45,212	
Cash Funds	228,800	101,660	242,501	244,149	
Federal Funds	306,801	344,405	275,795	277,544	
(4) Low-Income Telephone Assistance Program	49,200	76,630	78,613	79,588	
FTE	<u>1.1</u>	<u>0.7</u>	<u>1.1</u>	<u>1.1</u>	
Cash Funds	49,200	76,630	78,613	79,588	
(5) Income Tax Offset	<u>4,128</u>	<u>2,948</u>	<u>4,128</u>	<u>4,128</u>	
General Fund	2,064	1,474	2,064	2,064	
Federal Funds	2,064	1,474	2,064	2,064	
(6) Electronic Benefits Transfer Service	3,109,476	3,200,646	3,322,180	3,958,527	DI-1, NP-7
FTE	<u>4.3</u>	<u>6.1</u>	<u>7.0</u>	<u>7.0</u>	
General Fund	790,561	889,464	889,747	1,073,476	
Cash Funds	843,292	843,299	890,707	1,074,585	
Federal Funds	1,475,623	1,467,883	1,541,726	1,810,466	
(7) Refugee Assistance - Federal Funds	5,608,600	10,016,671	15,047,753	15,049,008	NP-7
FTE	0.3	0.9	10.0	10.0	
(8) Systematic Alien Verification for Eligibility	45,011	50,034	55,002	53,042	NP-4, NP-7
FTE	<u>1.0</u>	<u>0.6</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	4,913	6,149	7,147	6,860	
Cash Funds	3,591	3,363	3,700	3,618	
Reappropriated Funds	29,689	31,938	34,766	33,375	
Federal Funds	6,818	8,584	9,389	9,189	
(9) Office of Self Sufficiency and Independence - Food Assistance [new]	N.A.	N.A.	N.A.	<u>4,715,280</u>	DI-2
General Fund				2,357,640	
Federal Funds				2,357,640	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
					Request v. Approp.
(7) OFFICE OF SELF SUFFICIENCY					
Subtotal - (C) Special Purpose Welfare Programs	84,938,777	93,559,634	94,834,874	100,182,673	5.6%
FTE	<u>23.2</u>	<u>24.6</u>	<u>37.4</u>	<u>37.4</u>	<u>0.0</u>
General Fund	1,084,347	1,195,816	1,201,532	3,739,045	211.2%
Cash Funds	4,627,638	2,558,086	7,077,026	7,263,445	2.6%
Reappropriated Funds	2,179,521	31,938	34,766	33,375	-4.0%
Federal Funds	77,047,271	89,773,794	86,521,550	89,146,808	3.0%
(7) OFFICE OF SELF SUFFICIENCY					
(D) Child Support Enforcement					
Automated Child Support Enforcement System	9,648,817	10,760,576	9,169,069	9,064,765	NP-4, NP-7
FTE	<u>34.3</u>	<u>34.9</u>	<u>16.9</u>	<u>16.9</u>	
General Fund	3,239,111	3,632,013	2,972,954	2,937,489	
Cash Funds	118,511	83,183	426,499	426,499	
Federal Funds	6,291,195	7,045,380	5,769,616	5,700,777	
Child Support Enforcement	2,160,989	1,882,026	4,377,818	3,401,345	NP-4, NP-7
FTE	<u>22.7</u>	<u>22.0</u>	<u>24.5</u>	<u>24.5</u>	
General Fund	735,729	672,109	720,219	709,016	
Cash Funds	0	0	768,237	447,440	
Federal Funds	1,425,260	1,209,917	2,889,362	2,244,889	
					Request v. Approp.
(7) OFFICE OF SELF SUFFICIENCY					
Subtotal - (D) Child Support Enforcement	11,809,806	12,642,602	13,546,887	12,466,110	-8.0%
FTE	<u>57.0</u>	<u>56.9</u>	<u>41.4</u>	<u>41.4</u>	<u>0.0</u>
General Fund	3,974,840	4,304,122	3,693,173	3,646,505	-1.3%
Cash Funds	118,511	83,183	1,194,736	873,939	-26.9%
Reappropriated Funds	0	0	0	0	n/a
Federal Funds	7,716,455	8,255,297	8,658,978	7,945,666	-8.2%

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
(7) OFFICE OF SELF SUFFICIENCY					
(E) Disability Determination Services	16,754,364	19,157,288	16,721,506	16,733,285	
FTE	<u>140.5</u>	<u>128.1</u>	<u>131.7</u>	<u>131.7</u>	
Federal Funds	16,754,364	19,157,288	16,721,506	16,733,285	
					Request v. Approp.
TOTAL - (7) OFFICE OF SELF SUFFICIENCY	351,658,663	365,652,358	388,218,547	390,929,967	0.7%
FTE	<u>259.2</u>	<u>248.1</u>	<u>256.2</u>	<u>256.2</u>	<u>0.0</u>
General Fund	6,084,136	6,326,253	5,731,428	8,171,678	42.6%
Cash Funds	40,487,427	25,165,633	32,265,728	32,130,406	-0.4%
Reappropriated Funds	2,179,521	31,938	34,766	33,375	-4.0%
Federal Funds	302,907,579	334,128,534	350,186,625	350,594,508	0.1%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
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(10) ADULT ASSISTANCE PROGRAMS

Adult Assistance Programs supervises the Old Age Pension, Aid to the Needy Disabled, and Aid to the Blind programs, Adult Protective Services, and the state's 16 Area Agencies on Aging.

(10) ADULT ASSISTANCE PROGRAMS

(A) Administration	407,658	361,774	585,112	588,529	NP-4, NP-7
FTE	<u>4.2</u>	<u>3.4</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	96,528	103,926	103,427	102,297	
Reappropriated Funds	89,147	0	104,017	104,992	
Federal Funds	221,983	257,848	377,668	381,240	

(10) ADULT ASSISTANCE PROGRAMS

(B) Old Age Pension Program

Cash Assistance Program - Cash Funds	82,745,224	88,076,859	77,449,057	77,449,057	
Refunds	<u>1,010,811</u>	<u>357,030</u>	<u>588,362</u>	<u>588,362</u>	
Cash Funds	1,010,811	357,030	588,362	588,362	
Reappropriated Funds	0	0	0	0	
Burial Reimbursements - Cash Funds	996,438	963,648	918,364	918,364	
State Administration - Cash Funds	1,030,258	950,698	1,143,281	1,152,849	NP-7
FTE	10.3	10.3	14.0	14.0	
County Administration - Cash Funds	2,608,838	2,450,786	2,566,974	2,566,974	

Request v. Approp.

(10) ADULT ASSISTANCE PROGRAMS

Subtotal - (B) Old Age Pension Program	88,391,569	92,799,021	82,666,038	82,675,606	0.0%
FTE	<u>10.3</u>	<u>10.3</u>	<u>14.0</u>	<u>14.0</u>	<u>0.0</u>
Cash Funds	88,391,569	92,799,021	82,666,038	82,675,606	0.0%
Reappropriated Funds	0	0	0	0	n/a

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
(10) ADULT ASSISTANCE PROGRAMS					
(C) Other Grant Programs					
Administration (Home Care Allowance SEP Contract)					
General Fund	N.A.	N.A.	1,000,902	1,063,259	
Aid to the Needy Disabled Programs					
General Fund	<u>17,904,297</u>	<u>18,503,861</u>	<u>17,428,495</u>	<u>17,428,495</u>	
Cash Funds	11,421,470	11,421,470	11,421,471	11,421,471	
Reappropriated Funds	6,482,827	7,082,391	6,007,024	6,007,024	
	0	0	0	0	
Burial Reimburesments					
General Fund	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	
Cash Funds	402,985	402,985	402,985	402,985	
Reappropriated Funds	105,015	105,015	105,015	105,015	
	0	0	0	0	
Home Care Allowance					
General Fund	<u>10,880,411</u>	<u>10,880,411</u>	<u>10,519,866</u>	<u>10,543,757</u>	
Cash Funds	10,336,390	10,336,390	9,975,845	9,999,736	
Reappropriated Funds	544,021	544,021	544,021	544,021	
	0	0	0	0	
Adult Foster Care					
General Fund	<u>137,783</u>	<u>157,469</u>	<u>157,469</u>	<u>157,469</u>	
Cash Funds	129,910	149,596	149,596	149,596	
Reappropriated Funds	7,873	7,873	7,873	7,873	
	0	0	0	0	
					Request v. Approp.
(10) ADULT ASSISTANCE PROGRAMS					
Subtotal - (C) Other Grant Programs	<u>29,430,491</u>	<u>30,049,741</u>	<u>29,614,732</u>	<u>29,700,980</u>	<u>0.3%</u>
General Fund	22,290,755	22,310,441	22,950,799	23,037,047	0.4%
Cash Funds	7,139,736	7,739,300	6,663,933	6,663,933	0.0%
Reappropriated Fund / Cash Funds Exempt	0	0	0	0	n/a

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
(10) ADULT ASSISTANCE PROGRAMS					
(D) Community Services for the Elderly					
Administration	623,779	572,678	676,427	671,250	NP-4, NP-7
FTE	<u>6.6</u>	<u>6.6</u>	<u>7.0</u>	<u>7.0</u>	
General Fund	156,592	153,651	179,922	176,174	
Federal Funds	467,187	419,027	496,505	495,076	
Colorado Commission on Aging	79,075	80,122	80,735	80,455	NP-4, NP-7
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	19,676	19,993	20,766	20,485	
Federal Funds	59,399	60,129	59,969	59,970	
Senior Community Services Employment - Federal Funds	1,030,031	1,099,285	861,514	863,454	NP-7
FTE	0.8	0.5	0.5	0.5	
Older Americans Act Programs	<u>14,179,693</u>	<u>14,437,599</u>	<u>14,748,811</u>	14,748,811	
General Fund	576,721	576,747	610,506	610,506	
Cash Funds	3,119,710	3,119,699	3,079,710	3,079,710	
Federal Funds	10,483,262	10,741,153	11,058,595	11,058,595	
National Family Caregiver Support Program	<u>2,503,453</u>	<u>2,337,789</u>	<u>2,263,386</u>	<u>2,263,386</u>	
General Fund	142,041	142,041	142,041	142,041	
Cash Funds	423,805	423,805	423,805	423,805	
Federal Funds	1,937,607	1,771,943	1,697,540	1,697,540	
State Ombudsman Program	<u>272,031</u>	<u>272,031</u>	<u>272,031</u>	<u>272,031</u>	
General Fund	111,898	111,898	111,898	111,898	
Reappropriated Funds	1,800	1,800	1,800	1,800	
Federal Funds	158,333	158,333	158,333	158,333	
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	1,800	1,800	1,800	1,800	
<i>Medicaid - General Fund therein</i>	900	900	900	900	
<i>Net General Fund</i>	112,798	112,798	112,798	112,798	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change Requests
	Actual	Actual	Appropriation	Request	
State Funding for Senior Services	<u>10,000,000</u>	<u>8,947,500</u>	<u>8,966,241</u>	<u>8,966,241</u>	
General Fund	2,000,000	1,000,000	658,489	658,489	
Cash Funds	8,000,000	7,947,500	8,307,752	8,307,752	
			0	0	
Area Agencies on Aging Administration - Federal Funds	1,592,415	1,684,670	1,375,384	1,375,384	

Request v. Approp.

(10) ADULT ASSISTANCE PROGRAMS					
Subtotal - (D) Community Services for the Elderly	30,280,477	29,431,674	29,244,529	29,241,012	0.0%
FTE	<u>8.4</u>	<u>8.1</u>	<u>8.5</u>	<u>8.5</u>	<u>0.0</u>
General Fund	3,006,928	2,004,330	1,723,622	1,719,593	-0.2%
Cash Funds	11,543,515	11,491,004	11,811,267	11,811,267	0.0%
Reappropriated Funds	1,800	1,800	1,800	1,800	0.0%
Federal Funds	15,728,234	15,934,540	15,707,840	15,708,352	0.0%
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	1,800	1,800	1,800	1,800	0.0%
<i>Medicaid - General Fund therein</i>	3,006,028	2,003,430	1,722,722		
<i>Net General Fund</i>	3,007,828	2,005,230	1,724,522	1,720,493	-0.2%

Request v. Approp.

TOTAL - (10) ADULT ASSISTANCE PROGRAMS	148,510,195	152,642,210	142,110,411	142,206,127	0.1%
FTE	<u>22.9</u>	<u>21.8</u>	<u>28.5</u>	<u>28.5</u>	<u>0.0</u>
General Fund	25,394,211	24,418,697	24,777,848	24,858,937	0.3%
Cash Funds	107,074,820	112,029,325	101,141,238	101,150,806	0.0%
Reappropriated Funds	90,947	1,800	105,817	106,792	0.9%
Federal Funds	15,950,217	16,192,388	16,085,508	16,089,592	0.0%
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	1,800	1,800	1,800	1,800	0.0%
<i>Medicaid - General Fund therein</i>	900	900	900	900	0.0%
<i>Net General Fund</i>	25,395,111	24,419,597	24,778,748	24,859,837	0.3%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	Change Requests
					Request v. Approp.
TOTAL - HUMAN SERVICES - EDO/OPS/CA/SS/AA	672,193,904	683,544,973	693,570,714	701,512,207	1.1%
FTE	<u>859.6</u>	<u>842.5</u>	<u>891.0</u>	<u>891.5</u>	<u>0.5</u>
General Fund	116,483,879	110,792,866	110,064,295	114,463,038	4.0%
Cash Funds	171,494,417	162,757,933	155,285,581	155,419,849	0.1%
Reappropriated Funds	29,348,375	24,144,374	26,001,869	28,270,613	8.7%
Federal Funds	354,867,233	385,849,800	402,218,969	403,358,707	0.3%
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	<i>19,651,909</i>	<i>17,275,337</i>	<i>17,191,773</i>	<i>19,554,908</i>	<i>13.7%</i>
<i>Medicaid - General Fund therein</i>	<i>9,092,069</i>	<i>7,942,631</i>	<i>7,378,277</i>	<i>9,713,540</i>	<i>31.7%</i>
<i>Net General Fund</i>	<i>125,575,948</i>	<i>118,735,497</i>	<i>117,442,572</i>	<i>124,176,578</i>	<i>5.7%</i>

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Department of Human Services
(Executive Director's Office, Office of Operations,
County Administration, Self Sufficiency, Adult Assistance)**

APPENDIX B: SUMMARY OF MAJOR LEGISLATION

- ❑ **S.B. 10-068 (Boyd/Massey):** Makes a number of statutory changes aimed at streamlining eligibility requirements for the Colorado Works Program, including removing the asset test, removing the standard of need calculation from statute and instead requiring the State Board of Human Services to promulgate rules, making assistance available upon verification of pregnancy instead of the sixth month, and eliminating verification of immunizations as a condition of eligibility, among other changes. Provides a one-time appropriation of \$966,000 federal Temporary Assistance to Needy Families funds to the Department of Human Services for FY 2010-11 for changes to the Colorado Benefits Management System.

- ❑ **S.B. 10-149 (Tapia/Ferrandino):** Temporarily modifies the county tax base relief program, which provides additional General Fund support for counties with a low county property tax base and high social service program costs. Limits the relief to those counties that qualify under "Tier I" of the program (lowest tax base/highest cost counties) for FY 2009-10, FY 2010-11, and FY 2011-12. Associated budget reductions (\$2.95 million General Fund) were included in the Department of Human Services supplemental bill (H.B. 10-1302).

- ❑ **H.B. 10-1053 (Riesberg/Boyd):** Among other provisions, requires the Department of Human Services to contract for a study of additional services and potential cost savings under the Older Coloradans Program and to develop a strategic plan for implementing potential cost saving measures. Includes a FY 2010-11 appropriation to the Department of Human Services for \$200,000 from the Older Coloradans Study Cash Fund, among other appropriations. Moneys in the Cash Fund would be derived from gifts, grants, and donations.

- ❑ **H.B. 10-1146 (Hullinghorst/Tochtrop):** Modifies the eligibility requirements for the Home Care Allowance (HCA) program in the Department of Human Services. As of January 1, 2011, prohibits individuals receiving Medicaid home- and community-based services from receiving HCA. As of January 1, 2014, eliminates Old Age Pension (OAP) as a HCA recipient category, except for qualified OAP recipients enrolled in HCA prior to December 31, 2013, who are "grandfathered" into the program. Transfers responsibility for the HCA's single entry point contract from the Department of Health Care Policy and Financing to the Department of Human Services.

Provides for multiple appropriation changes to the Departments of Human Services and Health Care Policy and Financing to transfer appropriation amounts and make necessary changes to the Colorado Benefits Management System (CBMS). The net statewide impact of the various adjustments is a \$17,181 General Fund reduction and a \$419,477 federal funds

increase in FY 2010-11, as well as cash and reappropriated funds adjustments related to one-time CBMS changes. By FY 2011-12, the bill is expected to have a net \$0 General fund impact statewide and to increase federal Medicaid funding by \$336,654. Appropriations reflect the expectation that as some individuals lose eligibility for the HCA program, most HCA funding will be redirected to other individuals, including those eligible for federal Supplemental Security Income (SSI).

- ❑ **H.B. 10-1319 (Ferrandino/Tapia):** Among other provisions, transferred \$1.625 million from the Department of Human Services Low-Income Energy Assistance Fund to the Operational Account effective upon enactment. This eliminated all remaining FY 2009-10 Severance Tax funding for the Low Income Energy Assistance Program. The bill did not change the \$3.25 million statutory Severance Tax allocation for the Low Income Energy Assistance Fund for FY 2010-11.
- ❑ **H.B. 10-1384 (Lambert/White):** Resolves conflicting state statutory provisions determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. More closely aligns state eligibility criteria for this program with federal policy on the provision of public assistance to noncitizens. Discontinues benefits for any OAP recipient or applicant found ineligible under the new provisions. Effective July 1, 2010, bars qualified aliens from accessing the OAP program for five years after their date of entry into the United States, with certain exceptions. Effective January 1, 2014, requires that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility, with certain exceptions.

Includes an appropriation to the Department of Human Services for Colorado Benefits Management System (CBMS) changes of \$46,000 total funds for FY 2009-10. Also includes an appropriation to the Department of Human Services for FY 2010-11 for CBMS changes of \$45,761 total funds. Reduces the appropriation to the Department of Human Services by \$13.4 million OAP Cash Funds for FY 2010-11 in anticipation of reduced expenditures for OAP benefits. Savings at this level are anticipated to continue in FY 2011-12. Reduced OAP cash fund expenditures result in a General Fund revenue increase, as the OAP cash fund is comprised of sales and excise taxes. Funds not needed for the OAP program "spill over" to the General Fund.

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Department of Department of Human Services
(Executive Director's Office, Office of Operations, County Administration, Self Sufficiency,
Adult Assistance)

APPENDIX C: UPDATE OF FY 2010-11
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Long Bill Footnotes

- 19 Department of Human Services, County Administration, County Share of Offsetting Revenues** -- It is the intent of the General Assembly that, pursuant to Section 26-13-108, C.R.S., the Department utilize recoveries to offset the costs of providing public assistance. This appropriation represents an estimate of the county share of such recoveries and, if the amount of the county share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to disburse an amount in excess of this appropriation to reflect the actual county share of such recoveries.

Comment: This footnote does not request the Department to file a report. Data provided by the Department indicates that the County's share of offsetting revenue was \$3,506,431 (less than the \$3,789,313 budgeted).

- 20 Department of Human Services, County Administration, County Incentive Payments; Office of Self Sufficiency, Colorado Works Program, County Block Grants and Child Support Enforcement, Child Support Enforcement** -- It is the intent of the General Assembly that, pursuant to Sections 26-13-108 and 26-13-112.5 (2), C.R.S., the Department distribute child support incentive payments to counties. It is the intent of the General Assembly that at least one-half of the State share of recoveries of amounts of support for public assistance recipients be distributed to counties, as described in Section 26-13-108, C.R.S. If the total amount of the State share of recoveries is greater than the total annual appropriations from this fund source, including appropriations for operating and capital construction purposes, the Department is authorized to distribute to counties, for county incentive payments, one-half of the actual State share of any additional recoveries.

Comment: This footnote does not request the Department to file a report. The Department reported that, for FY 2009-10, a total of \$6,662,816 was recovered and applied to the County Incentive Payments line item, including \$1,078,455 in excess of the amount reflected in the line item. The version of this footnote in effect in FY 2009-10 authorized the distribution of 100 percent of any excess recoveries to counties (rather than 50 percent).

- 22 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- Pursuant to Sections 26-2-714 (7) and 26-2-714 (9), C.R.S., under certain conditions, a county may transfer federal Temporary Assistance for Needy Families

(TANF) funds within its Colorado Works Program Block Grant to the federal child care development fund or to programs funded by Title XX of the federal Social Security Act. One of the conditions specified is that the amount a county transfers must be specified by the Department of Human Services as being available for transfer within the limitation imposed by federal law. It is the intent of the General Assembly that the Department allow individual counties to transfer a greater percent of federal TANF funds than the state is allowed under federal law as long as: (a) Each county has had an opportunity to transfer an amount up to the federal maximum allowed; and, (b) the total amount transferred statewide does not exceed the federal maximum.

Comment: This footnote does not request the Department to file a report. Full information about county transfers from TANF to the federal Child Care Development Fund and to Title XX programs was provided by the Department in a report in response to Request for Information number 36 (see below).

22a Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants -- It is the intent of the General Assembly that the appropriation of local funds for Colorado Works program county block grants may be decreased by a maximum of \$500,000 to reduce one or more small counties' fiscal year 2010-11 targeted or actual spending level pursuant to Section 26-2-714 (8), C.R.S.

Comment: The Works Allocation Committee is authorized (Section 26-2-714 (8), C.R.S.) to mitigate (reduce) a small county's targeted and/or actual spending level, up to a maximum amount identified in the Long Bill. A small county is one with less than 0.38% of the total statewide Works caseload, as determined by the Department of Human Services. This footnote authorizes the Works Allocation Committee to approve a maximum of \$500,000 in mitigation. In the version of this footnote in effect in FY 2009-10, the maximum was \$100,000. The Department reported that no county made use of this provision in FY 2009-10.

Requests for Information

1. All Departments, Totals -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

Comment: *The Governor directed the Department to comply to the extent to which this information can be provided without adversely impacting the operation of the executive branch or the delivery of government services, by November 1, 2010.*

The department provided the following information with respect to FY 2009-10 and indicated that cash- and federally-funded FTE were likely to be similar in FY 2010-11.

Program Grant - Federal or Custodial Cash	FTE
Refugee Services - Wilson/Fish federal grant	3.6
Children's Justice Act	1.0
Food Stamps Job Search	2.9
Food Stamps Supplemental Feeding Program	1.0
Domestic violence TANF Statewide Strategic Uses Fund grant	1.0
Child Support Business Intelligence Grant	0.2
Avoid and Manage Child Support Arrears	1.0
County Cost Plan	1.0
Screening Brief Intervention	0.1
Alcohol and Drug Abuse Division - Access to Recovery	1.2
Alcohol and Drug Abuse Division - Other Federal Grants	<u>0.7</u>
Total	13.7

22. Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program -- The Department is requested to provide information regarding the cost-effectiveness of this program. Such information should include: actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.

Comment: The Department is in compliance with this request. According a the report submitted by the Department, it filed a total of 992 workers' compensation claims¹⁰ in FY 2009-10 resulting in payments of \$5,810,657. While number of claims reflects a 1.4 percent increase in claims filed over FY 2008-09, the associated **dollar cost of claims has increased by 31.2 percent over FY 2008-09.** The Department notes that, as always the cost of claims for the past fiscal year will continue to grow over the next several years as some of these claims remain open. The table below shows the program areas that experienced significant increases.

¹⁰This includes "zero dollar" claims, *i.e.*, incidents reported where no dollar amount is claimed but which are tracked for management purposes

Program Area	Increase FY 10 over FY 09	Percent Increase in Cost
Division of Facilities Management	\$610,433	292.0%
Grand Junction Regional Center	\$415,457	77.0%
CO Mental Health Institute Pueblo	\$200,345	23.0%
Trinidad State Nursing Home	\$135,291	1709.0%
Marvin Foote Youth Services Center	\$108,267	231.0%
Children Youth and Families	\$69,595	151.0%

The Department's FY 2008-09 figures had reflected substantial improvement over FY 2007-08. However, current claims levels have now surpassed FY 2007-08 levels. The Department notes that a single claim can substantially affect workers compensation costs. For example, in the Division of Facilities Management, a single employee injury resulted in more than \$300,000 in costs. Similarly, at the Trinidad State Nursing Home, one severe injury costing more than \$80,000 was responsible for the majority of the increase.

The number of claims and the costs are summarized for a few major categories in the following table, based on August 2010 point-in-time data. Overall, the data reflect large increases in every category when compared with FY 2008-09, with "strains" reflecting the largest increase.

	FY 2009-10	
Cause of Injury	Number of Claims	Cost of Claims
Strains, all sources	297	\$1,919,396
Struck or injured by patient	289	1,607,126
Slips and/or falls	170	1,120,518
Other	59	561,255
Struck by object	98	386,220
Repetitive motion	24	189,618
Misc. other than physical	30	12,993
TOTAL*	967	\$5,797,126

*The Department reported total claims for FY 2009-10 of \$5,810,675; the discrepancy between total claims and this data reflects point-in-time differences.

The Department provided actual and planned uses of the Injury Prevention Program line item by program area. For FY 2010-11, nearly half of the funds (\$42,000) are expected to be targeted to Veterans and Disability Services (Regional Centers and Nursing Homes), with an additional \$27,000 for Behavioral Health and Housing (mental health institutes), \$15,000 for and Children, Youth and

Family Services (youth corrections facilities), and \$16,000 for Operations and Financial Services (facilities maintenance).

23. Department of Human Services, Office of Operations; Department Totals -- The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state-wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit a report to the Joint Budget Committee on or before November 15, 2010, that should include: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is \$50,000 or more.

Comment: *The Governor directed the Department to comply with this request if and when the cost allocation methodology has changed from prior years, given that the Department has provided the information in the past.* However, in response to staff questions, the Department reported that it intended to comply as requested.

As the deadline for this request is November 15, 2010, the information was not received in time for inclusion in this packet. The information below is from the Department's November 15, 2009 submission. This footnote is requested because the size and complexity of Department of Human Services indirect cost collections do not enable them to be budgeted in a manner consistent with indirect cost collections in other departments. The table below summarizes the information provided with respect to amounts collected.

FY2008-09 Indirect Costs Collected by Revenue Source and Division (\$)				
DHS Functional Area	Cash Funds	Reappropriated Funds	Federal Funds	Total
Executive Director's Office	(109,708)	(393,789)	(1,438,339)	(1,941,836)
Office of Adult, Disability and Rehabilitation Services	(169,846)	0	(19,573)	(189,419)
Office of Behavioral Health & Housing	0	(11,265)	(8)	(11,273)
Office of Children, Youth, and Families	(44)	(2,714)	(5,147)	(7,905)
Office of Information Technology Services	(33,722)	(907,744)	(3,879,758)	(4,821,225)
Office of Operations	(84,555)	(599,315)	(2,263,846)	(2,947,716)
Office of Self-Sufficiency	(3,422)	11,581	(512,890)	(504,730)

Office of Veterans and Disability Determination	0	0	(7,803)	(7,803)
Central Indirect Nursing Homes	(95,769)		0	(95,769)
Central Indirect Mental Health Institute	(344,265)		0	(344,265)
Medicaid Grand Junction Regional Center	0	(214,103)		(214,103)
Medicaid Ridge Regional Center	0	(120,897)		(120,897)
Medicaid Pueblo Regional Center	0	(66,413)		(66,413)
Colo Dept of Human Services - Department Wide: SWCAP, Depreciation, State Auditor Charges	(4,440)	(112,477)	(660,280)	(777,197)
Colo Dept of Human Services - Agency IHA: Termination Pay	(3,072)	(10,943)	(112,901)	(126,917)
Total	(\$848,844)	(\$2,428,080)	(\$8,900,545)	(\$12,177,468)

The table below summarizes the information provided with respect to amounts applied.

FY2008-09 Indirect Costs Applied by Revenue Source (\$)				
DHS Functional Area	Cash Funds		Federal Funds	Total
		Reappropriated Funds		
Executive Director / Budget Office	0	1,259,836	191,409	1,451,245
Office of Adult, Disability and Rehabilitation Services	95,769	401,413	276,585	773,767
Office of Information Technology	178,792	0	3,237,297	3,416,089
Office of Operations	806,938	0	2,811,159	3,618,097
Office of Performance Improvement	189,911	0	1,818,594	2,008,505
Office of Self Sufficiency	0	0	102,288	102,288
Office of Behavioral Health and Housing	344,265	0	0	344,265
SCO Audit Billing	0	0	258,587	258,587
Termination Pay - IHA, IHH, IHM, IIA	0	0	204,626	204,626
Total	\$1,615,675	\$1,661,249	\$8,900,545	\$12,177,469

The Department also provided information on areas in which indirect cost collections could be higher but were restricted, based on Department or legislative decisions. Based on this data, for FY 2010-11, the General Assembly increased the amount of Child Care Development Funds allocated for indirect cost recoveries by \$250,000, and reduced General Fund appropriations by the same amount.

29. Department of Human Services, Office of Self Sufficiency, Colorado Works Program, Works Program Evaluation -- The Department is requested to submit a summary of the

activities conducted under the Works Program Evaluation activity. The summary should include specific questions which the Department set out to answer, the methodologies used, the results obtained, and suggestions on how the results can be used to improve the Works program. The report should be provided to the Joint Budget Committee and the House and Senate Health and Human Services Committees by November 1 of each year.

Comment: The Department has not yet submitted this report. Staff understands that the Department is working on a response but has been delayed in completing it due to staff turnover. In 2009, the Joint Budget Committee approved a decision item request from the Colorado Department of Human Services in the amount \$350,000 federal Temporary Assistance to Needy Families (TANF) funds to continue evaluation of the Colorado Works Program. The Department spent only \$75,215 of the appropriation in FY 2009-10.

30. Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance - The Department is requested to submit a report by November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.

Comment: The Department submitted the requested report November 1, 2010. This request was added after the addition of \$1.99 million TANF funds to the appropriation for Refugee Services in FY 2010-11. The Department anticipates that there will be 2,365 refugee arrivals in Colorado for FY 2009-10 and 2,534 in FY 2010-11, excluding the impact of secondary-migration within the United States, which is not tracked. Of the total, 60 percent are expected to be eligible for the TANF program and thus the TANF program is expected to cover related cash assistance and social-service costs.

The table below provides related funding and caseload data for the program. (Data included in the Department RFI response is supplemented with data previously submitted related to the FY 2010-11 decision item). *As shown in the table, the extremely rapid growth of the refugee population that occurred from FFY 2008 to FY 2010 appears to have slowed, and federal funding from the Office of Refugee Resettlement has increased, allowing estimated funding per refugee to remain relatively flat in the projection for FY 2010-11 and FY 2011-12.*

Refugee Services Funding History

	FFY 2007	FFY 2008	FFY 2009	FFY 2010*	FFY 2011**
Colorado Refugee Funding by Fund Source					
Federal Office Refugee Resettlement (ORR) Wilson Fish (cash assistance+administration)	\$2,791,424	\$3,012,081	\$4,245,531	\$3,455,971	\$3,342,403
Federal ORR - Refugee Social Services	1,192,301	1,131,123	1,170,646	1,293,118	1,617,208
Federal ORR - All Other (CDPHE and HCPF medical screening and services, unaccompanied minor funding, impacted-areas funding)	<u>2,374,671</u>	<u>2,424,986</u>	<u>5,723,849</u>	<u>5,722,209</u>	<u>9,019,185</u>
Subtotal - Federal ORR Funds	\$6,358,396	\$6,568,190	\$11,140,026	\$10,471,298	\$13,978,796
TANF Appropriations	<u>457,132</u>	<u>726,171</u>	<u>775,850</u>	<u>5,199,362</u>	<u>2,805,334</u>
Refugee Services Program Funding	\$6,815,528	\$7,294,361	\$11,915,876	\$15,670,660	\$16,784,130
TANF cash assistance - absorbed by counties	n/a	n/a	n/a	1,530,371	1,530,371
Total CO Refugee Funding	\$6,815,528	\$7,294,361	\$11,915,876	\$17,201,031	\$18,314,501
Number of Refugees and Amount per Refugee					
Number of Refugees	1,165	1,523	1,880	2,365	2,534
<i>Percent change</i>	5.0%	30.7%	23.4%	25.8%	7.1%
Total Funding/refugee	\$5,850	\$4,789	\$6,338	\$7,273	\$7,228
<i>Percent change</i>	14.8%	-18.1%	32.3%	14.8%	-0.6%

*FY 2009-10 TANF amounts include one-time appropriations available pursuant to the American Recovery and Reinvestment Act.
 **The Department projects that FFY 2011-12 funding will be similar to FFY 2010-11, in the absence of any updated information from federal authorities.

- 36. Department of Human Services, Totals** -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for each of the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecast MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state under the

provisions of S.B. 08-177, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data as of the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.

Comment: The Department submitted its response November 10, 2010. The table below summarizes the Department's Long Term Reserve analysis, requested in item (a). Note that the figures below are considered preliminary, and there are discrepancies between the FY 2009-10 actual closing balance and the FY 2010-11 starting balance that staff understands relate to a double-count of some ARRA pending funds.

TANF Long-term Reserve Analysis			
	SFY 2009-10 Actual	SFY 2010-11 Current	SFY 2011-12 Request
TANF Funds Available to Appropriate			
Available prior year funds	\$51,437,563	\$40,819,315	\$41,140,193
Ongoing Estimated Annual Grant	149,626,381	149,626,381	149,626,381
ARRA funds - received and pending /1	<u>61,729,650</u>	<u>38,000,479</u>	<u>0</u>
Subtotal	262,793,594	228,446,175	190,766,574
Estimated TANF Spending/Appropriations			
Allocations to Counties	140,762,587	135,237,861	135,237,861
Info. Technology & Indirect Costs	9,020,871	8,666,498	7,673,225
CO Works State Administration	1,919,511	2,507,249	2,507,249
Works Statewide Strategic Use Fund	11,167,935	4,000,000	4,000,000
Works Program Maintenance Fund	1,747,109	100,000	100,000
Refugee Assistance	815,850	2,805,334	2,805,334
Low Income Energy Assistance	1,500,000	1,500,000	1,500,000
Domestic Abuse Program	659,824	659,824	659,824
Child Welfare Programs	12,500,000	19,500,000	19,500,000
TANF FY 09-10 supplemental (ARRA-related)	<u>16,628,297</u>	<u>12,329,216</u>	<u>0</u>
Subtotal	196,721,984	187,305,982	173,983,493
Total /1	\$66,071,610	\$41,140,193	\$16,783,081

/1 Actual figures are pending further revision.

The next table summarizes the Department's TANF Maintenance of Effort Analysis (item (b)). The Department assumed that FY 2010-11 and FFY 2011-12 amounts would match. As shown, the Department does not appear to be in significant danger of failing to meet its MOE requirement. The

Department greatly expanded its MOE-countable expenditures to draw down TANF ARRA-related funds.

TANF Maintenance of Effort Analysis		
	FFY 2009-10	FFY 2010-11 and FFY 2011-12
Child Welfare line items	\$40,819,077	\$40,819,077
Colorado Works County MOE	7,570,088	7,570,088
Child Care county expenditures	9,805,891	9,805,891
State Colorado Works Administration (GF)	3,227,636	3,227,636
Nurse Home Visitor Program (GF)	9,307,568	9,307,568
Colorado Preschool Program (GF)	50,138,201	50,138,201
Low Income Energy Assistance	5,703,955	10,032,326
Child Care Tax Credit	<u>3,526,335</u>	<u>3,526,335</u>
Total MOE Expenditure	\$130,098,751	\$134,427,122
MOE Requirement	\$88,395,624	\$88,395,624
Surplus/(Deficit) MOE	\$41,703,127	\$46,031,498

The final table below summarizes, by select counties, TANF expenditures and changes to county reserve levels during FY 2009-10.

TANF Reserve Balances									
	County Reserve Carry-Over From Prior Years	SFY 2009-10 Colorado Works Allocation	SFY 2009-10 Colorado Works Expenditures	Transfers to Child Welfare	Transfers to Child Care	Reversion of Prior Years' Transfers	Audit Adjustments and Works Maintenance Fund	Reductions for Amounts in Excess of Reserve Cap (SB 08-177)	Net Reserves SFY 09-10
Adams	\$5,113,680	\$12,313,696	(\$14,757,823)	\$0	\$0	\$0	\$0	\$0	\$4,248,594
Arapahoe	6,949,754	12,448,671	(14,927,054)	0	(500,000)	0	0	0	5,373,826
Boulder	2,945,994	6,886,140	(6,868,230)	(2,964,934)	0	0	1,031	0	510,739
Denver	18,698,172	39,667,156	(39,552,396)	0	(3,843,762)	0	7,395	0	16,976,565
El Paso	919,445	18,775,636	(21,069,220)	0	0	1,374,016	123	0	9,293,149
Jefferson	4,266,566	11,503,851	(14,982,423)	0	(790,122)	0	2,127	0	(0)
Larimer	222,604	8,379,893	(8,603,419)	0	0	919	4	0	2,962,610
Mesa	3,360,323	5,832,295	(5,889,353)	(468,000)	(131,102)	0	0	0	2,704,164
Pueblo	4,506,189	6,594,708	(8,140,822)	0	0	0	27	0	2,960,101
Weld	1,709,019	4,730,833	(4,917,429)	(1,535,080)	0	12,656	0	0	(0)
Balance of State	<u>8,701,709</u>	<u>25,763,638</u>	<u>(28,746,603)</u>	<u>(1,306,463)</u>	<u>(1,023,822)</u>	<u>2,112,965</u>	<u>545,714</u>	<u>(685,772)</u>	<u>10,589,104</u>
TOTAL	\$57,393,454	\$152,896,518	(\$168,454,773)	(\$6,274,477)	(\$6,288,808)	\$3,500,555	\$556,421	(\$685,772)	\$55,618,851