

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF BUDGET BRIEFING
DEPARTMENT OF HUMAN SERVICES**

(County Administration, Office of Self-Sufficiency, Adult Assistance)

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

**Prepared By:
Amanda Bickel, JBC Staff
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For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

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DEPARTMENT OF HUMAN SERVICES

(County Administration, Self-Sufficiency, Adult Assistance)

Department Overview

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the State. It supervises programs that are administered at the local level by counties and other agencies and directly operates mental health institutes, regional centers for people with developmental disabilities, and institutions for juvenile delinquents. This presentation focuses on three sections of the Department.

- **County Administration:** Provides the 64 county departments of human services with resources to administer the Supplemental Nutrition Assistance Program (SNAP; formerly known as food stamps), adult cash assistance programs, Child Support Enforcement, and Adult Protective Services, among other programs. Much of this funding supports county staff who determine eligibility for programs using the Colorado Benefits Management System (CBMS). Additional funding for county administration is included in program area budgets in other divisions and in the Department of Health Care Policy and Financing.
- **Self-Sufficiency:** Provides income, nutritional, and support services to assist families and individuals in need.
 - 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 are complied with.
 - Disability Determination Services 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 needy elderly and disabled adult 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 and Home Care Allowance programs, which provide cash assistance for low-income disabled adults.
- Supervises county Adult Protective Services (APS) programs, which intervene on behalf of at-risk adults to address abuse, neglect, or exploitation.
- Supervises the provision of Older Americans Act services, such as Meals on Wheels, to older Coloradans through the 16 Area Agencies on Aging (AAA).

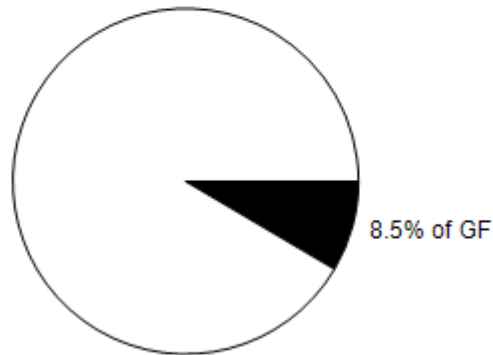
Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 *
General Fund	\$623,196,849	\$619,593,123	\$642,011,487	\$680,113,157
Cash Funds	341,382,102	329,545,321	336,871,969	333,282,024
Reappropriated Funds	469,989,726	455,037,280	475,870,742	493,399,494
Federal Funds	<u>704,693,428</u>	<u>649,001,182</u>	<u>616,568,241</u>	<u>614,989,282</u>
Total Funds	\$2,139,262,105	\$2,053,176,906	\$2,071,322,439	\$2,121,783,957
Full Time Equiv. Staff	5,177.4	4,849.6	4,878.6	4,886.7

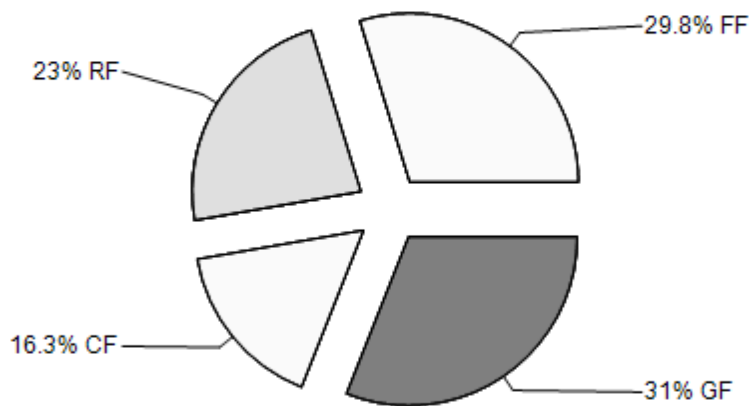
*Requested appropriation.

Department Budget: Graphic Overview

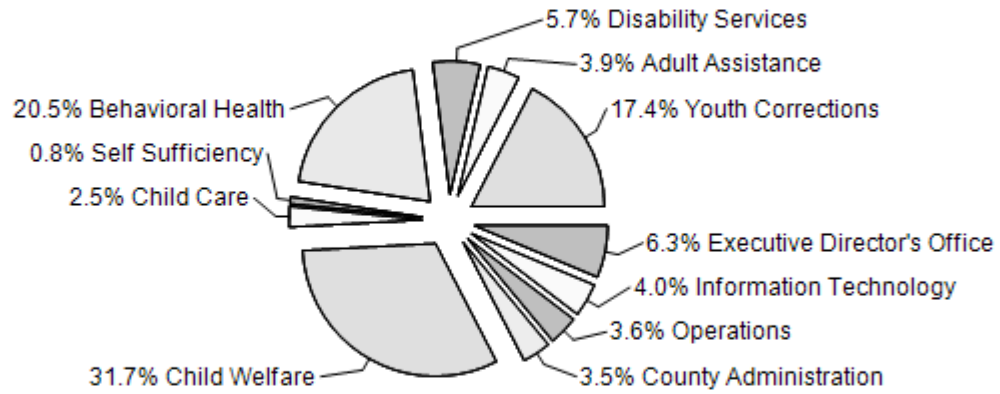
**Department's Share of Statewide
General Fund**



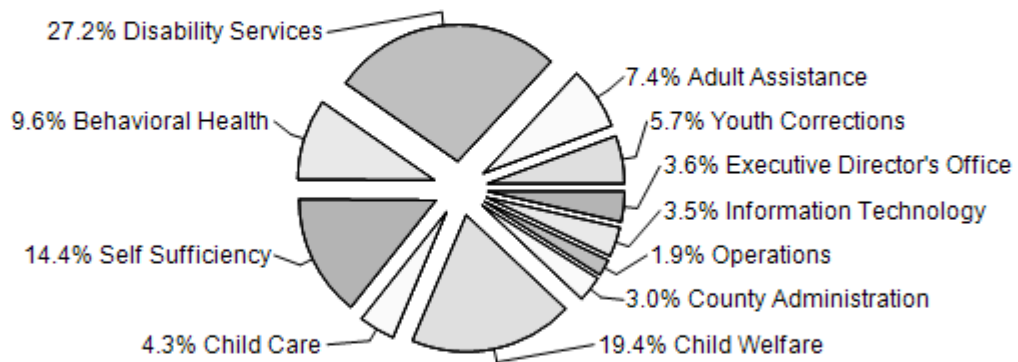
Department Funding Sources



Distribution of General Fund by Division



Distribution of Total Funds by Division



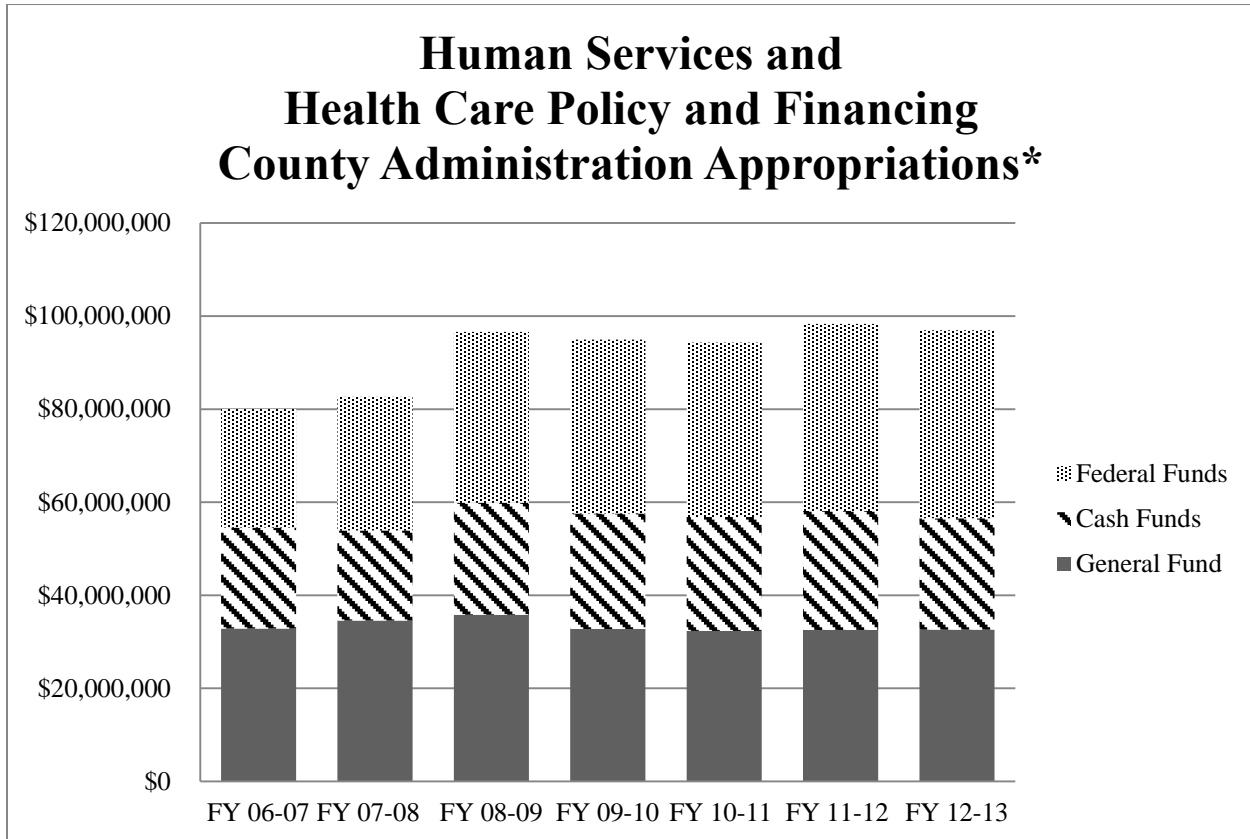
General Factors Driving the Budget

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.

County Administration

The majority of public welfare programs in Colorado are state-supervised and county administered. The County Administration Division includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and some other benefits programs, as well as funding to assist some poorer counties in maintaining program operations. *Funding provided by the State for county administration is capped*, and county costs and caseload only affect appropriations to the extent the General Assembly chooses to make related adjustments. Many counties supplement state appropriations with county tax revenues.

Recent changes to state funding have often transferred funds among line items within the County Administration section, to other Department of Human Services sections, and to the Department of Health Care Policy and Financing to draw down additional federal dollars without increasing total General Fund support. The table below combines appropriations for county administration from the Departments of Human Services and Health Care Policy and Financing, as both departments' appropriations primarily support eligibility determination by county staff using the Colorado Benefits Management System. As reflected, appropriations for county administration have essentially been held flat since FY 2008-09, despite large increases in public assistance caseloads.



*This chart reflects funding for the Department of Human Services County Administration section (\$62.9 million in FY 2012-13) and the Department of Health Care Policy and Financing County Administration line item (\$34.0 million in FY 2012-13). It excludes county administration appropriations in other sections of the Department of Human Services.

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.

Colorado Works and the Temporary Assistance to Needy Families Block Grant

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program. The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. In Colorado, the majority of the TANF block grant funds received each year (\$128.2 million of the \$147.9 million received in FY 2011-12) is appropriated as block allocations to counties for the Colorado Works program. Federal TANF funds are also used by the State and counties to support related programs that assist needy families, including child welfare and child care subsidy programs. Pursuant to federal law, TANF federal funds are subject to appropriation by the General Assembly.

- Most recently, Colorado has experienced a \$13.6 million cut to federal funding starting in FY 2011-12, due to the failure of Congress to reauthorize the federal TANF Supplemental Grant.

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This has resulted in budget cuts to various TANF-supported programs starting FY 2011-12 and FY 2012-13. In addition, temporary FY 2009-10 increases in TANF available under the American Recovery and Reinvestment Act of 2009 (ARRA) were not continued.

- Although federal and state funding available for the Colorado Works program has been flat or declining, the demand for Colorado Works basic cash assistance climbed sharply starting in FY 2008-09. As of late FY 2011-12, demand remained high due to the lingering effects of the recession.
- From FY 2008-09 through FY 2010-11, counties increased spending on the Colorado Works program in response to the increased demand, relying on county-controlled TANF reserves to support higher spending levels. Starting in FY 2011-12, county spending for Colorado Works contracted in response to reduced federal funding. As the demand for basic cash assistance did not decline in FY 2011-12, cuts have been taken to other parts of county Colorado Works programs.
- In light of state General Fund revenue shortfalls, starting in FY 2009-10, the General Assembly began to refinance some General Fund appropriations for child welfare services with TANF funds from state-controlled TANF reserves. As of FY 2011-12 \$23.5 million in the Division of Child Welfare had been refinanced with TANF funds. However, as state-controlled TANF reserves have been spent down and Colorado's federal TANF allocation has been cut, the General Assembly has begun to reverse this pattern. In FY 2012-13, only \$6.0 million of the Child Welfare appropriation is comprised of TANF funds, and these remaining funds were anticipated to be replaced by General Fund starting in FY 2013-14.

Low Income Energy Assistance Program and Other Federal Custodial Programs

Many Changes to funding in this section of the budget are based on federal programs over which the General Assembly has little control. This includes adjustments for the Low Income Energy Assistance Program (LEAP), which is largely driven by federal funding levels. Funding for the LEAP program has been particularly volatile, as reflected in the table below.

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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%
2010-11	\$59,000,577	(\$18,408,596)	-23.8%
2011-12	\$50,139,154	(\$8,861,523)	-15.0%

Adult Assistance Programs

Old Age Pension Program

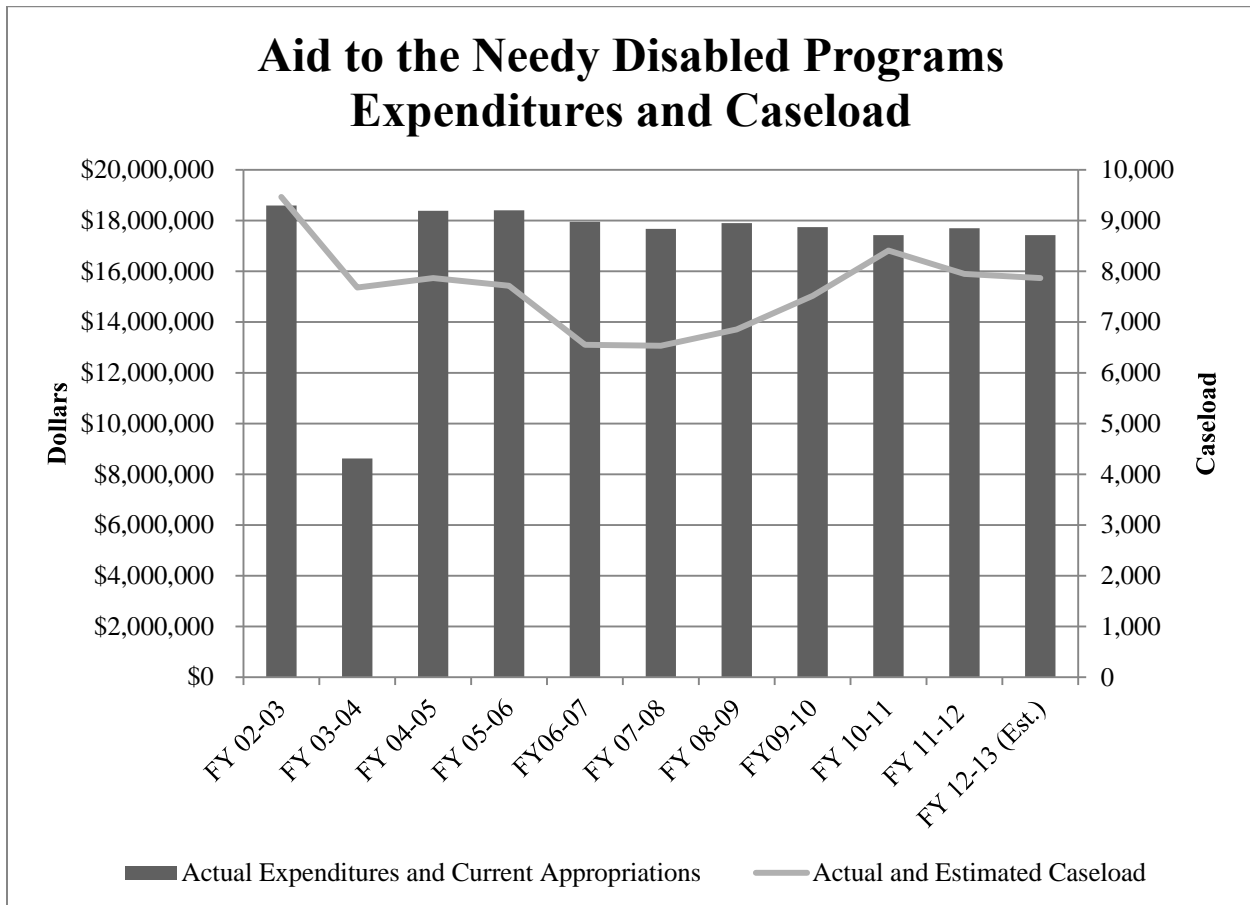
The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals ages 60 and over. It is funded through excise and state sales taxes which are deposited to the OAP cash fund in lieu of the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. The General Assembly has limited control over OAP expenditures, as benefit levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill appropriation reflects anticipated expenditures and is shown for informational purposes.

Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living increases approved by the State Board of Human Services, while the caseload remained flat or declining between 24,000 and 23,000. Between January 2009 and June 2012, no cost-of-living increases were approved, and expenditures were significantly reduced starting in FY 2010-11 by S.B. 10-1384, which imposed a five year waiting period for most new legal immigrants to become eligible for OAP benefits. Pursuant to H.B. 12-1326, the General Assembly encouraged the State Board of Human Services to provide a cost of living increase of 3.7 percent effective July 1, 2012, driving an anticipated increase of \$6.7 million for FY 2012-13.

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 pending applications for federal SSI. Funding for these programs is comprised of General Fund, county match, and federal reimbursements for payments to individuals who initially receive a state-only subsidy but are ultimately deemed eligible for federal SSI.

In the last few years, the programs' appropriations have remained relatively flat, and benefits have been adjusted by the Department so that total expenditures remain within appropriated levels. However, some funding adjustments have been required to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration. The MOE applies to state spending for those individuals who receive federal SSI payments. Spending for the population that is *not* SSI-eligible has been reduced in the past (most notably in FY 2003-04) in response to state revenue shortfalls.



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 are adjusted based on available federal and state funding. Funding from state sources increased significantly through FY 2008-09 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as state sales and excise taxes. More recently, state and local funding has remained relatively flat, while total funding increased through FY 2011-12 based on additional federal funds available. For FY 2012-13, reductions in federal funding are possible based on budget sequestration pursuant to the Budget Control Act of 2011.

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Summary: FY 2012-13 Appropriation & FY 2013-14 Request

Department of Human Services						
(County Administration, Self Sufficiency, Adult Assistance)						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	508,214,691	52,765,595	148,585,474	35,751	306,827,871	273.7
Other legislation	6,701,231	0	6,701,231	0	0	0.0
TOTAL	\$514,915,922	\$52,765,595	\$155,286,705	\$35,751	\$306,827,871	273.7
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	\$514,915,922	\$52,765,595	\$155,286,705	\$35,751	\$306,827,871	273.7
R-4: Additional Funding for County Administration - Food Assistance Administration	6,796,800	2,039,040	1,359,360	0	3,398,400	0.0
R-5: Provider rate increase	853,693	345,030	170,739	0	337,924	0.0
R-8: State Funding for Senior Services	3,818,806	2,000,000	1,818,806	0	0	0.0
Annualize prior year legislation	(7,363,767)		(7,363,767)	0	0	0.0
Annualize prior year funding	(4,715,280)	(1,414,584)	(943,056)	0	(2,357,640)	0.0
SUBTOTAL	\$514,306,174	\$55,735,081	\$150,328,787	\$35,751	\$308,206,555	273.7
Increase/(Decrease)	(\$609,748)	\$2,969,486	(\$4,957,918)	\$0	\$1,378,684	0.0
Percentage Change	(0.1%)	5.6%	(3.2%)	0.0%	0.4%	0.0%
<i>Informational item:</i>						
Elder Abuse Task Force Bill	5,000,000	5,000,000	0	0	0	0.0
TOTAL	\$519,306,174	60,735,081	\$150,328,787	\$35,751	\$308,206,555	273.7
Increase/(Decrease)	\$4,390,252	\$7,969,486	(\$4,957,918)	\$0	\$1,378,684	0.0
Percentage Change	0.9%	15.1%	(3.2%)	0.0%	0.4%	0.0%

Description of Requested Changes

R-4: Additional Funding for County Administration – Food Assistance Administration: This request adds \$6,796,800 total funds (including \$2,039,040 General Fund) in FY 2013-14 and \$8,283,600 total funds (including \$2,485,080 General Fund) in FY 2014-15 to cover the administrative costs associated with a projected increases in the food assistance caseload.

R-5: Provider rate increase: The request is for a 1.5 percent common policy increase for programs that deliver services through community-based providers. The amount shown reflects the requested increase for the County Administration line item, which has historically received provider rate adjustments.

R-8: State Funding for Senior Services: The request is for \$3,818,806 total funds to increase funding for senior programs. This includes a \$2,000,000 General Fund increase for senior services programs (e.g., “meals on wheels”) and \$1,808,806 cash funds to provide a cost of living adjustment to Old Age Pension (OAP) recipients.

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Annualize prior year legislation: The request annualizes the impact of H.B. 10-1384 (Noncitizen Eligibility for Old Age Pension) on projected expenditures for the Old Age Pension (OAP) program. This bill provided initial savings in FY 2010-11 by barring qualified aliens from accessing the OAP program for five years after their date of entry into the United States. However, sections of the bill that required that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility were delayed until January 1, 2014, due to restrictions incorporated in the federal Patient Protection and Affordable Care Act. The cash funds savings shown correspond to an increase in General Fund revenue available, because tax revenues not required for the Old Age Pension program “spill over” to the General fund.

Annualize prior year funding: The request eliminates an increase for food assistance administration that was approved for two years only (FY 2011-12 and FY 2012-13). (Request R-4 replaces this lost funding and provides a further increase.)

Informational Item: Elder Abuse Task Force Bill: The Governor's November 1 letter to the Joint Budget Committee indicates that the Governor has set aside \$5,000,000 General Fund for FY 2013-14 to implement the recommendations of the Elder Abuse Task Force created by S.B. 12-078. The request indicates that this increase would be included in new legislation.

Issue: Adult Protective Services

The Executive Request includes \$5.0 million General Fund set aside for new legislation to require mandatory reporting of elder abuse, based on the recommendations of the S.B. 12-078 Elder Abuse Task Force. It also includes \$250,000 for a new adult protective services information technology system. A large portion of the proposed increases are related to improving the quality of current county adult protective services programs, rather than new costs associated with mandatory reporting. In light of the scale of proposed increases, staff recommends structural changes to funding for this program.

SUMMARY:

- Colorado counties are responsible for responding to reports of abuse of elderly and vulnerable individuals, and the Colorado criminal code includes penalties for the abuse of elderly and vulnerable people. However, Colorado is one of four states that do not require key professionals to report incidents of abuse.
- Senate Bill 12-078 established an Elder Abuse Task Force, which has been meeting during the interim to form recommendations on mandatory reporting in Colorado. The Elder Abuse Task Force report recommends an increase of \$5.8 million and statutory changes to implement mandatory reporting. The recommended increase is largely related to improving the *quality* of current county Adult Protective Services (APS) programs (*e.g.*, reducing caseworker caseloads). A smaller portion of the total is driven by costs directly tied to mandatory reporting, such as projected caseload increases.
- The Governor has set aside \$5.0 million General Fund in the FY 2013-14 budget request for a bill to require mandatory reporting. The Department has also included R-9 in the budget request, which would provide \$250,000 for a new elder abuse data system (one of the Elder Abuse Task Force recommendations).
- Funding for APS is currently buried within other line items, making it difficult to determine whether current funding is adequate and to ensure that any increases benefit the correct program.

RECOMMENDATIONS:

1. An Adult Protective Services line item should be broken out from the current County Administration line item beginning in FY 2013-14 and moved to the Adult Assistance section of the Long Bill. For an initial period of one to two years, some flexibility should be provided to allow transfer of funds between this new line item and the County Administration line item.
2. The Department should convene a work group to develop an allocation formula for APS that supports the desired level of services and outcomes. The General Assembly should consider

a statutory modification to establish an APS county allocation process, potentially as part of the planned Elder Abuse Task Force mandatory reporting bill.

3. Funding for state staff responsible for APS should be shifted for FY 2012-13 and future years from the Old Age Pension Cash Fund to the General Fund, to comply with State Constitutional requirements. Any funding added for an APS information technology system should likewise be funded with General Fund, rather than Old Age Pension Cash Funds.

DISCUSSION:

Background: Adult Protective Services

Statutory guidelines. The State first passed an adult protective services (APS) law in 1983 to address elder-abuse issues. It was extended to all at-risk adults in 1991. Section 3.1 of Title 26, Colorado Revised Statutes outlines county responsibilities with respect to at-risk adults. In Title 26, at-risk adults are defined as an individual age 18 or older who is susceptible to mistreatment, self-neglect, or exploitation because the individual is unable to perform or obtain services necessary for his or her health, safety, or welfare, or lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his or her person or affairs. Section 26-3.1-101 through 109, C.R.S.:

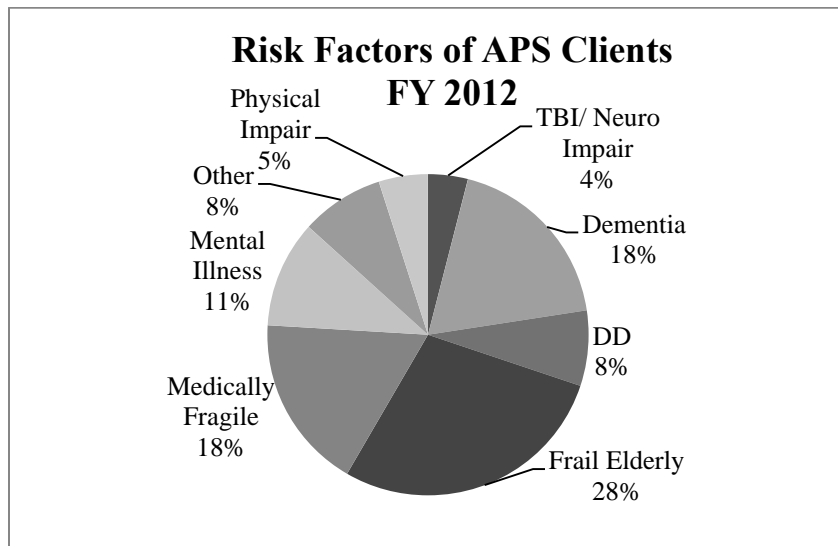
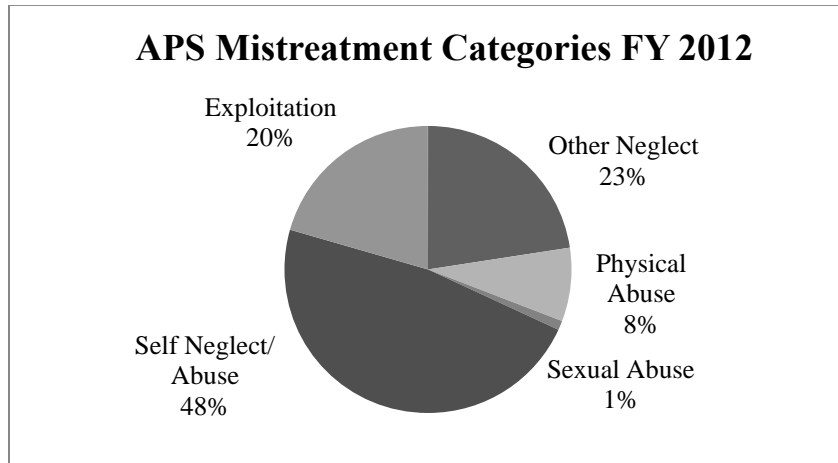
- urges individuals in various job categories (such as physicians and social workers) to make an immediate report to county department of social services or, during non-business hours, to a local law enforcement agency, if the person knows of or has reasonable cause to believe that an at-risk adult has been mistreated or exploited or is self-neglected.
- requires the agency receiving the report to immediately make a thorough evaluation of the reported level of risk. If a county determines that an investigation is required, it must arrange for an investigation and provision of protective services.
- requires counties with a minimum number of reports (as determined through rule) to form an at-risk adult protection team. The State Board of Human Services is required to promulgate rules regarding adult protection team services.

Title 18, the criminal code, also includes statute related to abuse and neglect of at-risk adults at Section 18-6.5-101 through 107, C.R.S. However, it addresses only issues of one individual abusing or neglecting another—either financially or physically—as opposed to self-neglect, which comprises a large share of the county adult protective service caseloads. Specifically, Title 18 defines an at-risk adult as any age 60 years of age or older or any person over 18 with a disability. This section of statute enhances criminal classifications (and thus penalties for crimes) if they are committed against an at-risk person.

Who receives Adult Protective Services? The charts below summarize APS county program data by mistreatment category and risk factors. Some additional points about the client population include:

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- 28 percent of those served by county APS are under age 60, but are at-risk for other reasons;
- for those being abused by someone else, 75 percent of perpetrators were family members;
- 62 percent of APS clients were considered to be competent to make their own decisions in FY 2009-10.



What services are provided? As detailed in state rules and guidelines, the protective services to be provided by counties include:

- Receiving and investigating reports of mistreatment or neglect
- Providing casework and counseling services
- Arranging, coordinating, delivering where appropriate and monitoring services, including medical care for physical or mental health needs, protection from mistreatment, and assistance with application for public benefits
- Referral to community services providers
- Initiation of probate proceedings

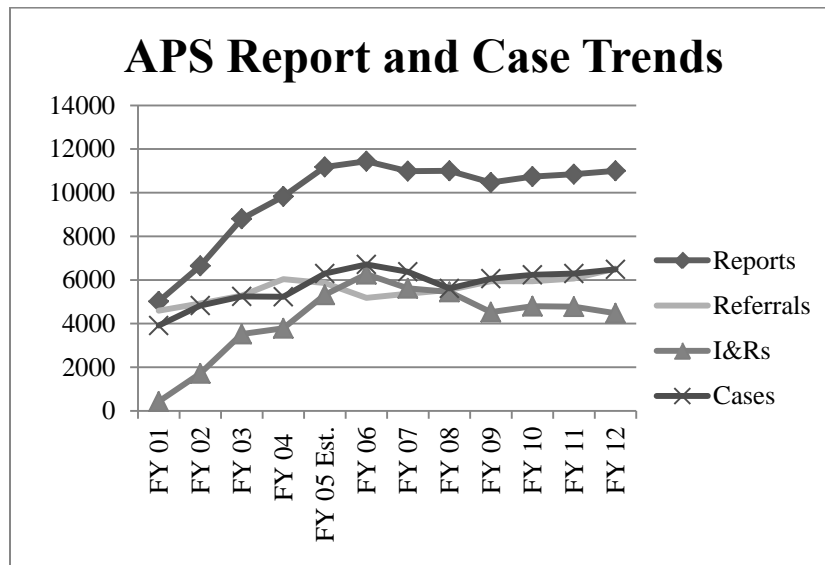
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Counties receive reports of abuse and neglect from many sources, including both neighbors and individuals who are “urged” in statute to make such reports, such as doctors, nurses, and nursing home personnel. In many cases, reports received by a county do not rise to the level of alleging mistreatment or self-neglect for an at-risk adults. In these cases, a county may simply provide “information and referral” (I&R) services. However, when a county receives a credible report on an at-risk adult, typically it must make face-to-face contact within three days. In about 5 percent of cases the situation is deemed sufficiently urgent to require an immediate or 24-hour response.

While APS resembles child protective services in some respects, there are important differences. In particular, *county involvement is dependent upon the consent of the adult*. Even if a county determines that there has been abuse or neglect, as long as the adult is deemed competent (the majority of the caseload), counties may not intervene on an issue involving either self-neglect or mistreatment if the individual does not provide consent. In addition, much of the APS role involves connecting individuals with services provided by other entities, as there is no designated funding for direct support services by APS, unless a county allocates funds for this purpose.

Most APS cases are closed quickly: 47 percent are closed within 30 days, and less than 10 percent of cases are open for more than six months. Case closures may occur because safety issues are resolved, *e.g.*, because the adult is moved into an assisted care facility, or simply because the adult rejects services. In rare cases, county involvement is extended such as when a county become guardian or conservator for an individual, if there is no other responsible party to take on this role.

The chart below provides ten-years of history on reports, referrals, “information and referral” responses, and cases.



*A “referral” results in further investigation, while “I&R’s” are information and referral calls where the issue described in a report does not qualify as mistreatment or self-neglect by an at-risk adult.

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There is considerable variation among county APS programs. How the county organizes services is an internal decision. For example, in some counties (both large and small) APS and child protective services overlap, so that workers may be cross-trained to work in both areas, or initial referrals from the community may come to the same call-center staff. In other counties, APS may rely on staff who work solely on adult issues.

How effective are services? The short answer is we don't know. There is no APS data system in place other than the Colorado Benefits Management System (CBMS), and there does not appear to be data available on the reasons cases are closed or other outcome measures.

How are services funded? Funding for county-administered APS is incorporated in the County Administration line item in the Long Bill, along with other county responsibilities such as eligibility determination for food assistance. During FY 2011-12, counties spent \$8.5 million, on APS services, including a \$4.8 million General fund, \$1.7 million (20 percent) local county share, and \$2.0 million federal Title XX funds (Social Services Block Grant). Funding for state oversight staff are similarly embedded in other line items, as discussed further below. The Elder Abuse Task Force report provides the following summary of APS expenditures, including amounts funded in various line items.¹

	FY 2011-12
State administration	\$ 351,449
County administration	8,494,274
Training	23,723
Services	9,063
Data System (CBMS)	257,000
Quality Assurance	80,100
Total	9,215,609

S.B. 12-078 Elder Abuse Task Force Recommendations

During the 2012 legislative session, the General Assembly adopted S.B. 12-078 (Protections for At-Risk Adults; Hudak/Schafer S.). The bill clarified definitions and modified some requirements concerning the mistreatment, self-neglect and exploitation of at-risk adults. It also created a 17-member Elder Abuse Task Force including representative from the legal community, law enforcement, long-term care providers, health care professionals, banking, social services, and state agencies to study, make recommendations, and report on issues related to at-risk elderly adults. **The legislative intent, as expressed in the bill, was that the Task Force would “lead to the implementation of a complete system of reporting of mistreatment and exploitation of at-risk elderly adults by September 1, 2013, subject to the availability of sufficient funding...”**

This task force was specifically charged making recommendations concerning:

- how to require mandatory reporting of elder abuse by certain persons;

¹ There are some minor discrepancies between data in the Elder Abuse Task Force report and other staff data sources, probably due to timing or the format of database queries.

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- county provision of protective services to at risk elderly adults;
- the minimum age for identifying someone as an “at risk elderly adult”;
- an estimate of the costs, including workload impacts to be incurred by the state department, county departments and law enforcement as a result of mandatory reporting;
- sustainable sources of funding
- training for county and state employees;
- existing criminal penalties for offenses against at-risk adults; and
- Reconciling the definition of at risk adult in Title 26 (human services code) versus Title 18 (criminal code).

The Task Force met on many days throughout the interim and developed a lengthily report, with the following recommendations:

- Colorado should implement a data system that will accurately measure the impact of mandatory reporting in Colorado and adjust county resources accordingly rather than relying on data from other states. The Task Force supports the Governor’s request for a new data system, as outlined in his November 1, 2012 Budget Submission.
- The current county deficit in caseload ratio should be reduced to the recommended standard of 25:1, and an additional 15% increase in reports due to mandatory reporting must be anticipated.
- County departments should be provided funding to access protective services for elder adults.
- The General Assembly should study the need for and implementation of a public guardianship and conservatorship program.
- The General Assembly should study and develop specific recommendations for combating financial exploitation.
- LLS and JBC staff should analyze identified sources of funding and determine the best option for an assured and sustainable source of funds for mandatory reporting and overall APS infrastructure.
- The Task Force recommends that mandatory reporting must be prioritized by the General Assembly and may require offsetting funding for other important programs if additional money cannot be identified.
- The Task Force recommends funding for training, education, outreach, and accountability for county and law enforcement staff, mandatory reporters and the general public.
- The Task Force recommends changes to the APS statute (Title 26) and the criminal code (Title 18) to support the recommendations.
- **The Task Force recommendations result in a total funding need of \$5.8 million to support mandatory reporting.**

A funding source for much of the Elder Abuse Task Force recommendations has been identified. **The Executive Request includes funding for an Adult Protection data system, and the Governor’s letter to the Joint Budget Committee dated November 1, 2012 indicates that \$5,000,000 General Fund is set aside for the recommendations of the Elder Abuse Task Force.**

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The substance of a mandatory reporting bill will be debated on its merits by the General Assembly. Staff notes, however, that December 2011 Legislative Council Staff research report found that Colorado is one of only four states that do not have mandatory reporting for elder abuse. Further, the problem of elder abuse is likely to become more and more prominent as the state's population ages.

Regardless, **many of the funding increases recommended by the Elder Abuse Task Force relate to base increases and are not driven by mandatory reporting.** The cost of Task Force recommendations is summarized below.

Summary Elder Abuse Task Force Recommendation	
Cost Estimates*	
Reduce county caseloads from 34:1 to 25:1	\$2,700,000
Projected 15% increase in caseload due to mandatory reporting	1,700,000
Funding for services to be used per county discretion	1,000,000
Training and quality assurance activities (1.0 FTE)	165,000
Adult Protective Services data system	250,000
Total*	\$5,815,000

*Details of some report calculations are not clear, so these figures are rounded for purposes of discussion

Of the total, \$1.7 million is related to a projected 15 percent caseload increase driven by mandatory reporting. However, most of the balance of the recommendations could legitimately be funded through the Long Bill, rather than the proposed mandatory reporting bill. Specifically:

- The recommendations include \$2.7 million to reduce APS worker caseloads from an average of 34:1 to 25:1, unrelated to any increase in caseload driven by mandatory reporting.
- The recommendations include \$1.0 million to be used per the counties' discretion to provide safety net and other services needed by individuals identified in APS investigations. This is not specifically related to any new mandatory reporting requirement. *The Task Force indicates that if the recommendations are constrained to the \$5.0 million set-aside by the Governor, this is the component that should be reduced.*
- The recommendations include \$85,000 for training, primarily if not solely related to lack of funding in the base. The State only recently implemented required training for APS workers and has few resources to provide it.
- The recommendations include \$80,000 and 1.0 state FTE for quality assurance by state staff, so that on-site program review may be conducted every one to two years instead of every three to four years. This again responds to lack of funding in the base, rather than new requirements related to mandatory reporting.

These base increases respond to county and Department concerns that the APS program is under-funded. During S.B. 12-078 Task Force meetings, staff observed tension between those advocating for mandatory reporting of elder abuse and county representatives, who insisted that mandatory reporting could not be adopted unless there were substantial increases in base funding for APS. A September 24, 2012 letter from Colorado Counties Inc. (CCI) to the Task Force warned that "...if the costs to our county departments and law enforcement agencies are not accurately and defensibly determined and a sustainable, state revenue source is not identified, it is very likely that CCI members will oppose the implementation of mandatory

reporting as an unfunded mandate.” Thus, the “deal” reflected in the Elder Abuse Task Force recommendations is to increase base funding for APS, in addition to providing funding adjustments for new caseload that might emerge as a result of the mandatory reporting requirement.

Staff Recommendations: APS Base Funding and Requested Increases

Funding for State Staff

Staff has recently learned that state staff responsible for APS oversight are being funded through the Old Age Pension (OAP) State Administration line item. Staff does not believe this is appropriate, although it is apparently a long-standing arrangement.

The Department’s R-9 request for an APS data system proposes to fund this with OAP Cash Funds. When staff questioned this, the Department reported (November 8, 2012) that APS state staff have historically been funded from the Old Age Pension Program State Administration line item. The Department provided a copy of a footnote report provided to the Joint Budget Committee October 1, 2002 regarding APS, which clearly outlined (both in the Executive Summary and the body of the document) that 2.75 FTE state APS program staff were funded with Old Age Pension moneys. It appears that the JBC took no action on this information at the time.

The State should stop using OAP Cash Funds to support APS as soon as possible and no later than FY 2013-14. Article XXIV of the State Constitution authorizes use of OAP funds for administrative purposes, but only for “defraying the expense of administering such fund”. Specifically, according to the Constitution:

“The state board of public welfare, or such other agency as may be authorized by law to administer old age pensions, shall cause all moneys deposited in the old age pension fund to be paid out as directed by this article and as required by statutory provisions not inconsistent with the provisions hereof, after defraying the expense of administering the said fund.” (Section 4)

Further:

“All moneys deposited in the old age pension fund shall remain inviolate for the purpose for which created, and no part thereof shall be transferred to any other fund, or used or appropriated for any other purpose, except as provided for in this article.” (Section 8)

The APS program is not the same as the OAP program. The two programs serve different populations and offer different benefits. The State Supreme Court has ruled in the past that the use of OAP funds for a program that is not targeted to individuals on the Old Age Pension is not consistent with the Constitution (*Davis v. Pensioners Association*, 110 Colo. 380, 135 P.2d 142 (1943)). About 28 percent of the APS population is under age 60 (the cutoff age for OAP), and there is no data indicating that those receiving APS services who are over age 60 receive the OAP or qualify based on income limits. *Staff from the Office of Legislative Legal Services concurs that use of OAP funds to support APS appears inconsistent with the Constitution.*

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Staff does not know the origin of this use of OAP funds. It predates both current Department staff and JBC staff working on this issue. Regardless, the situation can and should be promptly remedied with agreement between the Executive and the Legislative Branches. **Staff recommends:**

- providing a General Fund appropriation for APS state staff in a new APS State Administration program line item;
- reducing the OAP cash funds appropriation for OAP State Administration by the same amount; and
- obtaining agreement from the Executive Branch that it will make such a reduction for OAP State Administration. (Executive agreement should be sought, since OAP amounts in the Long Bill are informational, and the State Board has ultimate authority on OAP administrative expenditure levels.)

As long as the General Assembly and the Executive are in agreement, the JBC should not need to make any other adjustment to the Executive request to balance the recommended General Fund increase for APS staff. This is because the OAP is funded from sales and excise taxes (general tax revenue), and any amount not required for the OAP “spills over” to the General Fund. In other words, APS staff will continue to be funded with general tax revenue, as they have in the past, but the funding source will be consistent with the Constitution, and authority over the funding level will appropriately rest with the General Assembly rather than the State Board of Human Services.

Based on initial information provided by the Department, it appears that approximately \$350,000 and 4.2 FTE should be shifted from the OAP funding source to the General Fund. It appears that funding for some staff responsible for the Aid to the Needy Disabled Program may also need to be shifted.

Request R-9: APS Data System

The Department requests \$250,000 for FY 2013-14 and \$160,000 per year for FY 2014-15 for a new APS data system. The request is for OAP cash funds.

Currently, the APS data system is housed in the Colorado Benefits Management System (CBMS). CBMS is designed primarily for eligibility determination, benefits management, and payment issuance. As a result, the APS module in CBMS does not meet the basic functionality required for the APS system for case management, data collection and analysis. Problems include:

- CBMS is not designed to incorporate critical information such as client background information required for caseworkers to make decisions on client safety.
- Due to security concerns, high provide cases are often omitted from the system.
- Key fields/functionality are missing, so that users cannot enter reasons for not seeing clients within required response times.
- System defects can result in inaccurate reporting, but the costs and time involved in any changes to CBMS are prohibitive. Changes requested in 2008 have still not been completed.

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The Department proposes to replace use of CBMS with a flexible web-based integrated case management system configured specifically for APS. It has identified four vendors who offer such systems, and a fifth vendor who could create a system from scratch.

Staff recommends approving funding for a new APS data system, with the following caveats:

- Any new system must be funded with the General Fund, rather than OAP cash funds.
- Current CBMS costs billed to APS are approximately \$236,000 General Fund. Ultimately, all APS data and functionality will be migrated from CBMS. Staff believes the Executive should provide a more firm commitment on future savings in CBMS (based on reduced costs and different funding splits) before agreeing to indefinitely pay both \$236,00 General Fund per year for a non-functioning CBMS APS module and \$160,000 General Fund for a new APS system.

County Administration Funding

County administration for APS is incorporated in the main County Administration line item in the Department of Human Services. This line item is largely devoted to county administration of food assistance. The table below reflects the actual FY 2011-12 expenditures for County Administration line items (Human Services plus Medicaid amounts from Health Care Policy and Financing), broken out by program area and including over-expenditure amounts recorded in the close-out process.

County Administration Allocated Line Items - Actual Expenditures FY 2011-12							
	Total	General Fund		Cash Funds		Federal Funds	
County Administration Line Items (HCPF & DHS)							
Food Assistance	\$ 52,977,987	\$ 15,893,378	30%	\$ 11,845,596	22%	\$ 26,489,013	50%
Medicaid & CHP+	32,667,924	10,982,149	34%	5,397,777	17%	16,287,998	50%
Adult Protective Services	8,502,950	4,833,300	57%	1,700,280	20%	1,969,370	23%
Child Support Enforcement	7,022,930	983,209	14%	1,404,585	20%	4,635,136	66%
LEAP administration/Other	3,768,975	3,015,180	80%	753,794	20%	-	0%
Total	\$ 104,940,766	35,707,216	34%	\$ 21,102,033	20%	\$ 49,381,516	47%

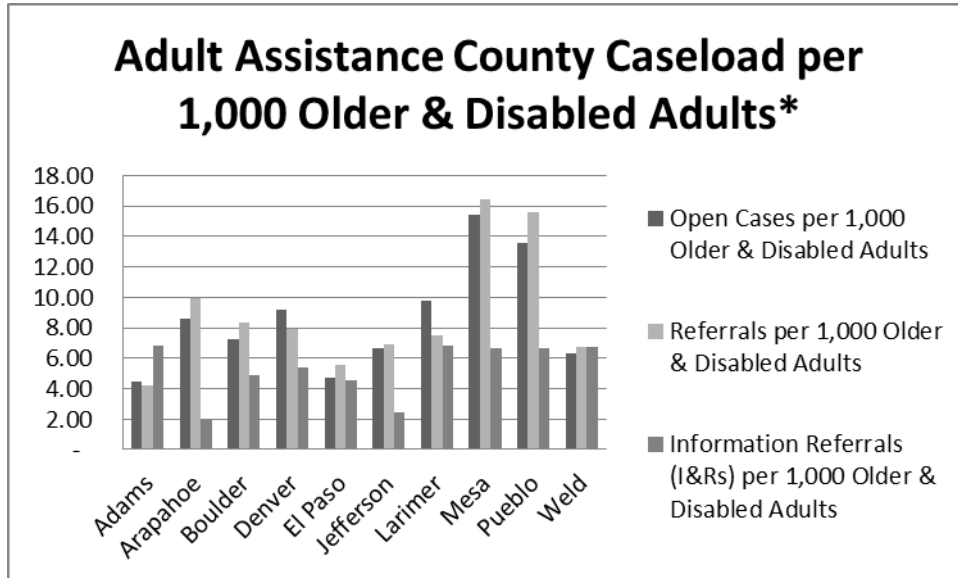
Counties have flexibility within county administration to allocate funds among programs. Thus, **resources directed to APS, as opposed to other county administration expenditure areas, are at a county’s discretion.** Data provided by the Department indicate that there is wide variation among counties in the extent to which they choose to devote resources to APS and how they operate their programs. Staff calculates that **for the ten largest counties, total APS expenditure per disabled individual in the general population (estimated as population over age 65 plus ten percent of population ages 18-64) ranges from a low of \$4.36 to a high of \$18.20.** The charts below show some key drivers in these differences: program penetration rates (APS caseload per population of older and disabled adults) and cost per case. As shown:

- Some counties serve a much larger share of their eligible population than others.
- The relationship between the number of referrals (calls requiring investigation), information and referral calls (calls not requiring investigation), and open cases seems to vary greatly from county to county.

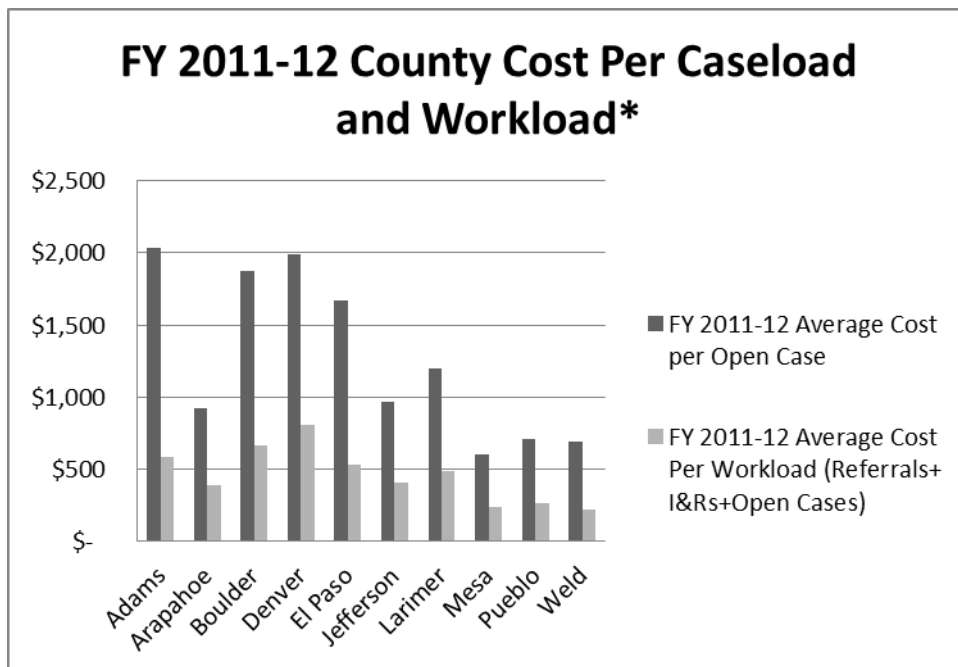
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- Some counties have far higher costs per case than others. Not surprisingly, counties that serve a larger share of their population tend to have a lower cost per case, but this is not the sole cause for variation.

Staff has been informed that some of this variation may reflect improper recording of data in the CBMS system. However, this is the only data available.



*Older and disabled adults are defined as all individuals age 65+ plus 10 percent of population age 18-64, based on American Community Survey estimates of the percentage of the population in this age range with a disability.



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*Based on actual county expenditures for FY 2011-12 divided by (1) FY 2011-12 open cases; and (2) the sum of FY 2011-12 referrals, I&Rs (information and referral calls), and open cases.

If APS county administration is likely to receive increases at the level reflected in the Governor’s set-aside, the base program funding and allocation structure for APS should be separated in the budget and structured to meet APS program goals.

- If the General Assembly chooses to adopt a bill incorporating the Elder Abuse Task Force recommendations within the \$5.0 million set-aside established by the Governor, staff anticipates that ongoing county funding for APS will increase by about \$4.8 million--**an increase of about 60 percent on the base. Staff believes a discrete program of this size should be subject to more legislative scrutiny than occurs when funding is incorporated in the broader County Administration appropriation.**
- In part because of the way APS is embedded in County Administration, **staff cannot determine whether APS is under-funded or not, as asserted by counties.**
 - The last County Administration workload study (Deloitte, 2007) concluded that \$8,046,755 was required to fully fund county APS programs at that time, out of a total \$84,634,733 required overall for county administration. This figure was based on specific data on minutes required per various kinds of activity (*e.g.*, APS screening, investigation, service provision), and county caseload data for different size counties.
 - The General Assembly subsequently provided significant increases for county administration to help address the Workload Study recommendations, and both the total county administration allocation and APS expenditures increased by over 20 percent in FY 2008-09. At this point, both county expenditures and allocations for APS should have been close to the workload study’s recommendations.
 - From FY 2008-09 through FY 2011-12, the workload for APS (defined as referrals + I&Rs+cases) increased by 7.0 percent and county APS expenditures increased 7.6 percent. However, total county administration allocations increased by more than this: 9.6 percent.²

² This excludes Food Assistance administration increases funded in separate line items. If these are included, the total County Administration appropriation growth appears larger.

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	Adult Protective Services (APS) Expenditures*	County Administration Allocation**	County Administration Expenditures**
FY 06	\$ 5,940,414	\$ 41,402,064	\$ 53,200,517
FY 07	\$ 6,939,073	\$ 54,224,337	\$ 70,974,437
FY 08	\$ 6,573,907	\$ 62,463,831	\$ 83,698,254
FY 09*	\$ 7,905,218	\$ 75,787,625	\$ 93,629,669
FY 10	\$ 7,984,739	\$ 80,332,517	\$ 91,188,398
FY 11	\$ 8,210,346	\$ 80,536,453	\$ 96,301,575
FY 12	\$ 8,503,337	\$ 83,042,961	\$ 104,849,198
	Percent Change APS Expenditures	Percent Change Total County Allocations	Percent Change Total County Expenditures
FY 07	16.8%	31.0%	33.4%
FY 08	-5.3%	15.2%	17.9%
FY 09*	20.3%	21.3%	11.9%
FY 10	1.0%	6.0%	-2.6%
FY 11	2.8%	0.3%	5.6%
FY 12	3.6%	3.1%	8.9%
FY 07 to FY 12	43.0%	100.6%	97.1%
FY 09 to FY 12	7.6%	9.6%	12.0%

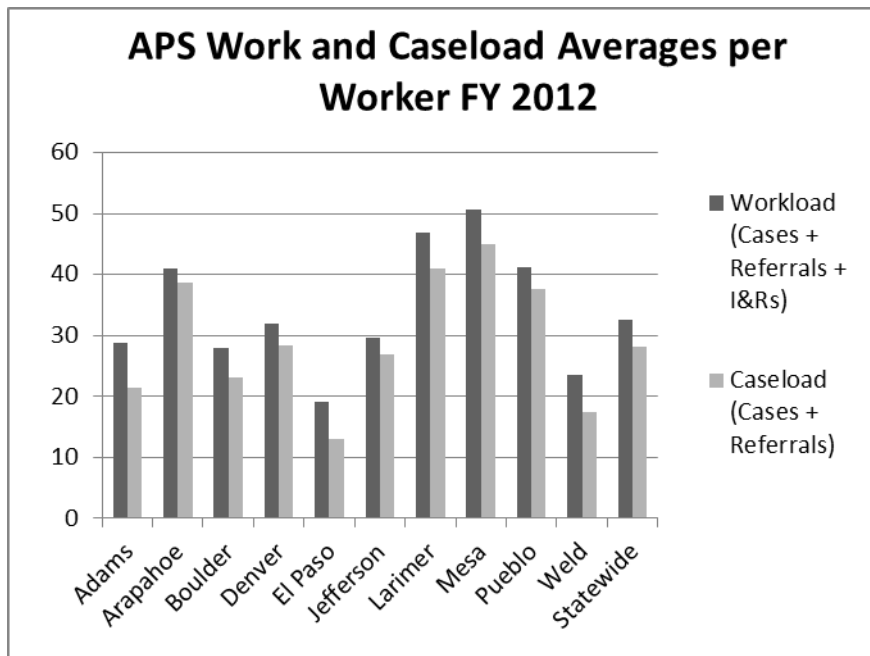
*Source: “Check-Share” Reports; **Source: Close-out Documents.

Note: During the recession, some additional funding and expenditure increases for food assistance eligibility determination were handled outside of county administration allocations and treated as “non-allocated” programs.

- **If funding for APS is not separated from the broader County Administration line item, there is no guarantee that any additional funds provided will actually be spent on APS.** These funds could be redirected to food assistance administration, given the structure of the appropriation and the current funding allocation process for county administration. This process is based on the prior calendar year count of a variety of county workload measures (e.g., APS referrals or food assistance eligibility determinations), which are pulled from the Colorado Benefits Management System (CBMS). These are then weighted for the minutes of work they drive according to a 2007 workload study. Increased funds for APS county administration allocated through the county administration allocation process would not necessarily result in an increase for APS programs versus any other county administration activity, absent a proportionate increase in APS referrals and cases.³
- **Finally, what would the proposal to reduce county worker caseload ratios from 34:1 to 25:1 mean to individual counties?** As previously discussed, there is wide variation in how counties manage their APS programs and how much they choose to spend for this program.

³ The decision item for an APS information technology system would pull APS out of the CBMS system, presumably further complicating the county funding allocation methodology, which relies on CBMS data.

The chart below compares the range of worker to caseload ratios reported by different counties. As shown, the Department reflects a statewide workload average 34:1 (last column), but workload ratios for individual counties range from below 20 to over 50. In the absence of an APS-specific allocation process, would counties with very high worker ratios receive most of the funding? Would the Department attempt to require counties through rule to operate at particular ratios (particularly given that it has not attempted to impose such a requirement for child protective services)? **If the State expects increases for APS to be used to reduce worker caseload ratios** (and wants to accomplish this without mandating specific workload ratios), **a new county allocation process is needed.**



The General Assembly should break-out the APS allocation from the larger County Administration line item in the Long Bill. Through a statutory change, it should also establish a new APS allocations committee process that will enable counties and the State to target APS county administration funding to desired outcomes.

- For many other programs, such as child welfare and Temporary Assistance for Needy Families, statute requires the creation of an allocations committee with representation from counties and the State. The allocations committee and the State Department must agree on an allocations process each year, or the matter is brought to the JBC. This kind of structure should also be considered for the APS program. Staff recommends the Committee pursue a statutory change, potentially through the anticipated Elder Abuse Task Force bill, to put an allocation committee process in place for APS.
- Whether or not a statutory change is adopted, the APS allocation should be separated from the larger County Administration line item in the Long Bill. To facilitate a transition

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process, some transfer authority between the new line item and the County Administration line item should be provided for one to two years.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

The Department's FY 2011-12 Strategic Plan identifies the work of the Elder Abuse Task Force as a current focus. However, the Department has only one performance measure related to APS: Timely Response to Adult Protection Inquiries (results shown below). Two other potential APS performance measures have been identified but are not measurable with the data available from CBMS: reentry into the system and case closure outcomes.

	Timely Response to Adult Protection Inquiries			
	FY 2010-11 Actual*	FY 2011-12 Actual	FY 2012-13 Approp.	FY 2013-14 Request
Benchmark	90%	90%	90%	90%
Actual	73%	77%		

*Jan-June 2011

Issue: County Administration – Requested Increases

The Department has requested a net increase of \$2.9 million, including \$1.0 million General Fund, for County Administration for FY 2013-14, largely driven by ongoing caseload increases for food assistance (the SNAP program). In addition to the FY 2013-14 increase, the request would retain \$4.7 million (including \$1.4 million General Fund) in the base. This amount was previously approved as temporary funding to be eliminated after FY 2012-13.

SUMMARY:

- Colorado’s social services programs are managed through a state-supervised, county-administered structure. Among other programs, counties are responsible for eligibility determination for the Supplemental Nutrition Assistance Program (SNAP; formerly known as food stamps).
- The Department’s FY 2013-14 request includes a net increase of \$2.9 million (\$1.0 million General Fund) for county administration, driven primarily by growth in the food assistance caseload. Caseload for the SNAP program doubled from FY 2007-08 to FY 2011-12. The Department projects ongoing increases at the rate of 7 percent in FY 2012-13 and a larger increase in FY 2013-14. The Department anticipates that Colorado will proceed with a Medicaid expansion pursuant to the Affordable Care Act and that this will drive additional SNAP program caseload beginning in January 2014.
- Staff is not certain that the State will experience the level of FY 2013-14 caseload increase anticipated in this request. Among other concerns, the Governor has not yet committed to pursue a Medicaid expansion, and no caseload increases related to Medicaid expansion or other impacts of the Affordable Care Act are included in the Department of Health Care Policy and Financing’s request. Nonetheless, the requested funding increase for food assistance administration can be justified with a less aggressive caseload projection that does not rely on Affordable Care Act impacts.

RECOMMENDATION:

Staff recommends the Department’s request for an increase for county administration for two years to address projected caseload increases for food assistance, subject to ongoing review of caseload trends and continuing efforts to improve county efficiency and performance.

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).

Share of Total Human Services Expenditures for County-administered Programs by County Size	
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), the Old Age Pension program, and the Aid to the Needy Disabled programs. [Eligibility for Medicaid is funded through the Health Care 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 varies 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.

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State and federal funding (“intergovernmental transfers) represent a large share of each county’s social/human services budget. The table below summarizes county expenditures through the County Financial Management System (Program Settlements Check Share Report) for FY 2011-12 by fund source.

FY 2011-12	Total	State Funds	County Funds	Federal Funds
County Administration, Case Management, Client Services				
County Administration of Food Assistance, Medicaid, Adult Assistance and Non allocated	93,908,451	31,529,578	17,778,283	44,600,589
Child Welfare	376,582,688	186,462,996	66,411,868	123,707,824
County Administration of Child Care	9,337,248	1,246,914	1,867,377	6,222,957
County Administration of Colorado Works	62,569,675	-	3,257,886	59,311,789
Food Assistance Job search and other adjustments	3,274,873	(3,543,874)	867,361	5,951,386
Child Support Enforcement	48,728,617	-	17,685,956	31,042,661
Additional County Expenditures (no state funding; partial federal reimbursement)	50,370,604	-	29,568,486	20,802,118
Subtotal - County Administration, Case Management, Client Services	644,772,158	215,695,614	137,437,218	291,639,326
Client Benefits				
Child Care	61,420,134	12,263,759	7,615,847	41,540,528
Colorado Works	88,948,832	-	18,910,084	70,038,748
Old Age Pension, Aid to Needy Disabled, Home Care Allowance	108,028,497	104,641,302	3,387,196	-
Low Income Energy Assistance	40,841,927	-	-	40,841,927
Food Assistance	799,229,865	-	-	799,229,865
Subtotal - Client Cash and Food Benefits	1,098,469,256	116,905,061	29,913,126	951,651,068
Total	1,743,241,413	332,600,675	167,350,344	1,243,290,394

Source: County Financial Management System, Check-share report, FY 2011-12 final

Key points to note:

- Amounts for food assistance benefits, child support enforcement, and “additional county expenditures” (pass-throughs) are not included in the Long Bill because the State is not responsible for a share of costs, even though it may be responsible to federal authorities for program oversight.
- Food assistance benefits (100 percent federal funds) dwarfs all other expenditure categories and is the single largest expenditure category for non-medical public assistance.
- Child welfare is the single largest expenditure category for states and counties among these county-administered human services programs.

Allocations and Expenditures

The largest programs with capped funding are managed through an allocations and close-out process. Each county receives an initial allocation at the beginning of the year. At the end of the year, counties participate in a “close out” process, in which under-expending counties’ allocations are redistributed to over-expending counties. If funding is not sufficient to make all counties whole, over-expending counties may be required to cover some or all of their excess expenditures. Depending upon the program, these excess expenditures may be covered with county funds, county funds matched with federal dollars, or county reserves of federal block grant funds (Temporary Assistance for Needy Families funds). While not all state funding goes through the allocations process, the largest state-funded county-administered programs are managed this way.

The chart below summarizes county allocations and expenditures for FY 2011-12 for the largest four allocated programs, with detail provided for the largest ten counties. As shown:

- Large counties almost uniformly overspent their administrative allocations in FY 2011-12
- Most, although not all, counties under-spent their child care allocations in FY 2011-12
- There was substantial variation by county as to whether counties over- or under-spent their Colorado Works and Child Welfare allocations, although there was a modest net under-expenditure for Child Welfare Services and a modest net over-expenditure for Colorado Works.⁴
- In comparison to FY 2010-11, FY 2011-12 expenditures for child welfare, Colorado Works, and Child Care reflect sharp declines. The reasons for this vary by program and county, but reductions in part reflect county efforts to restrict spending in other areas as they manage increasing demands on county administration and dwindling reserves of Temporary Assistance for Needy Families block grant funds.

⁴ There was, however, a much larger under-expenditure for child welfare services reflected in the state accounting system, resulting in a reversion of \$6.4 million General Fund, because counties did not *over-expend* for Child Welfare to the extent they have done in the past. Based on transfer authority granted in the Long Bill, the Department may transfer funds within the Division of Child Welfare. Consistent with past practice, funds were transferred to the county child welfare services line item to assist in making counties whole at close-out, but they were not needed and therefore reverted to the General Fund.

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	County Administration		Child Welfare and Core S		Colorado Works		Child Care (CCCAP)		Total 4 prgrms	
Total Allocations	83,042,961		373,171,741		150,930,111		73,383,044		680,527,857	
Total Expenditures	104,849,198		371,405,503		151,518,508		69,719,453		697,492,662	
Net Over/(Under)	21,806,237		(1,766,238)		588,397		(3,663,591)		16,964,805	
Over/(Under) by County	Over/(under) expenditure		Over/(under) expenditure		Over/(under) expenditure		Over/(under) expenditure		Over/(under)	
Adams	2,817,153	35%	(836,582)	-2%	635,415	5%	(610,644)	-8%	2,005,343	
Arapahoe	420,670	5%	(1,375,478)	-4%	501,183	4%	(1,936,581)	-25%	(2,390,207)	
Boulder	3,466,134	99%	703,676	4%	(187,986)	-3%	407,437	2%	4,389,260	
Denver	9,628,355	70%	(6,422,713)	-9%	2,401,422	7%	264,627	2%	5,871,690	
El Paso	254,823	3%	2,459,000	5%	(289,631)	-1%	(20,375)	0%	2,403,818	
Jefferson	1,453,319	28%	977,748	3%	(443,649)	-4%	(577,843)	-9%	1,409,575	
Larimer	1,682,048	45%	155,320	1%	53,955	1%	423,210	10%	2,314,534	
Mesa	32,145	1%	(477,148)	-4%	13,802	0%	(189,780)	-8%	(620,982)	
Pueblo	(255,426)	-5%	(1,636,624)	-10%	(569,301)	-5%	13,000	0%	(2,448,350)	
Weld	1,646,046	40%	3,032,147	17%	491,015	10%	162,620	4%	5,331,828	
Balance of State	660,972	32%	1,654,417	2%	(2,017,829)	-8%	(1,599,263)	-2%	(1,301,704)	

Note: Reflects the difference between county allocations and expenditures for all fund sources (General Fund, various federal funds, county share.)
Due to procedures for redistributing excess moneys at close out and ability to draw down additional federal funds in some categories, over-expenditures by county do not equate to additional county dollars spent and under-expenditures do not equate to funds reverted.

County Administration Funding

As suggested by the chart above, funding for the County Administration allocation has been a major area of concern for counties. This is largely due to the rapid growth in food assistance (Supplemental Nutrition Assistance Program/SNAP) and Medicaid caseloads that has occurred since FY 2007-08 due to the recession. The County Administration allocation is comprised of funds that are appropriated both in the Department of Health Care Policy and Financing (for Medicaid county administration) and in the Department of Human Services (for administration of food assistance, adult cash assistance, and adult protective services programs).

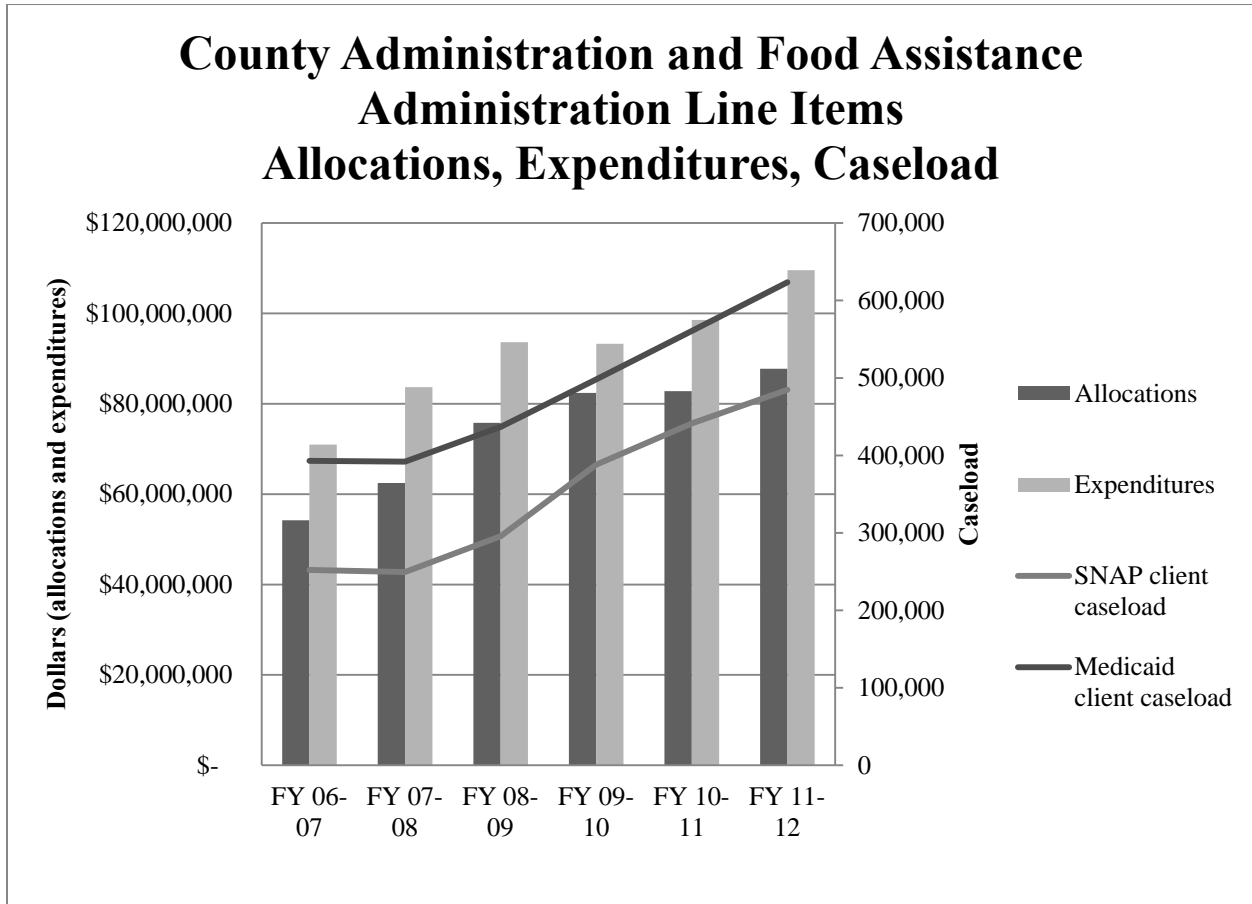
The vast majority of these funds support county staff who determine eligibility for the Medicaid program and SNAP using the Colorado Benefits Management System. The table below classifies close-out expenditures for county administration in FY 2011-12 by program area. As shown, food assistance (SNAP) administration comprises about fifty percent of the total (and the vast majority if Medicaid and CHP+ amounts appropriated in the Department of Health Care Policy and Financing are excluded).

County Administration Allocated Line Items - Actual Expenditures FY 2011-12							
	Total	General Fund		Cash Funds		Federal Funds	
County Administration Line Items (HCPF & DHS)							
Food Assistance	\$ 52,977,987	\$ 15,893,378	30%	\$ 11,845,596	22%	\$ 26,489,013	50%
Medicaid & CHP+	32,667,924	10,982,149	34%	5,397,777	17%	16,287,998	50%
Adult Protective Services	8,502,950	4,833,300	57%	1,700,280	20%	1,969,370	23%
Child Support Enforcement	7,022,930	983,209	14%	1,404,585	20%	4,635,136	66%
LEAP administration/Other	3,768,975	3,015,180	80%	753,794	20%	-	0%
Total	\$ 104,940,766	35,707,216	34%	\$ 21,102,033	20%	\$ 49,381,516	47%

Source: FY 2011-12 June Check Share Report. Slight discrepancies with expenditures shown at close-out due to timing and report used.

The chart below shows allocations and expenditures for county administration since FY 2006-07 with the largest drivers for these expenditures: caseload for the SNAP and Medicaid programs. Amounts in this chart also incorporate federal-only (ARRA) allocations for food assistance

provided in FY 2009-10 and FY 2010-11, and a Food Assistance Administration separate line item appropriation added in FY 2011-12. As reflected in the chart, allocations have not kept up with caseload growth, which is the primary reason for the growing gap between allocations and expenditures for county administration.



Source: Allocation and expenditure data from county close-out documents, adjusted for additional food assistance administration federal allocations and state appropriations in FY 2010, FY 2011, and FY 2012.

Requests Affecting County Administration for FY 2013-14

The table below summarizes the base appropriations in Human Services and Health Care Policy and Financing for County Administration and the requested changes for FY 2013-14.

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Line Items Related to County Administration:				
Health Care Policy and Human Services County Administration line items, HCPF County Administration Hospital Provider Fee, and HUM Food Assistance Administration				
FY 2012-13 Appropriations				
Human Services	\$ 54,831,385	\$ 21,237,964	\$ 10,136,512	\$ 23,456,909
Health Care Policy and Financing	34,008,773	10,373,188	6,671,332	16,964,253
Total	88,840,158	31,611,152	16,807,844	40,421,162
FY 2013-14 Request				
Human Services	57,766,598	22,207,450	10,723,555	24,835,593
Health Care Policy and Financing	34,745,971	10,594,347	6,818,772	17,332,852
Total	92,512,569	32,801,797	17,542,327	42,168,445
Total County Administration Changes Requested	\$ 3,672,411	\$ 1,190,645	\$ 734,483	\$ 1,747,283
Percent change	4.1%	3.8%	4.4%	4.3%
Human Services County Admin. Percent Change	5.4%	4.6%	5.8%	5.9%
Health Care Policy County Admin. Percent Change	2.2%	2.1%	2.2%	2.2%
Components of Requested Change:				
HCPF: SB 11-008	\$ 737,198	\$ 221,159	\$ 147,440	\$ 368,599
HUM: R-5 Provider Rate Change	853,693	345,030	170,739	337,924
HUM: R-4 Increase for County Administration	6,796,800	2,039,040	1,359,360	3,398,400
HUM: Annualize FY 2011-12 DI-2 (Food Assistance Admin.)	(4,715,280)	(1,414,584)	(943,056)	(2,357,640)

As reflected in the table:

- The largest adjustments for county administration are in the Department of Human Services. The combined impact of these Human Services changes is a net increase of \$2.9 million (5.4 percent), including \$969,486 General Fund.
- The largest adjustment in the Department of Human Services is an increase of \$6.8 million for R-4 (Increase for County Administration – Food Assistance Administration).
- The Department of Health Care Policy and Financing did not include a provider rate change for county administration, possibly due to an oversight.

Department of Human Services Request R-4 – Increase for County Administration – 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 almost \$800 million for Colorado in FY 2011-12, are 100 percent federal funds. However the cost of administering the program is subject to a 50 percent federal/50 percent non-federal match.

In Colorado, the majority of the non-federal share for administration is divided between the State and counties: the State covers 30 percent, counties cover 20 percent, and the federal government covers 50 percent. If counties over-expend their state allocations, however, they must cover a full 50 percent of costs.

The Department request for R-4 is to cover administrative costs associated with growth in the food assistance caseload. The increase requested effectively includes three components:

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- Continue \$4.7 million, including \$1.4 million General Fund, added in FY 2011-12 for Food Assistance Administration, rather than eliminating it;
- Provide an additional incremental increase of \$2,081,520, including \$624,456 General Fund, for FY 2013-14;
- Provide a further incremental increase of \$1,485,800, including \$446,040 General Fund, for FY 2014-15.

The request is for two years only to give the State and counties time to continue to monitor the Food Assistance caseload growth and provide the time needed to analyze county business processes and implement additional improvements at the local level.

The request also indicates that the Department intends to:

- Submit a supplemental request for FY 2012-13 to request funding to hire a vendor to implement business process improvement throughout the State and counties.

The Department justifies and calculates the increase needed based on the following:

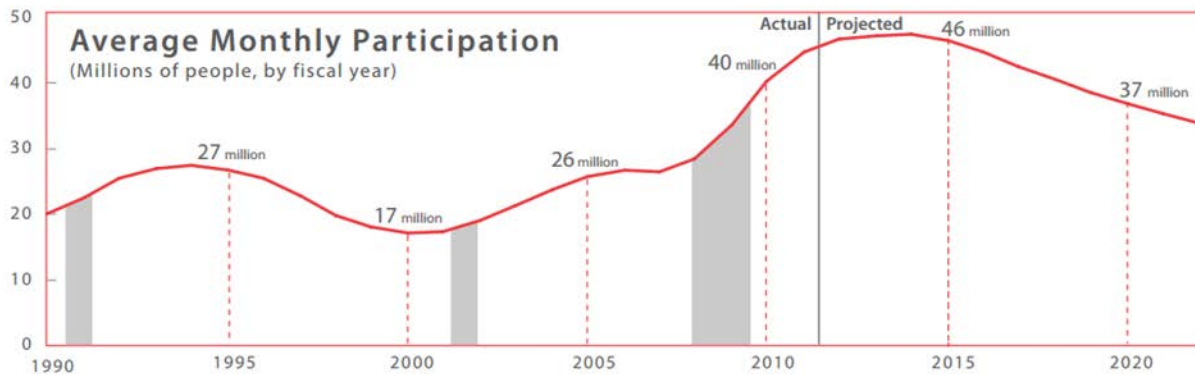
- The funding will help to ensure continued improvement in meeting and sustaining federal standards for timely and accurate processing of Food Assistance applications. While the Department's timeliness has improved, it is still not complying with federal standards in some areas, and its error rate has increased.
- Caseloads have not declined from the high levels used to justify the FY 2011-12 increase and have continued to climb, although at a slower rate. The FY 2011-12 request was for two years because it was assumed that caseloads might begin to decline after peaking due to the recession. This assumption has proven incorrect.
- The Department anticipates a large caseload increase due to the impact of the Affordable Care Act beginning in January 2014. It estimates that 65,000 new individuals will be added to food assistance rolls between January and June 2014. All calculations in the request (above the continuation of the FY 2011-12 \$4.7 million) are based on this number and the cost of additional caseworkers (84) required to handle these anticipated new applicants. The FY 2013-14 amount is based on employing these workers for seven months in FY 2013-14. The FY 2014-15 amount is then based on "annualizing" the seven months to a full 12 months of employment.

Staff has some concerns about the particular methodology used to justify the amounts in the request. In particular:

- Estimates regarding the impact of the Affordable Care Act on food assistance caseloads are rough. The chart below reflects the Congressional Budget Office's (CBO) baseline assumptions for SNAP program caseload. The CBO projects that SNAP participation nationwide will continue to rise at a slow rate through FY 2013-14 and will then begin to decline. Colorado might be more affected by implementing the Affordable Care Act Medicaid expansion than other states, due to the current lack of Medicaid benefits for single

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adults. It may also experience more SNAP growth than other states in light of its relatively low SNAP penetration rates. However, the trend is far from certain.



Congressional Budget Office, SNAP Participation Projection, April 2012

- The Governor has not yet made a formal commitment or request related to the impact of the Affordable Care Act on the Medicaid program. The Department of Health Care Policy and Financing’s budget request does not include any related adjustments to Medicaid funding for county administration or other line items. Thus, it seems premature to assume that Affordable Care Act implementation in Colorado will drive Medicaid—let alone Food Assistance—caseload by any particular amount.
- Because of the Medicaid issue above, it is impossible to compare assumptions used by HCPF on Medicaid caseload growth with assumptions for food assistance administration and to examine how these might interact. For example, if this caseload growth materializes, JBC staff would expect individuals who have their food assistance applications handled by the county would also have their Medicaid applications handled by the county, and thus costs might be divided between the Medicaid and food assistance programs.

Despite these concerns, staff believes the requested increase for food assistance administration is justified, based on the following considerations.

- The level of increase requested could be justified based on far more conservative caseload growth assumptions than are included in the request (discussed below).
- Counties have consistently over-spent their administration allocations. Counties overspent the County Administration allocation in FY 2011-12 by \$21.8 million. The FY 2011-12 CFMS “Check Share Report” indicates that counties spent \$22.0 million in SNAP “pass through” expenditures—expenditures that were eligible for 50 percent federal reimbursement but for which no state contribution was available.
- The State continues to face problems with timely processing of food assistance applications and growing error rates, despite significant county efforts to improve processes.
- The request reflects an ongoing commitment to improve county processing efficiency.

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Projected Caseload Growth and Associated Funding Need

One approach to determining counties’ funding need for SNAP administration is to compare appropriations in FY 2007-08, before the large caseload increase, with the increase in funding required by the caseload increase. The table below shows the history of line item appropriations and non-appropriated federal funds allocations to support food assistance administration and the Department’s projected caseload increases for SNAP. As reflected, the caseload growth (current and projected) substantially outpaces the actual and requested growth in funding.

Department of Human Services Appropriations and Allocations to Support Food Assistance Administration							Request	Request
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
County Administration line item /1	\$40,938,883	\$51,138,883	\$51,138,883	\$50,116,105	\$50,116,105	\$50,116,105	\$50,116,105	\$50,116,105
FY13-14 R-4 - County Admin							6,796,800	8,283,600
FY 13-14 R-5 - Provider Rate							853,693	853,693
Federal Stimulus Funding /2			2,091,011	2,243,895				
Food Assistance Admin. Line item					4,715,280	4,715,280		
Total	\$40,938,883	\$51,138,883	\$53,229,894	\$52,360,000	\$54,831,385	\$54,831,385	\$57,766,598	\$59,253,398
Percent Change	n/a	24.90%	4.10%	-1.60%	4.70%	0.00%	5.35%	2.57%
SNAP Caseload (households)/3	107,626	128,200	168,785	194,062	216,772	231,299	254,658	282,021
Percent Change		19.12%	31.66%	14.98%	11.70%	6.70%	10.10%	10.75%
1/ Counties have flexibility in the extent to which this line item is directed to food stamp administration. However, about 75 percent is directed to SNAP administration each year.								
2/ These are the amounts referenced in the Department's FY 2012 DI, as they were 100 percent federal funds and not reflected in the Long Bill.								
3/ FY 2012-13, FY 2013-14 and FY 2014-15 reflect figures in the request. Where no projection was provided (9 months of FY 2014-15), staff assumed 0.0% growth.								

Even if staff assumes a far more conservative caseload growth then the Department for FY 2013-14 and FY 2014-15, staff believes the requested increase can be justified. The table below shows the results of the following simple model.

- Assume funding levels in FY 2007-08 were adequate. (This is a conservative assumption, as the General Assembly approved a 25 percent increase for FY 2008-09 based largely on the results of a workload study which justified a base increase. This was approved before the growth in caseloads was evident.)
- Assume, as reflected in the Department request, that the additional administrative cost per new SNAP household added is \$121.37.
- Assume that caseload will continue to grow through SFY 2012-13 and SFY 2013-14 at the rate of 0.6% per month and will then flatten to 0.0% in SFY 2014-15. (This is substantially slower growth than the Department’s assumptions.)

Applying these assumptions:

- For FY 2013-14, a total of \$17.1 million should be required for County Administration above the FY 2007-08 appropriation level. The Department’s request is for \$16.8 million.
- For FY 2014-15, \$18.1 million should be required above the FY 2007-08 appropriation. The Department’s request is for \$18.3 million.

Staff believes these figures are close enough to justify the requested increase. However, **staff will continue to track actual caseload trends prior to figure setting, as well as in the coming year, to ensure that the increase continues to appear reasonable.**

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Additional funds required over FY 2007-08, based on Department Unit Cost Calculations and JBC Staff More Conservative Caseload Growth Assumptions					
	FY 2007-08	FY 2011-12	FY 2012-13*	FY 2013-14*	FY 2014-15*
SFY Average Monthly FA Households	107,626	216,772	231,299	248,669	256,932
<i>Projected annual SFY caseload growth</i>			6.7%	7.5%	3.3%
SFY Appropriation/Request for FY 2014 and FY 2015	\$40,938,883	\$54,831,385	\$54,831,385	\$57,766,598	\$59,253,398
Difference Annual Approp./Request v. FY 07-08	\$0	\$13,892,502	\$13,892,502	\$16,827,715	\$18,314,515
Increase in number households v. SFY 07-08	0	109,146	123,673	141,043	149,306
Add'l funding needed over FY 07-08 @ \$121.37/case	\$0	\$13,247,050	\$15,010,192	\$17,118,389	\$18,121,269
Appropriation/Request above/(below) need	\$0	\$645,452	(\$1,117,690)	(\$290,674)	\$193,246
*Projection: Caseload assumptions are 0.6% per month growth in SFY 2012-13 and FY 2013-14; 0.0% caseload growth in SFY 2014-15					

Timely Processing and Error Rates

Colorado’s caseload growth has created significant issues for the State as it attempts to process SNAP applications in compliance with federal requirements. The Department is operating under an amended Order of Settlement related to a lawsuit filed against the Department in 2005 by plaintiffs who claimed to have not received timely benefits. The agreement required the Department to show improvements in processing applications, achieving 95% timeliness by September 2012 and sustaining this through September 2013. It is also required to achieve 95 percent timely processing on renewal applications by January 2013 and sustain this through September 2013. Finally, the Department must comply with federal requirements regarding “error rates” in SNAP determinations, as such errors may result in financial penalties.

Staff has included charts from the Department’s “C-Stat” reports on its performance in these areas in the section below on the relevance of this issue to the Department’s strategic plan. These charts demonstrate why the Department is concerned that ongoing caseload growth--without adequate administrative resources--could place it in violation of federal requirements and possibly lead to further legal action.

Staff shares the Department’s concern. Staff notes, however, that **county timely processing and error rates vary in ways unrelated to caseload growth or funding levels**. Some counties have managed the rapid caseload growth far better than others. Likewise, **staff has found virtually no correlation between county expenditures for county administration and timely processing**. A county with very low county administration costs per case—Pueblo—topped the State for timeliness of processing expedited cases in FY 2011-12. Meanwhile, El Paso and Boulder’s timeliness in processing expedited cases were both about average in FY 2011-12, although Boulder’s county administrative costs were the highest in the State and El Paso’s the lowest.

Because the relationship between funding and performance is loose at best, **staff considers the Department’s commitment to pursue county case-processing and service-delivery improvements integral to this request**.

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Colorado SNAP Penetration and Administrative Costs

Colorado's SNAP program differs from that in most other states in two significant and troubling ways.

- Colorado has unusually low SNAP penetration rates.
 - The percentage of the Colorado population that receives food assistance has now increased to about 9.5 percent or about 1 in 10 Coloradans (491,693 individuals in September 2012)--but this is lower than national usage of about 14.5 percent or 1 in 7 Americans.
 - The federal government ranks states based on the penetration rate of the SNAP program compared to the population with incomes at or below 125 percent of the federal poverty level, the "Program Access Index". Using this measure, Colorado ranked 49th among the states in 2010, with just 48 percent of those eligible accessing the program, compared to a national average of 69 percent. (USDA, "Calculating the SNAP Program Access Index: A step-by-step Guide 2010, October 2011)

The reasons for Colorado's low food assistance penetration rate are uncertain. To some extent this may reflect the culture of Colorado. It may reflect historically cumbersome state rules. It may also reflect problems with a county-administered system that performs better in some places than others.

- Colorado has relatively high administrative costs per case. According to the federal Department of Agriculture's *FY 2009-10 SNAP State Activity Report*, Colorado's cost per case per month was \$40.41, compared to the average U.S. cost of \$31.02. For comparison, Arizona reported a cost of \$18.66 per month, Kansas \$27.55, New Mexico \$29.67, Oklahoma \$31.78, Nebraska \$32.82, Utah \$42.51 and Wyoming \$76.90. While many factors play into these different costs, this suggests that Colorado could provide SNAP services at a lower cost or at least limit cost increases as the population served grows.

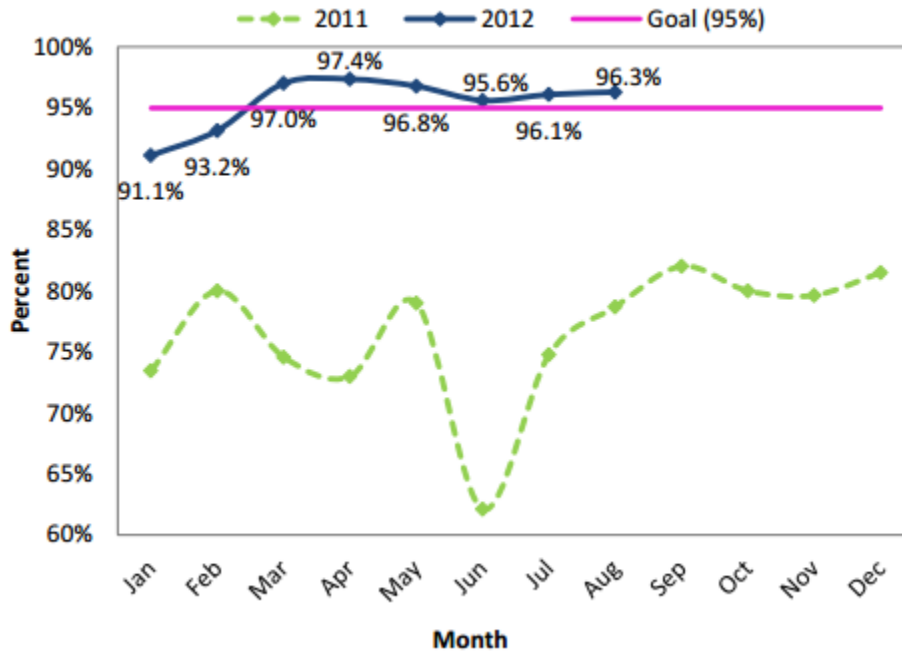
The request notes that in September 2010, the Department of Health Care Policy and Financing contracted with the Southern Institute on Children and Families to work with the State and counties on business process issues. Several counties have made changes to office workflow and have identified areas of inefficiency and bottlenecks. The most significant change, which has been implemented in a number of counties, is to adopt a case management model in which work is divided on a task basis, rather than on a case basis. In many counties, applications are now being addressed on a same-day basis.

The request indicates that additional work is still required and that a supplemental request is therefore being pursued for FY 2012-13 to address these issues. **Staff's support for this request is contingent on ongoing efforts to improve county efficiency.**

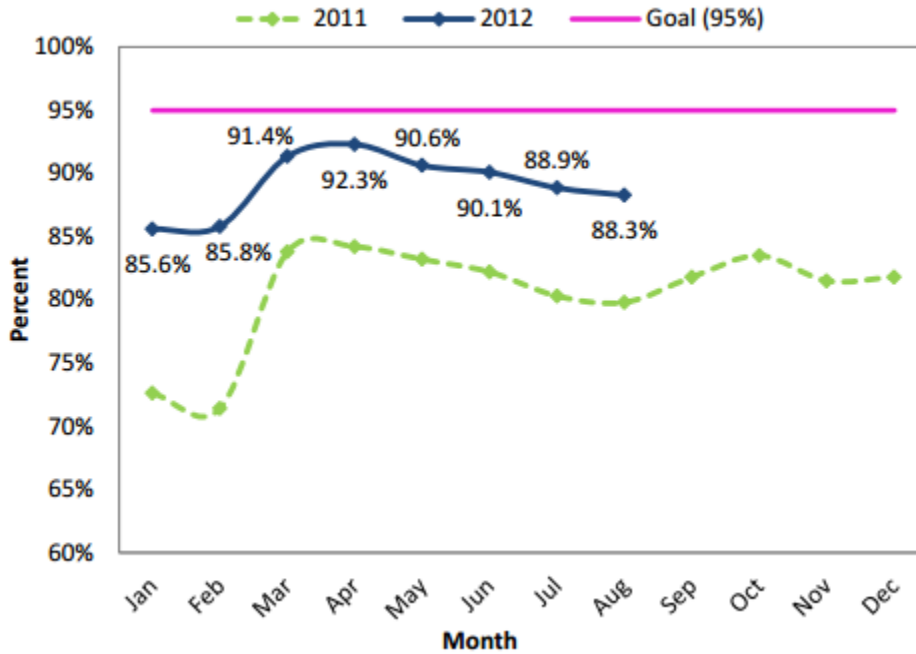
RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This request aligns with a number of items in the Department's strategic plan related to the timeliness and accuracy with which food assistance applications are processed. Selected charts on this topic from the Department's September "C-Stat" report are included below.

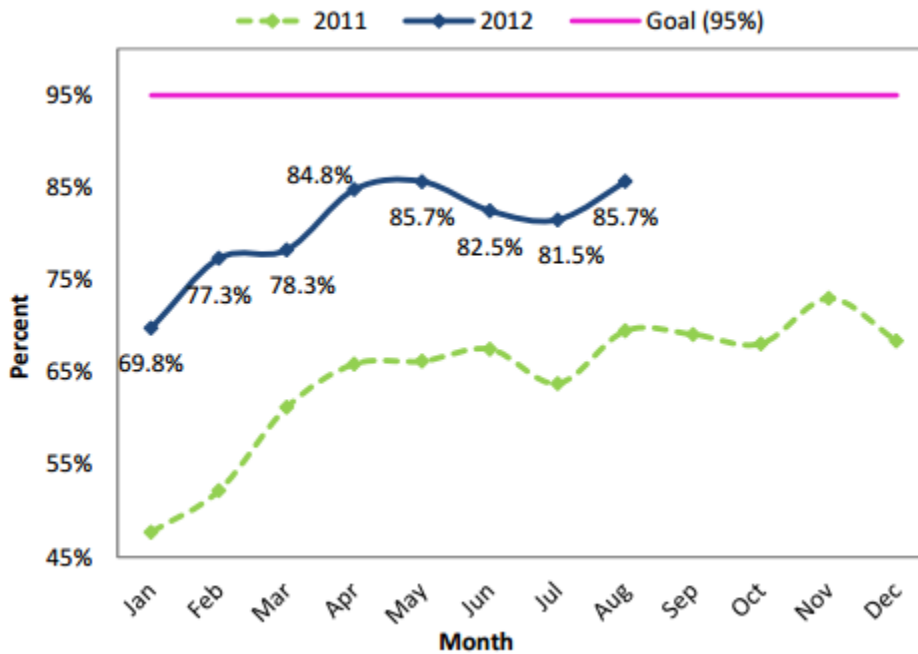
Timeliness of New Applications



Timeliness of Expedited Applications

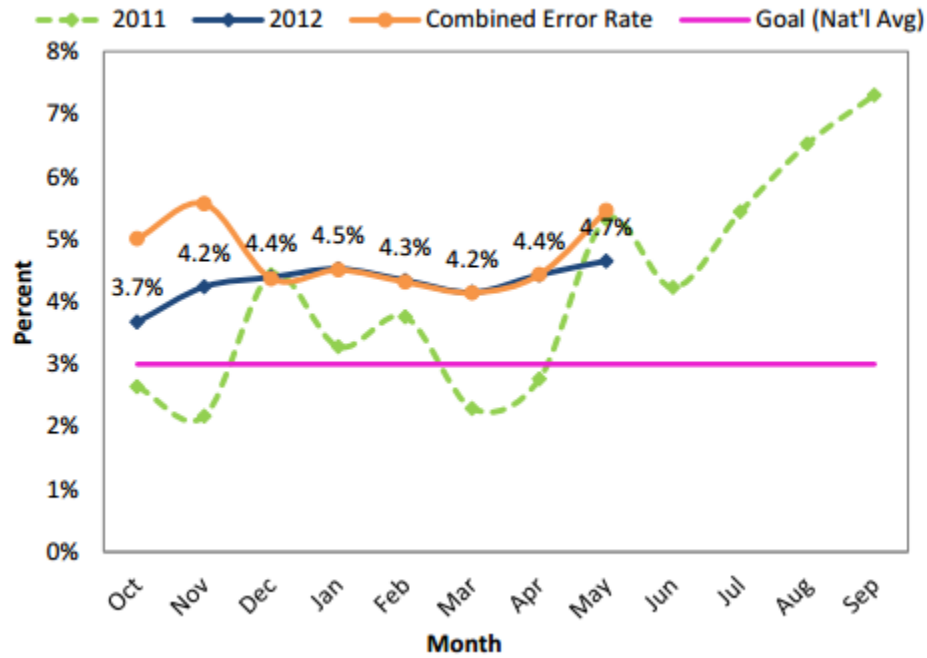


Timeliness of Redetermination Applications



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Error rate of payment



Issue: Temporary Assistance for Needy Families

Colorado receives a minimum of \$136 million per year in federal Temporary Assistance for Needy Families (TANF) block grant funds, after loss of its \$13.6 million TANF Supplemental Grant in FY 2011-12. Numerous programs were reduced in FY 2011-12 and FY 2012-13, but the State's TANF appropriations continue to exceed annual revenue, and additional cuts will be required in the future.

SUMMARY:

- Colorado receives \$136 million or more per year in federal Temporary Assistance for Needy Families (TANF) block grant funds. These dollars may be used for basic cash assistance and other programs to assist needy families in caring for their children and achieving self-sufficiency. Most of Colorado's TANF funds are allocated to counties for the Colorado Works program. Since FY 2009-10, a portion has also been used to refinance General Fund in the Division of Child Welfare.
- Colorado's federal allocation was cut by \$13.6 million in FY 2012-13 when TANF Supplemental Grants were eliminated. Even before this, Colorado was appropriating more than its annual TANF revenue. For FY 2011-12 and FY 2012-13, in response to the dwindling TANF Long-term Reserve and federal cuts, reductions were taken to county allocations and other TANF-supported programs, and the refinance of General Fund in the Division of Child Welfare was reduced.
- The General Assembly anticipated that the Child Welfare refinance would be entirely eliminated in FY 2013-14, but the Executive request restores \$5.0 million General Fund and retains \$6.0 million in TANF funds in Child Welfare for FY 2013-14.
- Annual TANF appropriations still exceed ongoing revenue, and additional program cuts will be required in the future. Based on current revenue projections, such cuts would be required in FY 2014-15.

RECOMMENDATION:

In light of 2012 session expressions of legislative intent, the General Assembly could consider reducing TANF Child Welfare appropriations and restoring General Fund in FY 2013-14 beyond the \$5.0 million in the Executive Request. However, staff does not believe this is critical. The General Assembly could also consider reducing TANF Child Welfare appropriations without restoring associated General Fund, if county child welfare expenditures continue to decline and reductions are not prohibited by a recent agreement with federal authorities (the Title IV-E Waiver).

DISCUSSION:

Background. The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) 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.

The federal government historically provided an annual block grant to Colorado of approximately \$150 million, which was reduced in FY 2011-12 to \$136 million. Receipt is subject to Colorado's compliance with maintenance of effort requirements (\$88.5 million) and various other federal requirements.⁵

Authorization for the current federal TANF program expired September 30, 2010. However, it has been maintained through continuing resolutions. It is still unclear when full reauthorization might occur.⁶ 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 (\$128.2 million federal funds in FY 2012-13). Counties are responsible for complying with the associated federal and state requirements for providing basic cash assistance to qualifying

Basic Cash Assistance

Basic cash assistance (BCA) is the only "entitlement" component of the Colorado Works Program. The average household benefit is currently about \$430 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 increased to over 16,000 in FY 2011-12. This is still 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.

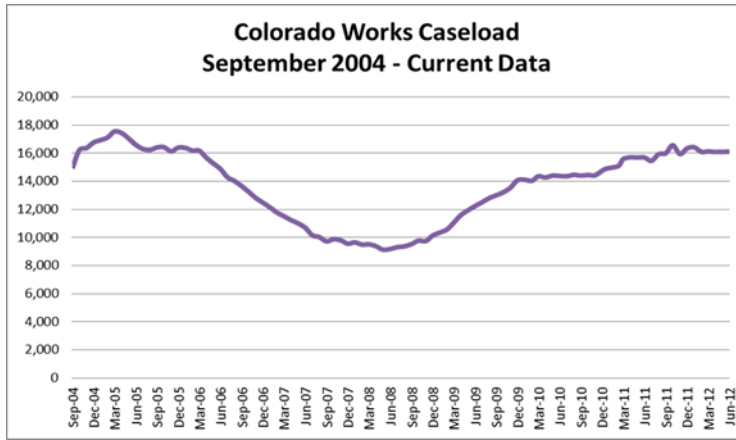
From a financial perspective, BCA expenses have comprised 29 to 51 percent of county allocations for Colorado Works over the last ten years.

⁵ Colorado also received temporary extra allotments in response to the recession, through TANF Contingency Funds and the American Recovery and Reinvestment Act. Pursuant to federal law, Contingency Funds are provided to states based on unemployment rate increases or high food assistance caseloads. Colorado first qualified for Contingency Funds in 2008-09. It may continue to qualify under one of the triggers in FY 2013-14; however, this is not reflected in Department projections. Even if Colorado were to qualify under one of the triggers, there is no guarantee that funds will be available. A change in the triggers is also possible, if TANF is reauthorized.

⁶ The most recent extension maintains the program through the end of March 2013. Supplemental grants have not been authorized since the September 2011 extension (H.R. 2943). They were reduced in FFY 2010-11 (the federal fiscal year ending September 30, 2011) and eliminated starting in FFY 2011-12. For a Government Accountability Office analysis of the program nationwide, in preparation for federal reauthorization, see <http://finance.senate.gov/imo/media/doc/092110kbtest.pdf>

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families and ensuring qualifying individuals comply with work participation requirements.⁷ They must also spend county funds for their share of the federal maintenance of effort requirement (\$22.2 million).⁸



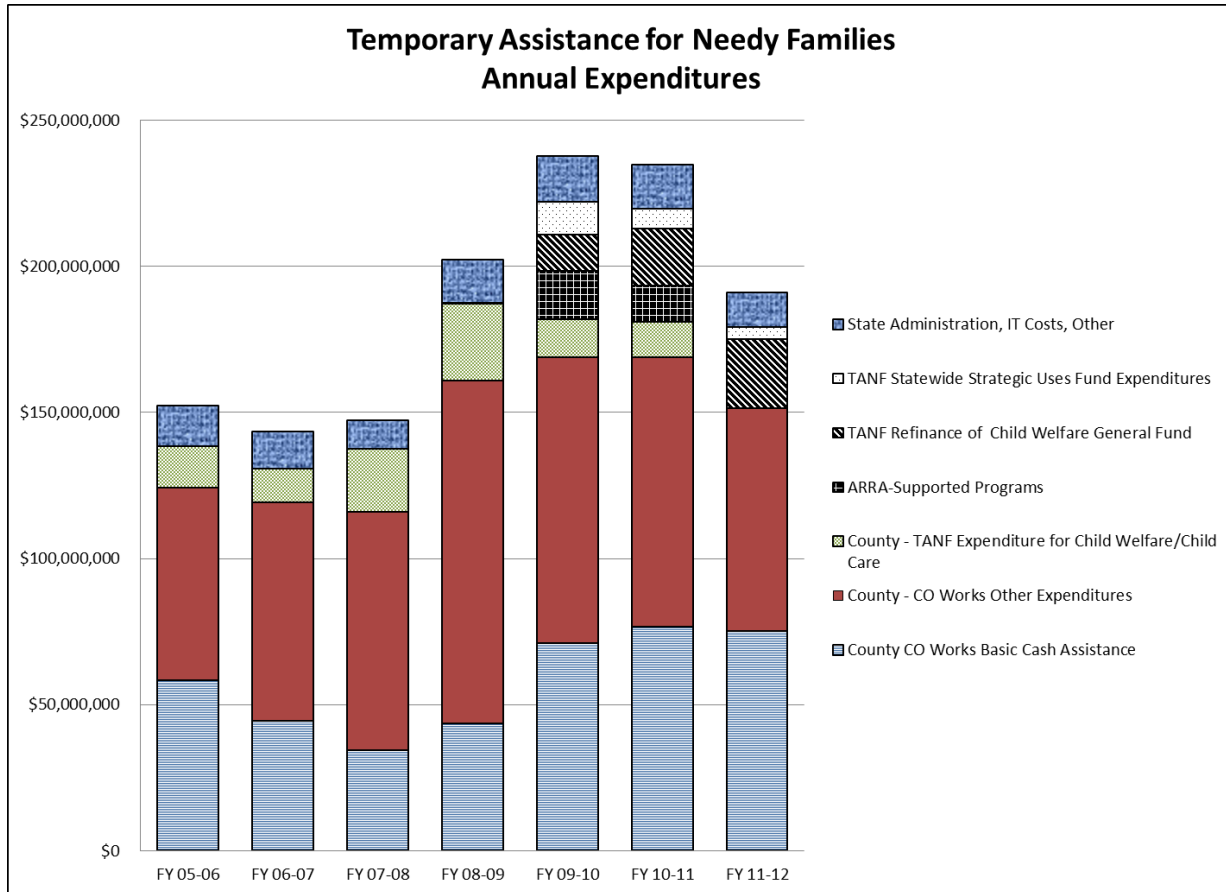
Counties may use funding not required for families who meet requirements for basic cash assistance for a broad array of county poverty-alleviation activities. In addition, a total of up to 30 percent may be transferred to the child welfare block grant (Title XX of the Social Security Act) and the child care block grant (the Child Care Development Fund (CCDF) block grant).

Typically, fifty percent or more of Colorado Works funding is used by counties for purposes other than basic cash assistance. Significant funding has been used to support local non-profits and various county-specific programs serving families with incomes of up to \$75,000 per year. Counties also retain control over substantial reserves of unspent TANF funds.

In addition to appropriating TANF funds for Colorado Works county allocations, the General Assembly appropriates TANF funds to support child welfare, energy assistance, domestic abuse, and refugee assistance programs for TANF-eligible participants, as well as to cover state administrative and information technology expenses for TANF programs. The Statewide Strategic Uses Fund, which enabled the State to provide grants for programs meeting TANF purposes, was repealed during the 2012 session.

⁷ Federal 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 2009 with a work participation rate of 37.8 percent.

⁸Based on an approach adopted in FY 2011-12, if the State is notified that it has met the federal work participation rate for a prior year and qualifies for a percent reduction in the state's maintenance of effort, the local cash funds maintenance of effort requirement for the subsequent year is reduced by \$5.5 million.



Note: County Colorado Works expenditures include the county share of TANF expenditures (maintenance-of-effort) and not solely TANF federal funds. Data sources: (1) County Colorado Works expenditure information (total and basic cash) provided annually by the Department; (2) Long-term Reserve data included in annual responses to JBC requests for information (SSUF, state administration); (3) TANF child welfare and child care expenditure data from annual close-out documents.

TANF Expenditure Trends: Key Drivers and Recent History

As reflected in the chart above, the expenditure of TANF funds has changed substantially in recent years. These changes reflect a number of factors, including:

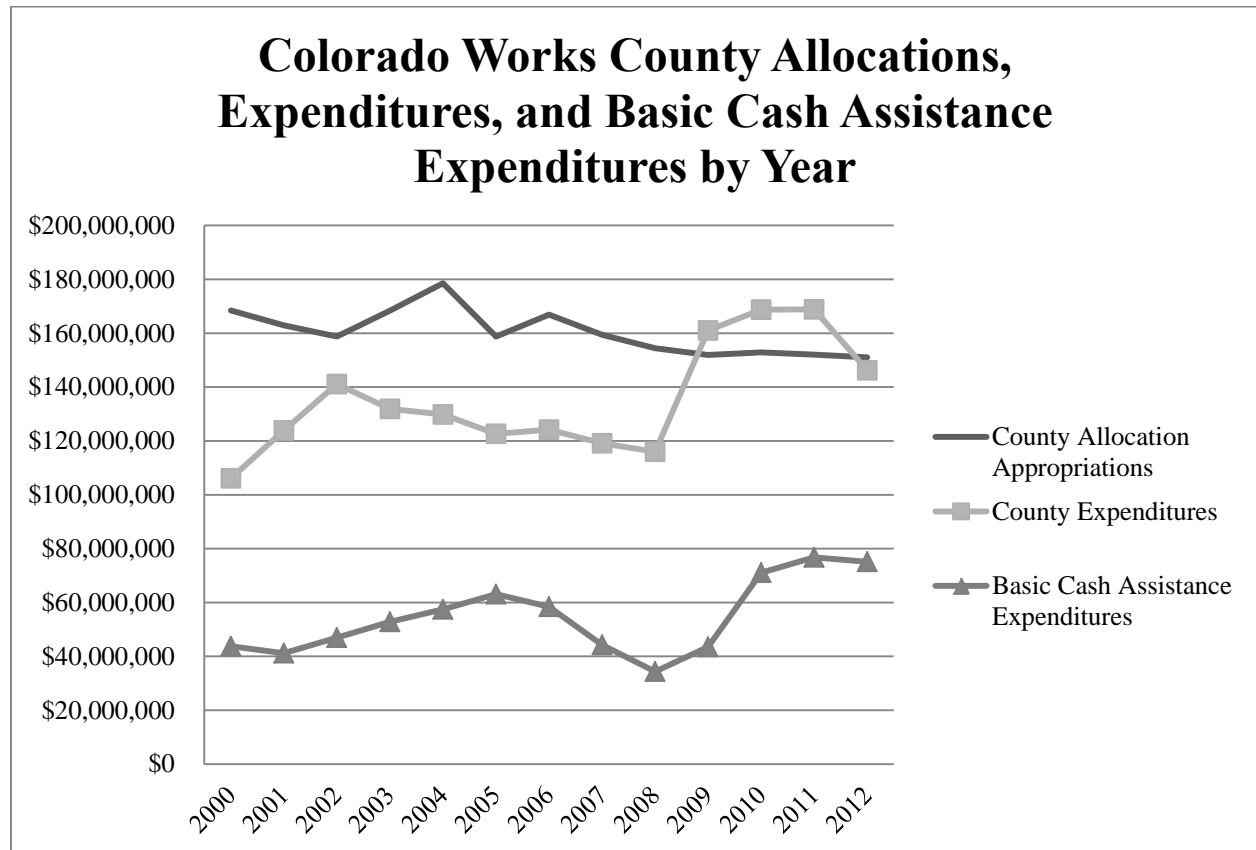
- Fluctuations in demand for Colorado Works basic cash assistance in response to the economy. Also, county expansion and restriction of expenditures for Colorado Works administration and other TANF-supported county programs including child welfare and child care programs.
- Changes in federal policy providing temporary increases for TANF funding under the American Recovery and Reinvestment Act (ARRA) and the TANF Contingency Fund and recent cuts to eliminate the TANF Supplemental Grant program.
- State policy, including steps to: help balance the state budget through refinance of General Fund in the Division of Child Welfare; limit unused county TANF reserves; and respond to changes in federal funding.

Demand for Basic Cash Assistance and County Spending Policies

County expenditures of TANF/Colorado Works funds have always fluctuated based on the demand for basic cash assistance. These fluctuations have been mitigated or exacerbated by the extent to which counties choose to spend more funds for other programs in years when the demand for basic cash assistance is lower.

In FY 2011-12, despite the fact that basic cash assistance caseload remained high, counties sharply reduced their total spending.

- They eliminated any TANF expenditures for child welfare or child care programs, in large part through policy changes that eliminated net over-expenditures for either of these programs. In prior years, such expenditures have ranged from \$12 to \$26 million, as shown in the chart above.
- They cut expenditures for non-basic-cash assistance components of the Colorado Works program. The chart below compares annual county allocations with total Colorado Works county expenditures and the basic assistance component of these expenditures. As shown, basic cash expenditures have remained high, but total county expenditures have declined dramatically.



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The Department does not collect any information on how counties achieved these lower expenditure levels and, in general, has very little information on how counties use their TANF funds, other than Basic Cash Assistance amounts. Based on county-level expenditure data, staff notes that many of the larger counties continued to over-expend their allocations in FY 2011-12. However, the majority of small and medium-sized counties under-expended (8 percent average for the balance of state counties). The under-expenditures for the balance of state counties (\$2.0 million) largely offset Denver’s \$2.4 million over-expenditure.

The table below compares allocations, expenditures, reserves, and basic cash assistance requirements for the ten largest counties and the balance of state.

- Adams, Arapahoe, Denver, and Weld counties each over-expended by 4 to 10 percent. However, some large counties such as El Paso, Jefferson, and Pueblo counties managed to under-expend allocations by 1 to 5 percent despite high demand for basic cash assistance.
- Many of the small and medium sized counties (including some of the smaller counties among the big-ten such as Boulder, Larimer, and Mesa counties) have larger reserves and often lower cash-assistance demands. Forty of the 54 balance of state counties under-expended their TANF allocations in FY 2011-12.

County	SFY 2011-12 Colorado Works Allocation	SFY 2011-12 Colorado Works Expenditures	Expenditure as Percent Allocation	End of Year Reserves SFY 2011-12	Reserves as Percent Allocation	Total Basic Cash Assistance (BCA) Expenditures	BCA Expenditures as Percent Allocation
Adams	13,579,060	14,214,476	105%	1,494,619	11%	5,334,902	39%
Arapahoe	12,980,802	13,481,984	104%	2,676,488	21%	7,087,812	55%
Boulder	5,960,512	5,772,526	97%	2,151,074	36%	1,928,000	32%
Denver	35,561,337	37,962,759	107%	7,564,023	21%	19,001,270	53%
El Paso	19,509,938	19,220,307	99%	4,738,475	24%	9,708,366	50%
Jefferson	10,398,612	9,954,962	96%	2,297,375	22%	5,000,352	48%
Larimer	7,452,506	7,506,461	101%	3,013,002	40%	3,288,833	44%
Mesa	4,722,525	4,736,327	100%	2,097,010	44%	2,140,819	45%
Pueblo	10,389,484	9,820,183	95%	1,727,162	17%	7,736,884	74%
Weld	5,077,614	5,568,629	110%	322,080	6%	3,389,151	67%
Balance of State	25,297,720	23,259,313	92%	10,599,056	42%	10,487,887	41%
Cap Excess for Allocation	-	-		1,801,643		-	
Total	150,930,111	151,497,930	100%	38,680,364	26%	75,104,276	50%

Federal Policy

Changes in federal funding for the TANF program have substantially affected state spending overall.

- Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Colorado was able to access \$68.0 million in supplemental TANF funds in FY 2008-09 and FY 2009-10 through a combination of the TANF Emergency Fund created through ARRA and the Contingency Fund created in 1996. Of the \$68.0 million accessed by Colorado during this period, \$43.1 million was from ARRA TANF Emergency Fund, which reimbursed the State for 80 percent of increased spending in certain categories (including basic cash assistance),

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and \$24.9 million was from the TANF Contingency Fund.⁹ Of this funding, \$23.2 million was used for new short-term program expenditures authorized through an FY 2009-10 supplemental appropriation. This included a subsidized employment program, a "rapid rehousing" program, and increased funding for low-income energy assistance and refugee services. The balance was used to facilitate refinance of Child Welfare General Fund with TANF funds and to help support county Colorado Works block grants and total TANF appropriations.

- Starting in FY 2011-12, Colorado's annual TANF grant was cut when the federal government elected not to reauthorize the TANF Supplemental Grant program, which had been designed to correct inequities in the original federal TANF allocation formulas. For Colorado, the \$13.6 million reduction has been partially offset in the short term by additional TANF Contingency Funds (\$6.8 million in FY 2010-11, \$11.4 million in FY 2011-12 and a projected \$6.8 million for FY 2012-13). However, Colorado is still appropriating more TANF funds than it brings in, and remaining reserves are being rapidly depleted. **Federal reductions drove substantial cuts to appropriations starting in FY 2011-12, and they are expected to drive additional cuts by FY 2014-15 if not before.**

State Policy

State policy has been driven by the increases and decreases in federal funding, as well as state General Fund budget constraints, which led the State to use TANF to refinance General Fund in the Division of Child Welfare. The General Assembly refinanced \$12.5 million in FY 2009-10, \$19.5 million in FY 2010-11, \$23.5 million in FY 2011-12, and \$6.0 million in FY 2012-13.

State policy has also been shaped by the size of TANF reserves. Beginning in FY 2004-05, county-controlled TANF reserves began to grow, as both total and basic cash assistance expenditures fell.¹⁰ 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.¹¹ Reserves under state control (identified in the chart as Long-term Reserve amounts) were far smaller.

In response, the General Assembly adopted S.B. 08-177 (Boyd/McGihon and Massey). Senate Bill 08-177 included provisions to increase basic cash assistance awards, establish caps on county-controlled TANF reserves, and authorized new uses of TANF funds at the state level (*e.g.*, the Statewide Strategic Uses Fund). A number of S.B. 08-177 components have since been modified or eliminated.

⁹ To qualify for the Emergency Fund, the State was required to demonstrate caseload increases over prior years. To qualify for the Contingency Fund, a state's three-month unemployment rate must be at least 6.5 percent and at least 10 percent higher than the corresponding rate in either of the previous two years *or* its Supplemental Nutrition Assistance Program caseload must be at least 110 percent of the monthly average for FFY 1994 or 1995). It must also demonstrate maintenance of effort expenditures at 100 percent of the 1994 level (as opposed to the 80 percent of such expenditures usually required).

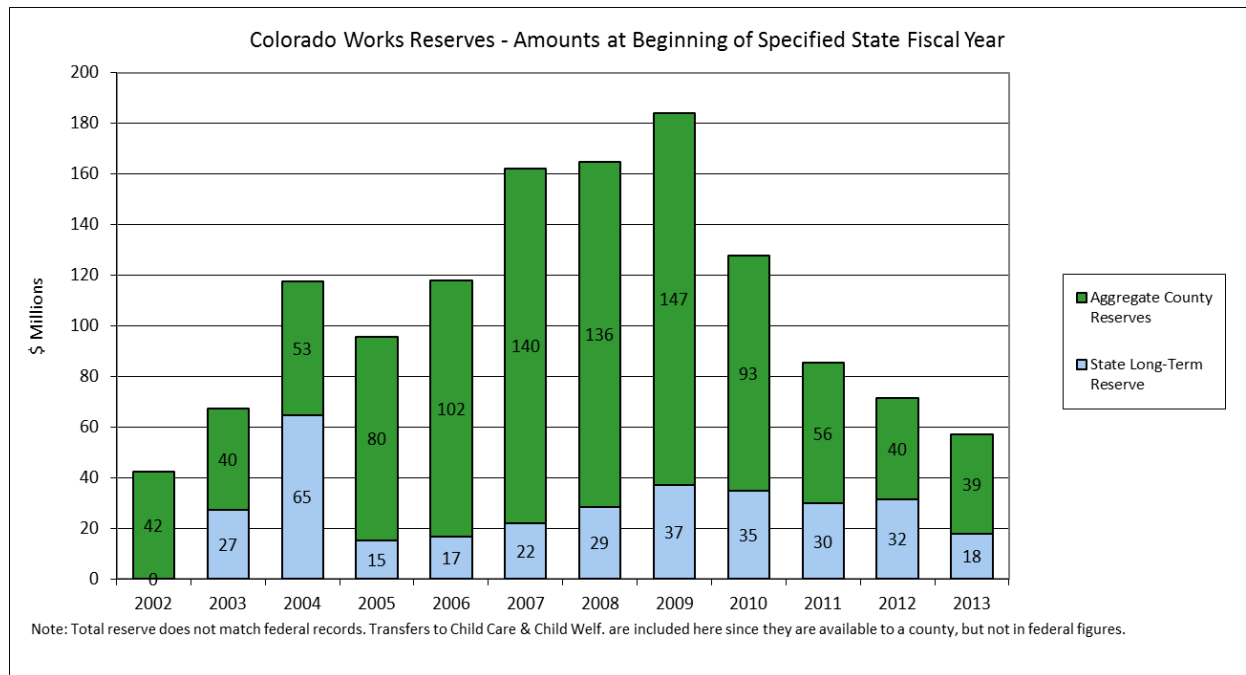
¹⁰ TANF "reserves" reflect federal spending authority for moneys not yet drawn down and expended by the State. Moneys are only transferred to the State based on qualified expenditures.

¹¹ This reserve figure includes TANF funds that had been transferred to separate TANF reserves for child welfare and child care programs.

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- Basic cash awards were increased by 30 percent pursuant to S.B. 08-177, and this has been maintained.
- Senate Bill 11-124 (Hodge/Gerou) set the county reserve cap at 40 percent of the annual Works allocation to a county. This bill also specified that if counties exceeded their reserve caps, excess amounts would be redistributed to other counties, rather than reverting to the State-controlled Long-term Reserve.
- House Bill 12-1341 (Hodge/Gerou; a JBC bill) eliminated the state-controlled Statewide Strategic Use Fund and transferred unspent amounts to the main TANF Long-term Reserve.

Counties *in total* maintained relatively large TANF reserves during FY 2011-12. In some of the small and medium-sized counties, counties seem to have maintained or increased their reserves, despite starting reserves at or above 40 percent (the smallest counties are allowed minimum reserves of \$100,000). This has helped to keep net reserves relatively large, although many counties are still experiencing a high demand for basic cash assistance and are still over-expending or struggling to operate within allocations.



2012 Legislative Session Action by the General Assembly and the FY 2013-14 Request

During the FY 2012 legislative session, the JBC and the General Assembly adopted a variety of appropriation reductions to TANF-supported programs to help keep the TANF Long-term Reserve solvent. These included, among other adjustments:

- Reducing the refinance of Child Welfare General Fund with TANF by \$16.5 (leaving \$6.0 million General Fund in FY 2012-13);
- Eliminating \$7.0 million per year in county TANF allocations and reimbursements;
- Eliminating the \$1.5 million appropriation for low-income energy assistance; and
- Smaller cuts to various administration line items.

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As part of the JBC's 2012 legislative session action on TANF, the JBC indicated that it expected all remaining TANF refinance in the Division of Child Welfare to be eliminated and General Fund restored for FY 2013-14 (a cost of \$11.0 million General Fund). This expectation was reflected in the Long Bill Narrative and Appropriations Report. However, the Executive Request restores only \$5.0 million General Fund to Child Welfare in FY 2013-14 to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13. The request does not replace the remaining \$6.0 million TANF funds in Child Welfare with General Fund or reduce this TANF appropriation.

The Executive has not explained this decision thus far. However, staff notes:

- The overall under-expenditure of General Fund in the Division of Child Welfare in FY 2012-13 may have made it difficult to justify a larger net General Fund increase in the Division to replace TANF funds.
- Due to adjustments in the Department's Long-term Reserve projection for TANF (primarily an adjustment to FY 2011-12 revenue), there may be sufficient TANF revenue to cover FY 2013-14 appropriations at FY 2012-13 levels, assuming FY 2012-13 Contingency Funds of \$6.8 million are received.

Even if no further TANF changes are included for FY 2013-14, adjustments will be needed for FY 2014-15 and beyond. The table below provides a summarized version of Department data on the status of the Long-term Reserve and staff's assessment of the implications for FY 2014-15 and future year funding. Staff assumes that if the General Assembly adopts the Executive Request for FY 2013-14 for TANF appropriations (and if \$6.8 million in Contingency Funds are received):

- The final \$6.0 million TANF refinance in the Division of Child Welfare will need to be eliminated by FY 2014-15 (with or without a General Fund restoration); and
- County Colorado Works allocations will need to be reduced by about \$2.4 million in FY 2014-15 and a further \$1.5 million in FY 2015-16.

Based on the 2012 session expression of legislative intent, the General Assembly may wish to consider eliminating all TANF funding and restoring General Fund in the Division of Child Welfare in FY 2013-14. *Staff does not believe such action is critical*, in light of the updated TANF revenue projection. However, this would further delay cuts to county Colorado Works allocations. A reduction of just \$3.0 million to Child Welfare TANF appropriations in FY 2013-14 would help the State to avoid cuts to Colorado Works allocations in FY 2014-15.

The General Assembly could also consider a cut to TANF allocations for Child Welfare without a General Fund restoration in FY 2012-13 and/or FY 2013-14. *Staff would only recommend a cut to total Child Welfare appropriations if counties seem likely to under-spend in Child Welfare to a significant degree.* Some considerations:

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- To recommend a Child Welfare TANF cut, staff would need to believe that the benefits of maintaining Colorado Works appropriations in FY 2014-15 outweigh the costs of cutting Child Welfare appropriations in FY 2012-13 and/or FY 2013-14. The benefits will only clearly outweigh the costs if Child Welfare appropriations will not be fully used.
- Counties under-spent Child Welfare allocations and over-spent Colorado Works allocations in FY 2011-12, but the variance was not large in either case.
- The State has very little information about how counties use Colorado Works allocations, other than for Basic Cash Assistance. There is thus no data that would demonstrate that maintaining Colorado Works allocations—as opposed to Child Welfare allocations—would provide particular benefits.
- In total, counties still hold substantial TANF reserves, which for many counties may be used to cushion further cuts. Staff also anticipates that the Colorado Works caseloads will begin to decline after FY 2013-14.
- The new federal Title IV-E waiver for Child Welfare may restrict the State’s ability to reduce Child Welfare funding. It is not yet clear how TANF funding for Child Welfare will be treated under the waiver’s maintenance of effort requirements.

Staff will bring this issue back to the Committee if warranted based on mid-year expenditure and revenue data for both TANF and Child Welfare programs.

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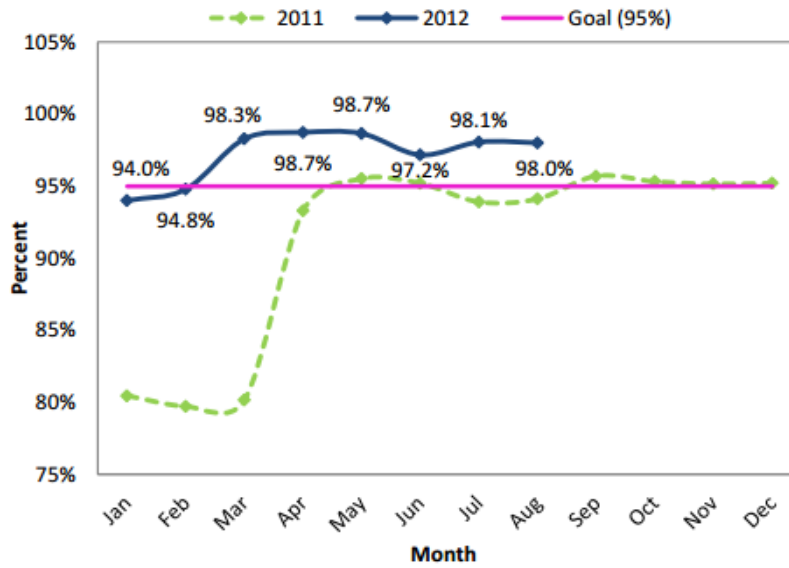
TANF Long-term Reserve Projection - Department Actual, Appropriation, and Request Data and Staff Projections for FY 2014-15 and FY 2015-16						
	FY 2010-11 Actual*	FY 2011-12 Actual*	FY 2012-13 Appropriation	FY 2013-14 Dept. Request	FY 2014-15 Staff Projected	FY 2015-16 Staff Projected
Revenue						
Uncommitted prior year funds excluding reserve	42,265,779	26,206,862	14,564,445	11,437,395	1,507,509	0
2% Uncommitted Reserve set-aside	n/a	n/a	2,721,132	2,721,132	2,721,132	2,721,132
Regular Annual TANF Grant	136,056,690	136,056,690	136,056,690	136,056,690	136,056,690	136,056,690
Supplemental TANF Grant / Other	13,569,691	6,780,722	0	0	0	0
TANF Contingency Fund	6,802,836	11,834,933	6,802,836	0	0	0
Revenue Subtotal	198,694,996	180,879,207	160,145,103	150,215,217	140,285,331	138,777,822
Appropriations						
Allocations to Counties	135,237,861	128,198,357	128,198,357	128,198,357	125,775,980	124,268,471
Info. Technology & Indirect Costs	6,318,057	6,318,057	6,318,057	6,318,057	6,318,057	6,318,057
CO Works State Administration, Evaluation, Training, Program	2,467,205	2,242,205	2,135,151	2,135,151	2,135,151	2,135,151
Works Statewide Strategic Use Fund	4,000,000	0	0	0	0	0
Refugee Assistance	2,805,334	2,705,334	2,705,334	2,705,334	2,705,334	2,705,334
Low Income Energy Assistance	1,500,000	0	0	0	0	0
Domestic Abuse Program	659,677	629,677	629,677	629,677	629,677	629,677
Child Welfare Programs (see below for net impact)	19,500,000	23,500,000	6,000,000	6,000,000	0	0
Expenditure subtotal	172,488,134	163,593,630	145,986,576	145,986,576	137,564,199	136,056,690
2% reserve		2,721,132	2,721,132	2,721,132	2,721,132	2,721,132
Balance Remaining/Additional Cut Required after reserve set	26,206,862	14,564,445	11,437,395	1,507,509	0	0
TANF-related Child Welfare Changes						
TANF	19,500,000	23,500,000	6,000,000	6,000,000	0	0
General Fund	(19,500,000)	(23,500,000)	(11,000,000)	(6,000,000)	0	0
Social Service Block Grant	0	0	5,000,000	0	0	0
Net Child Welfare Impact of TANF-related changes	0	0	0	0	0	0
*Simplified for purposes of this model; uncommitted prior year funds amounts for these years are backed into from FY 2012-13 starting point. FY 2011-12 revenue updated 11/2012.						
Change in Appropriations/Projections from FY 2010-11						
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Allocations to Counties	0	(7,039,504)	(7,039,504)	(7,039,504)	(9,461,881)	(10,969,390)
Info. Technology & Indirect Costs	0	0	0	0	0	0
CO Works State Administration, Evaluation, Training, Program	0	(225,000)	(332,054)	(332,054)	(332,054)	(332,054)
Works Statewide Strategic Use Fund	0	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Refugee Assistance	0	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Low Income Energy Assistance	0	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Domestic Abuse Program	0	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Child Welfare Programs (TANF change only)	0	4,000,000	(13,500,000)	(13,500,000)	(19,500,000)	(19,500,000)
TANF Expenditure change subtotal	0	(8,894,504)	(26,501,558)	(26,501,558)	(34,923,935)	(36,431,444)
Net Child Welfare Impact of TANF-related changes	0	0	0	0	0	0

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

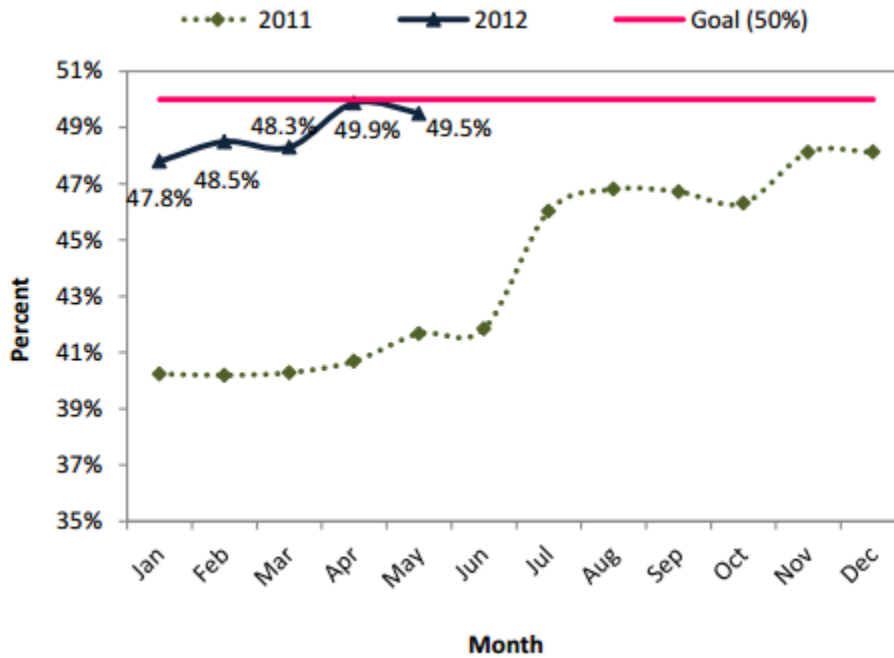
One of the Department's goals is to improve the lives of Colorado families need by helping them to achieve economic security. In the last year, the Department has focused on improving the timely processing of public assistance applications. With the economy beginning to stabilize, it indicates it will begin to shift its emphasis to getting people back to work.

The Department's C-Stat measures include several for Colorado Works. The first of these is also identified as a performance measure in the Department's Strategic Plan.

Colorado Works – Timely Processing of Applications



Colorado Works - Percent of Persons Employed



Issue: State Funding for Senior Services and the Old Age Pension Program – Requested Increases

The Department request includes \$2.0 million General Fund for senior services and \$1.8 million cash funds to provide a cost of living increase for the Old Age Pension program.

SUMMARY:

- Senior services such as congregate meals, “meals on wheels” and senior transportation services are supported through federal Older Americans Act funds and state funds. Programs are administered through a network of 16 Area Agencies on Aging located throughout the State.
- The Department requests \$2.0 million General Fund for state funding for senior services, representing a 20 percent increase in state funding. The request is based on growth in the older-adult population.
- The Department request also includes \$1.8 million Old Age Pension cash funds to provide a 1.7 percent cost of living increase for this program. While this request provides the General Assembly with an opportunity for input, General Assembly action is not binding on the State Board of Human Services, which has Constitutional authority to determine the OAP benefit.

DISCUSSION:

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 with state moneys.

State funding includes both a direct General Fund appropriation and a cash funds appropriation from the Older Coloradans Cash Fund, created in Section 39-26-123 (a) (III) (D), C.R.S. Sales and excise tax revenue are directed to the Older Coloradans Cash Fund in lieu of the General Fund, so these cash funds are “General Fund equivalent” moneys. Section 26-11-205.5, C.R.S., directs the distribution of Older Coloradans Cash Fund moneys to the Area Agencies on Aging consistent with federal allocation patterns. The diversion of sales and excise tax revenue to the Older Coloradans Cash Fund has been statutorily set at \$8.0 million since FY 2008-09.

In FY 2012-13, funding for Community Services for the Elderly totaled \$32.3 million, including:

- \$10.1 million state funds (General Fund+Older Coloradans Cash Funds)

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- \$3.5 million local funds
- \$18.8 million federal 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.

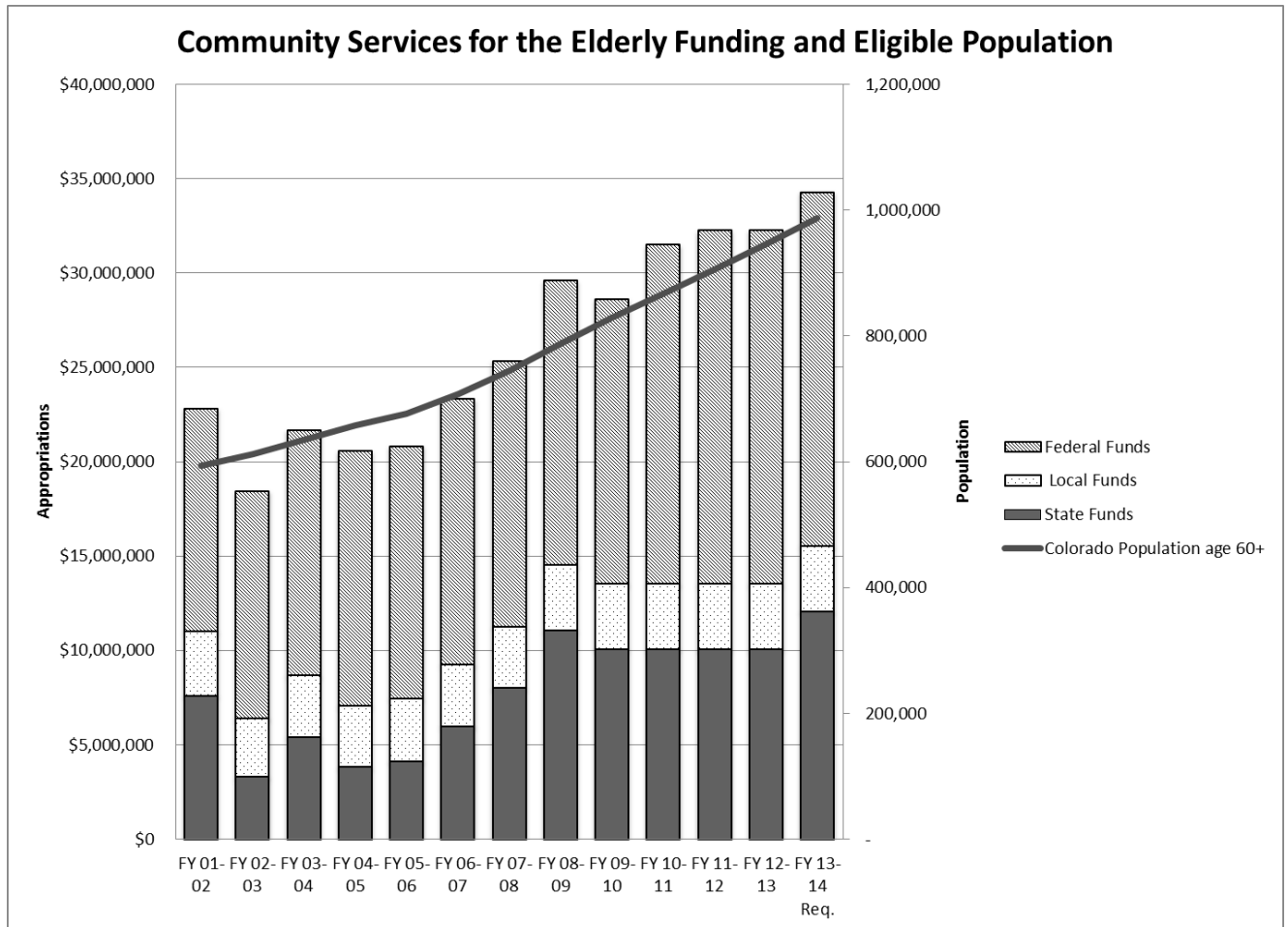
In FY 2011-12, a total of 39,546 unduplicated consumers were served through the Older Americans Act and State Funding for Senior Services programs.

FY 2013-14 R-8: State Funding for Senior Services and Old Age Pension

For FY 2013-14, the Executive has requested an increase of \$2,000,000 General Fund for State Funding for Senior Services, **representing an increase of almost 20 percent in state funding.** The request would restore a \$1.0 million state funds reduction taken in FY 2009-10 and provide a further \$1.0 million increase. The request notes that the population of people above age 60 in Colorado is growing more rapidly than the state population as a whole. Furthermore the percent of those adults living in poverty has also grown. The request estimates that this increase would support 198,671 home delivered meals, 145,889 congregate meals, and 54,190 transportation rides, among other services.

The chart below compares the growth in funding for senior services with the growth in the population age 60 and up, who are eligible for these services. The subsequent table outlines how state and federal funds for senior services have been spent in recent years, based on the required federal funding formulas. (The table excludes the local share and administrative overhead amounts and therefore does not tie to totals on the chart.)

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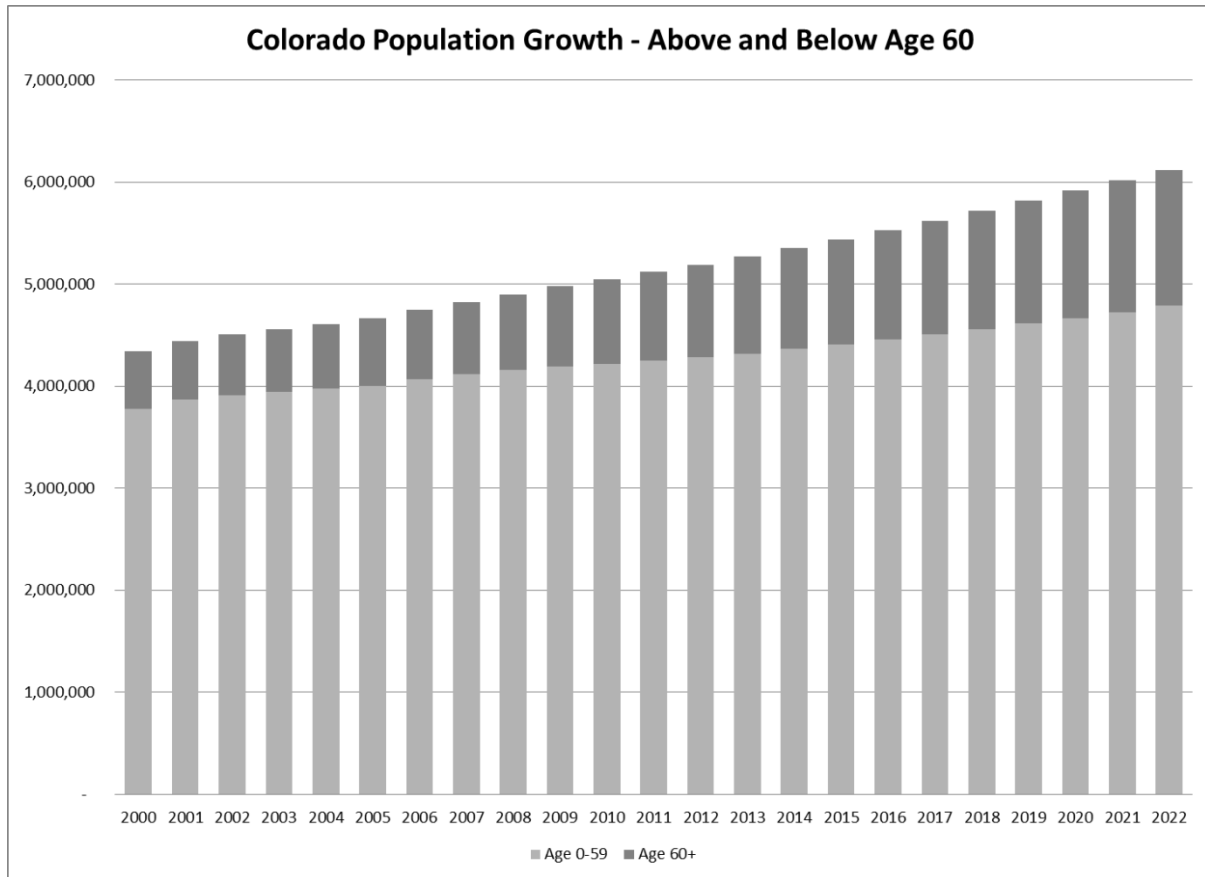


	Actual Expenditures - Older American Act - Specific Services					
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
In-home Services (home maker, personal care)	\$ 1,065,236	\$ 1,150,472	\$ 1,811,336	\$ 1,993,530	\$ 1,785,407	\$ 1,704,623
Nutrition Services (Congregate meals/meals on wheels)	\$ 6,910,765	\$ 7,572,430	\$ 8,490,641	\$ 8,241,089	\$ 9,066,098	\$ 9,193,899
Assisted Transportation	\$ 2,454,589	\$ 2,669,149	\$ 3,481,566	\$ 3,467,877	\$ 3,246,405	\$ 3,380,187
Family Caregiver Support	\$ 1,477,130	\$ 1,484,715	\$ 1,743,789	\$ 1,968,247	\$ 1,856,679	\$ 1,872,308
Case Management, Education, Legal Assistance	\$ 3,623,663	\$ 4,305,998	\$ 6,109,156	\$ 6,303,739	\$ 5,612,551	\$ 5,805,102
Total	\$ 15,531,382	\$ 17,182,763	\$ 21,636,488	\$ 21,974,482	\$ 21,567,140	\$ 21,956,118

Issues the General Assembly may wish to consider when deciding whether to fund this request:

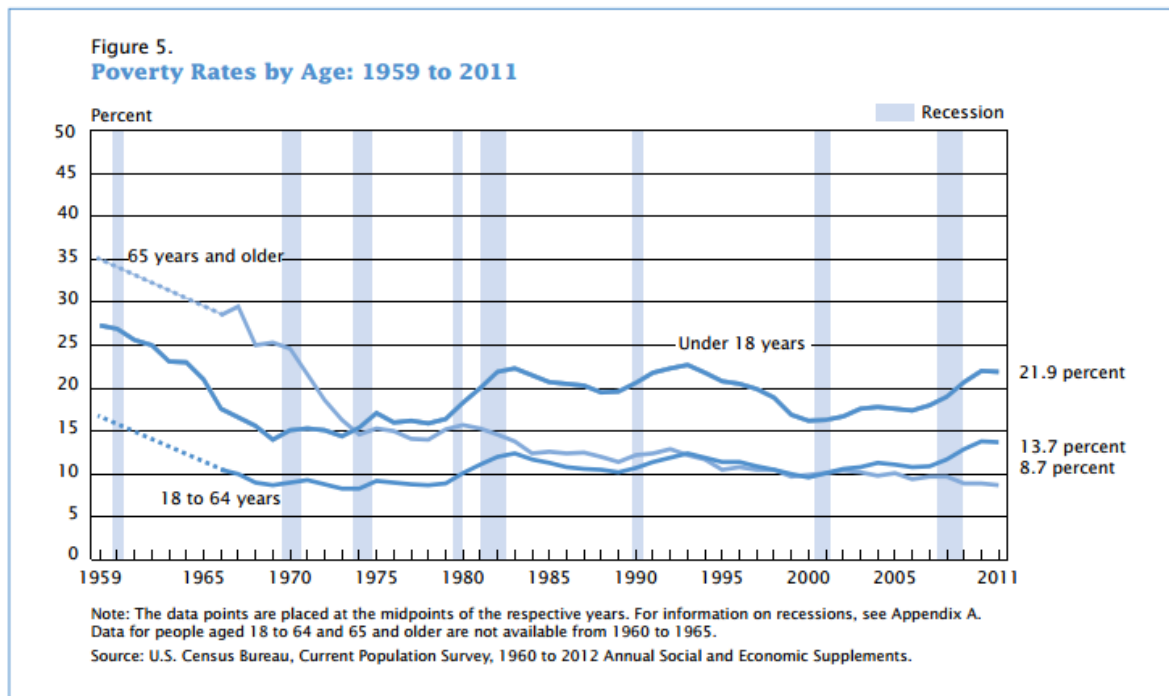
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- The population of individuals in Colorado over age 60 is growing more rapidly than growth in the rest of the state population, as reflected in the chart below. This will put increasing demand on state services.



- Although state and federal funding for this program has increased substantially over the last decade, even in nominal dollars, the population over age 60 has grown more rapidly than funding. If this request is approved, total funding for community services for the elderly will have increased by 50 percent between FY 2001-02 and FY 2013-14, while the population age sixty and above is estimated to grow 67 percent over the same period. This calculation does not take into account the impact of inflation, which has reduced the real purchasing power of appropriations by over 20 percent in the last decade. Community Services for the Elderly is not unique in this regard: funding in real dollars per population has decreased for most programs in the Department of Human Services over the last decade.
- The impact of federal budget reductions on this program is uncertain. If sequestration were to take effect, federal funding might decline on the order of \$1.3 million for FFY 2012-13, resulting in a total reduction (including the local and state share) of about \$1.5 million. Even if sequestration does not take place, this program could be targeted in federal budget reductions and will undoubtedly be affected by federal limits on growth in discretionary programs over the next decade. The State must therefore decide to what extent it wishes to compensate for restrained federal funding.

- In general, older adults are the best-off segment of the Colorado and United States population. The chart below from the U.S. census bureau compares poverty rates by age. As shown, nationally in 2011, 8.7 percent of people age 65 and over lived in poverty, while 21.9 percent of children lived in poverty. Furthermore, this program is **not** means tested, and thus it does not serve solely those with the greatest need, although such individuals are prioritized.



- There are outstanding questions about the future administrative location of Community Services for the Elderly in the State budget. The Governor created a new Office of Community Living and a Community Living Advisory Committee through a July 2012 executive order. Based on proposals and discussions thus far, it seems likely that the Executive will propose moving Community Services for the Elderly to the Department of Health Care Policy and Financing. This raises some questions about how any appropriations approved now might be used in future years.

Old Age Pension

Article XXIV of the Colorado Constitution provides for Old Age Pensions for Coloradans 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). 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 (OAP) is 85 percent of net revenue from most sales and excise taxes. Pursuant to the Colorado Constitution, all moneys deposited in the

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OAP Cash 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.

Key points about the OAP:

- 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. As a result, amounts shown in the Long Bill are for informational purposes and are not controlled by the General Assembly.
- Although the General Assembly does not control award levels or administrative costs, it *can* change the costs of the program by modifying *program eligibility*, as opposed to the award level. House Bill 10-1384 made substantial changes to OAP eligibility for immigrants, resulting in projected total savings (when fully implemented) of over \$28 million per year. (An initial reduction was implemented in FY 2010-11; a further reduction is anticipated in FY 2013-14.)
- 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.

The maximum OAP benefit beginning July 1, 2012 is \$725 per month, reflecting an increase of 3.7 percent encouraged by the General Assembly pursuant to H.B. 12-1326. As administered, the program provides funding to qualified individuals to bring their income up to the minimum award level. Thus, if an individual receives a monthly maximum award from the federal SSI program of \$700, the OAP program would provide an additional \$25 per month for that individual to bring them up to the OAP minimum award level of \$725. 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.

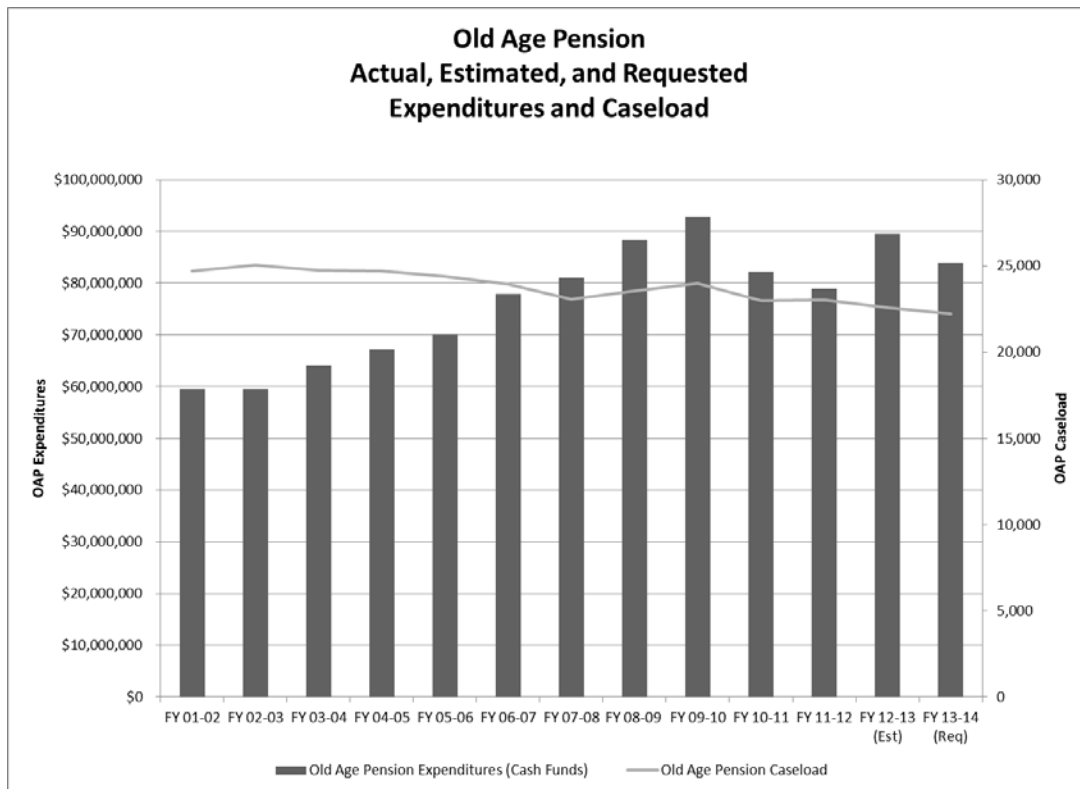
In recent years, the total population served by the OAP has been flat or declining. However, costs increases have been driven by cost-of-living increases.

For FY 2013-14, the Department has:

- Requested \$1.8 million cash funds for a cost of living increase, based on federal cost of living increase approved for the SSI program of 1.7 percent effective January 1, 2013; and
- Reflected a reduction of \$7.4 million for the anticipated impact of H.B. 10-1384 which requires the income of legal immigrant's sponsors to be considered when determining their eligibility for the OAP. This change becomes effective January 1, 2014 (after

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restrictions imposed by the Affordable Care Act end). The annualized impact of this change is estimated to be \$14.8 million and 2,020 participants in FY 2014-15.



Two points the General Assembly should consider:

- The request for a cost of living increase should be viewed as a courtesy, enabling the General Assembly to provide input, as it did during the 2012 session in H.B. 12-1326. General Assembly action on this request would not be binding on the State Board.
- If the State fails to provide a cost of living increase for the OAP, this can create difficulties related to the State’s “maintenance of effort” requirement for the federal Supplemental Security Income (SSI) program. This MOE dates to the creation of the SSI program in the 1970s. Colorado complies with the MOE by maintaining the same level of state expenditure for SSI recipients during each calendar year. Only cash disbursements to individuals who are on the federal SSI program count toward the MOE. The Old Age Pension typically contributes over \$10 million to Colorado’s \$27.4 million MOE requirement. If the OAP does not increase its grant standard at the rate of the federal SSI increase, the OAP contribution to the SSI MOE declines, and the State must identify alternative qualifying cash-outlays to individuals on SSI to compensate.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

The Department's strategic plan does not address the Old Age Pension or Community Services for the Elderly, except as related to a potential consolidation of long term care services in the Department of Health Care Policy and Financing. There are no related performance measures.

Issue: Potential Impact of Sequestration on Department of Human Services

Federal funds are a critical source of support for state human services programs. Automatic budget reductions (sequestration) would reduce federal funding by less than 3.0 percent for FFY 2012-13, based on current estimates. Alternatives adopted by Congress might have a larger or smaller impact.

SUMMARY:

- Federal funding comprises over 40 percent of Colorado's Human Services "on budget" funding and more than this if off-budget sources are included.
- Many Department of Human Services programs are exempted from automatic sequestration. As a result, if sequestration occurs it will likely reduce the Department's federal funding by less than 3.0 percent.

DISCUSSION:

Federal funds are a critical source of support for state human services programs. For FY 2012-13, federal funds comprise \$885 million (40.8 percent) of the state human services budget.¹² In addition, substantial additional federal funds are received which are not reflected in state budget bills. This includes, most notably, food assistance benefits (SNAP/Food Stamps), which totaled \$799 million in FY 2011-12.

The federal Budget Control Act of 2011 (BCA) triggers automatic spending reductions "sequestration" in federal fiscal year (FFY) 2012-13, because the Joint Select Committee on Deficit Reduction (the "Super Committee") was unable, in late 2011, to reach agreement on steps to reduce the federal deficit. If Congress does not act to avert sequestration, many Human Services programs will be affected. However, many programs will also be exempted.

Human Services programs exempted from automatic sequestration:

- Temporary Assistance for Needy Families (TANF)
- TANF Contingency Fund
- Child Care Development Funds mandatory and matching portions (CCDF)
- Child Welfare Foster Care and Permanency Payments under Title IV-E
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP/Food Stamps)
- Child Support Enforcement
- Commodity Food Distribution Program

¹² This figure includes the federal funds portion of Medicaid funds appropriated in the Department of Health Care Policy and Financing and transferred to the Department of Human Services as reappropriated funds. Excluding these transfers, federal funds comprise 30 percent of the Department of Human Services' budget.

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- State and Veterans Nursing Homes

Some of the Human Services programs that *would* be subject to automatic sequestration include:

- Child Welfare Promoting Safe and Stable Families and Child Abuse Prevention and Treatment Act Grants
- Social Services Block Grant
- Discretionary portion of Child Care and Development Funds (about 1/3 of the total annual grant)
- Low Income Energy Assistance Program (which faces a substantial cut already, based on the President's budget request and Congressional action to-date)
- Refugee Assistance
- Part C Early Intervention Services
- Vocational Rehabilitation Services
- Mental Health Block Grant
- Substance Abuse Prevention and Treatment Block Grant
- Older Americans Act programs

In addition, some programs in other departments targeted at low-income individuals, including Section 8 housing vouchers and various public health programs, would be subject to automatic sequestration.

Preliminary estimates of the impact of sequestration issued by the federal Office of Management and Budget (OMB) in September 2012 reflect reductions to FFY 2012-13 spending levels of:

- 8.2 percent for non-defense discretionary appropriations
- 7.6 percent for non-defense direct/mandatory spending

The table below is updated, using Office of Management and Budget national reduction estimates, from data previously provided by the Department of Human Services. Actual reductions would likely differ, as: (1) FFY 2012-13 begins in October 2012, and thus only three-quarters of SFY 2012-13 funding would actually be affected; (2) Colorado's share of total federal budget allocations may change from year-to-year based on federal allocation formulas.

The estimated \$18.3 million in cuts represents less than 3.0 percent of federal funds reflected in the Human Services budget for FY 2012-13.¹³ The total is much smaller than 8.2 percent because of the large number of Human Services programs exempted under sequestration.

¹³ This represents less than 2.2 percent of the Department's federal funds, if federal funds transferred to the Department of Human Services as reappropriated funds are included in the base.

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List of DHS Grants Likely Subject to Reduction Under Sequestration			
Mandatory	7.60%		
Discretionary	8.20%		
Grant	Estimated Grant Award	FFY 13 Est. Award	Reduction
Family Violence Prevention & Services State Grant	\$ 1,555,512	\$ 1,427,960	\$ (127,552)
Part C - Infants and Toddlers with Disabilities	\$ 7,070,900	\$ 6,491,086	\$ (579,814)
Child Care Development Fund - Discretionary	\$ 27,524,224	\$ 25,267,238	\$ (2,256,986)
Block Grants for Community Mental Health Services	\$ 6,633,747	\$ 6,089,780	\$ (543,967)
Colorado Access to Recovery Grant	\$ 3,352,000	\$ 3,077,136	\$ (274,864)
Colorado Prevention Partnership for Success Grant	\$ 2,300,000	\$ 2,111,400	\$ (188,600)
Screening Brief Intervention Grant	\$ 3,419,219	\$ 3,138,843	\$ (280,376)
Promoting Safe and Stable Families (IV-B Subpart2)	\$ 3,325,929	\$ 3,053,203	\$ (272,726)
Child Welfare Social Services (IV-B Subpart 1)	\$ 4,195,471	\$ 3,851,442	\$ (344,029)
Child Abuse Treatment & Prevention (CAPTA)	\$ 434,405	\$ 398,784	\$ (35,621)
Children's Justice Act	\$ 280,494	\$ 257,493	\$ (23,001)
Support Systems for Rural Homeless Youth	\$ 220,532	\$ 202,448	\$ (18,084)
Social Services Block Grant	\$ 27,668,480	\$ 25,399,665	\$ (2,268,815)
Vocational Rehabilitation Grant	\$ 40,186,308	\$ 36,891,031	\$ (3,295,277)
State Independint Living Services Grant	\$ 312,358	\$ 286,745	\$ (25,613)
State Independint Living Services Grant (Blind)	\$ 468,653	\$ 430,223	\$ (38,430)
Supported Employment State Grant	\$ 401,750	\$ 368,807	\$ (32,944)
Employment and Training Grant USDLE	\$ 1,223,037	\$ 1,122,748	\$ (100,289)
Older Americans Act Title III - Grants for State and Community Program on Aging	\$ 15,782,208	\$ 14,488,067	\$ (1,294,141)
Older Americans Act Title VII - Alotments for Vulnerable Elder Rights Protection Activities	\$ 294,801	\$ 270,627	\$ (24,174)
Refugee Services Grant	\$ 7,280,000	\$ 6,683,040	\$ (596,960)
Refugee Social Services Grant	\$ 1,617,208	\$ 1,484,597	\$ (132,611)
Refugee Targeted Assistance	\$ 747,489	\$ 686,195	\$ (61,294)
Wilson Fish Grant (Refugee Services)	\$ 2,799,426	\$ 2,569,873	\$ (229,553)
Substance Abuse Prevention & Treatment Block Grant	\$ 26,159,532	\$ 24,014,450	\$ (2,145,082)
Low Income Energy Assistance	\$ 38,146,393	\$ 35,018,389	\$ (3,128,004)
Total	\$ 223,400,076	\$ 205,081,270	\$ (18,318,806)

Source: Base grant awards and programs provided by the Department of Human Services, adjusted for Office of Management and Budget reduction estimates. Figures are somewhat higher than August 2012 OSPB estimates due to this adjustment.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

Not directly applicable.

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Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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DEPARTMENT OF HUMAN SERVICES
Reggie Bicha, Executive Director

(4) COUNTY ADMINISTRATION

This section contains appropriations for 64 county departments of social services to administer several programs including: the Supplemental Nutrition Assistance Program (Food Stamps), Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, and Child Support Enforcement. Administration for the Colorado Works program, child welfare, child care, and Old Age Pension programs are included in the respective sections for these programs. County administration for Medicaid programs is appropriated to the Department of Health Care Policy and Financing.

County Administration	<u>50,809,601</u>	<u>50,258,916</u>	<u>50,116,105</u>	<u>57,766,598</u> *
General Fund	20,516,876	19,966,191	19,823,380	22,207,450
Cash Funds	9,193,456	9,193,456	9,193,456	10,723,555
Federal Funds	21,099,269	21,099,269	21,099,269	24,835,593
Food Assistance Administration	<u>0</u>	<u>4,715,280</u>	<u>4,715,280</u>	<u>0</u>
General Fund	0	1,414,584	1,414,584	0
Cash Funds	0	943,056	943,056	0
Federal Funds	0	2,357,640	2,357,640	0
County Tax Base Relief	<u>1,587,428</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	1,587,428	1,000,000	1,000,000	1,000,000
County Share of Offsetting Revenues	<u>2,899,425</u>	<u>3,357,152</u>	<u>2,986,000</u>	<u>2,986,000</u>
Cash Funds	2,899,425	3,357,152	2,986,000	2,986,000
County Incentive Payments	<u>1,768,204</u>	<u>3,310,209</u>	<u>4,113,000</u>	<u>4,113,000</u>
Cash Funds	1,768,204	3,310,209	4,113,000	4,113,000

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
TOTAL - (4) County Administration	57,064,658	62,641,557	62,930,385	65,865,598	4.7%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	22,104,304	22,380,775	22,237,964	23,207,450	4.4%
Cash Funds	13,861,085	16,803,873	17,235,512	17,822,555	3.4%
Federal Funds	21,099,269	23,456,909	23,456,909	24,835,593	5.9%

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(7) OFFICE OF SELF SUFFICIENCY

This section includes appropriations for various public assistance programs, including Colorado Works, Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs, among others.

(A) Administration

Personal Services	<u>1,554,838</u>	<u>1,491,043</u>	<u>1,678,483</u>	<u>1,678,483</u>
FTE	19.6	18.8	22.0	22.0
General Fund	722,104	604,566	718,999	718,999
Federal Funds	832,734	886,477	959,484	959,484
Operating Expenses	<u>69,265</u>	<u>68,586</u>	<u>77,499</u>	<u>77,499</u>
General Fund	35,249	39,893	54,133	54,133
Federal Funds	34,016	28,693	23,366	23,366

SUBTOTAL - (A) Administration	1,624,103	1,559,629	1,755,982	1,755,982	0.0%
FTE	<u>19.6</u>	<u>18.8</u>	<u>22.0</u>	<u>22.0</u>	<u>0.0%</u>
General Fund	757,353	644,459	773,132	773,132	0.0%
Federal Funds	866,750	915,170	982,850	982,850	0.0%

(B) Colorado Works Program

Administration	<u>1,159,759</u>	<u>1,433,711</u>	<u>1,507,454</u>	<u>1,507,454</u>
FTE	17.6	17.3	18.0	18.0
Federal Funds	1,159,759	1,433,711	1,507,454	1,507,454
County Block Grants	<u>151,786,044</u>	<u>150,572,983</u>	<u>150,548,087</u>	<u>150,548,087</u>
Cash Funds	22,387,137	22,374,626	22,349,730	22,349,730
Federal Funds	129,398,907	128,198,357	128,198,357	128,198,357

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Reimbursement to Counties for Prior year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement	<u>5,524,726</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Federal Funds	5,524,726	0	0	0	
County Block Grant Support Fund	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Federal Funds	1,000,000	0	0	0	
County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs	<u>55,618,851</u>	<u>40,082,449</u>	<u>40,028,449</u>	<u>40,028,449</u>	
Federal Funds	55,618,851	40,082,449	40,028,449	40,028,449	
County Training	<u>531,724</u>	<u>403,356</u>	<u>475,744</u>	<u>475,744</u>	
FTE	2.0	2.3	2.0	2.0	
Federal Funds	531,724	403,356	475,744	475,744	
Domestic Abuse Program	<u>1,830,757</u>	<u>1,735,289</u>	<u>1,831,431</u>	<u>1,831,431</u>	
FTE	2.7	2.6	2.7	2.7	
Cash Funds	1,170,933	1,107,619	1,201,754	1,201,754	
Federal Funds	659,824	627,670	629,677	629,677	
Works Program Evaluation	<u>104,958</u>	<u>93,635</u>	<u>95,000</u>	<u>95,000</u>	
Federal Funds	104,958	93,635	95,000	95,000	
Workforce Development Council	<u>83,802</u>	<u>83,764</u>	<u>85,000</u>	<u>85,000</u>	
Federal Funds	83,802	83,764	85,000	85,000	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Promoting Responsible Fatherhood Grant	<u>1,788,092</u> 3.0	<u>569,729</u> 0.6	0	0	
General Fund	68,353	64	0	0	
Federal Funds	1,719,739	569,665	0	0	
Colorado Work Program Maintenance Fund	<u>100,000</u>	0	0	0	
Federal Funds	100,000	0	0	0	
Colorado Works Statewide Strategic Use Fund	<u>6,832,814</u>	<u>4,069,713</u>	0	0	
Federal Funds	6,832,814	4,069,713	0	0	
SUBTOTAL - (B) Colorado Works Program	226,361,527	199,044,629	194,571,165	194,571,165	0.0%
<i>FTE</i>	<u>25.3</u>	<u>22.8</u>	<u>22.7</u>	<u>22.7</u>	(0.0%)
General Fund	68,353	64	0	0	0.0%
Cash Funds	23,558,070	23,482,245	23,551,484	23,551,484	0.0%
Federal Funds	202,735,104	175,562,320	171,019,681	171,019,681	0.0%

(C) Special Purpose Welfare Programs

(I) Low Income Energy Assistance Program

Low Income Energy Assistance Program	<u>58,940,618</u>	<u>49,979,195</u>	<u>48,093,420</u>	<u>48,093,420</u>	
FTE	5.4	5.3	5.2	5.2	
Cash Funds	1,000,000	1,725,000	3,150,000	3,150,000	
Federal Funds	57,940,618	48,254,195	44,943,420	44,943,420	

SUBTOTAL - (I) Low Income Energy Assistance

Program	58,940,618	49,979,195	48,093,420	48,093,420	0.0%
<i>FTE</i>	<u>5.4</u>	<u>5.3</u>	<u>5.2</u>	<u>5.2</u>	0.0%
Cash Funds	1,000,000	1,725,000	3,150,000	3,150,000	0.0%
Federal Funds	57,940,618	48,254,195	44,943,420	44,943,420	0.0%

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(II) Food Stamp Job Search Units					
Program Costs	<u>2,054,713</u>	<u>2,045,396</u>	<u>2,057,920</u>	<u>2,057,920</u>	
FTE	4.9	5.3	6.2	6.2	
General Fund	175,494	174,125	178,003	178,003	
Cash Funds	409,382	409,382	409,382	409,382	
Federal Funds	1,469,837	1,461,889	1,470,535	1,470,535	
Supportive Services	<u>261,404</u>	<u>257,052</u>	<u>261,452</u>	<u>261,452</u>	
General Fund	78,417	76,785	78,435	78,435	
Cash Funds	52,291	52,291	52,291	52,291	
Federal Funds	130,696	127,976	130,726	130,726	
SUBTOTAL - (II) Food Stamp Job Search Units	2,316,117	2,302,448	2,319,372	2,319,372	0.0%
<i>FTE</i>	<u>4.9</u>	<u>5.3</u>	<u>6.2</u>	<u>6.2</u>	<u>0.0%</u>
General Fund	253,911	250,910	256,438	256,438	0.0%
Cash Funds	461,673	461,673	461,673	461,673	0.0%
Federal Funds	1,600,533	1,589,865	1,601,261	1,601,261	0.0%
(III) Food Distribution Program					
Food Distribution Program	<u>396,176</u>	<u>542,026</u>	<u>566,630</u>	<u>566,630</u>	
FTE	4.3	4.8	6.5	6.5	
General Fund	45,308	44,978	45,583	45,583	
Cash Funds	133,864	217,607	243,813	243,813	
Reappropriated Funds	0	5,828	0	0	
Federal Funds	217,004	273,613	277,234	277,234	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (III) Food Distribution Program	396,176	542,026	566,630	566,630	0.0%
<i>FTE</i>	<u>4.3</u>	<u>4.8</u>	<u>6.5</u>	<u>6.5</u>	<u>0.0%</u>
General Fund	45,308	44,978	45,583	45,583	0.0%
Cash Funds	133,864	217,607	243,813	243,813	0.0%
Reappropriated Funds	0	5,828	0	0	0.0%
Federal Funds	217,004	273,613	277,234	277,234	0.0%
(IV) Low-Income Telephone Assistance Program					
Low Income Telephone Assistance Program	<u>71,596</u>	<u>77,481</u>	<u>118,272</u>	<u>118,272</u>	
<i>FTE</i>	0.5	0.7	1.5	1.5	
Cash Funds	71,596	77,481	118,272	118,272	
SUBTOTAL - (IV) Low-Income Telephone Assistance Program	71,596	77,481	118,272	118,272	0.0%
<i>FTE</i>	<u>0.5</u>	<u>0.7</u>	<u>1.5</u>	<u>1.5</u>	<u>0.0%</u>
Cash Funds	71,596	77,481	118,272	118,272	0.0%
(V) Income Tax Offset					
Income Tax Offset	<u>2,580</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	
General Fund	1,290	2,064	2,064	2,064	
Federal Funds	1,290	2,064	2,064	2,064	
SUBTOTAL - (V) Income Tax Offset	2,580	4,128	4,128	4,128	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	1,290	2,064	2,064	2,064	0.0%
Federal Funds	1,290	2,064	2,064	2,064	0.0%

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(VI) Electronic Benefits Transfer Service					
Electronic Benefits Transfer Service	<u>2,591,619</u>	<u>2,508,063</u>	<u>3,679,032</u>	<u>3,679,032</u>	
FTE	6.6	0.0	7.0	7.0	
General Fund	571,567	413,511	991,955	991,955	
Cash Funds	761,853	877,335	993,608	993,608	
Federal Funds	1,258,199	1,217,217	1,693,469	1,693,469	
SUBTOTAL - (VI) Electronic Benefits Transfer Service					
	2,591,619	2,508,063	3,679,032	3,679,032	0.0%
FTE	<u>6.6</u>	<u>0.0</u>	<u>7.0</u>	<u>7.0</u>	<u>0.0%</u>
General Fund	571,567	413,511	991,955	991,955	0.0%
Cash Funds	761,853	877,335	993,608	993,608	0.0%
Federal Funds	1,258,199	1,217,217	1,693,469	1,693,469	0.0%
(VII) Refugee Assistance					
Refugee Assistance	<u>11,087,361</u>	<u>11,568,940</u>	<u>16,686,921</u>	<u>16,686,921</u>	
FTE	2.3	3.6	10.0	10.0	
Federal Funds	11,087,361	11,568,940	16,686,921	16,686,921	
SUBTOTAL - (VII) Refugee Assistance					
	11,087,361	11,568,940	16,686,921	16,686,921	0.0%
FTE	<u>2.3</u>	<u>3.6</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0%</u>
Federal Funds	11,087,361	11,568,940	16,686,921	16,686,921	0.0%

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(VIII) Systematic Alien Verification for Eligibility					
Systematic Alien Verification for Eligibility	<u>50,444</u>	<u>47,607</u>	<u>53,893</u>	<u>53,893</u>	
FTE	0.7	0.3	1.0	1.0	
General Fund	6,939	6,247	6,984	6,984	
Cash Funds	3,447	3,167	3,699	3,699	
Reappropriated Funds	31,126	30,034	33,951	33,951	
Federal Funds	8,932	8,159	9,259	9,259	
SUBTOTAL - (VIII) Systematic Alien Verification for Eligibility					
	50,444	47,607	53,893	53,893	0.0%
FTE	<u>0.7</u>	<u>0.3</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0%</u>
General Fund	6,939	6,247	6,984	6,984	0.0%
Cash Funds	3,447	3,167	3,699	3,699	0.0%
Reappropriated Funds	31,126	30,034	33,951	33,951	0.0%
Federal Funds	8,932	8,159	9,259	9,259	0.0%
SUBTOTAL - (C) Special Purpose Welfare Programs					
	75,456,511	67,029,888	71,521,668	71,521,668	0.0%
FTE	<u>24.7</u>	<u>20.0</u>	<u>37.4</u>	<u>37.4</u>	<u>(0.0%)</u>
General Fund	879,015	717,710	1,303,024	1,303,024	0.0%
Cash Funds	2,432,433	3,362,263	4,971,065	4,971,065	0.0%
Reappropriated Funds	31,126	35,862	33,951	33,951	0.0%
Federal Funds	72,113,937	62,914,053	65,213,628	65,213,628	0.0%
(D) Child Support Enforcement					
Automated Child Support Enforcement System	<u>8,754,147</u> 13.7	<u>7,233,496</u> 13.9	<u>9,095,641</u> 16.9	<u>9,095,641</u> 16.9	
General Fund	2,945,569	2,449,270	2,654,527	2,654,527	
Cash Funds	119,773	95,699	719,959	719,959	
Federal Funds	5,688,805	4,688,527	5,721,155	5,721,155	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Child Support Enforcement	<u>2,077,604 21.8</u>	<u>2,681,437 23.1</u>	<u>2,110,383 24.5</u>	<u>2,110,383 24.5</u>	
General Fund	668,848	701,771	645,729	645,729	
Cash Funds	71,261	245,284	71,800	71,800	
Federal Funds	1,337,495	1,734,382	1,392,854	1,392,854	
SUBTOTAL - (D) Child Support Enforcement	10,831,751	9,914,933	11,206,024	11,206,024	0.0%
<i>FTE</i>	<u>35.5</u>	<u>37.0</u>	<u>41.4</u>	<u>41.4</u>	<u>0.0%</u>
General Fund	3,614,417	3,151,041	3,300,256	3,300,256	0.0%
Cash Funds	191,034	340,983	791,759	791,759	0.0%
Federal Funds	7,026,300	6,422,909	7,114,009	7,114,009	0.0%
(E) Disability Determination Services					
Program Costs	<u>20,632,565 130.9</u>	<u>20,374,577 120.0</u>	<u>19,902,138 121.7</u>	<u>19,902,138 121.7</u>	
Federal Funds	20,632,565	20,374,577	19,902,138	19,902,138	
SUBTOTAL - (E) Disability Determination Services	20,632,565	20,374,577	19,902,138	19,902,138	0.0%
<i>FTE</i>	<u>130.9</u>	<u>120.0</u>	<u>121.7</u>	<u>121.7</u>	<u>0.0%</u>
Federal Funds	20,632,565	20,374,577	19,902,138	19,902,138	0.0%
TOTAL - (7) Office of Self Sufficiency	334,906,457	297,923,656	298,956,977	298,956,977	0.0%
<i>FTE</i>	<u>236.0</u>	<u>218.6</u>	<u>245.2</u>	<u>245.2</u>	<u>0.0%</u>
General Fund	5,319,138	4,513,274	5,376,412	5,376,412	0.0%
Cash Funds	26,181,537	27,185,491	29,314,308	29,314,308	0.0%
Reappropriated Funds	31,126	35,862	33,951	33,951	0.0%
Federal Funds	303,374,656	266,189,029	264,232,306	264,232,306	0.0%

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(10) ADULT ASSISTANCE PROGRAMS

This section includes funding for the Old Age Pension Program, for various adult cash assistance programs, and for community services for the elderly, including Older Americans Act programs.

(A) Administration

Administration	<u>324,928</u>	<u>466,574</u>	<u>584,225</u>	<u>584,225</u>	
FTE	2.8	4.8	6.0	6.0	
General Fund	102,393	101,772	102,311	102,311	
Cash Funds	0	0	103,950	103,950	
Reappropriated Funds	104,017	92,894	0	0	
Federal Funds	118,518	271,908	377,964	377,964	

SUBTOTAL - (A) Administration	324,928	466,574	584,225	584,225	0.0%
FTE	<u>2.8</u>	<u>4.8</u>	<u>6.0</u>	<u>6.0</u>	<u>0.0%</u>
General Fund	102,393	101,772	102,311	102,311	0.0%
Cash Funds	0	0	103,950	103,950	0.0%
Reappropriated Funds	104,017	92,894	0	0	0.0%
Federal Funds	118,518	271,908	377,964	377,964	0.0%

(B) Old Age Pension Program

Cash Assistance Programs	<u>77,627,336</u>	<u>77,554,700</u>	<u>84,273,241</u>	<u>78,713,073</u> *	
Cash Funds	77,627,336	77,554,700	84,273,241	78,713,073	
Refunds	<u>323,735</u>	<u>882,218</u>	<u>588,362</u>	<u>588,362</u>	
Cash Funds	323,735	882,218	588,362	588,362	
Burial Reimbursements	<u>1,008,477</u>	<u>918,364</u>	<u>918,364</u>	<u>918,364</u>	
Cash Funds	1,008,477	918,364	918,364	918,364	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
State Administration	<u>974,586</u>	<u>1,070,624</u>	<u>1,147,201</u>	<u>1,147,201</u>	
FTE	9.6	0.0	14.0	14.0	
Cash Funds	974,586	1,070,624	1,147,201	1,147,201	
County Administration	<u>2,196,623</u>	<u>2,083,727</u>	<u>2,566,974</u>	<u>2,566,974</u>	
Cash Funds	2,196,623	2,083,727	2,566,974	2,566,974	
SUBTOTAL - (B) Old Age Pension Program	82,130,757	82,509,633	89,494,142	83,933,974	(6.2%)
FTE	<u>9.6</u>	<u>0.0</u>	<u>14.0</u>	<u>14.0</u>	<u>0.0%</u>
Cash Funds	82,130,757	82,509,633	89,494,142	83,933,974	(6.2%)

(C) Other Grant Programs

Administration - Home Care Allowance SEP Contract	<u>0</u>	<u>1,063,259</u>	<u>1,063,259</u>	<u>1,063,259</u>	
General Fund	0	1,063,259	1,063,259	1,063,259	
Aid to the Needy Disabled Programs	<u>18,180,148</u>	<u>17,157,057</u>	<u>17,428,495</u>	<u>17,428,495</u>	
General Fund	10,787,445	10,750,562	11,421,471	11,421,471	
Cash Funds	7,392,703	6,406,495	6,007,024	6,007,024	
Burial Reimbursements	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	
General Fund	402,985	402,985	402,985	402,985	
Cash Funds	105,015	105,015	105,015	105,015	
Home Care Allowance	<u>10,519,866</u>	<u>10,074,145</u>	<u>9,702,614</u>	<u>9,702,614</u>	
General Fund	9,975,845	9,530,124	9,200,650	9,200,650	
Cash Funds	544,021	544,021	501,964	501,964	
Home Care Allowance Grant Program	<u>0</u>	<u>469,612</u>	<u>799,086</u>	<u>799,086</u>	
General Fund	0	469,612	799,086	799,086	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Adult Foster Care	<u>83,620</u>	<u>78,103</u>	<u>157,469</u>	<u>157,469</u>	
General Fund	75,747	70,210	149,596	149,596	
Cash Funds	7,873	7,893	7,873	7,873	
SSI Stabilization Fund Programs	<u>0</u>	<u>198,787</u>	<u>1,000,000</u>	<u>1,000,000</u>	
Cash Funds	0	198,787	1,000,000	1,000,000	
Administration - Home Care Allowance SEP Contract	<u>1,000,902</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	1,000,902	0	0	0	
SUBTOTAL - (C) Other Grant Programs	30,292,536	29,548,963	30,658,923	30,658,923	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	22,242,924	22,286,752	23,037,047	23,037,047	0.0%
Cash Funds	8,049,612	7,262,211	7,621,876	7,621,876	0.0%

(D) Community Services for the Elderly

Administration	<u>651,984</u>	<u>633,335</u>	<u>674,579</u>	<u>674,579</u>
FTE	7.1	6.5	7.0	7.0
General Fund	155,596	159,193	168,645	168,645
Federal Funds	496,388	474,142	505,934	505,934
Colorado Commission on Aging	<u>80,537</u>	<u>54,428</u>	<u>81,126</u>	<u>81,126</u>
FTE	1.0	0.5	1.0	1.0
General Fund	20,335	14,148	20,282	20,282
Federal Funds	60,202	40,280	60,844	60,844

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Senior Community Services Employment	<u>1,035,963</u>	<u>1,075,584</u>	<u>1,233,440</u>	<u>1,233,440</u>	
FTE	0.6	0.3	0.5	0.5	
Federal Funds	1,035,963	1,075,584	1,233,440	1,233,440	
Older Americans Act Programs	<u>16,759,588</u>	<u>15,460,000</u>	<u>17,574,052</u>	<u>17,574,052</u>	
General Fund	744,079	701,890	765,125	765,125	
Cash Funds	3,119,710	3,039,710	3,079,710	3,079,710	
Federal Funds	12,895,799	11,718,400	13,729,217	13,729,217	
National Family Caregiver Support Program	<u>1,882,237</u>	<u>2,163,518</u>	<u>2,263,386</u>	<u>2,263,386</u>	
General Fund	123,743	142,041	142,041	142,041	
Cash Funds	0	423,805	423,805	423,805	
Federal Funds	1,758,494	1,597,672	1,697,540	1,697,540	
State Ombudsman Program	<u>272,031</u>	<u>240,231</u>	<u>272,031</u>	<u>272,031</u>	
General Fund	111,898	106,822	111,898	111,898	
Reappropriated Funds	1,800	0	1,800	1,800	
Federal Funds	158,333	133,409	158,333	158,333	
State Funding for Senior Services	<u>8,832,668</u>	<u>8,787,222</u>	<u>8,811,622</u>	<u>10,811,622</u> *	
General Fund	524,916	503,870	803,870	2,803,870	
Cash Funds	8,307,752	8,283,352	8,007,752	8,007,752	
Area Agencies on Aging Administration	<u>1,795,441</u>	<u>1,326,177</u>	<u>1,375,384</u>	<u>1,375,384</u>	
Federal Funds	1,795,441	1,326,177	1,375,384	1,375,384	
Crimes Against At Risk Persons Surcharge Fund	<u>0</u>	<u>0</u>	<u>5,650</u>	<u>20,857</u>	
Cash Funds	0	0	5,650	20,857	

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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (D) Community Services for the					
Elderly	31,310,449	29,740,495	32,291,270	34,306,477	6.2%
<i>FTE</i>	<u>8.7</u>	<u>7.3</u>	<u>8.5</u>	<u>8.5</u>	<u>0.0%</u>
General Fund	1,680,567	1,627,964	2,011,861	4,011,861	99.4%
Cash Funds	11,427,462	11,746,867	11,516,917	11,532,124	0.1%
Reappropriated Funds	1,800	0	1,800	1,800	0.0%
Federal Funds	18,200,620	16,365,664	18,760,692	18,760,692	0.0%
TOTAL - (10) Adult Assistance Programs					
	144,058,670	142,265,665	153,028,560	149,483,599	(2.3%)
<i>FTE</i>	<u>21.1</u>	<u>12.1</u>	<u>28.5</u>	<u>28.5</u>	<u>0.0%</u>
General Fund	24,025,884	24,016,488	25,151,219	27,151,219	8.0%
Cash Funds	101,607,831	101,518,711	108,736,885	103,191,924	(5.1%)
Reappropriated Funds	105,817	92,894	1,800	1,800	0.0%
Federal Funds	18,319,138	16,637,572	19,138,656	19,138,656	0.0%
TOTAL - Department of Human Services					
	536,029,785	502,830,878	514,915,922	514,306,174	(0.1%)
<i>FTE</i>	<u>257.1</u>	<u>230.7</u>	<u>273.7</u>	<u>273.7</u>	<u>0.0%</u>
General Fund	51,449,326	50,910,537	52,765,595	55,735,081	5.6%
Cash Funds	141,650,453	145,508,075	155,286,705	150,328,787	(3.2%)
Reappropriated Funds	136,943	128,756	35,751	35,751	0.0%
Federal Funds	342,793,063	306,283,510	306,827,871	308,206,555	0.4%

Appendix B: **Recent Legislation Affecting Department Budget**

(County Administration, Office of Self-Sufficiency, Adult Assistance)

2011 Session Bills

S.B. 11-124: Beginning in FY 2010-11, the bill changes the cap on Temporary Assistance to Needy Families (TANF) reserves that may be retained by counties to 40 percent of the county block grant at the end of the fiscal year, except for counties with block grants of less than \$200,000 per year, which may maintain a reserve of up to \$100,000. (The reserve cap was previously 40 percent for FY 2010-11 and 30 percent for FY 2011-12.)

In addition, authorizes the Works Allocation Committee (WAC) to transfer unspent county reserves in excess of the reserve cap to other counties based on the criteria determined by the WAC and outlines criteria for prioritizing and implementing such transfers. Provides an appropriation of \$685,772 federal TANF funds for Colorado Works county allocations for FY 2010-11, to restore amounts previously reverted to the control of the Department of Human Services.

S.B. 11-226: Requires the state treasurer to transfer amounts from various cash funds to the General Fund for purposes of augmenting the General Fund for FY 2010-11 and FY 2011-12. Among other changes, transfers \$3.25 million from the Low Income Energy Assistance Fund to the General Fund in FY 2010-11 (June 30, 2011) and again in FY 2011-12 (January 5, 2012). Amounts in the Low Income Energy Assistance Fund derive from statutory transfers from the Operational Account of the Severance Tax Trust Fund. Also reduces the informational appropriations in the Long Bill for the Low Income Energy Assistance Program by \$3,250,000 million cash funds, respectively, in FY 2010-11 and FY 2011-12, consistent with the transfers from the Low Income Energy Assistance Fund to the General Fund.

S.B. 11-228: Changes how funds for county tax base relief are distributed to qualified counties when appropriations are insufficient to fully fund a county tax base relief funding tier. Previously, allocations were prorated on the basis of total claims submitted in proportion to moneys available. As modified, amounts are allocated so that each eligible county has the same proportion of the county's obligations paid through the combination of its available property tax revenue and county tax base relief appropriations.

H.B. 11-1196: Increases county flexibility in funding for family services. Among other changes, allows county departments of social services to draw down additional federal funding, subject to state approval and other conditions, for expenditures for qualified social services provided by other organizations and the administrative costs of certifying such expenditures as eligible for federal reimbursement. Allows the Department of Human Services to retain five percent of any federal funds received by a county under these provisions.

2012 Session Bills

H.B. 12-1028: Extends the funding from the Operational Account of the Severance Tax Trust Fund used for providing low-income energy-related assistance (LEAP) through direct bill payment assistance and home energy-efficiency improvements through FY 2018-19 at a level of \$13 million annually. (Previously, this provision extended only through FY 2012-13.) Of this total, 25 percent (\$3.25 million) is allocated to the LEAP program in the Department of Human Services.

H.B. 12-1177: Creates the Home Care Allowance (HCA) Grant Program in the Department of Human Services. The grant program is to assist certain people who previously received both regular HCA assistance and certain Medicaid waiver home- and -community-based services (HCBS), but who dropped HCA assistance when required to choose between the two programs as a result of House Bill 10-1146, which prohibited simultaneous enrollment in both HCA and HCBS. Includes an appropriation to reallocate \$469,612 General Fund to the Home Care Allowance Grant Program from the Home Care Allowance program for FY 2011-12 (net \$0 change). The fiscal impact of the bill for FY 2012-13, included in the Long Bill, is to reallocate \$799,086 General Fund to the Home Care Allowance Grant Program from the Home Care Allowance program and to make an associated reduction to the Home Care Allowance Program of \$42,057 local cash funds.

H.B. 12-1226: Adds a surcharge to persons who are convicted of statutorily defined crimes against an at-risk adult or at-risk juvenile and directs 95 percent of revenue to the Crimes against At-Risk Persons Surcharge Fund and 5 percent to the Judicial Stabilization Cash Fund. Moneys in the Crimes against At-Risk Persons Surcharge Fund are to be appropriated each year to the Department of Human Services for distribution to a non-profit organization serving as a fiscal agent. The fiscal agent is to award moneys to programs selected by a statewide coalition of nonprofit or not-for-profit organizations that focus on the needs of caregivers of at-risk adults or at-risk juveniles. For FY 2012-13, appropriates \$5,650 from the Crimes against At-Risk Persons Surcharge Fund to the Department of Human Services, Adult Assistance section for this purpose.

H.B. 12-1326: Makes the following changes concerning assistance to the elderly: (1) encourages the State Board of Human Services to raise the standard allowance under the Old Age Pension Program from \$699 per month to \$725 per month; (2) allows seniors who are eligible for Medicaid, but not for Medicaid long-term care services, to receive services under the Dental Assistance Program in the Department of Public Health and Environment (DPHE); and (3) transfers funds to the Senior Services Account in the Older Coloradans Cash Fund equal to the amount that funding reflected in the Long Bill for informational purposes for the Senior Homestead Exemption exceeds the actual amount claimed. Increases General Fund appropriations in the DPHE by \$3,022,800 in FY 2012-13 to fund dental services for eligible seniors. Increases cash fund appropriations for the Department of Human Services shown for informational purposes by \$6,695,581 to cover the estimated costs of the Old Age Pension stipend increase encouraged by the bill.

HB 12-1339: Appropriates moneys for the Colorado Benefits Management System (CBMS) improvement and modernization project, and outlines the Governor's Office of Information

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Technology's reporting requirements for quarterly project status updates. Appropriates \$9.0 million (including \$5.7 million General Fund) for contracting and equipment expenditures associated with the project in FY 2011-12 and FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services. Appropriates \$13.3 million (including \$7.0 million General Fund) and 22.0 FTE for use in FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services for contracting, operating, and personnel costs associated with the project.

H.B. 12-1341: Repeals the Colorado Works Statewide Strategic Use Fund (SSUF) in the Department of Human Services and transfers unexpended and unencumbered federal Temporary Assistance for Needy Families funds in the SSUF to the Colorado Long-term Works Reserve which is expected to result in the transfer of \$1,009,363 federal funds from the SSUF to the Colorado Long-term Works Reserve on December 30, 2012.

Appendix C:

Update on Long Bill Footnotes & 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: For FY 2011-12, the county 20-percent share of offsetting revenue was \$2,977,244. Note that *counties* have considerable authority to “forgive” amounts that would otherwise be recovered for the county, state, and federal governments as they work to improve timely payment of child support by non-custodial parents. The table included for Footnote 20, below, shows overall county, state, and federal shares of retained collections for FY 2011-12.

- 20 Department of Human Services, County Administration, County Incentive Payments; Office of Self Sufficiency, Colorado Works Program, County Block Grants; 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 further the intent of the General Assembly that all of the State share of recoveries of amounts of support for public assistance recipients, less annual appropriations from this fund source for state child support enforcement operations, 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, the Department is authorized to distribute to counties, for county incentive payments, the actual State share of any additional recoveries.

Comment: In response to staff questions, the Department provided the following data on the allocation of total FY 2011-12 retained collections between the State and counties. As shown, the state’s total 30 percent share of retained collections was \$4,465,865 in FY 2011-12. However, of this amount, the State only retained \$661,489, and the balance of the State share (\$3,804,376) was distributed to counties as incentives for child support enforcement.

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FY 2011-12 Retained Collections - Prorata Share:			
Federal (50%)	\$7,443,109		
State (30%)	\$4,465,865		
Counties (20%)	\$2,977,244		
Total	\$14,886,218		
Distribution of FY 2011-12 Retained Collections (Counties)			
Counties (20%)	\$2,977,244		
1/2 State Share (15%)	\$2,232,933		
Excess portion of State Share	\$1,571,443		
Total	\$6,781,620		
Distribution of FY 2011-12 Retained Collections (State)			
Child Support Enforcement	\$245,284	Expenditures for FY 2011-12 DI#8 (Enhanced Medical Support, Paternity Establishment, and Education Initiatives)	
Automated Child Support Enforcement System (ACSES)	\$416,205	Expenditures for ACSES Capital Construction Project (P1010)	
Total	\$661,489	Portion of 1/2 State Share- retained by State	
Of the FY 2011-12 Retained Collections totaling \$14,886,218, the federal government received \$7,443,109, the counties received \$6,781,620, and the State received \$661,489.			

- 24 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: 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 #6 (see below).

- 25 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 \$100,000 to reduce one or more small counties' fiscal year 2012-13 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 \$100,000 in mitigation. The Department reported that no county made use of this provision in FY 2009-10, FY 2010-11, or FY 2011-12. *In light of this, staff recommends that this footnote be eliminated from future Long Bills, unless the Department expects this pattern to change.*

- 26** **Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- It is the intent of the General Assembly that the Department comply with the provisions of Section 26-2-714 (10), C.R.S., by reducing required county Temporary Assistance for Needy Families (TANF) maintenance of effort expenditures in the fiscal year after the State is notified that it has met federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort. If the State is notified during state FY 2011-12 that it has met federal work participation rates for a prior year and therefore qualifies for a percent reduction in the state's maintenance of effort, local cash funds expenditure obligations that are established in this line item pursuant to Section 26-2-714 (6) (c) (I), C.R.S., shall be reduced by \$5,524,726.

Comment: The Department has indicated that it was **not** notified in FY 2011-12 that it had met a federal work participation rate for a prior year. As a result, counties will **not** have their maintenance-of-effort requirement reduced in FY 2012-13 based on this footnote as written. However, based on past experience, it is possible that the State will now receive notice in FY 2012-13 that it has met work participation requirements for *two* prior years. *This would drive a double maintenance-of-effort reduction for FY 2013-14, unless the General Assembly chooses to address the situation in different way.*

- 30** **Department of Human Services, Adult Assistance Programs, Other Grant Programs, Home Care Allowance; and Home Care Allowance Grant Program** -- Pursuant to Section 26-2-122.4 (3), C.R.S, any amount in the Home Care Allowance Grant Program line item that is not required to operate the Grant Program may be transferred to the Home Care Allowance Program line item and used to provide additional benefits under that program.

Comment: For FY 2011-12, actual spending for the Home Care Allowance Grant Program matched the amount appropriated, as shown below, so no transfer was needed. *However, based on expenditure and caseload projections for FY 2012-13, it seems likely that the Home Care Allowance Grant Program is under-funded and thus a transfer to the Grant Program (rather than from the Grant Program) will be required.* This would require a supplemental budget adjustment to modify appropriated amounts between the two line items and/or to modify Footnote 30 to allow funds to be transferred to the Grant Program line item. The Department provides the same level of benefits to participants in both the regular Home Care Allowance program and the Grant Program, but the average cost for individuals on the Grant Program is greater based on the case mix of clients. (The Home Care Allowance has several different benefit levels, depending upon clients' assessed level of need.)

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Home Care Allowance			
		SFY 2012-13 Projections ¹	
Average Monthly Caseload		2,253	
Average Monthly Payment		\$ 306.15	
Estimated FY 2012-13 Expenditures as of 9/12		\$ 8,277,990	
FY 2012-13 Appropriation		\$ 9,702,614	
Estimated over/(under) Appropriation*		\$ (1,424,624)	
		SFY 2011-12 Actuals	
Average Monthly Caseload		2,564	
Average Monthly Payment		\$ 299.28	
FY 2011-12 Initial Appropriation		\$ 10,543,757	
FY 2011-12 Adjusted Appropriation		\$ 10,074,145	Reduced by \$469,612 for HCA Grant Prgrm
FY 2011-12 Expenditures		\$ 10,074,031	
		Home Care Allowance - Grant Program	
		SFY 2012-13 Projections ¹	
Average Monthly Caseload		230	
Average Monthly Payment		\$ 333.31	
Estimated FY 2012-13 Expenditures as of 9/12		\$ 919,936	
FY 2012-13 Appropriation		\$ 799,086	
Estimated over/(under) Appropriation*		\$ 120,850	
		SFY 2011-12 Actuals (6 months) ²	
June 30, 2012 Caseload ³		241	
Average Monthly Payment		\$ 333.31	
FY 2011-12 Fiscal Note Projection		\$ 469,612	
FY 2011-12 Appropriation		\$ 469,612	
FY 2011-12 Expenditures		\$ 469,612	
¹ Projections are based on 2 months of FY 2012-13 actuals and 10 months forecasted.			
² The initial appropriation from H.B. 12-1177 was for six months beginning January 1, 2012.			
³ Represents actual caseload as of June 30, 2012. Clients applied over time from the effective date of eligibility on January 1, 2012 (bill was signed 3/22/12); therefore, an average would not be an accurate representation.			
*All amounts may be subject to further adjustment, including via temporary additional disbursements. Funding will not necessarily be reverted.			

31 Department of Human Services, Adult Assistance Programs, Community Services for the Elderly, Older Americans Act Programs and State Funding for Senior Services -- Amounts in the Older Americans Act Programs line item are calculated based on a requirement for a non-federal match of at least 15 percent, including a 5.0 percent state match, pursuant to Title III of the federal Older Americans Act. The Department is authorized to transfer General Fund and cash funds from the State Funding for Senior Services line item to the Older Americans Act Programs line item to comply with the 5.0 percent state match requirement for the Older Americans Act Programs. This appropriation is based on the assumption that all federal Title III funds requiring a state match that are not for purposes of administration or included in the appropriations for other line items will be expended from the Older Americans Act Programs line item.

Comment: Full information about county transfers within the Community Services for the Elderly section are addressed in Request for Information #12 (see below).

Requests for Information

- 6. 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, 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 1, 2012. The table below is the Department's Long Term Reserve analysis, requested in item (a).

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Estimated TANF Funds Available to Appropriate	SFY12	SFY13	SFY14
	Actuals	Appropriation	Projected
Prior Grant Year Funds Available (as of June 30)	\$71,490,963	\$56,965,941	\$11,409,345
2% Uncommitted Reserve Set-aside	\$0	\$0	\$2,721,134
25% of FFY TANF Grant Year Funds Available in current state fiscal year	\$34,056,690	\$34,000,000	\$34,000,000
75% of FFY TANF Grant beginning 10/1 available in current state fiscal year	\$108,780,722	\$102,056,690	\$102,056,690
25% Supplemental Funds awarded	\$0		
75% Supplemental Funds awarded	\$0		
Contingency Fund awarded	\$11,834,933	\$6,802,836	\$0
Less County Reserve Balance as of end of SFY12		(\$23,375,126)	
Less County Transfers to Child Care & Child Welfare at end of SFY12		(\$13,503,595)	
Less County reserve balance in excess of cap		(\$1,801,643)	
Less unspent SSUF from prior years		(\$1,000,000)	
Sub-Total	\$226,163,308	\$160,145,102	\$150,187,169
Estimated TANF Spending/Appropriations By Long Bill Line Item			
Indirects - EDO, OIT, Operations	\$2,123,498	\$2,095,562	\$2,095,562
Colorado Benefits Management System	\$3,159,722	\$3,361,890	\$3,361,890
TRAILS	\$608,658	\$653,605	\$653,605
Child Welfare Services Refinance	\$14,822,128	\$6,000,000	\$6,000,000
Core Services Refinance	\$8,677,872		
Colorado Works Administration	\$1,567,456	\$1,507,454	\$1,507,454
County Block Grants	\$128,198,357	\$128,198,357	\$128,198,357
County Training	\$419,125	\$475,744	\$475,744
Domestic Abuse Program	\$627,670	\$629,677	\$629,677
Works Program Evaluation	\$93,635	\$95,000	\$95,000
Workforce Development Council	\$83,764	\$85,000	\$85,000
Colorado Works Statewide Strategic Use Fund (SSUF)	\$4,069,713		
Refugee Assistance	\$2,704,644	\$2,705,334	\$2,705,334
Electronic Benefits Transfer Service	\$95,714	\$204,679	\$204,679
Systematic Alien Verification for Eligibility	\$2,228	\$2,321	\$2,321
Sub-Total Long Bill Line Item Spending For SFY	\$167,254,184	\$146,014,623	\$146,014,623
Proposed Target TANF Long-Term Reserve Balance			
Reserve 2.0%	\$0	\$2,721,134	\$2,721,134
Sub-Total	\$0	\$2,721,134	\$2,721,134
June 30 Estimated Long-term Works Reserve Balance			
Fund balance reserve	\$58,909,124	\$11,409,345	\$1,451,413
The amount for Prior Grant Year Funds Available for Beginning SFY13 represents unobligated balances reflected on TANF ACF-196 Financial Reports for any open grant years, plus budgeted amounts for CCDF and SSBG			

The next table summarizes the Department's TANF Maintenance of Effort Analysis (item (b)). The Department assumed that FY 2012-13 and FY 2013-14 amounts would match, except that a lower MOE requirement is assumed for FY 2013-14, associated with the assumption that a Contingency Fund MOE amount is not included. In the past, the Department greatly expanded its MOE-countable expenditures to draw down TANF ARRA-related funds. The MOE requirement presents only moderate challenges as long as the federal government continues to allow states to count a variety of expenditures for TANF-eligibles toward the MOE, including foundation expenditures.

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TANF MOE Analysis FFY 2012 (Actual & Projected)		TANF MOE Analysis FFY 2013 (Projected)		TANF MOE Analysis FFY 2014 (Projected)	
MOE Source	FFY 2012	MOE Source	FFY 2013	MOE Source	FFY 2014
Child Welfare					
Child Welfare Services Line	\$ 7,177,870	Child Welfare Services Line	\$ 11,000,000	Child Welfare Services Line	\$ 11,000,000
Family and Children's Programs (Core)	\$ 11,545,149	Family and Children's Programs (Core)	\$ 13,000,000	Family and Children's Programs (Core)	\$ 13,000,000
Colorado Works					
* County Share Of Block Grant	\$ 12,205,759	* County Share Of Block Grant	\$ 10,000,000	* County Share Of Block Grant	\$ 10,000,000
Child Care					
Child Care MOE	\$ 8,985,900	Child Care MOE	\$ 8,985,900	Child Care MOE	\$ 8,985,900
County Share Of Admin Costs In Colorado	\$ 1,595,865	County Share Of Admin Costs In Colorado	\$ 1,250,000	County Share Of Admin Costs In Colorado	\$ 1,250,000
Child Care Assistance Program (CCCAP)		Child Care Assistance Program (CCCAP)		Child Care Assistance Program (CCCAP)	
State Administration					
General Fund Expenditures On MOE Grant	\$ 2,671,825	General Fund Expenditures On MOE Grant	\$ 2,000,000	General Fund Expenditures On MOE Grant	\$ 2,000,000
General Fund Used to Match TANF Dollars	\$ 719,135	General Fund Used to Match TANF Dollars	\$ 500,000	General Fund Used to Match TANF Dollars	\$ 500,000
Nurse Home Visitor Program					
General Fund Expenditures	\$ 6,209,312	General Fund Expenditures	\$ 6,000,000	General Fund Expenditures	\$ 6,000,000
Department of Education					
GF Spent on Colorado Preschool Program (CPP) (185% of Federal Poverty Level (FPL) and below)	\$ 25,205,764	GF Spent on Colorado Preschool Program (CPP) (185% of Federal Poverty Level (FPL) and below)	\$ 25,000,000	GF Spent on Colorado Preschool Program (CPP) (185% of Federal Poverty Level (FPL) and below)	\$ 25,000,000
GF Spent on (CPP) for households up to \$75K (Direct Costs).	\$ 24,611,844	GF Spent on (CPP) for households up to \$75K (Direct Costs).	\$ 24,000,000	GF Spent on (CPP) for households up to \$75K (Direct Costs).	\$ 24,000,000
Low Income Energy Assistance Program					
Funding from Energy Outreach Colorado	\$0	Funding from Energy Outreach Colorado	\$0	Funding from Energy Outreach Colorado	\$0
Add'l Funding from Severance Tax Fund	\$0	Add'l Funding from Severance Tax Fund	\$ 2,150,000	Add'l Funding from Severance Tax Fund	\$ 2,150,000
Tax Credits					
Child Care Tax Credit	\$ 3,344,333	Child Care Tax Credit	\$ 3,000,000	Child Care Tax Credit	\$ 3,000,000
Other Sources					
Foundation Expenditures-TANF Elig Recip's	\$ 25,000,000	Foundation Expenditures-TANF Elig Recip's	\$ 25,000,000	Foundation Expenditures-TANF Elig Recip's	\$ 25,000,000
Total	\$ 129,272,756	Total	\$ 131,885,900	Total	\$ 131,885,900
Base MOE Requirement	\$ 88,395,624	Base MOE Requirement	\$ 88,395,624	Base MOE Requirement	\$ 88,395,624
Surplus/Deficit MOE Expenditures	\$ 40,877,132	Surplus/Deficit MOE Expenditures	\$ 43,490,276	Surplus/Deficit MOE Expenditures	\$ 43,490,276
Contingency Fund MOE Requirement	\$ 126,168,173	Contingency Fund MOE Requirement	\$ 115,841,173	Contingency Fund MOE Requirement	\$ 88,395,624
\$11,963,500 Contingency Fund Received		\$6,800,000 Contingency Fund Assumed			
Surplus/Deficit MOE for Contingency Fund	\$ 3,104,583	Surplus/Deficit MOE for Contingency Fund	\$ 16,044,727	Surplus/Deficit MOE for Contingency Fund	\$ 43,490,276
* Excludes Non-TANF County-only MOE		* Excludes Non-TANF County-only MOE		* Excludes Non-TANF County-only MOE	
Projected in italics					

The final table summarizes the response to item (c) and shows, for the large counties and for the balance of the state, TANF expenditures and changes to county reserve levels during FY 2011-12. As shown, county expenditures for Colorado Works in FY 2011-12 (\$151,497,930) were, in total, only slightly above the FY 2011-12 Colorado Works allocations (\$150,930,111), even though the Works allocations were reduced mid-year FY 2011-12 due to the loss of the TANF Supplemental Grant and caseloads remained high. In sum:

- Total county TANF reserves remaining at the end of FY 2011-12 of \$38,680,364 are only \$1,348,085 below the \$40,028,449 remaining at the end of FY 2010-11.

This reflects the combined impact of:

- A net reserve spend-down of \$3,159,727 across all counties, partially offset by
- \$1,801,643 in excess of the 40 percent county TANF reserve cap established in S.B. 11-124. This excess will be redistributed to other counties with very low or no remaining reserves.

11. 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

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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, 2012. This request was added after \$1.99 million TANF funds were added to the appropriation for Refugee Services in FY 2010-11. The Department reflects 2,200 refugee arrivals in Colorado for FFY 2011-12 and 2,576 for FFY 2012-13, excluding the impact of secondary-migration within the United States, which is not tracked.

Of the total, 55 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. TANF amounts appropriated in this line item are used for social services, which the Department coordinates for all refugees. TANF cash assistance payments for eligible refugee families are provided directly by counties. (Cash assistance payments for refugees who do not qualify for TANF, as well as additional payments to refugee families are provided through federal funds in this line item.) *As indicated in the table below, the TANF funding in this line covered just under 59 percent of refugee social services funding received by the State.*

The Department notes that FFY 2010-11 and FFY 2011-12, refugee numbers were lower than estimated because new federal security clearances slowed and reduced refugee admissions. These issues have been resolved, and the Department expects the FY 2012-13 arrivals estimate will be fully reached.

The table below provides actual 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, the Department has received substantial funding increases from federal authorities since its FY 2010-11 TANF funding request. Consistent with prior years, it has no reliable information on federal funds anticipated to be received in FY 2012-13 associated with the projected 2,576 refugee arrivals.

The Department notes that, in addition to the funds shown below, considerable additional funds are provided directly by the U.S. Department of Health and Human Services Office of Refugee Resettlement to local voluntary resettlement agencies. This additional funding is not supervised or reported by the State, but it makes significant contributions to the effective resettlement and early self-sufficiency of refugees in Colorado.

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	Refugee Services Caseload and Funding			
	FFY 2009	FFY 2010	FFY 2011	FFY 2012
Colorado Refugee Funding by Fund Source				
Federal Office Refugee Resettlement (ORR) Wilson Fish	\$4,245,531	\$3,455,971	\$2,799,426	\$3,309,953
Federal ORR - Refugee Social Services	1,170,646	1,293,118	1,617,208	1,896,854
Federal ORR - All Other (CDPHE and HCPF medical scree	5,723,849	5,722,209	8,572,489	11,212,082
Subtotal - Federal ORR Funds	\$11,140,026	\$10,471,298	\$12,989,123	\$16,418,889
TANF Appropriations	775,850	5,199,362	2,805,334	2,705,334
Refugee Services Program Funding	\$11,915,876	\$15,670,660	\$15,794,457	\$19,124,223
Number of Refugees and Amount per Refugee				
Number of Refugees	1,880	2,365	1,900	2,200
Percent change	n/a	25.80%	-19.66%	15.79%
Total Funding/refugee	\$6,338	\$6,626	\$8,313	\$8,693
Percent change	n/a	4.54%	25.46%	4.57%

- 12. Department of Human Services, Adult Assistance Programs, Community Services for the Elderly --** The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.

Comment: The Department submitted the requested report on November 1. The data submitted is included below. The Department reported that no funds from State Funding for Senior Services were used to draw down federal funds in FY 2011-12. Due to relatively flat funding, the Department expects a similar pattern in FY 2012-13.

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Older Americans Act Funds (Actual received during FY 2011-12 and anticipated for FY 2012-13)								
Title III	Part	Part Name	Federal Funds	Match \$		Total	Total Allocated	Notes
				State	Local / In-Kind			
Title III B		Supportive Services	\$ 4,177,185	\$ 245,717	\$ 491,434	\$ 737,151	\$ 4,914,336	a
Title III C1		Congregate Meals	\$ 5,013,209	\$ 294,895	\$ 589,789	\$ 884,684	\$ 5,897,893	a
Title III C2		Home Delivered Meals	\$ 2,529,005	\$ 148,765	\$ 297,530	\$ 446,295	\$ 2,975,300	a
Title III D		Preventive Health	\$ 255,177	\$ -	\$ 30,021	\$ 30,021	\$ 285,198	b
Title III E		National Family Caregiver Support Program (NFCSP)	\$ 1,647,093	\$ 142,041	\$ 454,337	\$ 596,378	\$ 2,243,471	c
Administration: Area Agencies on Aging (AAA)			\$ 1,485,166		\$ 495,055	\$ 495,055	\$ 1,980,221	c
State			\$ 781,666	\$ 260,555	\$ -	\$ 260,555	\$ 1,042,221	d
Total Title III			\$ 15,888,501	\$ 1,091,973	\$ 2,358,166	\$ 3,450,139	\$ 19,338,640	
Title V		Senior Community Services	\$ 997,634	N/A	\$ 110,848	\$ 110,848	\$ 1,108,482	c
Title VII		Elder Abuse	\$ 67,886	N/A	\$ 22,629	\$ 22,629	\$ 90,515	c
		Ombudsman	\$ 229,541	N/A	\$ 76,514	\$ 76,514	\$ 306,055	c
		Total Title VII	\$ 297,427	N/A	\$ 99,142	\$ 99,142	\$ 396,569	c
GRAND TOTAL			\$ 17,183,562	\$ 1,091,973	\$ 2,568,157	\$ 3,660,130	\$ 20,843,692	

Notes:

- a. A total of 15% match is required, where at least 5% match must come from the State, and the remainder of the match from Local/In-kind sources.
- b. A total of 15% match is required. There is no stipulation on which source the matching funds must come from.
- c. A total of 25% match is required. There is no stipulation on which source the matching funds must come from.
- d. A total of 25% match is required, that must come from a State funding source.

Appendix D: Indirect Cost Assessment Methodology

This appendix will be included in the briefing presentation for the Department of Human Services, Executive Director's Office and Office of Operations.

Appendix E: Change Requests' Relationship to Performance Measures

This appendix will show, *for those divisions and requests covered in this briefing packet*, how the Department of Human Services indicates each change request ranks in relation to the Department's top priorities and what performance measures the Department is using to measure success of the request.

Change Requests' Relationship to Performance Measures			
R	Change Request Description	Goals / Objectives	Performance Measures
4	Additional Funding for County Administration – Food Assistance Administration: Add \$6,796,800 total funds, including \$2,039,040 General Fund in FY 2013-14 and \$8,283,600 total funds, including \$2,485,080 General Fund in FY 2014-15 to cover the administrative costs associated with a projected increase in the Food Assistance caseload.	Maintain timely processing of food assistance applications and redeterminations, in the context of growing caseloads	Percent of regular food assistance applications processed within 30 days will remain at or above 95%. Percent of expedited food assistance applications processed within 7 days will reach and remain at or above 95%. Percent of food assistance recertification applications processed timely will reach and remain at or above 95%.
5	1.5 Percent Community Provider Rate Increase	No narrative was provided. Staff assumes that a cost-of-living adjustment for county administration is intended to promote and maintain timeliness and accuracy in county social services eligibility determinations and related activities.	See items above.
8	State funding for Senior Services: Add \$2,000,000 General Fund for senior service programs and \$1,818,806 Old Age Pension cash funds to add a cost of living adjustment for the Old Age Pension program.	More needy Colorado seniors will receive services such as personal care, assisted transportation, congregate meals, home delivered meals, homemaker services, adult day care, transportation and legal assistance. The Old Age Pension program payments will keep pace with inflation.	The Department does not have any performance measures related to the State Funding for Senior Services line item.
9	Adult Protective Services Data System: \$250,000 Cash Funds in FY 2013-14 and \$160,000 in FY 2014-15 to purchase, implement and maintain a new data system to manage protection and advocacy services for at-risk adults. The source of funding is the Old Age Pension Cash Fund.	Enable the Department to systematically collect and manage program data for at-risk adults, resulting in better services and protections for at-risk adults.	Increase the percentage of timely responses to adult protection inquiries to 90%. If the Department is able to implement this new system, additional measures would include reentry into the adult protection system and case closure outcomes.