

This file contains the following documents that were presented to the Joint Budget Committee:

1. FY 2007-08 Figure Setting: Staff Recommendations for Department of Human Services
2. FY 2007-08 Figure Setting: Staff Comebacks for Department of Human Services

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2007-08 STAFF FIGURE SETTING: DEPARTMENT OF HUMAN SERVICES

**EXECUTIVE DIRECTOR'S OFFICE, DIVISION OF CHILD WELFARE,
AND DIVISION OF YOUTH CORRECTIONS**

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

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Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08		Change Requests
				Request	Recommendation	
DEPARTMENT OF HUMAN SERVICES						
Executive Director: Marva Livingston Hammon						
(1) EXECUTIVE DIRECTOR'S OFFICE						
The primary function of this division is general department administration, which includes human resources, budgeting, and quality assurance. The division also administers special purpose functions such as the Juvenile Parole Board, the Developmental Disabilities Council, and the quality assurance activities related to child welfare.						
(A) General Administration						
<i>Please note that the funding splits reflected below are for informational purposes only as the Long Bill for this subsection reflects fund splits at the bottom-line only.</i>						
Personal Services ^{a/}	1,866,278	1,926,194	1,960,499	1,996,293	1,990,213	
FTE	<u>19.4</u>	<u>20.1</u>	<u>22.4</u>	<u>22.4</u>	<u>22.4</u>	
General Fund	42,056	(709,866)	574,931	585,669	583,844	
Cash Funds	242,707	100,946	93,526	95,316	95,012	
Cash Funds Exempt	1,169,579	2,486,619	429,892	437,766	436,429	
Federal Funds	411,936	48,495	862,150	877,542	874,928	
*Medicaid Cash Funds	1,606,693	314,413	330,520	336,581	335,553	
*Net General Fund	845,403	(552,659)	733,219	746,988	744,649	
Health, Life, and Dental	<u>9,675,641</u>	<u>11,730,450</u>	<u>14,200,143</u> S/	<u>18,161,445</u>	<u>18,671,175</u>	
General Fund	5,983,662	7,133,768	8,486,006	10,935,348	11,277,917	
Cash Funds	40,308	120,888	151,878	192,226	200,805	
Cash Funds Exempt	2,268,031	2,933,210	3,572,668	4,633,383	4,676,741	
Federal Funds	1,383,640	1,542,584	1,989,591	2,400,488	2,515,712	
*Medicaid Cash Funds	1,731,496	2,670,405	3,168,186	4,116,101	4,142,444	
*Net General Fund	6,849,410	8,468,971	9,983,438	12,997,773	13,354,271	
Short-term Disability	<u>293,238</u>	<u>301,130</u>	<u>221,746</u> S/	<u>289,029</u>	<u>Pending</u>	
General Fund	179,043	184,864	130,709	177,716		
Cash Funds	2,235	4,042	5,879	3,581		
Cash Funds Exempt	67,193	68,060	46,649	65,643		
Federal Funds	44,767	44,164	38,509	42,089		
*Medicaid Cash Funds	59,846	56,456	39,828	56,728		
*Net General Fund	208,966	213,092	148,717	205,133		

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
S.B. 04-257 Amortization Equalization Disbursement	<u>0</u>	<u>506,148</u>	<u>1,498,493</u> S/	<u>2,616,554</u>	Pending	
General Fund	0	309,062	896,173	1,606,410		
Cash Funds	0	6,125	38,052	33,028		
Cash Funds Exempt	0	112,026	315,321	588,690		
Federal Funds	0	78,935	248,947	388,426		
*Medicaid Cash Funds	0	81,273	268,433	517,612		
*Net General Fund	0	455,510	1,024,142	1,865,473		
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	Pending	
General Fund	0	0	0	0		
Cash Funds	0	0	0	0		
Cash Funds Exempt	0	0	0	0		
Federal Funds	0	0	0	0		
*Medicaid Cash Funds	0	0	0	0		
*Net General Fund	0	0	0	0		
Salary Survey and Senior Executive Service	<u>3,863,544</u>	<u>5,952,524</u>	<u>6,791,091</u> S/	<u>10,832,875</u>	Pending	BA #16
General Fund	2,390,662	3,879,752	4,112,485	6,846,664		
Cash Funds	25,230	61,650	75,813	114,661		
Cash Funds Exempt	871,166	1,193,479	1,582,854	2,521,592		
Federal Funds	576,486	817,643	1,019,939	1,349,958		
*Medicaid Cash Funds	852,611	1,263,672	1,502,475	2,255,004		
*Net General Fund	2,816,966	4,041,554	4,864,292	7,975,200		
Performance-based Pay Awards	<u>2,533,316</u>	<u>0</u>	<u>0</u>	<u>1,981,011</u>	Pending	
General Fund	1,506,343	0	0	1,218,648		
Cash Funds	22,724	0	0	25,001		
Cash Funds Exempt	843,688	0	0	443,322		
Federal Funds	160,561	0	0	294,040		
*Medicaid Cash Funds	531,092	0	0	389,490		
*Net General Fund	1,771,782	0	0	1,413,587		

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
Shift Differential	<u>3,727,425</u>	<u>2,869,556</u>	<u>4,145,074</u> S/	<u>4,304,380</u>	<u>4,304,380</u>	
General Fund	2,527,919	1,775,448	2,666,651	2,837,484	2,837,484	
Cash Funds	5,240	1,551	2,297	2,005	2,005	
Cash Funds Exempt	1,190,402	1,087,476	1,467,594	1,457,549	1,457,549	
Federal Funds	3,864	5,081	8,532	7,342	7,342	
*Medicaid Cash Funds	<i>1,163,370</i>	<i>924,893</i>	<i>1,442,508</i>	<i>1,435,870</i>	<i>1,435,870</i>	
*Net General Fund	<i>3,109,604</i>	<i>2,047,182</i>	<i>3,338,074</i>	<i>3,555,418</i>	<i>3,555,418</i>	
Workers' Compensation ^{al}	<u>6,952,074</u>	<u>5,134,805</u>	<u>6,389,053</u> S/	<u>8,044,249</u>	Pending	BA #NP-4
General Fund	3,167,404	2,664,077	3,443,188	4,330,912		
Cash Funds	16,159	16,699	14,696	62,980		
Cash Funds Exempt	3,467,983	2,159,837	2,661,522	3,269,932		
Federal Funds	300,528	294,192	269,647	380,425		
*Medicaid Cash Funds	<i>2,080,843</i>	<i>1,432,488</i>	<i>1,866,281</i>	<i>2,313,835</i>		
*Net General Fund	<i>4,207,826</i>	<i>3,863,738</i>	<i>4,376,778</i>	<i>5,488,280</i>		
Operating Expenses ^{al}	<u>484,302</u>	<u>480,613</u>	<u>494,827</u>	<u>494,827</u>	<u>494,827</u>	
General Fund	138,143	383,386	138,806	138,806	138,806	
Cash Funds	122,018	0	119,393	119,393	119,393	
Cash Funds Exempt	153,984	97,227	160,504	160,504	160,504	
Federal Funds	70,157	0	76,124	76,124	76,124	
*Medicaid Cash Funds	<i>93,984</i>	<i>97,227</i>	<i>149,989</i>	<i>149,989</i>	<i>149,989</i>	
*Net General Fund	<i>185,135</i>	<i>432,000</i>	<i>213,801</i>	<i>213,801</i>	<i>213,801</i>	
Legal Services ^{al}	1,218,438	1,190,549	1,249,611	1,249,611	Pending	
Hours	<u>19,789.5</u>	<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>		
General Fund	897,736	1,069,847	824,744	824,744		
Cash Funds	120,702	120,702	149,953	149,953		
Cash Funds Exempt	0	0	12,496	12,496		
Federal Funds	200,000	0	262,418	262,418		
Administrative Law Judge Services	<u>513,944</u>	<u>771,975</u>	<u>852,141</u> S/	<u>891,988</u>	Pending	
General Fund	484,853	738,482	511,284	535,192		
Cash Funds	29,091	33,493	50,865	53,520		
Federal Funds	0	0	289,992	303,276		

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
Payment to Risk Management and Property Funds ^{a/}	<u>1,382,858</u>	<u>758,537</u>	<u>2,138,483</u> S/	<u>1,945,049</u>	<u>Pending</u>	BA #NP-3
General Fund	902,745	579,155	1,782,422	1,593,754		
Cash Funds	2,994	38,731	4,716	20,135		
Cash Funds Exempt	329,793	115,237	262,458	233,167		
Federal Funds	147,326	25,414	88,887	97,993		
*Medicaid Cash Funds	107,494	84,868	166,166	149,301		
*Net General Fund	956,492	996,919	1,865,505	1,668,404		
Staff Training	<u>50,732</u>	<u>8,537</u>	<u>31,870</u>	<u>31,870</u>	<u>31,870</u>	
General Fund	39,836	1,418	0	0	0	
Cash Funds	0	270	0	0	0	
Cash Funds Exempt	10,896	6,849	31,870	31,870	31,870	
Injury Prevention Program ^{a/}	<u>88,936</u>	<u>89,913</u>	<u>105,970</u>	<u>105,970</u>	<u>105,970</u>	
General Fund	88,936	89,913	0	0	0	
Cash Funds Exempt	0	0	105,970	105,970	105,970	
*Medicaid Cash Funds	0	0	105,970	105,970	105,970	
*Net General Fund	88,936	89,913	52,985	52,985	52,985	
Disaster Recovery/Business Continuity Support (New Line Item)	0	0	0	72,832	68,281	DI #11
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	0	0	0	52,385	48,091	
Cash Funds	0	0	0	289	289	
Cash Funds Exempt	0	0	0	6,605	6,348	
Federal Funds	0	0	0	13,553	13,553	
*Medicaid Cash Funds	0	0	0	3,134	2,877	
*Net General Fund	0	0	0	53,952	49,530	
CBMS Eligibility Audit - Cash Funds Exempt	0	102,375	0	0	0	
CBMS Emergency Processing Unit	<u>0</u>	<u>0</u>	<u>266,640</u> S/	<u>0</u>	<u>0</u>	
General Fund	0	0	91,991	0	0	
Cash Funds	0	0	21,331	0	0	
Federal Funds	0	0	153,318	0	0	

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
S.B. 03-197 Salary Payout	<u>98,496</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	71,833	0	0	0	0	
Cash Funds Exempt	26,663	0	0	0	0	
*Medicaid Cash Funds	26,663	0	0	0	0	
*Net General Fund	85,165	0	0	0	0	
Lawsuit Judgement for Division of Youth Corrections and Mental Health Institutes Capital Construction Projects - General Fund	425,100	0	0	0	0	
(1) EXECUTIVE DIRECTOR'S OFFICE						
Subtotal - (A) General Administration	33,174,322	31,720,931	40,345,641	53,017,983	25,666,716	
FTE	<u>19.4</u>	<u>20.1</u>	<u>22.4</u>	<u>23.4</u>	<u>23.4</u>	
General Fund	18,846,271	18,099,306	23,659,390	31,683,732	14,886,142	
Cash Funds	629,408	505,097	728,399	872,088	417,504	
Cash Funds Exempt	10,399,378	10,260,020	10,649,798	13,968,489	6,875,411	
Federal Funds	3,299,265	2,856,508	5,308,054	6,493,674	3,487,659	
*Medicaid Cash Funds	8,254,092	6,925,695	9,040,356	11,829,615	6,172,703	
*Net General Fund	22,973,209	21,865,967	28,028,970	37,596,930	17,970,654	

a/ For FY 2004-05, actual funding splits in personal services, workers' comp, operating, legal services, risk management, and the injury prevention program do not match those figures in COFRS due to accounting entries recorded by the Department of Human Services. The actual expenditures above reflect a fund mix adjustment that does not show how revenue was applied to these lines. Because the Executive Director's Office is bottom line funded, revenue applied to each line does not affect total revenue earned.

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
(B) Special Purpose						
This section provides funding to support staff responsible for periodically assessing all Colorado children placed in residential care as a result of a dependency and neglect or a delinquency proceeding to ensure counties' statutory and regulatory compliance and to assess whether each child has been placed appropriately. Funding is also provided to support staff who conduct background/employment screenings using records and reports of child abuse or neglect, and staff who represent the Department at administrative hearings related to individuals who appeal a county's finding related to a report of abuse or neglect. Cash funds are from fees paid by those requesting background/employment checks.						
Office of Performance Improvement	4,048,736	4,224,980	4,538,396	4,695,883	4,676,897	DI #9
FTE	<u>60.4</u>	<u>62.1</u>	<u>69.1</u>	<u>69.1</u>	<u>69.1</u>	
General Fund ^{b/}	1,463,610	1,636,351	1,651,709	1,757,688	1,746,612	
Cash Funds ^{c/}	125,136	68,912	172,575	171,387	171,124	
Cash Funds Exempt	691,867	631,722	718,338	732,875	730,765	
Federal Funds	1,768,123	1,887,995	1,995,774	2,033,933	2,028,396	
*Medicaid Cash Funds	646,617	571,664	631,040	643,965	642,066	
*Net General Fund	1,786,918	1,922,181	1,967,229	2,079,670	2,067,645	
Administrative Review Unit	1,617,441	1,735,777	1,869,984	1,904,744	1,899,494	
FTE	<u>19.7</u>	<u>19.3</u>	<u>22.2</u>	<u>22.2</u>	<u>22.2</u>	
General Fund	970,049	1,058,290	1,140,641	1,163,930	1,160,911	
Federal Funds	647,392	677,487	729,343	740,814	738,583	
Records and Reports of Child Abuse or Neglect	265,297	336,256	489,962	620,494	556,108	DI #16
FTE	<u>4.8</u>	<u>4.1</u>	<u>6.2</u>	<u>9.0</u>	<u>7.5</u>	DI #16
Cash Funds	265,297	336,256	288,280	418,812	294,105	
Cash Funds Exempt	0	0	201,682	201,682	262,003	
Juvenile Parole Board - General Fund	162,639	176,477	183,028	189,468	188,552	
FTE	2.0	2.2	2.2	2.2	2.2	
Developmental Disabilities Council - Federal Funds	614,216	701,628	838,617	846,197	0	
FTE	5.2	4.7	6.0	6.0	0.0	

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
HIPAA Security Remediation	2,514,193	242,644	290,250	514,627	514,021	DI #10
FTE	<u>0.7</u>	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	1,847,697	214,482	214,377	382,660	382,224	
Cash Funds	0	(380)	379	379	377	
Cash Funds Exempt	530,576	9,466	56,325	101,200	101,068	
Federal Funds	135,920	19,076	19,169	30,388	30,352	
*Medicaid Cash Funds	530,656	(1,950)	56,325	101,200	101,068	
*Net General Fund	2,113,026	213,560	242,540	433,261	432,758	
(1) EXECUTIVE DIRECTOR'S OFFICE						
Subtotal - (B) Special Purpose	9,222,522	7,417,762	8,210,237	8,771,413	7,835,072	
FTE	<u>92.8</u>	<u>93.4</u>	<u>107.7</u>	<u>110.5</u>	<u>103.0</u>	
General Fund	4,443,995	3,085,600	3,189,755	3,493,746	3,478,299	
Cash Funds	390,433	404,788	461,234	590,578	465,606	
Cash Funds Exempt	1,222,443	641,188	976,345	1,035,757	1,093,836	
Federal Funds	3,165,651	3,286,186	3,582,903	3,651,332	2,797,331	
*Medicaid Cash Funds	1,177,273	569,714	687,365	745,165	743,134	
*Net General Fund	5,032,632	3,370,508	3,533,438	3,866,329	3,849,866	
TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE						
FTE	<u>112.2</u>	<u>113.5</u>	<u>130.1</u>	<u>133.9</u>	<u>126.4</u>	
General Fund	23,290,266	21,184,906	26,849,145	35,177,478	18,364,441	
Cash Funds	1,019,841	909,885	1,189,633	1,462,666	883,110	
Cash Funds Exempt	11,621,821	10,901,208	11,626,143	15,004,246	7,969,247	
Federal Funds	6,464,916	6,142,694	8,890,957	10,145,006	6,284,990	
*Medicaid Cash Funds	9,431,365	7,495,409	9,727,721	12,574,780	6,915,837	
*Net General Fund	28,005,841	25,236,475	31,562,408	41,463,259	21,820,520	

b/ For FY 2006-07, includes a reduction of \$29,023 pursuant to S.B. 06-219.

c/ For FY 2006-07, includes an appropriation of \$38,873 to the Criminal Background Check Unit from the Child Care Licensing Cash Fund pursuant to S.B. 06-45.

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
(5) CHILD WELFARE						
This division provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. Beginning in FY 2003-04, funding also supports training for county and state staff, direct care service providers (e.g. foster parents), county attorneys, guardians ad litem (GAL's), court appointed special advocates (CASA's), and court personnel. Cash funds are from civil docket fees. Cash funds exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing, county tax revenues, grants and donations, and reserves in the Child Abuse Registry Cash Fund.						
Administration	1,604,370	2,183,224	2,323,139	2,357,688	2,350,900	
FTE	<u>16.8</u>	<u>23.8</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	
General Fund	898,988	1,434,560	1,520,667	1,543,124	1,538,950	
Cash Funds Exempt	71,811	98,457	126,939	127,897	127,485	
Federal Funds	633,571	650,207	675,533	686,667	684,465	
*Medicaid Cash Funds	<i>71,811</i>	<i>98,457</i>	<i>126,939</i>	<i>127,897</i>	<i>127,485</i>	
*Net General Fund	<i>927,835</i>	<i>1,483,789</i>	<i>1,584,137</i>	<i>1,607,073</i>	<i>1,602,693</i>	
Training	<u>681,609</u>	<u>4,810,582</u>	<u>4,928,419</u>	<u>4,928,419</u>	<u>4,928,419</u>	
General Fund	231,620	2,238,994	2,295,012	2,295,012	2,295,012	
Cash Funds Exempt	29,967	38,834	37,230	37,230	37,230	
Federal Funds	420,022	2,532,754	2,596,177	2,596,177	2,596,177	
Foster and Adoptive Parent Recruitment, Training, and Support	285,024	303,658	329,466	331,055	330,685	
FTE	<u>0.8</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	228,018	242,949	263,592	264,863	264,567	
Federal Funds	57,006	60,709	65,874	66,192	66,118	
Child Welfare Services	<u>293,255,066</u>	<u>310,244,917</u>	<u>328,150,336</u> S/	<u>338,852,367</u>	<u>338,852,367</u>	BA #1-H, DI #6
General Fund ^{a/}	101,073,343	110,824,383	147,751,712	152,776,953	152,776,953	
Cash Funds Exempt ^{b/}	108,563,161	113,450,736	86,008,727	88,732,600	88,732,600	
Federal Funds ^{c/}	83,618,562	85,969,798	94,389,897	97,342,814	97,342,814	
*Medicaid Cash Funds	<i>62,731,942</i>	<i>64,703,843</i>	<i>34,063,555</i>	<i>35,005,461</i>	<i>35,005,461</i>	
*Net General Fund	<i>132,439,314</i>	<i>143,176,305</i>	<i>164,783,490</i>	<i>170,279,684</i>	<i>170,279,684</i>	
Distribution to Counties Pursuant to Section 26-1-111 (2) (d), C.R.S. - Cash Funds Exempt	4,100,000	0	0	0	0	

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
Excess Federal Title IV-E Distributions for Related County Administrative Functions - Cash Funds Exempt	0	1,632,000	1,685,040	1,718,741	1,718,741	
Excess Federal Title IV-E Reimbursements - Cash Funds Exempt	0	6,168,000	5,929,152	5,929,152	5,929,152	
Family and Children's Programs	46,976,495	45,281,760	44,374,734	45,282,322	45,282,322	
FTE	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	38,072,617	36,881,888	37,297,558	38,043,509	38,043,509	
Cash Funds Exempt ^{d/}	4,864,124	6,376,591	5,046,139	5,167,155	5,167,155	
Federal Funds	4,039,754	2,023,281	2,031,037	2,071,658	2,071,658	
*Medicaid Cash Funds	0	1,350,212	0	0	0	
*Net General Fund	38,072,617	37,556,994	37,297,558	38,043,509	38,043,509	
Performance-based Collaborative Management Incentives - Cash Funds Exempt	0	550,000	2,100,000	3,188,750	3,188,750	DI #23
Integrated Care Management Program - Cash Funds Exempt	0	1,650,000	0	0	0	
Independent Living Programs - Federal Funds	1,576,920	2,388,602	2,826,582	2,826,582	2,826,582	
Promoting Safe and Stable Family Programs	4,589,763	4,338,469	4,440,032	4,450,805	4,449,912	
FTE	<u>1.8</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	44,025	44,983	46,103	48,796	48,573	
Cash Funds Exempt	1,142,105	1,121,753	1,064,160	1,064,160	1,064,100	
Federal Funds	3,403,633	3,171,733	3,329,769	3,337,849	3,337,239	
Expedited Permanency Planning Project - General Fund	996,220	0	0	0	0	
Federal Child Abuse Prevention and Treatment Act Grant - Federal Funds	470,426	374,085	905,260	909,188	908,201	
FTE	2.8	2.8	3.0	3.0	3.0	

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
TOTAL - (5) CHILD WELFARE	354,535,893	379,925,297	397,992,160	410,775,069	410,766,031	
FTE	<u>25.2</u>	<u>29.5</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>	
General Fund	141,544,831	151,667,757	189,174,644	194,972,257	194,967,564	
Cash Funds	0	0	0	0	0	
Cash Funds Exempt	118,771,168	131,086,371	101,997,387	105,965,685	105,965,213	
Federal Funds	94,219,894	97,171,169	106,820,129	109,837,127	109,833,254	
*Medicaid Cash Funds	62,803,753	66,152,512	34,190,494	35,133,358	35,132,946	
*Net General Fund	172,939,649	184,744,014	206,269,892	212,538,937	212,534,038	

a/ For FY 2006-07, includes a reduction of \$3,860,114 pursuant to H.B. 06-1395 but does not reflect the 1331 emergency supplemental increase of \$58,579.

b/ For FY 2006-07, includes a reduction of \$588,944 of Medicaid funds transferred from the Department of Health Care Policy and Financing pursuant to S.B. 06-219 but does not reflect the 1331 emergency supplemental increase of \$20,946 (local funds). For FY 2006-07, also includes a reduction of \$307,439 from local share and an increase of \$8,747,740 from the Department of Health Care Policy and Financing pursuant to H.B. 06-1395.

c/ For FY 2006-07, includes a reduction of \$956,419 pursuant to H.B. 06-1395 but does not reflect the 1331 emergency supplemental increase of \$28,277.

d/ For FY 2006-07, includes a reduction of \$1,004,680 of Medicaid funds transferred from the Department of Health Care Policy and Financing pursuant to S.B. 06-219.

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

(11) DIVISION OF YOUTH CORRECTIONS

(A) Administration

This section provides funding and state staff associated with providing policy direction for the DYC and administering and monitoring the quality of care provided to delinquent youth. The source of cash funds exempt is a grant from the Victims Assistance and Law Enforcement (VALE) Board.

Personal Services - General Fund	1,127,717	1,163,722	1,197,566	1,225,490	1,221,746
FTE	14.4	14.1	15.4	15.4	15.4
Operating Expenses - General Fund	30,294	30,294	30,294	30,294	30,294
Victims Assistance - Cash Funds Exempt	25,781	25,081	27,335	27,335	27,222
FTE	0.4	0.4	0.5	0.5	0.5

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
(11) DIVISION OF YOUTH CORRECTIONS						
Subtotal - (A) Administration	1,183,792	1,219,097	1,255,195	1,283,119	1,279,262	
FTE	<u>14.8</u>	<u>14.5</u>	<u>15.9</u>	<u>15.9</u>	<u>15.9</u>	
General Fund	1,158,011	1,194,016	1,227,860	1,255,784	1,252,040	
Cash Funds Exempt	25,781	25,081	27,335	27,335	27,222	
(B) Institutional Programs						
This section provides funding and state staff associated with providing detention services and institutional care, including educational, medical, food, and maintenance services. The cash funds exempt primarily reflect transfers of federal funds from the Department of Education for school breakfast/lunch and special and vocational education.						
Personal Services - General Fund	32,246,994	33,897,365	39,043,462	41,597,417	41,472,048	DI # 7
FTE	651.5	696.6	776.7	792.4	792.4	DI # 7
Operating Expenses	<u>3,007,648</u>	<u>3,073,970</u>	<u>3,349,352</u>	<u>3,383,978</u>	<u>3,410,496</u>	DI #7
General Fund	1,689,810	1,743,770	2,019,152	2,053,778	2,080,296	
Cash Funds Exempt	0	0	1,330,200	1,330,200	1,330,200	
Federal Funds	1,317,838	1,330,200	0	0	0	
Capital Outlay - General Fund	0	0	102,464	0	0	
Medical Services - General Fund	6,517,422	6,569,067	7,106,402	7,743,070	7,810,704	DI #14
FTE	32.7	32.4	38.3	39.0	39.0	
Enhanced Mental Health Services Pilot for Detention - General Fund	0	0	258,125	263,995	263,995	
Educational Programs	5,061,545	5,157,563	5,438,407	5,642,197	5,634,594	
FTE	<u>31.5</u>	<u>29.4</u>	<u>39.8</u>	<u>40.8</u>	<u>40.8</u>	
General Fund	4,567,297	4,581,555	5,094,514	5,298,304	5,290,701	
Cash Funds Exempt	0	0	343,893	343,893	343,893	
Federal Funds	494,248	576,008	0	0	0	

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
Prevention / Intervention Services - Cash Funds Exempt	48,545	43,614	49,943	49,943	49,693	
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds Exempt	0	0	49,943	49,943	49,693	
Federal Funds	48,545	43,614	0	0	0	
(11) DIVISION OF YOUTH CORRECTIONS						
Subtotal - (B) Institutional Programs	46,882,154	48,741,579	55,348,155	58,680,600	58,641,530	
FTE	<u>716.7</u>	<u>759.4</u>	<u>855.8</u>	<u>873.2</u>	<u>873.2</u>	
General Fund	45,021,523	46,791,757	53,624,119	56,956,564	56,917,744	
Cash Funds Exempt	0	0	1,724,036	1,724,036	1,723,786	
Federal Funds	1,860,631	1,949,822	0	0	0	
(C) Community Programs						
This section provides funding and state staff associated with providing case management services for committed youth and parolees, contracting for private residential placements, and funding Senate Bill 91-94 programs. The cash funds are from the contractor for the Ridge View Facility to pay for DYC's monitoring expenses pursuant to Section 19-2-411.5 (2)(e), C.R.S. The cash funds exempt reflect Medicaid funds transferred from the Department of Health Care Policy and Financing.						
Personal Services	6,496,975	6,883,586	7,254,158	7,415,925	7,393,280	DI #12, Recid #6
FTE	<u>99.9</u>	<u>107.6</u>	<u>115.2</u>	<u>115.2</u>	<u>115.2</u>	DI #12, Recid #6
General Fund	6,253,782	6,545,101	6,915,673	7,075,822	7,053,404	
Cash Funds	48,728	48,728	48,728	48,728	48,728	
Cash Funds Exempt	0	39,757	39,757	41,375	41,148	
Federal Funds	194,465	250,000	250,000	250,000	250,000	
*Medicaid Cash Funds	0	39,757	39,757	41,375	41,148	
*Net General Fund	6,253,782	6,558,729	6,935,552	7,096,510	7,073,978	
Operating Expenses	<u>312,893</u>	<u>331,714</u>	<u>339,180</u>	<u>342,240</u>	<u>342,240</u>	DI #12, Recid #6
General Fund	310,445	329,266	336,732	339,792	339,792	
Cash Funds	2,448	2,448	2,448	2,448	2,448	
Capital Outlay - General Fund	0	6,980	8,084	0	0	DI #12, Recid #6

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
Purchase of Contract Placements	<u>47,034,472</u>	<u>49,513,035</u>	<u>52,220,323</u> S/	<u>55,049,343</u>	<u>55,049,343</u>	DI #2, Recid #6 & #9
General Fund a/	31,118,632	32,437,413	49,572,392	52,264,179	52,264,179	
Cash Funds Exempt b/	15,915,840	17,075,622	2,647,931	2,785,164	2,785,164	
*Medicaid Cash Funds	15,915,840	17,075,622	2,647,931	2,785,164	2,785,164	
*Net General Fund	39,076,553	40,975,224	50,896,358	53,656,761	53,656,761	
Managed Care Pilot Project	<u>1,260,538</u>	<u>1,285,749</u>	<u>1,349,648</u>	<u>1,380,339</u>	<u>1,380,339</u>	
General Fund	1,054,498	1,075,588	1,317,290	1,347,244	1,347,244	
Cash Funds Exempt	206,040	210,161	32,358	33,095	33,095	
*Medicaid Cash Funds	206,040	210,161	32,358	33,095	33,095	
*Net General Fund	1,157,518	1,180,669	1,333,469	1,363,792	1,363,792	
S.B. 91-94 Programs - General Fund	7,966,324	9,125,650	10,422,234	12,535,250	10,659,233	Recid #4
Parole Program Services	<u>1,206,018</u>	<u>1,257,197</u>	<u>3,310,921</u> S/	<u>3,386,211</u>	<u>3,386,211</u>	DI #12, Recid #6
General Fund	203,982	228,633	2,248,929	2,300,069	2,300,069	
Federal Funds	1,002,036	1,028,564	1,061,992	1,086,142	1,086,142	
Juvenile Sex Offender Staff Training - Cash Funds	38,197	33,235	38,250	38,250	38,250	
(11) DIVISION OF YOUTH CORRECTIONS						
Subtotal - (C) Community Programs	64,315,417	68,437,146	74,942,798	80,147,558	78,248,896	
FTE	<u>99.9</u>	<u>107.6</u>	<u>115.2</u>	<u>115.2</u>	<u>115.2</u>	
General Fund	46,907,663	49,748,631	70,821,334	75,862,356	73,963,921	
Cash Funds	89,373	84,411	89,426	89,426	89,426	
Cash Funds Exempt	16,121,880	17,325,540	2,720,046	2,859,634	2,859,407	
Federal Funds	1,196,501	1,278,564	1,311,992	1,336,142	1,336,142	
*Medicaid Cash Funds	16,121,880	17,325,540	2,720,046	2,859,634	2,859,407	
*Net General Fund	54,968,604	58,405,151	72,181,358	77,292,174	75,393,625	

Fiscal Year 2007-08 Staff Figure Setting
Department of Human Services: Executive Director's Office, Child Welfare, and Youth Corrections

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		Change Requests
	Actual	Actual	Appropriation	Request	Recommendation	
TOTAL - (11) DIVISION OF YOUTH CORRECTIONS	112,381,363	118,397,822	131,546,148	140,111,277	138,169,688	
FTE	<u>831.4</u>	<u>881.5</u>	<u>986.9</u>	<u>1,004.3</u>	<u>1,004.3</u>	
General Fund	93,087,197	97,734,404	125,673,313	134,074,704	132,133,705	
Cash Funds	89,373	84,411	89,426	89,426	89,426	
Cash Funds Exempt	16,147,661	17,350,621	4,471,417	4,611,005	4,610,415	
Federal Funds	3,057,132	3,228,386	1,311,992	1,336,142	1,336,142	
*Medicaid Cash Funds	16,121,880	17,325,540	2,720,046	2,859,634	2,859,407	
*Net General Fund	101,148,138	106,390,924	127,033,337	135,504,522	133,563,409	

a/ For FY 2006-07, includes a reduction of \$832,286 pursuant to H.B. 06-1395.

b/ For FY 2006-07, includes an increase of \$1,457,874 from the Department of Health Care Policy and Financing pursuant to H.B. 06-1395.

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

TOTAL - HUMAN SERVICES	509,314,100	537,461,812	578,094,186	612,675,742	582,437,507	
FTE	<u>968.8</u>	<u>1,024.5</u>	<u>1,149.0</u>	<u>1,170.2</u>	<u>1,162.7</u>	
General Fund	257,922,294	270,587,067	341,697,102	364,224,439	345,465,710	
Cash Funds	1,109,214	994,296	1,279,059	1,552,092	972,536	
Cash Funds Exempt	146,540,650	159,338,200	118,094,947	125,580,936	118,544,875	
Federal Funds	103,741,942	106,542,249	117,023,078	121,318,275	117,454,386	
*Medicaid Cash Funds	88,356,998	90,973,461	46,638,261	50,567,772	44,908,190	
*Net General Fund	302,093,628	316,371,413	364,865,636	389,506,718	367,917,967	

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

JBC WORKING DOCUMENT - ALL DECISIONS SUBJECT TO CHANGE
Staff Recommendation Does Not Reflect Committee Decision

**DEPARTMENT OF HUMAN SERVICES
EXECUTIVE DIRECTOR'S OFFICE, DIVISION OF
CHILD WELFARE, AND DIVISION OF YOUTH CORRECTIONS**

**(1) EXECUTIVE DIRECTOR'S OFFICE
(A) General Administration**

The Executive Director's Office (EDO) is responsible for the general policy of the Department of Human Services and contains staff and associated resources for implementing this policy. It is organized into two functional components: General Administration and Special Purpose. General Administration includes the Department's Executive Director and his/her administrative staff, as well as the Department's budgeting office, Public Information Officer, County Liaison, and Field Administration staff. The FY 2006-07 appropriation for General Administration included 22.4 FTE, while the FY 2007-08 budget request includes a continuation of 22.4 FTE. The EDO also is the location of many of the centrally appropriated items for the Department, although certain items are reflected in the Office of Information Technology Services and the Office of Operations.

Staffing Summary - (1) Executive Director's Office (A) General Administration	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Executive Director	1.0	1.0	1.0	1.0
Management / General Professional	10.2	12.0	12.0	11.4
Program Assistant	2.5	3.0	3.0	3.0
Financial/Budget	5.7	6.4	6.4	7.0
DI #11 - Disaster Recovery/Business Continuity Support	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL	19.4	22.4	23.4	23.4

Decision Item #11 - Disaster Recovery/Business Continuity Support

Request. The Department requests \$72,832, including \$53,952 *net* General Fund, and 1.0 FTE for disaster recovery/business continuity support. This request seeks a staff member to ensure the continuity of operations and the expedient recovery of all critical computer systems after a disaster. Please note that the Department has calculated this request assuming 12 months of salary, PERA, and Medicare, rather than 11 months pursuant to the pay date shift. The following table details the request and the correction for 11 months.

Department Request for Disaster Recovery/Business Continuity Support		
	Department Request	JBC Staff Calculation
IT Professional IV (1.0 FTE)	\$64,188	\$60,110
PERA @ 10.15%	6,515	6,101
Medicare @1.45%	931	872
Operating Expenses - Ongoing	500	500
Operating - One time	<u>698</u>	<u>698</u>
Total Request	\$72,832	\$68,281

The Department has numerous computer systems that provide services and benefits to more than 500,000 clients throughout the State. The three largest statewide systems are the Colorado Benefits Management System (CBMS), Trails, and the County Financial Management System (CFMS). Trails and CBMS provide the largest amount of benefits, both feeding into CFMS, resulting in the processing of more than \$2 billion in benefits annually through CFMS.

The Department envisions the following job duties for the disaster recovery/business continuity support FTE:

- Creation/ongoing maintenance of Business Impact Analysis (BIA) documents;
- Creation/ongoing maintenance of Disaster Recovery Plans;
- Coordination and implementation of annual Disaster Recovery tests;
- Coordination with all business owners of critical systems in the Department;
- Oversight/management of Disaster Recovery equipment at e-FOR3T disaster recovery site;
- Coordination with departmental Continuity of Operation Plan (COOP) efforts;
- In the event of disaster, this position would play a primary role in responding, coordinating, and implementing the Department's Disaster Recovery plan.

The Department currently does not have dedicated staff to address business continuity and disaster recovery. As a result, the Department has had to use a contractor to help provide support at a cost of approximately \$77/hour. The Department believes that an FTE would be more cost effective to the State to address this need in the long-term. However, the Department has not provided information with its request on any cost savings or cost efficiencies associated with the requested FTE.

Staff requested the Department provide the year-to-date total number of contract hours paid for business continuity and disaster recovery in FY 2006-07. The Department responded that from July 1, 2006 through January 31, 2007, it has paid \$49,261 for 634 hours of work (\$77.70/hour) performed by the contractor. These funds are coming from vacancy savings, which the Department anticipates not being available for these contractual services once the vacancies are filled.

Staff Recommendation. Staff recommends the Committee approve an increase of \$68,281, including \$49,530 net General Fund, and 1.0 FTE. This recommendation is based on the contract hours the Department has used for disaster recovery/business continuity support in FY 2006-07.

PERSONAL SERVICES

The Department requests a continuation level of funding, \$1,996,293 and 22.4 FTE, for personal services in General Administration for FY 2007-08. Of the request, \$585,669 is General Fund, \$95,316 is cash funds, \$437,766 is cash funds exempt (including \$336,581 in Medicaid cash funds for a net General Fund amount of \$746,988), and \$877,542 is federal funds.

Staff recommends the Committee approve an appropriation of \$1,990,213, including \$744,649 net General Fund, and 22.4 FTE for this line item. The staff recommendation is calculated pursuant to Committee common policy. Cash fund sources include patient fees collected by the State's Mental Health Institutes and from various other sources. A summary of staff's calculation is included in the table below.

Summary of Personal Services Recommendation (1) Executive Director's Office (A) General Administration - Department of Human Services							
	TOTAL	FTE	GF	CF	CFE	FF	Net GF
FY 2006-07 Long Bill (H.B. 06-1385)	\$1,960,499	22.4	\$574,931	\$93,526	\$429,892	\$862,150	\$733,219
FY 2006-07 Salary Survey	39,715	0.0	11,914	1,986	8,737	17,078	15,278
Base Reduction (0.5 Percent)	(10,001)	0.0	(3,001)	(500)	(2,200)	(4,300)	(3,848)
TOTAL RECOMMENDATION	\$1,990,213	22.4	\$583,844	\$95,012	\$436,429	\$874,928	\$744,649

HEALTH, LIFE, AND DENTAL

Health, life, and dental funds the State's contribution to medical plans. Long Bill headnotes prohibit appropriations made for health, life, and dental from being used for other purposes. The Department requests \$18,161,445 for health, life, and dental insurance for FY 2007-08, including \$12,997,773 net General Fund. The request is made for the entire Department, based on the recommended contribution rates as submitted by the State Personnel Director and enrollment figures. The request also includes the common policy request to bring the State's contribution rate to 85.0 percent of the market. Below is a summary of the Department's request.

Summary of Department HLD Request for FY 2007-08							
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total	Medicaid Cash Funds	Net General Fund
FY 2006-07	\$9,168,664	\$151,878	\$3,861,833	\$1,989,591	\$15,171,966	\$3,457,351	\$10,902,037
85.0 Percent of Market	1,766,684	40,348	771,550	410,897	2,989,479	658,750	2,095,736
TOTAL	\$10,935,348	\$192,226	\$4,633,383	\$2,400,488	\$18,161,445	\$4,116,101	\$12,997,773

Pursuant to Committee policy, **staff recommends the Committee approve an appropriation of \$18,671,175, including \$13,354,271 net General Fund, for this line item.** Staff's calculations for the line item are below.

Summary of Department HLD Recommendation for FY 2007-08							
	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total	Medicaid Cash Funds	Net General Fund
FY 2006-07	\$9,168,664	\$151,878	\$3,861,833	\$1,989,591	\$15,171,966	\$3,457,351	\$10,902,037
85.0 Percent of Market	2,109,253	48,927	814,908	526,121	3,499,209	685,093	2,452,234
TOTAL	\$11,277,917	\$200,805	\$4,676,741	\$2,515,712	\$18,671,175	\$4,142,444	\$13,354,271

SHORT-TERM DISABILITY

This line item is used to purchase short-term disability (STD) coverage. Pursuant to Section 24-50-609 (13), C.R.S., short-term disability provides for a partial payment of an employee's salary if an individual becomes disabled and cannot perform his or her duties. This benefit is available to all employees and is paid entirely by the State (Standard Insurance Company is the vendor). The coverage provides for a 30-day waiting period, and it will pay 60.0 percent of an employee's salary for a maximum of five months. Long Bill headnotes prohibit appropriations made for short-term disability from being used for other purposes.

The Department requests \$289,029 for short-term disability, including \$205,133 net General Fund. A rate of 0.13 percent, pursuant to Office of State Planning and Budgeting common policy, was used to calculate the requested figures. Committee common policy for short-term disability also employs a 0.13 percent rate on base salaries. **Staff's recommendation is pending until the Committee completes its figure setting of the Department of Human Services.**

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line item funds the Amortization Equalization Disbursement to the Public Employees' Retirement Association (PERA). Fiscal Year 2007-08 represents the third year that this payment is

due and the rate is 1.0 percent of base salary for CY 2007 and 1.4 percent of base salary for CY 2008. The Committee established this line item pursuant to statute, as amended by S.B. 04-257 (Owen / Young).

The Department requests \$2,616,554, including \$1,865,473 *net* General Fund, for this line item. **Staff's recommendation is pending until the Committee completes its figure setting of the Department of Human Services.**

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Supplemental Amortization Equalization Disbursement (SAED) is a mechanism to increase the effective PERA rate beginning January 1, 2008. Pursuant to S.B. 06-235 and Committee common policy, this line item was added to fund this increase. Fiscal Year 2007-08 represents the first year that this payment is due and the rate is 0.5 percent of base salary for CY 2008.

Because this line item is new, the Department did not make a request associated with it. **Staff's recommendation is pending until the Committee completes its figure setting of the Department of Human Services.**

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

The Department uses this line item to pay for annual increases for salary survey and senior executive service positions.

Budget Amendment #16 - Salary Survey Adjustment

Request. The Department requests a budget amendment of \$1,733,278, including \$1,460,956 *net* General Fund, for salary survey. This budget amendment balances an equally negative supplemental that was approved by the Committee in January. The negative supplemental resulted from a glitch in the Department database that calculated partial FTE costs with full FTE dollars for 24/7 facilities. The equally positive budget amendment is being requested because the salary survey allocation for the current year (FY 2006-07) becomes base dollars in the subsequent year (FY 2007-08). Therefore, the budget amendment is needed to support FY 2007-08 salary survey.

Staff Recommendation. **Staff recommends the Committee approve the increase of \$1,733,278, including \$1,460,956 *net* General Fund.**

Request for Line Item. The Department requests \$10,832,875, including \$7,975,200 *net* General Fund, for salary survey. The request includes a budget amendment of \$1,733,278, which is discussed above.

Staff Recommendation for Line Item. **The staff recommendation for this line item is pending a recalculation of salary survey by the Department.** Fund sources for the cash funds include patient fees collected by the State's Mental Health Institutes and various other sources. The cash funds exempt are from Medicaid originating in the Department of Health Care Policy and Financing,

the State's Mental Health Institutes, and other various sources. Federal funds include Temporary Assistance to Needy Families (TANF) block grants, Section 110 vocational rehabilitation funds, Child Care Development Funds, Substance Abuse Prevention and Treatment block grants, and various other sources.

PERFORMANCE-BASED PAY AWARDS

This line item provides funding for the state's performance-based pay system, created pursuant to Section 24-50-104 (1)(C)(I), C.R.S. The Department requests \$1,981,011, including \$1,413,587 *net* General Fund, for this line item. **The staff recommendation for this line item is pending a recalculation of performance-based pay awards by the Department.**

SHIFT DIFFERENTIAL

This line item is used to fund the pay adjustment for employees of the Department who perform work outside of the normal Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule. Currently, the State pays percentage increases for shift work. Traditional common policy for shift differential is based on 80.0 percent of actual prior-year expenditures. The Department requires shift work for operations such as the Mental Health Institutes, the Regional Centers, and state-operated nursing homes. The Department requests \$4,304,380 in FY 2007-08 for shift differential. Of this amount, \$3,555,418 is *net* General Fund. This request is consistent with the Committee common policy on shift differential.

Staff recommends the Committee approve an appropriation of \$4,304,380, including \$3,555,418 *net* General Fund, for this line item.

WORKERS' COMPENSATION

Workers' compensation appropriations are used to pay for the Department's estimated share for participating in the State's Workers' Compensation Program. This program, run by the Department of Personnel and Administration's Risk Management Services program, is used to pay workers' compensation benefits to state employees. The State of Colorado is self-insured for workers' compensation claims. The Department of Human Services requests \$8,044,249 for this line item. Of this amount, \$5,488,280 is *net* General Fund and includes Medicaid General Fund moneys appropriated in the Department of Health Care Policy and Financing. This request includes a \$2,237,115 non-prioritized budget amendment, of which \$1,564,821 is *net* General Fund.

The staff recommendation for this line item is pending a Committee common policy on workers' compensation.

OPERATING EXPENSES

This line item pays for the general operating needs of the Executive Director's Office. The Department requests a continuation level of funding of \$494,827, including \$213,801 *net* General Fund, for this line item.

Staff recommends the Committee approve the Department's request for a continuation level

of funding for this line item of \$494,827, including \$213,801 *net* General Fund. The recommendation includes \$138,806 General Fund, \$119,393 cash funds, \$160,504 cash funds exempt, and \$76,124 federal funds.

LEGAL SERVICES FOR 18,439 HOURS

This line item provides funding for the Department for its use of attorneys and para-legals in the Department of Law. The Department requests a continuation of its appropriation, including the hours it anticipates needing. The total request is for \$1,249,611, which includes \$824,744 General Fund.

Staff does not believe that a reduction in hours to the Department of Human Services is warranted at this time. **Staff recommends the Committee approve 18,439 hours for legal services. The staff recommendation for this line item is pending a Committee common policy on the blended rate for legal services hours.**

ADMINISTRATIVE LAW JUDGE SERVICES

The administrative law judge (ALJ) services line item is used to pay a share of the costs for operating the Administrative Hearings Division in the Department of Personnel and Administration. The Department uses ALJs for items such as food stamp fraud, low energy income assistance, expungement of juvenile delinquency records, and child care. The Department of Human Services requests \$891,988 for this line item. This request includes \$535,192 General Fund, \$53,520 cash funds, and \$303,276 federal funds. **The staff recommendation for this line item is pending a Committee common policy on administrative law judge services.** Common policy for ALJs is generally established towards the end of the figure setting process.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

The payments to risk management and property funds line item pays for the Department of Human Services' share of the statewide costs for two programs operated by the Risk Management Services program in the Department of Personnel and Administration: (1) the liability program and (2) the property program.

The State's liability program is used to pay liability claims and expenses brought against the State. The property program provides insurance coverage for state-owned buildings and their contents. The Department requests \$1,945,049, including \$1,668,404 *net* General Fund for this line item. This request includes a *negative* \$87,899 non-prioritized budget amendment, of which \$76,678 is *net* General Fund. Cash funds exempt sources include Medicaid originating in the Department of Health Care Policy and Financing, the State's Mental Health Institutes, and other various sources. Federal funds include TANF block grants, Section 110 vocational rehabilitation funds, Child Care Development Funds, Substance Abuse Prevention and Treatment block grants, and various other sources. **The staff recommendation for this line item is pending a Committee common policy on payment to risk management and property funds.** This will occur toward the end of figure setting.

STAFF TRAINING

The appropriation to the staff training line item provides funding for the conferences and training enterprise fund managed by the Mental Health Institute at Fort Logan and the Grand Junction Regional Center for charges made by non-department employees who participate in selected staff training programs. The Department requests an appropriation of \$31,870 that is comprised entirely of cash funds exempt. **Staff recommends the Committee approve an appropriation of \$31,870 cash funds exempt (transfers from other state agencies).**

INJURY PREVENTION PROGRAM

This line item, established in FY 1996-97, provides funding for employee injury prevention, loss control initiatives, and infection control. Pursuant to FY 2006-07 Long Bill footnote # 44, the Department includes information regarding program expenditures and workers' compensation claims in its annual budget request. In FY 1999-00, the Department changed its direction from a focus on department-wide cause specific problems to one on agency-specific incidents, causes, and costs. In the past, the Department has used these funds for the following: (1) assistive lifting devices; (2) computer automation of claims management; (3) ergonomic furniture and computer equipment; (4) assaultive behavior management training; and (5) immunizations for Division of Youth Corrections employees.

FY 2007-08 Estimated Expenditure by Type for Injury Prevention	
Expenditure	Amount
Technology Projects - Database consolidation, computer system and server upgrades, and videoconferencing	\$5,000
Safety Programs - NFPA membership renewal	780
New Directions Program - contract expenses and travel	78,500
Training Scholarships - risk management training and workshops	9,590
General Office Management - telephone and office supplies	100
Other - Workplace Violence, incident consultation, internal risk management, ergonomic equipment	<u>12,000</u>
TOTAL Estimate	\$105,970

Priorities for use of this line item include:

1. The development and use of the best available technology for sharing information and resources within the Department;
2. The use of continuing education programs to agency safety coordinators;
3. The development of model programs, training, tools, and information to support agency needs; and
4. The offering of consultive services to agencies as determined by the availability of Risk Management staff.

The Department requests \$105,970 cash funds exempt (Medicaid transferred from the Department of Health Care Policy and Financing). The *net* General Fund request is \$52,985. This line item provides support for 3.0 FTE in the Office of Performance Improvement. This program has had documented success in reducing the State's workers' compensation claims. In FY 2005-06, the Department reports that the number of workers' compensation claims decreased by 6.0 percent and the cost of workers' compensation claims decreased by 22.0 percent when compared with the prior fiscal year.

The base budget of this line item provides the Department with resources for expenditures that decrease the number of workers' compensation claims experienced in the Department. **Staff recommends the Committee approve continuation funding for this line item of \$105,970 cash funds exempt (Medicaid funding appropriated in the Department of Health Care Policy and Financing).** The *net* General Fund appropriation to this line item under the recommendation is \$52,985.

CBMS ELIGIBILITY AUDIT

This line item was created during the FY 2005-06 supplemental process to provide an eligibility audit of Medicaid, Food Stamps, and TANF and their interactions with CBMS. The audit was one-time in nature and will not be required in FY 2007-08. As such, the Department did not request an appropriation for this line item in FY 2007-08. **Staff does not recommend the Committee approve an appropriation for this line item.**

S.B. 03-197 SALARY PAYOUT

This line item was established by the Committee in FY 2004-05 to account for June 2004 salaries that are accounted for in July, pursuant to S.B. 03-197, for employees that were laid off beginning in FY 2004-05. The budget contained large reductions in the staff of the Office of Performance Improvement, and as indicated above, the June salary in FY 2003-04 was accounted for in FY 2004-05. It was recognized that this salary would affect the appropriation in the Office of Performance Improvement negatively. The Department is not requesting an appropriation for this line item in FY 2007-08. **Staff does not recommend the Committee approve an appropriation for this line item** because no large reductions in FTE are being recommended in the Department of Human Services that would warrant use of this line item.

LAWSUIT JUDGEMENT FOR DIVISION OF YOUTH CORRECTIONS AND MENTAL HEALTH INSTITUTES CAPITAL CONSTRUCTION PROJECTS

The Department has not requested, nor is staff recommending, funding for this line item in FY 2007-08. In FY 2004-05, the Committee provided funding to pay judgement on a lawsuit filed against the Department of Human Services. This was one-time funding and the Department did not request funding for FY 2007-08. **Staff does not recommend the Committee approve an appropriation for this line item.**

(1) EXECUTIVE DIRECTOR'S OFFICE

(B) Special Purpose

OFFICE OF PERFORMANCE IMPROVEMENT

The Office of Performance Improvement (OPI) was separated as a distinct Long Bill program in FY 2003-04. Prior to this fiscal year, the program was incorporated into the General Administration section of the Department's Executive Director's Office. The program is responsible for four separate functions of the Department of Human Services, including: (1) Audits; (2) Food Stamp Quality Assurance; (3) Human Resources; and, (4) Performance Management. The office was created to address each function in a separate manner in order to achieve higher accountability to interested parties (such as county social services departments, program management, and legislators). Finally, the functions of the separate entities are coordinated so that their functions are not duplicative.

Staffing Summary - (1) Executive Director's Office (B) Special Purpose, Office of Performance Improvement	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Auditor	6.6	7.0	7.0	7.0
General Professional	33.1	37.5	37.5	37.5
Insurance Specialist	2.0	2.0	2.0	2.0
Administration / Support / Clerical	19.4	20.6	20.6	20.6
Management	1.0	1.0	1.0	1.0
Annualize S.B. 06-45	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL	62.1	68.1	69.1	69.1

Specifically, OPI's functions include:

Audits - This program independently verifies, through internal and external audits, that state and federal financial assistance has been distributed in accordance with applicable regulations and laws.

Food Stamp Quality Assurance - This program performs the federally-mandated food stamp quality control function. Included in the quality control function are monthly reviews to ensure eligibility and the correct allotment of food stamps. Reviews are used to: (1) calculate the State's food stamp error rate; (2) assist in corrective action and payment accuracy strategies; and (3) establish the State's eligibility for enhanced federal funding or liability for payment error rates that exceed the national tolerance level.

Human Resources - This program performs all activities related to the Department's personnel/employees. These activities include, but are not limited to: recruitment, examinations,

orientation, benefits administration, evaluations, workers' compensation case management, performance management, and personnel records maintenance.

Performance Management - Performance management's duties include ensuring programmatic accountability. The Department indicates that the following are done to ensure programmatic accountability: (1) assisting the Department programs in identifying the most appropriate indicators of program performance; (2) coordinating professional development for staff through an existing network of trainers; and; (3) coordinating the Department's use of video-conferencing as a way to enhance productivity.

☐ **Decision Item #9 - Human Resources Staffing Increase**

Request. The Department requests \$69,638 General Fund for a temporary staff and associated funding within the Department's Human Resources Division. This request is for a temporary staff; therefore, no FTE are associated. The request would fund a temporary human resources specialist who would be assigned to NYC's North Central Region. Please note that the Department again has calculated this request assuming 12 months of salary, PERA, and Medicare, rather than 11 months pursuant to the pay date shift. The following table details the request and the correction for 11 months.

Department Request for Human Resources Staffing		
	Department Request	JBC Staff Calculation
General Professional III (0.0 FTE)	\$62,400	\$57,200
PERA @ 10.15%	6,334	5,806
Medicare @1.45%	<u>905</u>	<u>829</u>
Total Request	69,638	63,835

The Department has approximately 750 FTE in the NYC North Central Region. The requested temporary staff would provide the following services for these FTE:

- Hiring services: filling approximately 80 positions each year (11% vacancy rate), with positions taking up to 2 months to fill;
- Oversight of progressive discipline: completing about 50 performance related, corrective, or disciplinary actions per year;
- Classification services: reviewing and revising approximately 80 Position Description Questionnaires (PDQs) each year;
- Benefits consultation services: making benefits coverage changes for approximately 50% of the FTE each year; and
- Training services: providing new employee orientation and training for existing employees.

The Department states that current staffing levels cause delays in the hiring process, which is particularly problematic in direct care areas where staff is required for the health and safety of clients. In addition, the Delegation Agreement to provide human resources functions between the Department of Personnel and Administration and the Department of Human Services (DHS) requires DHS to provide an acceptable level of human resources services. However, the Department maintains that it is difficult to meet these requirements because human resources staffing levels have been reduced from 40.5 FTE to 30.5 FTE (a 24.7 percent decrease) over the past four fiscal years.

Staff Recommendation. Staff recommends the Committee approve an increase of \$63,835 General Fund. This recommendation accounts for the shift in pay date discussed above.

Request for Line Item. The Department requests \$4,695,883, including \$2,079,670 net General Fund, and 69.1 FTE in FY 2007-08 for the Office of Performance Improvement line item. This request includes the decision item for a Human Resources staffing increase discussed above.

Staff Recommendation for Line Item. For the Office of Performance Improvement, staff recommends the Committee approve an appropriation of \$4,676,897, including \$2,067,645 net General Fund, and 69.1 FTE. The following table illustrates the calculations for this recommendation. The staff recommendation is calculated pursuant to Committee common policy, including the application of a base reduction of 0.5 percent.

Summary of Personal Services and Operating Expenses Recommendation							
(1) Executive Director's Office (B) Special Purpose, Office of Performance Improvement - Department of Human Services							
	TOTAL	FTE	GF	CF	CFE	FF	Net GF
H.B. 06-1385 Personal Services	\$4,219,686	68.1	\$1,667,688	\$95,939	\$668,617	\$1,787,442	\$1,962,934
S.B. 06-45	34,686	1.0	0	34,686	0	0	0
Special Bill	(29,023)	0.0	(29,023)	0	0	0	(29,023)
FY 2006-07 Salary Survey	99,294	0.0	39,717	1,986	15,887	41,704	46,787
Base Reduction (0.5 Percent)	(21,623)	0.0	(8,649)	(432)	(3,460)	(9,082)	(10,206)
Decision Item #9 - Human Resources Staffing Increase	<u>63,835</u>	<u>0.0</u>	<u>63,835</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,835</u>
SUBTOTAL Recommendation - Personal Services	4,366,855	69.1	1,733,568	132,179	681,044	1,820,064	2,034,327
H.B. 06-1385 Operating Expenses	310,042	0.0	13,044	38,945	49,721	208,332	33,318
TOTAL RECOMMENDATION	\$4,676,897	69.1	\$1,746,612	\$171,124	\$730,765	\$2,028,396	\$2,067,645

ADMINISTRATIVE REVIEW UNIT

This line item provides funding for the Department's "Administrative Review Unit", which is responsible for performing federally-mandated periodic on-site case reviews of children and youth

who are placed in out-of-home residential care. These reviews include children and youth placed out of the home by county departments of social services, as well as youth placed in a community setting by the Division of Youth Corrections. These face-to-face reviews are open to participation by all involved parties (the child's birth parents, foster parents, guardian ad litem, probation officer, caseworker, etc.). These reviews ensure that:

- ✓ the child or youth is safe and receiving services identified in their case plan;
- ✓ the placement of the child or youth is necessary, the setting is appropriate, and progress is being made to either return the child or youth home safely or achieve permanency through another means; and
- ✓ the county has appropriately determined the child or youth's eligibility for federal Title IV-E funds.

Staffing Summary	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	FY 2007-08 Recomm.
Director (General Professional VII)	1.0	1.0	1.0	1.0
Supervisors (General Professional VI)	3.2	3.0	3.0	3.0
Compliance Investigators	13.6	16.5	16.5	16.5
Clerical / Support	<u>1.5</u>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>
TOTAL	19.3	22.2	22.2	22.2

Federal law requires that face-to-face case reviews be conducted by an independent entity. Thus, these reviews can be conducted by a court or by this unit, but they cannot be conducted by county departments of social services. The Department indicates that most courts are not currently conducting reviews in a manner that meets the federal requirements. Thus, in most cases, even if the court is "reviewing" certain cases involving children in out-of-home care, this unit must still conduct periodic on-site case reviews with open participation in order to maintain compliance with federal law.

This unit is also responsible for conducting federally-required quality assurance reviews concerning all children and families receiving child welfare services. These reviews currently involve a random sample of individual cases, client satisfaction surveys, and evaluations of systemic indicators. The unit is thus responsible for ensuring compliance with state and federal laws, assuring that out-of-home placement care criteria are met, reviewing the level of care for the child or youth, and assisting in moving the child or youth to a safe, permanent environment. In addition, this unit was designed to facilitate maximization of federal Title IV-E revenues and to assist counties in identifying other available revenues, such as federal Social Security, federal Social Security Disability Income, federal Supplemental Security Income, private insurance, and victim advocacy funds.

The Department requests an appropriation of \$1,904,744, including \$1,163,930 General Fund, and 22.2 FTE for this line item.

Staff recommends the Committee approve an appropriation of \$1,899,494, including \$1,160,911 General Fund, and 22.2 FTE for this line item. Staff's recommendation is detailed in the following table:

Summary of Recommendation: Administrative Review Unit				
Description	Total Funds	General Fund	Federal Funds	FTE
H.B. 06-1385 Personal Services	\$1,686,330	\$1,030,193	\$656,137	22.2
FY 2006-07 Salary Survey	38,133	25,549	12,584	0.0
Base Reduction (0.5 Percent)	(8,623)	(5,279)	(3,344)	0.0
Subtotal - Personal Services	1,715,840	1,050,463	665,377	22.2
H.B. 06-1385 Operating Expenses	183,654	110,448	73,206	0.0
TOTAL RECOMMENDATION	\$1,899,494	\$1,160,911	\$738,583	22.2

RECORDS AND REPORTS OF CHILD ABUSE OR NEGLECT

This line item provides funding for the Department to maintain records of abuse and neglect and to perform related functions. Funding for this purpose was previously included in a line item in the Division of Child Welfare entitled, "Central Registry of Child Protection". House Bill 03-1211 repealed the state Central Registry of Child Protection, effective January 1, 2004. Pursuant to H.B. 03-1211, the Department of Human Services now utilizes records and reports of child abuse or neglect for the purpose of conducting background screening checks (generally requested by employers and agencies to screen potential child care employees, child care facility license applicants, and prospective adoptive parents). Fees paid for screening checks continue to be used to cover the direct and indirect costs of performing background checks and administering provisions related to the appeals process and the release of information contained in records and reports¹. Functions related to records and reports of abuse and neglect are currently performed as follows:

- County departments of social services enter confirmed reports of child abuse or neglect in the state Department's automated system (Colorado Trails) within 60 days of receiving the complaint.
- County departments of social services provide notice to a person responsible in a confirmed report of child abuse or neglect of the person's right to appeal the county department's finding to the state Department within 90 days.
- Such a person may request: (1) a paper review of the county's confirmed report and record by the Department of Personnel and Administration, Division of Administrative Hearings;

¹ These fees are also used to cover a portion of the costs of related legal services and administrative law judge services.

or (2) a fair hearing (either by telephone or in person) by the Division of Administrative Hearings before an administrative law judge, at which the state Department would bear the burden of proof. The notice includes information as to how the individual can access the county department's dispute resolution process.

- The state Department's Office of Appeals issues final agency decisions upon review of an administrative law judge's final decision. The final agency decision continues to advise the individual who filed the appeal of his/her right to seek judicial review in the state district court.

Records and Reports Staffing Summary	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	FY 2007-08 Recomm.
Office of Appeals (issuance of final agency decisions and related administrative functions)	2.0	2.1	2.1	2.1
Background/employment screenings	1.0	2.4	2.4	2.4
Representation of state Department at hearings and settlement conferences	1.1	1.7	1.7	1.7
DI #16 - Records and Reports FTE	<u>0.0</u>	<u>0.0</u>	<u>2.8</u>	<u>1.3</u>
TOTAL	4.1	6.2	9.0	7.5

❑ **Decision Item #16 - Records and Reports FTE**

Request. The Department requests \$124,319 cash funds (reserve balance of the Records and Reports Cash Fund) and 2.8 FTE to eliminate backlogs in reviewing reports of child abuse and neglect and come into compliance with background investigations required by the provisions in H.B. 03-1211. These provisions require: (1) providing an expedited, consistent due process of confirmations of reports of child abuse or neglect; (2) providing prompt expungement of false reports; and (3) increasing the number of background screenings to comply with statutory requirements (Section 19-1-307, C.R.S.). The Department believes that current staffing levels are not sufficient to allow citizens to obtain needed licensure and employment. In addition, delays are incurred with foster care placements and adoptions if background checks are not completed in a timely manner.

The Department states that the Central Registry of Child Protection, which was the Records and Reports predecessor, had functions supported by 9.0 FTE and at least three temporary FTE. Since the passage of H.B.03-1211 and subsequent budget constraints, the Department has maintained this program with less staff, currently 6.2 FTE, including some initial temporary staff and administrative support from the Department at large.

Current Backlog for Records and Reports				
	January 1, 2006	January 1, 2007	Difference	Percentage Change
Child Abuse Dispute Review	462	226	(236)	-51.1%
Background Investigations	2,208	0	(2,208)	-100.0%

1. Child Abuse Dispute Review - Currently, there are 3.8 FTE devoted to processing, evaluating and handling the appeals of confirmed reports of child abuse or neglect. The Department states that workload is such that delays are experienced, and as a result, a backlog has formed. This backlog creates postponements in due process, a slowdown in expunging reports for background checks and employment purposes, and inadequate communications with counties and appellants. The State Board of Human Services has required the Department to make the appeals process take no longer than 180 days (from the submittal of the claim to resolution from the Office of Administrative Courts). This timeframe was established because failure to timely resolve issues could be considered to be outside of the requirements.

The Department notes that backlogs have increased and such backlogs as of January 1, 2007, stood at 226 cases. It notes that each case averages 10.23 hours of work utilizing a General Professional IV, thus 2,312 hours would be required to meet this requested decrease in backlogs.

2. Background Investigations Unit (BIU)- House Bill 03-1211 requires background investigations to be completed within ten days. With the temporary FTE authorized for FY 2006-07, BIU has significantly improved its response time. Currently, 99 percent of the requests processed are done so within the 10-day timeframe. Therefore, there is essentially no backlog now. However, without approval of the requested FTE in FY 2007-08, BIU anticipates that the backlog will recur because the FTE authorized for FY 2006-07 are only temporary and will not be available for FY 2007-08. The table on the following page details the Department's request.

Department Request for Records and Reports, Child Abuse and Neglect Dispute Review and Background Investigations Unit	
General Professional III (0.7 FTE)	\$30,257
Technician IV (0.6 FTE)	23,530
Admin. Assistant III (1.5 FTE)	<u>48,816</u>
Subtotal - Salary	102,603
PERA @ 10.15%	10,415
Medicare @1.45%	1,488
Subtotal - Personal Services	114,506
Operating Expenses	1,400
Computer Software	2,756
Capital Outlay	<u>5,657</u>
Total Request	\$124,319

Staff Recommendation. Staff recommends the Committee approve an increase of \$60,676 cash funds and 1.3 FTE. The staff recommendation differs from the Department's request for a variety of reasons, summarized below.

1. Staff does not recommend the Committee approve administrative FTE for this request. The staff recommendation for the other FTE (1.3) is small enough that a request for administrative support is not necessary. Additionally, the work requested through the decision item is specific to reducing backlogs and coming into compliance with rules and regulations.
2. Staff does not recommend funding for computers, software, or furniture (one-time costs). The Department of Human Services has vacant office cubes in various locations at 1575 Sherman St. With these vacancies, staff believes the Department can accommodate the requested FTE within its resources and will not require funding for either computers or for furniture.

Decision Item #16 - Summary of Request and Recommendation			
	Department Request	Staff Recommendation	Difference
General Professional III	\$30,257	\$30,257	\$0
Technician IV	23,530	23,530	0
Administrative Assistant III	48,816	0	(48,816)
PERA	10,415	5,459	(4,956)
Medicare	1,488	780	(708)
Operating Expenses	1,400	650	(750)
Computer Software	2,756	0	(2,756)
Capital Outlay	5,657	0	(5,657)
TOTAL	\$124,319	\$60,676	(\$63,643)

Request for Line Item. The Department requests \$620,494 (\$418,812 cash funds and \$201,682 cash funds exempt) and 9.0 FTE for the Records and Reports of Child Abuse or Neglect line item. Both sources are from the Records and Reports Cash Fund (cash funds exempt represents reserve balance).

Staff Recommendation for Line Item. Staff recommends the Committee approve an appropriation of \$556,108 and 7.5 FTE for this line item. Staff's recommendation is detailed in the following table:

Summary of Recommendation: Records and Reports of Child Abuse or Neglect				
Description	TOTAL	Cash Funds	Cash Funds Exempt	FTE
H.B. 06-1385 Personal Services	\$452,612	\$251,530	\$201,082	6.2
FY 2006-07 Salary Survey	7,118	7,118	0	0.0
Base Reduction Per Common Policy (0.5%)	(2,298)	<u>(1,293)</u>	(1,005)	0.0
Continuation Subtotal: FY 2007-08 Personal Services	457,432	257,355	200,077	6.2
DI #16 - Records and Reports FTE	<u>60,676</u>	<u>0</u>	<u>60,676</u>	<u>1.3</u>
Subtotal - Personal Services	518,108	257,355	260,753	7.5
H.B. 06-1385 Operating Expenses	37,350	36,750	600	0.0
DI #16 - Records and Reports (\$500/FTE)	<u>650</u>	<u>0</u>	<u>650</u>	<u>0.0</u>
Subtotal - Operating Expenses	38,000	36,750	1,250	0.0
TOTAL RECOMMENDATION	\$556,108	\$294,105	\$262,003	7.5

JUVENILE PAROLE BOARD

Pursuant to Section 19-2-206 (6), C.R.S., the Department of Human Services is responsible for providing clerical support for the Juvenile Parole Board (JPB). The juvenile parole board administrator is appointed by the executive director of the Department of Human Services.

The Juvenile Parole Board is a nine-member body responsible for reviewing and approving parole applications for adjudicated juveniles in the custody of the Division of Youth Corrections (DYC). Authority for the Juvenile Parole Board is established in Section 19-2-206, C.R.S. The full board is required to meet no less than once per month (Section 19-2-206 (4), C.R.S.). Members of the Juvenile Parole Board are reimbursed for expenses incurred in the performance of their duties. In addition to the reimbursement of expenses, the four citizen board members and the local elected official member receive a per diem of one hundred fifty dollars per day spent transacting official business of the board.

Executive Director's Office - Juvenile Parole Board Staffing Summary	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommend.
Board Administrator	1.4	1.4	1.4	1.4
Support Staff	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>
TOTAL	2.2	2.2	2.2	2.2

The Department requests an appropriation of \$189,468 General Fund and 2.2 FTE, which is a continuation level of funding request calculated in accordance with OSPB common policy (includes a 0.2 percent personal services reduction, and salary survey awarded in FY 2006-07). **Staff**

recommends the Committee approve an appropriation of \$188,552 General Fund and 2.2 FTE for this line item. A summary of the recommendation can be found in the following table.

Summary of Personal Services and Operating Expenses Recommendation (1) Executive Director's Office, Juvenile Parole Board - Department of Human Services		
	TOTAL - General Fund	FTE
FY 2006-07 Long Bill (H.B. 06-1385) Personal Services	\$176,691	2.2
FY 2006-07 Salary Survey	6,440	0.0
Base Reduction (0.5 Percent)	(916)	0.0
Subtotal - Personal Services	182,215	2.2
FY 2006-07 Long Bill (H.B. 06-1385) Operating Expenses	6,337	0.0
TOTAL RECOMMENDATION	\$188,552	2.2

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 - SECURITY REMEDIATION

The Department of Human Services is considered a covered entity under HIPAA as it is responsible for the administration of numerous programs that handle health information. Specifically, the security rule covers: (1) the Mental Health Institutes at Pueblo and Fort Logan; (2) Mental Health Services; (3) the Alcohol and Drug Abuse Division; (4) department-wide security; (5) the Department's accounting program; (6) the Office of Information Technology Services; (7) the Regional Centers at Wheat Ridge, Pueblo, and Grand Junction; (8) the Division of Developmental Disabilities; and (9) the Nursing Homes at Rifle and Fitzsimons.

Staffing Summary - (1) Executive Director's Office (B) Special Purpose, Health Insurance Portability and Accountability Act of 1996	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
General Professional	1.0	1.0	1.0	1.0
Information Technology	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL	1.0	2.0	2.0	2.0

Decision Item #10 - HIPAA Maintenance

Request. The Department requests \$222,375, including \$189,190 net General Fund, for ongoing maintenance costs for IT hardware and software solutions to adhere to HIPAA security rules and regulations. To ensure continued compliance with HIPAA security rules and regulations, the Department requests increased maintenance funds on an ongoing basis that will be added as a base-building change to the appropriation (the expenses will reoccur each year).

To comply with the federally-mandated Security Rule of the HIPAA Act of 1996, the Department implemented a HIPAA Security Remediation plan. The original FY 2004-05 appropriation for this line item included allocations for IT software and hardware solutions. The Department was able to leverage these funds to acquire and secure hardware, software, multi-year maintenance agreements, and licensing costs. However, several maintenance agreements and licensing costs will begin to expire during FY 2007-08. In addition, related hardware will be reaching its end of lifecycle.

The Department indicates that the current operations budget is not adequate to cover the costs of new IT hardware and software. Without additional IT hardware and software, the Department will no longer be HIPAA compliant. Pursuant to the HIPAA Enforcement Rule (45 CFR Parts 160 and 164) effective March 16, 2006, the maximum fine for a HIPAA breach is \$100 per violation and up to \$25,000 for all violations of an identical requirement or prohibition during a calendar year.

The following table illustrates the Department's calculations for additional HIPAA ongoing maintenance expenses:

Department Request for HIPAA Ongoing Maintenance Expenses	
Hardware Maintenance - Backup/Storage	\$35,038
Hardware Maintenance - Telecommunications Security	17,118
Hardware Refresh - Servers	38,858
Software - Server Auditing/Monitoring	15,750
Software Maintenance - Email Security	5,040
Software Maintenance - Server Auditing/Monitoring	25,710
Software Maintenance - Server Security	68,893
Software Maintenance - Telecommunications Security	349
Software Upgrade - Server Operating System/Database	15,281
Software Upgrade - Workstation Reporting	338
Total Request	\$222,375

Staff Recommendation. Staff recommends the Committee approve an increase of \$222,375, including \$189,190 net General Fund.

Request for Line Item. The Department requests \$514,627, including \$433,261 net General Fund, and 2.0 FTE for this line item in FY 2007-08. On-going costs contain the following assumptions:

- ❑ \$121,077 and 2.0 FTE for personal services. The FTE are devoted to the development of a department-wide, system-based risk assessment and the integration of this assessment into the Department's operations. These positions also conduct periodic evaluations for all

- systems where technical, environmental, or operational changes have occurred; and
- \$171,175 for operating expenses. The operating expenses include \$98,125 for the continuation of consolidation efforts associated with protected health information covered by the security rule, \$50,050 for an annual test that details the Department's security management processes, and \$23,000 for on-going privacy and security training.

Staff Recommendation for Line Item. Staff recommends the Committee approve an appropriation of \$514,021, including \$432,758 net General Fund, and 2.0 FTE for this line item. Below is a summary of staff's calculation.

Summary of Personal Services and Operating Expenses Recommendation (1) Executive Director's Office (B) Special Purpose, Office of Performance Improvement - Department of Human Services						
	TOTAL	FTE	GF	CF	CFE	FF
H.B. 06-1385 Personal Services	\$119,075	2.0	\$85,740	\$379	\$25,904	\$7,052
FY 2006-07 Salary Survey	2,002	0.0	1,502	0	400	100
Base Reduction (0.5 Percent)	(606)	0.0	(436)	(2)	(132)	(36)
Subtotal - Personal Services	120,471	2.0	86,806	377	26,172	7,116
H.B. 06-1385 Operating	171,175	0.0	128,637	0	30,421	12,117
DI #10 - HIPAA Maintenance	222,375	0.0	166,781	0	44,475	11,119
TOTAL RECOMMENDATION	\$514,021	2.0	\$382,224	\$377	\$101,068	\$30,352

(5) DIVISION OF CHILD WELFARE

The Division of Child Welfare supervises the child welfare programs that are administered by Colorado's 64 counties. The Department of Human Services also conducts periodic on-site reviews of children who are in residential care. County responsibilities include: (1) receiving and responding to reports of potential child abuse or neglect; and (2) providing necessary and appropriate child welfare services to the child and the family, including providing for the residential care of a child when a court determines that it is necessary and in the best interests of the child and community to remove the child from the home.

ADMINISTRATION

This line item provides funding for those Department staff who supervise, manage, or provide administrative support for child welfare programs. The Department requests \$2,357,688, including \$1,607,073 *net* General Fund, and 26.0 FTE for this line item.

Staffing Summary - (5) Division of Child Welfare, Administration	FY 05-06 Actual	FY 06-07 Approp.	FY 07-08 Request	FY 07-08 Recomm.
Management	2.0	2.0	2.0	2.0
General Professionals	18.6	21.0	21.0	21.0
Administrative Support	3.2	3.0	3.0	3.0
TOTAL	23.8	26.0	26.0	26.0

For this line item, **staff recommends the Committee approve an appropriation of \$2,350,900, including \$1,602,693 *net* General Fund, and 26.0 FTE.** This recommendation is calculated pursuant to common policy and is summarized below.

Summary of Recommendation: Administration					
Description	Total Funds	General Fund	Cash Funds Exempt	Federal Funds	FTE
H.B. 06-1385 Personal Services	\$2,098,371	\$1,316,305	\$120,256	\$661,810	26.0
FY 2006-07 Salary Survey	38,445	24,989	1,153	12,303	0.0
Base reduction (0.5%)	<u>(10,684)</u>	<u>(6,706)</u>	<u>(607)</u>	<u>(3,371)</u>	0.0
Subtotal - Personal Services	2,126,132	1,334,588	120,802	670,742	26.0
H.B. 06-1385 Operating Expenses	224,768	204,362	6,683	13,723	0.0
TOTAL RECOMMENDATION	\$2,350,900	\$1,538,950	\$127,485	\$684,465	26.0

CHILD WELFARE STAFF TRAINING

This line item has historically provided funding for the Department to provide necessary training for county and state staff, direct service providers (e.g., foster parents), county attorneys, guardians ad litem, court-appointed special advocates, and court personnel. Approximately 85 percent of curriculum development and training is provided by outside contractors, including departments of social work at several colleges and universities and a few for-profit training providers.

In order to ensure sufficient resources are available to provide training to county and state staff, as well as other individuals involved in the provision of child welfare services, **staff recommends the Committee approve the Department's request for a continuation level of funding for this line item of \$4,928,419, including \$2,295,012 General Fund.** The appropriation for training was increased in FY 2005-06 due to a staff recommended transfer from the Family and Children's Programs line item. This action represented the consolidation of training funding into one line item.

FOSTER AND ADOPTIVE PARENT RECRUITMENT, TRAINING, AND SUPPORT

This line item represents the consolidated funding the Department receives related to the recruitment and retention of foster and adoptive parents. It was intended to encourage the Department to address the shortage of foster and adoptive parents in a comprehensive manner. Funding is provided to support 1.0 FTE charged with monitoring and improving counties' adoptive and foster parent recruitment and retention activities and providing technical assistance to counties. This position was first funded in FY 2001-02 to meet one of the requirements of the federal *Adoption and Safe Families Act*, which requires states to have an identifiable process for assuring diligent recruitment and retention of foster and adoptive families that reflect the ethnic and racial diversity of children for whom placements are needed. This funding was also intended to assist counties in ensuring that placement resources are available so that children in foster care can reside close to their homes, sibling groups can be placed together, and adolescents and children with developmental disabilities or mental health issues can be placed in the least restrictive, most appropriate placement.

Staff recommends the Committee approve an appropriation of \$330,685, including \$264,567 net General Fund, and 1.0 FTE for this line item. This recommendation includes applying a 0.5 percent vacancy savings base reduction to this line item (\$370). Staff's recommendation is detailed in the following table:

Summary of Recommendation: Foster and Adoptive Parent Recruitment, Training, and Support				
Description	Total Funds	General Fund	Federal Funds	FTE
H.B. 06-1385 Personal Services	72,323	57,878	14,445	1.0
Salary Survey Awarded in FY 2006-07	1,589	1,271	318	0.0
Base Reduction (0.5 Percent)	(370)	(296)	(74)	0.0
Subtotal - Personal Services	73,542	58,853	14,689	1.0
H.B. 06-1385 Operating Expenses	257,143	205,714	51,429	0.0
TOTAL RECOMMENDATION	\$330,685	\$264,567	\$66,118	1.0

CHILD WELFARE SERVICES

This line item provides the primary source of funding for counties to administer child welfare programs and deliver associated services to children and families. This line item thus provides funding for: (1) county administration for child welfare related activities; (2) out-of-home residential care; (3) subsidized adoptions; and (4) other necessary and appropriate services for children and families.

County Capped Allocations. Pursuant to Section 26-5-104 (4), C.R.S., counties receive capped funding allocations for the administration and provision of child welfare services. Counties are allowed to use capped allocation moneys for child welfare services without categorical restriction. Those counties that serve at least 80 percent of the total child welfare services population (the largest ten counties, currently) receive individual capped allocations, and the remaining small- and medium-sized counties receive separate capped allocations. Each county's allocation consists of local, state, and federal funds. The Department uses *state and federal* funds appropriated through the Child Welfare Services line item to reimburse county departments of social services for 80 percent of related expenses, up to the amount available in each county's allocation. In addition, pursuant to Section 26-5-104 (7), C.R.S., the Department is authorized, based upon the recommendations of the Allocations Committee, to allocate any unexpended funds at fiscal year-end to any county that has over spent its capped allocation. However, a county may only receive such "close-out" funds for authorized expenditures attributable to caseload increases beyond those anticipated when the allocations were made, and for expenditures *other than* those attributable to administrative and support functions.

Current law directs the Department of Human Services, after input from the Child Welfare Allocations Committee¹, to annually develop formulas for allocating child welfare funding among

¹ The Child Welfare Allocations Committee consists of eight members, four appointed by Colorado Counties, Inc. (CCI) and four appointed by the Department of Human Services. If CCI does not appoint a representative from the county that has the greatest percentage of the state's child welfare caseload (i.e., Denver), the

counties. In determining such formulas, the Department is to take into consideration historical expenditures, a comparison of such expenditures to the associated caseload, and other factors "that directly affect the population of children in need of child welfare services in a county" [Section 26-5-104 (3) (a), C.R.S.]. A county's allocation may be amended due to "caseload growth ... or changes in federal law or federal funding" [Section 26-5-104 (4) (e), C.R.S.]. In the event that the Department and the Child Welfare Allocations Committee do not reach an agreement on the allocation formula by June 15 of any state fiscal year for the following fiscal year, the Department and the Child Welfare Allocations Committee are to submit alternatives to the Joint Budget Committee for selection of an allocation formula.

Prior to FY 2001-02, each county's allocation of child welfare funding was based largely on historical data, including the county's out-of-home care expenditures and the county's share of open child welfare cases. Since FY 2001-02, the Department has utilized an "optimization" model to allocate funds among counties. This model uses concrete, measurable cost drivers rather than demographic data to allocate resources. A cost driver variable is considered appropriate for inclusion in the model if: (1) there is currently variability among counties; (2) the variability is measurable and manageable; and (3) constraining ("optimizing") such variability should improve outcomes for children. The model was developed by Pareto Solutions under the direction of the Child Welfare Allocations Committee. Two subcommittees (one consisting of representatives from departments of human services for the ten largest counties and one consisting of representatives from the remaining counties) have continued to work with the consultant to identify cost drivers and determine which variables would be appropriate to include in the model, as well as the desired range of variability for each factor. The subcommittees have chosen to "squeeze" the range for several variables, indicating that they felt that counties on the low end may not be providing sufficient services, while counties on the high end may be providing inappropriate services.

Once the cost drivers and desired ranges of variability have been determined, the optimization model allocates resources based on actual county-by-county data for each variable. The purpose of the model is not to force counties to mirror one another in every aspect of program administration. For example, if a county generally pays more for out-of-home care, but by doing so it achieves an average length of stay that is shorter than other counties, it can continue to administer its program in this manner because the two factors offset one another. However, if a county is serving a relatively high percentage of children out of the home, the children stay in out-of-home care for a longer period of time, and the county pays a higher average cost for such care, it will likely be forced to make some changes in how it administers its program because its allocation would likely be lower than its actual costs. The model is dynamic, so over time one can choose to add or delete factors, change the desired ranges, and change the total resources to be allocated.

Advocates of the optimization model indicate that it provides several key benefits over alternative allocation models. First, it eliminates the ongoing arguments about *conceptual* cost drivers (e.g., what is the relationship between poverty and abuse and neglect?), and instead focuses discussion on

Department is required to do so.

concrete, measurable, manageable factors that drive costs. Second, it encourages entities to compare their practices to those of other comparable entities. However, rather than dictating local policy and practice based on a *single* standard of practice, the model allocates funds based on a number of different manageable variables. Third, the model supports an incremental consensus on the degree of acceptable variation in practices. Finally, the model can (and now does) serve to determine what overall level of resources are required to support a range of uncontrollable as well as manageable local practices.

Request for Line Item. The Department requests a total of \$338.8 million for FY 2007-08 for the Child Welfare Services line item. **The table that begins on the following page summarizes the components of the Department's request and staff's recommendation for the Child Welfare Services line item.** Each of the components of the request is described in narrative form following the table.

Description	Department Request	Staff Recommend.	Difference
FY 2006-07 Base Appropriation (Department request does not reflect supplemental adjustments)			
General Fund	<u>\$328,042,534</u>	<u>\$328,042,534</u>	<u>\$0</u>
Cash Funds Exempt	147,693,133	147,693,133	0
Federal Funds	85,987,781	85,987,781	0
<i>Medicaid Cash Funds</i>	94,361,620	94,361,620	0
<i>Net General Fund</i>	<u>34,063,555</u>	<u>34,063,555</u>	<u>0</u>
I. Increase based on projected child/adolescent population increase (Decision Item #6)			
General Fund	<u>3,690,262</u>	<u>3,690,262</u>	<u>0</u>
Cash Funds Exempt	1,661,450	1,661,450	0
Federal Funds	967,306	967,306	0
<i>Medicaid Cash Funds</i>	1,061,506	1,061,506	0
<i>Net General Fund</i>	<u>383,193</u>	<u>383,193</u>	<u>0</u>
II. 2% Provider Rate Increase (Decision Item #NP-1)			
General Fund	<u>6,574,460</u>	<u>6,574,460</u>	<u>0</u>
Cash Funds Exempt	3,031,065	3,031,065	0
Federal Funds	1,637,034	1,637,034	0
<i>Medicaid Cash Funds</i>	1,906,361	1,906,361	0
<i>Net General Fund</i>	<u>519,393</u>	<u>519,393</u>	<u>0</u>
III. Costs Related to H.B. 06S-1023 (1331 Supplemental)			
General Fund	<u>107,802</u>	<u>107,802</u>	<u>0</u>
Cash Funds Exempt	58,579	58,579	0
Federal Funds	20,946	20,946	0
<i>Net General Fund</i>	<u>28,277</u>	<u>28,277</u>	<u>0</u>

Description	Department Request	Staff Recommend.	Difference
<i>Medicaid Cash Funds</i>	0	0	0
<i>Net General Fund</i>	58,579	58,579	0
IV. Costs Related to H.B. 06S-1023 (Budget Amendment)	<u>(57,768)</u>	<u>(57,768)</u>	<u>0</u>
General Fund	(31,879)	(31,879)	0
Cash Funds Exempt	(10,939)	(10,939)	0
Federal Funds	(14,950)	(14,950)	0
<i>Medicaid Cash Funds</i>	0	0	0
<i>Net General Fund</i>	<u>(31,879)</u>	<u>(31,879)</u>	<u>0</u>
V. Leap Year Adjustment	<u>495,077</u>	<u>495,077</u>	<u>0</u>
General Fund	364,605	364,605	0
Cash Funds Exempt	130,472	130,472	0
Federal Funds	0	0	0
<i>Medicaid Cash Funds</i>	39,320	39,320	0
<i>Net General Fund</i>	384,265	384,265	0
TOTAL RECOMMENDATION	<u>\$338,852,367</u>	<u>\$338,852,367</u>	<u>\$0</u>
General Fund	152,776,953	152,776,953	0
Cash Funds Exempt	88,732,600	88,732,600	0
Federal Funds	97,342,814	97,342,814	0
<i>Medicaid Cash Funds Exempt</i>	35,005,461	35,005,461	0
<i>Net General Fund</i>	170,279,684	170,279,684	0

❑ **Decision Item #6 - Caseload Increase**

Request. The Department requests a \$3,690,262 increase (including \$1,853,047 *net* General Fund) to the estimated costs of population increases in the child and adolescent population for FY 2007-08. As in past years, this increase is requested for both county administration and programmatic costs. U.S. Census Bureau data estimate this population will increase by 1.10 percent next fiscal year.

Each year, the Department requests additional funds anticipated to be required for counties to provide services to additional children and their families. The Department has calculated the projected funding need for counties based on historical increases in the overall number of children receiving child welfare services. The projected percent increase in the overall caseload was then applied to the base funding. Cost drivers for the provision of Child Welfare Services include:

- ✓ changes in the child / adolescent population (ages 0 - 17);
- ✓ the number of families referred, per 1,000 child / adolescent population;
- ✓ the number of children assessed, as a percent of the number referred;
- ✓ the number of new involvements, as a percent of assessments;
- ✓ the number of children in residential care as a percent of open involvements;
- ✓ the average number of days per year a child spends in residential care;
- ✓ the average cost per day per child for residential care;
- ✓ "program services" costs per open involvement (administration and other direct services related to foster care);
- ✓ new adoptions as a percent of the total number of children in residential care; and
- ✓ the average cost per child per day for adoptions.

Staff Recommendation. Staff recommends the Committee approve an increase of \$3,690,262 (including \$1,853,047 *net* General Fund). Approval of the request should cover the costs associated with projected population increases (estimated at 1.10 percent in FY 2007-08), consistent with actions by the General Assembly in previous fiscal years.

❑ **Decision Item #NP-1 - 2% Provider Rate Increase**

The Department requests a 2.0 percent provider rate increase for the entire line item. This action results in a need for \$6,574,461, including \$3,290,761 *net* General Fund. Pursuant to Committee policy (2.0 percent provider rate increase), **staff recommends an increase of \$6,574,461, including \$3,290,761 *net* General Fund.**

❑ **1331 Supplemental - Costs Related to H.B. 06S-1023**

The Department requested, and the Committee approved, a 1331 supplemental regarding county implementation costs related to H.B. 06S-1023. The total amount of the approved 1331 supplemental was \$107,802, including \$58,579 *net* General Fund.

❑ ***Budget Amendment #1-H - Costs Related to H.B. 06S-1023***

The Department requests a *negative* budget amendment of \$57,768, including \$31,879 *net* General Fund. This request represents county implementation costs related to H.B. 06S-1023. **Staff recommends a decrease of \$57,768, including \$31,879 *net* General Fund.**

❑ ***Leap Year Adjustment***

The Department requests an increase of \$495,077, including \$384,265 *net* General Fund, for a leap year adjustment. This increase is historically provided in this line item for an additional day of costs for those services that charge a daily rate. **Staff recommends an increase of \$495,077, including \$384,265 *net* General Fund.**

Staff Recommendation for Line Item. For the Child Welfare Services line item, **staff recommends the Committee approve an appropriation of \$338,852,367, including \$170,279,684 *net* General Fund.**

DISTRIBUTIONS TO COUNTIES PURSUANT TO SECTION 26-1-111 (2) (d), C.R.S.

This line item was added in the FY 2004-05 Long Bill to reflect excess federal Title IV-E funds that were anticipated to be paid to counties. Subsequently, this line item was struck through H.B. 04-1414 (a bill sponsored by the Joint Budget Committee) and replaced with two appropriations, discussed below. The Department's FY 2007-08 budget request does not reflect an appropriation for this line item. Rather, the Department has requested funding in two separate line items pursuant to H.B. 04-1414. **Staff does not recommend the Committee approve an appropriation for this line item.**

EXCESS TITLE IV-E DISTRIBUTIONS FOR RELATED COUNTY ADMINISTRATIVE FUNCTIONS

States are allowed to earn federal Title IV-E funds (Title IV-E refers to a section of the federal Social Security Act) for a number of activities associated with providing services to certain children who are placed outside their own homes. Specifically, states may earn Title IV-E funds for the "room and board" costs of providing out-of-home care, for related administrative costs, and for costs associated with training staff and service providers. ***The federal Title IV-E program is an open-ended entitlement program***, so there is no dollar limit on what any state may earn. Federal Title IV-E funds are earned on a matching basis, and the match ratio varies by activity. In general, Title IV-E funds are provided on a 50/50 basis, except that eligible training expenses are reimbursed at a higher 75/25 (federal/state) ratio.

The Department requests that \$1,718,741 in excess Title IV-E earnings be appropriated for FY 2007-08 through this line item. The request includes a 2.0 percent provider rate increase, consistent with the Committee common policy. As such, **staff recommends the Committee approve an appropriation of \$1,718,741 cash funds exempt (Excess Title IV-E Reimbursements Cash Funds) for FY 2007-08.**

Excess Title IV-E Reimbursements

In addition to providing moneys to counties to defray the costs of Title IV-E administrative functions, Section 26-1-111 (2) (d) (II) (C), C.R.S., also allows the General Assembly to appropriate to the Department moneys for TANF related purposes, child care assistance, and child welfare services. These moneys are appropriated for allocation to the counties.

The Department requests a continuation level of funding for this line item of \$5,929,152. As such, **staff recommends the Committee approve an appropriation of \$5,929,152 cash funds exempt for this line item.**

FAMILY AND CHILDREN'S PROGRAMS

This line item was established largely as a result of the Child Welfare Settlement Agreement (which was finalized in February 1995). The settlement agreement required a number of improvements in the child welfare system, including: (1) an increase in the number of county caseworkers and supervisors; (2) improvements in the amount and types of training provided to caseworkers, supervisors, and out-of-home care providers; (3) the provision of core services to children and families (described below); (4) improvements in investigations, needs assessments, and case planning; (5) improvements in services to children placed in residential care; (6) increased rates for out-of-home care providers and elimination of certain rate disparities; and (7) the development of a unitary computerized information system (the Colorado Trails System). In January 2002, the parties agreed that the Department and counties were in substantial compliance with the terms of the settlement agreement, and it was terminated.

This line item historically provided funding for three purposes (staff, training, and core services), but the General Assembly transferred staff and training to other line items. Currently, the line item funds only "core services" to families with children that are at imminent risk of placement outside the home.

Description of "Core Services". Pursuant to Section 19-3-208, C.R.S., the following services are to be made available and provided based upon the State's capacity to increase federal funding or any other moneys appropriated for these services and as determined necessary and appropriate by individual case plans:

- transportation;
- child care;
- in-home supportive homemaker services;
- diagnostic, mental health, and health care services;
- drug and alcohol treatment services;
- after care services to prevent a return to out-of-home placement;
- family support services while a child is in out-of-home placement including home-based services, family counseling, and placement alternative services;
- financial services in order to prevent placement; and
- family preservation services, which are brief, comprehensive, and intensive services provided

to prevent the out-of-home placement of children or to promote the safe return of children to the home.

In addition, pursuant to Section 26-5.3-105, C.R.S., "emergency assistance" shall be made available to or on behalf of children at imminent risk of out-of-home placement. Emergency assistance includes:

- 24-hour emergency shelter facilities;
- information referral;
- intensive family preservation services;
- in-home supportive homemaker services;
- services used to develop and implement a discrete case plan; and
- day treatment services for children.

Department Request. The Department requests \$45,282,322, including \$38,043,509 *net* General Fund for the Family's and Children's Programs line item. This request includes a 2.0 percent provider rate increase decision item.

Summary of Department Request - Family and Children's Programs					
	TOTAL	General Fund	Cash Funds Exempt	Federal Funds	Net General Fund
H.B. 06-1385 Appropriation	\$44,374,734	\$37,297,558	\$5,046,139	\$2,031,037	\$37,297,558
2.0 Percent Provider Rate Increase	<u>907,588</u>	<u>745,951</u>	<u>121,016</u>	<u>40,621</u>	<u>745,951</u>
Total Request	\$45,282,322	\$38,043,509	\$5,167,155	\$2,071,658	\$38,043,509

Decision Item #NP-1 - 2.0 Percent Provider Rate Increase

The Department requests a 2.0 percent provider rate increase to this line item of \$907,588, including \$745,951 *net* General Fund. This provider rate increase is consistent with Committee common policy. In addition, all funding in this line item is distributed to counties and tribes.

Pursuant to Committee common policy, **staff recommends the Committee approve a 2.0 percent provider rate increase to this line item (\$907,588, including \$745,951 *net* General Fund).**

Staff Recommendation. For the Family and Children's Programs line item **staff recommends the Committee approve an appropriation of \$45,282,322, including \$38,043,509 *net* General Fund.** This recommendation includes the changes discussed above. The staff recommendation is summarized below.

Summary of Staff Recommendation: Family and Children's Programs					
	TOTAL	General Fund	Cash Funds Exempt	Federal Funds	Net General Fund
H.B. 06-1385 Appropriation	\$44,374,734	\$37,297,558	\$5,046,139	\$2,031,037	\$37,297,558
2.0 Percent Provider Rate Increase	<u>907,588</u>	<u>745,951</u>	<u>121,016</u>	<u>40,621</u>	<u>745,951</u>
TOTAL RECOMMENDATION	\$45,282,322	\$38,043,509	\$5,167,155	\$2,071,658	\$38,043,509

PERFORMANCE-BASED COLLABORATIVE MANAGEMENT INCENTIVES

This is a new line item, first appropriated in FY 2005-06, to provide spending authority for the Department to provide incentives to counties pursuant to H.B. 04-1451 and previous legislation.

House Bill 04-1451. This bill authorizes (but does not require) each county department of social services to enter into a memorandum of understanding (MOU) with local representatives of various agencies to promote a collaborative system of services to children and families. If a county department elects to enter into an MOU pursuant to this bill, the MOU is required to include local representatives from the following agencies:

- the local judicial districts, including probation services;
- the health department, whether a county, district, or regional health department;
- the local school district or school districts;
- each community mental health center; and
- each behavioral health organization (BHO).

The bill specifies, however, that nothing shall preclude a county from including other parties in the MOU (e.g., the Division of Youth Corrections). The bill encourages local agencies to enter into MOUs by region, and recommends that the agencies seek input, support, and collaboration from key stakeholders in the private and non-profit sectors, as well as from parent advocacy or family advocacy organizations.

Parties to each MOU are required to establish collaborative management processes that are designed to: (1) reduce duplication and eliminate fragmentation of services; (2) increase the quality and effectiveness of services; and (3) encourage cost-sharing among service providers. The bill also authorizes departments and agencies that provide oversight to the parties to the MOU to issue waivers of state rules necessary for effective implementation of the MOUs that would not compromise the safety of children. Through the establishment of a local interagency oversight group, parties to an MOU are to create a procedure to allow any state General Fund savings realized as a result of the MOU to be reinvested in services for children and families. The sources of funding subject to this reinvestment process are to be specified in the MOU. However, the bill specifies that a county that underspends the General Fund portion of its "capped or targeted allocation" may use the savings to provide services to children and families.

Parties to an MOU may agree to attempt to meet certain performance measures, specified by the Department and the Board of Human Services. Local interagency groups that choose this option are eligible to receive incentive moneys from the newly created "Performance-based Collaborative Management Incentive Cash Fund", beginning in FY 2005-06. Incentive moneys, which will be allocated by the Department to those interagency groups that meet or exceed the specified performance measures, are to be reinvested in services for children and families.

Funding for the Program. House Bill 04-1451 amended a number of existing statutory provisions to change the destination of approximately \$2.1 million in civil docket fee revenue. For FY 2007-08, the Performance Incentive Cash Fund is repealed and all moneys in the fund shall be transferred into the Performance-based Collaborative Management Incentive Cash Fund (in addition, the fund will receive transfers from the family stabilization services fund and from docket fees in civil actions - dissolution of marriage - as specified in Section 13-32-101 (1) (a), C.R.S.) All revenue will be available to provide incentives for those groups that choose to enter into MOUs.

☐ ***Decision Item #23 - Collaborative Management Incentives Funding***

The Department requests an increase of \$1,088,750 for performance-based collaborative management incentives. This increase would be cash funds exempt from the Performance-based Collaborative Management Incentive Cash Fund described above and would be funded by docket fees for marriage dissolutions. **Staff recommends the Committee approve an increase of \$1,088,750 cash funds exempt.**

Request for Line Item. The Department requests \$3,188,750 cash funds exempt from the Performance-based Collaborative Management Incentive Cash Fund. The request is seeking increased spending authority from the Performance-based Collaborative Management Incentive Cash Fund for additional incentive funding for the increased number of counties participating in the program.

Staff Recommendation for Line Item. **Staff recommends the Committee approve the Department's request of 3,188,750 cash funds exempt from the Performance-based Collaborative Management Incentive Cash Fund.**

INTEGRATED CARE MANAGEMENT PROGRAM INCENTIVES

Funding for this line item was repealed effective July 1, 2006 and will be placed in the Performance-based Collaborative Management Incentives line item (see above.). The Department has not requested an appropriation for this line item in FY 2007-08. As such, **staff does not recommend the Committee approve an appropriation for this line item.**

INDEPENDENT LIVING PROGRAM

This line item reflects, for informational purposes, federal Title IV-E "Chafee Foster Care Independence Program" funds that are available to states to provide services for youth up to age 21 who are, or will be, emancipating from out-of-home residential care. While some counties use other

existing funding sources to support staffing units devoted to independent living and emancipation services, federal Chafee funds provide the primary source of funding for independent living services in Colorado. These federal funds support direct services to eligible youth, as well as technical assistance, program and policy development, monitoring, and program administration.

Studies concerning the circumstances of youth after leaving foster care indicate that this population is at higher risk of experiencing unemployment, poor educational outcomes, poor health, long-term dependency on public assistance, and increased rates of incarceration when compared to their peers in the general population. Since 1986, the federal government has provided states with funding to develop independent living programs intended to minimize these negative effects and prepare youth for adulthood.

Independent living programs are designed for youth who need to develop the skills necessary to lead self-sufficient, healthy, productive and responsible interdependent lives. Services are focused on encouraging the development of support systems within the community, education, career planning, money management, securing and maintaining a stable source of income and affordable housing, and health and safety. It is a goal that all youth that leave the program have completed their high school education and are continuing to participate in an educational program or obtaining a training certificate in a specific skill area and are working while in the program. County departments of social services have the flexibility to provide direct services in the manner that works well for their county and the population they serve.

This program also works in conjunction with other programs to provide services to youth emancipating from foster care. Two examples include:

- ❑ The Supportive Housing and Homeless Program [this program is also funded with 100 percent federal funds available from the Department of Housing and Urban Development] was awarded 100 time-limited (18-month) housing vouchers for youth who have aged out of foster care. In June 2002, the Department began using these vouchers to provide housing and transitional living services to young adults aging out of foster care.
- ❑ In January 2002, the President signed legislation² that authorized additional Title IV-E funds (up to \$60.0 million per year nationally) for educational and training vouchers for youths who age out of foster care (including youth who are adopted out of foster care after age 15). Eligible youth may receive vouchers for up to \$5,000 per year for four years to attend college, a university, or an accredited vocational or technical training program. The funds may be used for tuition, books or qualified living expenses. These funds are available on a first-come, first-served basis to students out of the Colorado foster care system. The Division of Child Welfare contracted with the Orphans Foundation, a non-profit organization, to administer and track Colorado's share of the funds [see

² Public Law 107-133: Title II, Section 201 of the Amendments, entitled "Educational and Training Vouchers for Youths Aging Out of Foster Care", amends section 477 of Title IV-E of the Act.

www.statevoucher.org].

The Department requests a continuation level of funding for this line item of \$2,826,582 federal funds. **Staff recommends the Committee approve the Department's request for a continuation level of funding for this line item of \$2,826,582 federal funds.**

PROMOTING SAFE AND STABLE FAMILIES PROGRAM

This program, authorized under Sub-Part 2 of Title IV-B of the federal Social Security Act, provides funding for local communities to provide a variety of services to families in times of need or crises. This program promotes permanency and safety for children by providing support to families in a flexible, family-centered manner through a collaborative community effort. While a small portion of the federal funds are used to support 2.0 FTE state staff responsible for administering the program, the majority of the funds are made available to local communities and tribes.

Each local site is required to have a Community Advisory Council comprised of governmental and community stakeholders, family advocates and parents, and consumers to help direct the project. Currently, 36 counties and the Ute Mountain Ute tribe receive funding to:

- reunify children placed in the foster care system with their families;
- support and promote adoption or permanent placement with kin for children who cannot be safely returned home; and
- prevent child abuse and neglect in at-risk families.

Seventy-nine percent of program funds are awarded to local communities, 13 percent is set aside to provide support to adoptive families, and the remainder is used for administrative costs, technical assistance, and training.

A 25 percent match is required to draw down the federal funds. The General Fund is used to provide the match for the portion of the funds that are used for state-level staff and activities, and local communities are required to provide the match for the funds they receive.

The Department requests \$4,450,805, including \$48,796 *net* General Fund, and 2.0 FTE for this line item. **Staff recommends the Committee approve an appropriation of \$4,449,912, including \$48,573 General Fund, and 2.0 FTE for this line item.** Staff's recommendation is detailed in the following table:

Summary of Recommendation: Promoting Safe and Stable Families Program					
Description	Total Funds	General Fund	Local Funds	Federal Funds	FTE
H.B. 06-1385 Personal Services	\$167,963	\$41,991	\$0	\$125,972	2.0
FY 2006-07 Salary Survey	10,773	2,693	0	8,080	0.0
Base reduction (0.5 percent)	(893)	(223)	0	(670)	0.0
Subtotal - Personal Services	177,843	44,461	0	133,382	2.0
H.B. 06-1385 Operating Expenses	16,449	4,112	0	12,337	0.0
Amount available to pass through to locals	4,255,620	0	1,064,100	3,191,520	0.0
TOTAL RECOMMENDATION	\$4,449,912	\$48,573	\$1,064,100	\$3,337,239	2.0

EXPEDITED PERMANENCY PLANNING PROJECT

Pursuant to Sections 19-1-123 and 19-3-703, C.R.S. (H.B. 94-1178), if a child is under age six at the time a petition is filed pursuant to a report of abuse or neglect, the child is to be placed in a permanent home no later than 12 months after the original placement out of the home. An exception may be made if the court determines that such a placement is not in the child's best interests. Such expedited procedures were to be implemented on a county-by-county basis so that statewide implementation was completed by June 30, 2004. The implementation schedule was developed by the Department of Human Services, in consultation with the Judicial Department, but the implementation has been subject to appropriation. Specifically, pursuant to Section 19-1-123 (2) (a), C.R.S., "The implementation of expedited procedures in additional counties *shall be subject to specific appropriation by the general assembly* or by determination by a county that no additional resources are needed".

Funding has been provided annually to be allocated among counties to hire child welfare staff and to purchase services for families to ensure the delivery of immediately-available, intensive services. In addition, funding has been provided to assist the associated judicial districts in handling the additional caseload. Funding for individual counties has been determined based on the estimated number of families to be served, as well as an assessment of what additional services will need to be put in place in order for the county to comply with the expedited time frames. Prior to FY 2002-03, the Department provided each county with an initial year of funding for planning purposes, followed by a flat amount for the first two years of implementation, with funding decreasing in the subsequent four years by 25%, 50%, 75%, and 100%. FY 2004-05 was the last year in which counties received allocations.

The Department is not requesting any funding for this line item for FY 2007-08. **Staff does not recommend the Committee approve an appropriation for this line item.**

FEDERAL CHILD ABUSE PREVENTION AND TREATMENT ACT GRANT

This line item reflects funding and staff responsible for administering grants available pursuant to Section 106 of the Child Abuse Prevention and Treatment Act (CAPTA), as amended by Public Law 105-235. Under federal law, states have five years to spend the funds available through this grant program. Funding is allotted to states annually on a formula basis according to each state's ratio of children under the age of 18 to the national total. This grant program requires each state to submit a five-year plan and an assurance that the state is operating a statewide child abuse and neglect program that includes specific provisions and procedures. Among other things, these assurances include:

- establishment of citizen review panels;
- expungement of unsubstantiated and false reports of child abuse and neglect;
- preservation of the confidentiality of reports and records of child abuse and neglect, and limited disclosure to individuals and entities permitted in statute;
- provision for public disclosure of information and findings about a case of child abuse and neglect that results in a child fatality or near fatality;
- the appointment of a guardian ad litem to represent a child's best interests in court; and,
- expedited termination of parental rights for abandoned infants, and provisions that make conviction of certain felonies grounds for termination of parental rights.

The CAPTA State Grant program provides states with flexible funds to improve their child protective service systems in one or more of the following areas:

- ✓ the intake, assessment, screening, and investigation of reports of abuse and neglect;
- ✓ protocols to enhance investigations;
- ✓ improving legal preparation and representation;
- ✓ case management and delivery of services provided to children and their families;
- ✓ risk and safety assessment tools and protocols;
- ✓ automation systems that support the program and track reports of child abuse and neglect;
- ✓ training for agency staff, service providers, and mandated reporters; and
- ✓ developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors.

The Department requests a continuation level of funding for FY 2007-08 of \$909,188 federal funds and 3.0 FTE for this line item. **Staff recommends the Committee approve an appropriation of \$908,201 federal funds and 3.0 FTE for this line item.** Staff's recommendation is calculated as follows:

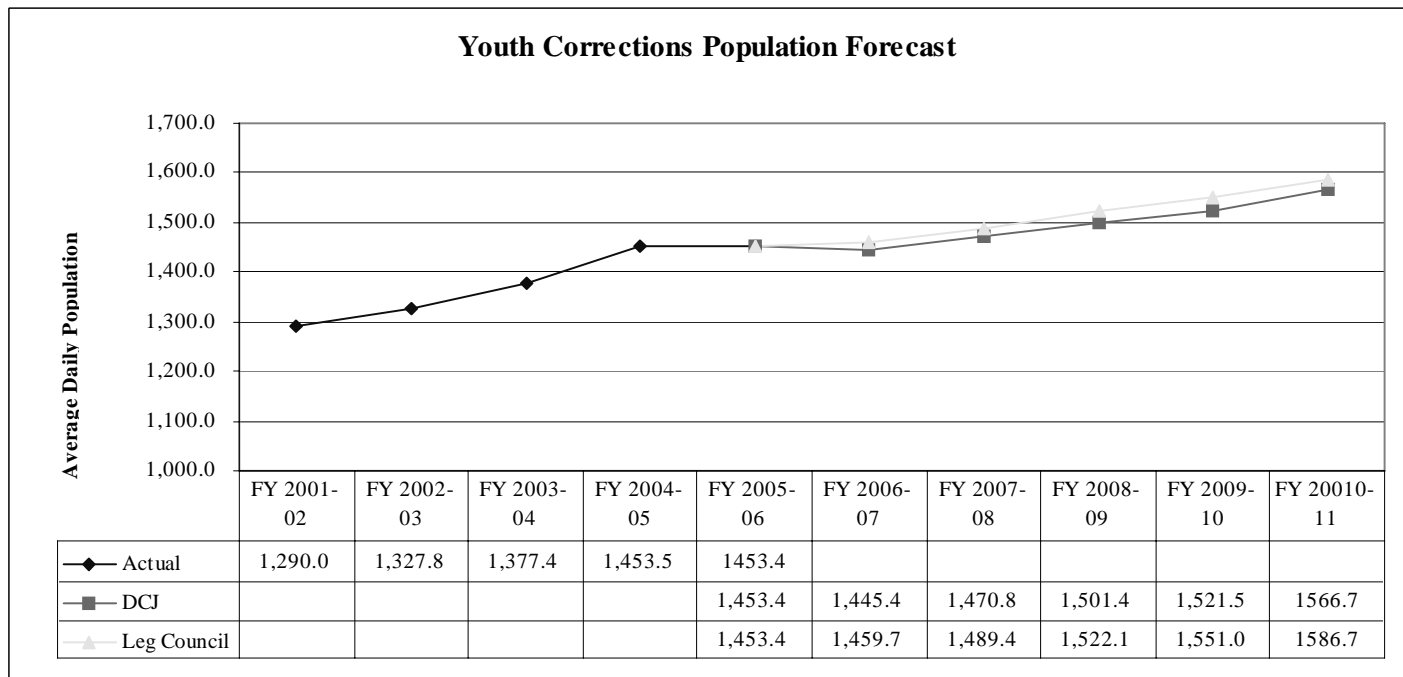
Summary of Recommendation: Federal Child Abuse Prevention and Treatment Act Grant		
Description	Federal Funds	FTE
FY 2006-07 Personal Services	\$193,476	3.0
FY 2006-07 Salary Survey	3,928	0.0
Base Reduction Per Common Policy (0.5%)	<u>(987)</u>	0.0
Subtotal: Personal Services	196,417	3.0
Operating Expenses (Assuming \$500/FTE)	1,500	0.0
Amount Available for Various Activities Authorized Under Federal Law	710,284	0.0
TOTAL RECOMMENDATION	\$908,201	3.0

(11) DIVISION OF YOUTH CORRECTIONS (DYC)

The Division of Youth Corrections (DYC) in the Department of Human Services (DHS) is responsible for management and oversight of delinquent juveniles who are detained while awaiting adjudication, and for those who are committed to the Department after adjudication. In addition, juveniles may be sentenced as a condition of parole for up to 45 days to a detention facility.

The Division's responsibility for committed juveniles extends through a six-month mandatory parole period during which the youth is in the community. Finally, the Division allocates funds by formula to each judicial district in accordance with S.B. 91-94 for the development of local alternatives to incarceration.

Both the Division of Criminal Justice and the Legislative Council Staff provide population estimates for the Division of Youth Corrections. These estimates are considered by the Joint Budget Committee when determining appropriations, as population growth and inflation are the main factors in the need for additional appropriations. Below is a comparison of the projections.



The figure setting recommendations contained in the following sections of this document reflect estimated caseload (December 2006 population projections from Legislative Council Staff), which are driven by current law. **Staff recommends the Committee use the Legislative Council Staff December 2006 average daily population projections for determining appropriations to the Division of Youth Corrections.**

(A) ADMINISTRATION

This section of the Division is responsible for establishing program policies and procedures for the treatment of juveniles in the custody of the Division and monitoring compliance with these standards. Also, this section collects data and provides strategic planning. Other duties include contract management and victim notification. Support for accounting, facility maintenance, and human resource functions is provided by other divisions within the Department of Human Services.

PERSONAL SERVICES

This line item funds salaries, PERA, and Medicare for administrative and management staff of the Division. The workload for the "Personal Services" line item in the Administration section is driven by the number of employees and programs in the Division that require supervision and strategic guidance, and by the amount and complexity of research and statistical data requested by the legislature, general public, and DYC's own management. These factors are generally increasing, rather than decreasing, as the population of delinquent juveniles increases.

As the DYC commitment population grows, a larger number of youths are in contract placements. Although the direct care of the youths is provided by the private sector, the caseload growth requires DYC to manage a larger number of contracts with private providers (including contracts with licensed Psychiatric Residential Treatment Facilities and Therapeutic Residential Child Care Facilities, medical and mental health treatment providers, local school districts, and colleges).

Staffing Summary - (11)				
Division of Youth Corrections (A) Administration	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Management	3.0	3.0	3.0	3.0
Research / Statistics	8.0	9.4	9.4	9.4
Support Staff	<u>3.1</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
TOTAL	14.1	15.4	15.4	15.4

The Department requests an appropriation of \$1,225,490 General Fund and 15.4 FTE for this line item. This request is for a continuation level of funding calculated pursuant to OSPB's budget instructions. **Staff recommends the Committee approve an appropriation of \$1,221,746 General Fund and 15.4 FTE for this line item.** This recommendation includes the application of Committee common policies. The total recommendation for this line item is summarized in the following table.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (A) Administration Personal Services		
	Total Funds (General Fund)	FTE
FY 2006-07 Long Bill (H.B. 06-1385)	\$1,197,566	15.4
FY 2006-07 Salary Survey	30,319	0.0
Base Reduction (0.5%)	<u>(6,139)</u>	<u>0.0</u>
TOTAL RECOMMENDATION	\$1,221,746	15.4

OPERATING EXPENSES

This line item provides operating funds for the administrative and management staff of the Division. Expenditures are for general office supplies; office equipment maintenance, purchases, and repairs; and travel. The Department's request is for a continuation level of funding of \$30,294 General Fund. **Staff recommends the Committee approve an appropriation of \$30,294 General Fund for this line item.**

VICTIM ASSISTANCE

This line item provides spending authority and 0.5 FTE to help DYC fulfill its obligation to keep victims informed. For victims of qualifying charges (crimes against persons), DYC provides notification of all movements and status changes of the perpetrator within the youth corrections system, such as escapes and return to custody, eligibility for visits to the community and cancellation of visits, hearings involving the perpetrator, re-commitments, transfer to the adult system, death, and expiration of commitment. The victim has the right at any of these events to provide statements for review.

Fund Source Overview. The source of cash funds exempt for the victim assistance program is a grant from the Division of Criminal Justice in the Department of Public Safety, made pursuant to Section 24-33.5-506, C.R.S. The State Victims Assistance and Law Enforcement Advisory Board (State VALE Board), created in Section 24-33.5-508, C.R.S., advises the Division of Criminal Justice on what grants to make. Revenue for the State VALE fund comes from a percentage of surcharges on criminal offenders levied at the judicial district level, with a small amount coming from the Department of Corrections' Prison Industry Enhancement Program (federal) of which a certain amount must be used to provide direct services to crime victims.

The Department requests an appropriation of \$27,335 cash funds exempt (VALE funds transferred from the Division of Criminal Justice) and 0.5 FTE for this line item. This request is based on continuation funding with the OSPB common policy, but it does not include a 0.2 percent base reduction. **Staff recommends the Committee approve an appropriation of \$27,222 cash funds exempt (VALE funds transferred from the Division of Criminal Justice) and 0.5 FTE for this line item.** The total recommendation for this line item is summarized in the following table.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (A) Administration Victim Assistance		
	Total Funds (General Fund)	FTE
FY 2006-07 Long Bill (H.B. 06-1385)	\$22,639	0.5
FY 2006-07 Salary Survey	0	0.0
Base Reduction (0.5%)	<u>(113)</u>	<u>0.0</u>
Subtotal - Personal Services	22,526	0.5
FY 2006-07 Operating Expenses (H.B. 06-1385)	4,696	0.0
TOTAL RECOMMENDATION	\$27,222	0.5

(B) INSTITUTIONAL PROGRAMS

This section of the Division funds state-operated detention and commitment facilities, and diagnostic and program services for juveniles while they are in a DYC institution. Additional services for juveniles who leave an institutional setting, for example to a community placement or parole, are funded through the Community Programs section. There is one request for additional funding in this section of the Division's budget that affects multiple line items. Below is an analysis.

❑ *Decision Item #7 - Critical Post Staffing*

Request. The Division requests a total of \$212,638 General Fund and 5.6 FTE (7.5 FTE annualized) for staffing of critical posts at the Marvin W. Foote Youth Services Center. The Division request proposes a relief factor for critical post staffing of 5.22 FTE per 24/7 post, compared with the current relief factor of 4.8 FTE. The 5.22 FTE relief factor for critical post staffing is the same relief factor approved by the Committee during FY 2006-07 figure setting for the new 20-bed mental health facility in Pueblo. The Division's overall goal is to bring all of its state-owned and operated facilities up to the 5.22 FTE relief factor at a total cost of \$2,446,260 and 50.3 FTE.

Critical posts represent those posts that are essential to the safety and security of both youth and staff in the facility as well as the operation of the facility itself. Staff assigned to facility critical posts are directly responsible for the care, supervision, and oversight of all juveniles placed in the facility. This request has been limited to only the Marvin W. Foote Youth Services Center to reflect current budget restrictions, but it represents the initial phase of a multi-phase plan to increase staffing at all DYC state-owned and operated facilities.

The following table illustrates the calculations used by the Department to develop this request.

Department Request for DYC Critical Post Staffing						
Position	Annual Pay	PERA 10.15%	Medicare 1.45%	FY 07-08 Total Cost	FY 07-08 Request Oct-May	FY 07-08 Request FTE
Correctional/Youth Security Officer I (6.0 FTE)	\$221,112	\$22,443	\$3,206	\$246,761	\$164,507	4.5
Correctional/Youth Security Officer II (1.5 FTE)	<u>60,912</u>	<u>6,183</u>	<u>883</u>	<u>67,978</u>	<u>45,318</u>	<u>1.1</u>
Total Personal Services	282,024	28,626	4,089	314,739	209,825	5.6
Operating Expenses (\$500 per FTE)				3,750	2,813	0.0
Total Request				\$318,489	\$212,638	5.6

Staff Recommendation. Staff recommends the Committee approve an increase of \$212,638 General Fund and 5.6 FTE.

PERSONAL SERVICES

This line item pays salaries for the majority of program, supervisory, and support staff at DYC institutions. Educational and medical staff are funded in separate line items, and physical plant staff are funded through the Office of Operations.

Institutional Programs Staffing Summary	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommended
Management / General Professional	15.3	19.0	19.3	19.3
YS Counselors	64.6	70.5	71.8	71.8
Security Officers	532.4	575.0	581.7	581.7
Food Services	37.6	39.7	39.7	39.7
Support Staff	51.6	72.5	64.2	64.2
Annualization for 20-bed Mental Health Facility	0.0	0.0	10.1	10.1
DI #7 - Critical Post Staffing	0.0	0.0	5.6	5.6
TOTAL	701.5	776.7	792.4	792.4

Decision Item #NP-1 - 2.0 Percent Provider Rate Increase

The Department requests a 2.0 percent provider rate increase to this line item of \$774,455 General Fund. This provider rate increase is consistent with Committee common policy. Pursuant to

Committee common policy, **staff recommends the Committee approve a 2.0 percent provider rate increase of \$774,455 General Fund for this line item.**

Request for Line Item. The Department requests \$41,597,417 General Fund and 792.4 FTE for this line item, which includes two decision items (#7 and #NP-1) that were previously discussed.

Staff Recommendation for Line Item. Staff recommends the Committee approve an appropriation of \$41,472,048 General Fund and 792.4 FTE for this line item. Staff's recommendation incorporates the discussion above regarding funding levels for both the critical post staffing and the 2.0 percent provider rate increase.

Summary of Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Personal Services		
	General Fund	FTE
H.B. 06-1385 Personal Services	\$39,043,462	776.7
FY 2006-07 Salary Survey	933,779	0.0
Annualization of 20-bed Mental Health Facility	713,983	10.1
Base Reduction (0.5%)	<u>(203,456)</u>	<u>0.0</u>
Subtotal - Personal Services	40,487,768	786.8
DI #7 - Critical Post Staffing	209,825	5.6
DI #NP-1 - 2% Provider Rate Increase	774,455	0.0
TOTAL RECOMMENDATION	\$41,472,048	792.4

OPERATING EXPENSES

This line item funds the operation of DYC facilities, including such expenses as uniforms for staff and juveniles, custodial and laundry supplies, telephone fees, office equipment, and counseling supplies. Nearly half of the appropriation is for food and food service supplies, but food costs are paid primarily by the federal school breakfast and lunch program. Cash funds exempt in the line item are funds transferred from the Department of Education for the federal school breakfast and lunch program. The Department requests \$3,383,978, including \$2,053,778 General Fund for this line item. The request includes increases attributable to decision item #7 discussed above.

Summary of Department Request for Institutional Programs - Operating Expenses			
	Total	General Fund	Cash Funds Exempt
H.B. 06-1385 Appropriation	\$3,349,352	\$2,019,152	\$1,330,200
DI # 7 - Critical Post Staffing	2,813	2,813	0
Annualization of 20-bed Mental Health Facility	<u>31,813</u>	<u>31,813</u>	<u>0</u>
Total Request	\$3,383,978	\$2,053,778	\$1,330,200

Food Costs. The following table reflects the staff recommended adjustment for food expenses. Committee common policy includes applying a 1.8 percent increase to food expenses for areas in which expenditures are not incidental. The application of this common policy will result in an additional \$26,518 General Fund.

JBC Staff Recommendation – (B) Institutional Programs General Fund Adjustment for Food Inflation in the Operating Expense Line Item	
	Total Funds
Estimate of FY 2006-07 Food Expenses (Object Code #3118)	\$1,473,249
Food Inflation Common Policy	<u>1.8 %</u>
Total Recommended Inflationary Increase for Food	\$26,518

Staff Recommendation. Staff recommends the Committee approve an appropriation of **\$3,410,496, including \$2,080,296 General Fund.** Staff's recommendation is greater than the Department request due to the inflationary increase for food, which was not included in the Department request. This recommendation is summarized in the following table.

Summary of Staff Recommendation for Institutional Programs Operating Expenses			
	Total	General Fund	Cash Funds Exempt
H.B. 06-1385 Appropriation	\$3,349,352	\$2,019,152	\$1,330,200
DI #7 - Critical Post Staffing	2,813	2,813	0
Annualization of 20-bed Mental Health Facility	31,813	31,813	0
Inflationary Increase - Food Expenditures	26,518	26,518	0
TOTAL RECOMMENDATION	\$3,410,496	\$2,080,296	\$1,330,200

* The source of cash funds exempt is federal dollars transferred from the Colorado Department of Education for the federal school breakfast and lunch program.

CAPITAL OUTLAY

This line item was added during FY 2006-07 for the 20-bed mental health facility in Pueblo. This line item represented one-time funding that was intended to be removed in FY 2007-08. The Department did not request funding for this line item for FY 2007-08. **Staff does not recommend the Committee approve an appropriation for this line item.**

MEDICAL SERVICES

Personnel, contract, and operating costs associated with providing medical services to DYC youth were consolidated into one line item several years ago to enable better tracking of costs and to provide the Division with more flexibility in managing medical expenses. Because this is a "program" line item, there are three distinct components to the recommendation: (1) personal services; (2) contract services; and (3) operating expenses. At the end of the discussion for this line item, staff has provided a summary delineating the components of the staff recommendations for this line item.

Medical Services Staffing Summary	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommended
Support Staff	3.6	6.2	6.2	6.2
Physicians / Dentists	2.0	2.0	2.0	2.0
Mid-level Providers	15.7	14.5	14.5	14.5
Nurses / Health Professional	6.6	9.0	9.0	9.0
Psychologist / Social Worker / Counselor	6.0	6.6	6.6	6.6
Annualization of 20-bed Mental Health Facility	0.0	0.0	0.7	0.7
TOTAL	33.9	38.3	39.0	39.0

Request for Line Item. The Division has requested an appropriation of \$7,743,070 General Fund and 39.0 FTE for this line item, which includes annualization of the FY 2006-07 decision item related to the 20-bed mental health facility (\$105,598 General Fund and 0.7 FTE) The medical services line item is comprised of several distinct cost centers: (1) personal services; (2) contract services; and (3) operating expenses.

(1) Personal Services

Description. This portion of the line item pays for staff in state-operated facilities who provide routine medical care and administer medications, especially psychotropics. Youth in contract facilities are eligible for Medicaid.

Staff Recommendation. Staff recommends an appropriation of \$4,799,332 General Fund and 39.0 FTE. This recommendation was calculated pursuant to the JBC's common policies, which includes a 0.5 percent reduction. The recommendation includes \$51,416 General Fund and 0.7 FTE for

annualization of the FY 2006-07 decision item related to the 20-bed mental health facility.

(2) Contract Services

Description. The Division's primary contract for medical services is with Devereaux Cleo Wallace to provide acute mental health services at Lookout Mountain Youth Services Center in the Cypress Unit. This function is complemented by the opening of the 20-bed mental health facility and the requested increase in mental health treatment services. Also, the Division uses contract dollars to pay Colorado Access for managing specialty off-site medical needs. The Division spends smaller amounts on contracts for infrequently used on-site medical services, such as psychiatrists, and on contracts for medical services in areas where it is difficult to recruit state FTE.

Request. The Department requests a continuation level of funding of \$2,050,000 for FY 2007-08 and *has not applied* the OSPB common policy of a 2.0 percent provider rate increase to these contractual services. The total amount of contract services for FY 2006-07 is estimated at \$2,050,000.

Staff Recommendation. Staff recommends the Committee approve the Department's request for a continuation level of funding of \$2,050,000 for contract services.

(3) Operating Expenses

Description. The majority of medical operating expenses are for youth in state-owned or state-operated commitment facilities. Federal rules prohibit youth in state-owned or state-operated institutions from accessing Medicaid. However, juveniles in contract facilities can typically meet Medicaid eligibility requirements because they are considered a family of one for the income criteria. Exceptions exist for youth placed out-of-state and youth in secure contract facilities. Detained youth who have not been committed, and therefore are not officially a ward (legal custody) of the State, may retain the Medicaid status they had prior to detention for the short duration of their stay.

☐ Decision Item #14 - Purchased Medical Services

Request. The Department requests \$456,570 General Fund to address the impact of escalating medical and psychiatric services costs (particularly pharmaceuticals) on the DYC Medical Services line item. Medical costs have been increasing by approximately 5.0 percent each year and are projected to continue to increase. In addition, the Division is statutorily mandated to provide medical care to committed youth.

Escalating costs for purchased medical services, including pharmacy expenditures and increased costs for outside specialty medical care, have had a large impact on the DYC medical services budget. The number of committed youth identified with high moderate to severe mental health concerns has increased from 227 youth in FY 1998-99 to 861 youth in FY 2005-06, an increase of 279 percent. This population accounts for nearly 60 percent of total DYC committed youth. In addition, the total number of medications administered rose 20 percent in the past six years. Pharmacy costs are the main driver of the total medical services budget, accounting for 50 percent

of the total budget, and 80 percent of the medications are prescribed to treat psychiatric illnesses.

The following table details the calculations involved in the Department's request:

Summary of Department Request - Purchased Medical Services	
Medical Services Component	FY 2007-08 Request
<u>Administrative Services Fee</u>	
Average Daily Population (ADP)	1,440.1
Weighted Average PJPM* Charge per Contract (PHP)	<u>\$14.74</u>
FY 2007-08 Amount Requested	254,704
<u>Medical Services Costs</u>	
Average Daily Population (ADP)	1,440.1
PJPM Average Monthly Cost	<u>\$67.94</u>
FY 2007-08 Total Amount Requested	1,174,003
<u>Pharmacy Costs</u>	
Average Daily Population (ADP)	1,440.1
PJPM Average Monthly Cost	<u>\$63.39</u>
FY 2007-08 Total Amount Requested	1,095,507
Total Need for FY 2007-08	2,524,214
FY 2006-07 Funded Level	<u>2,067,644</u>
Total Request for FY 2007-08	\$456,570

*PJPM = Per Juvenile Per Month

Staff Recommendation for DI #14. Staff recommends the Committee approve an increase of **\$456,570 General Fund.**

Staff Recommendation for Operating Expenses. Staff recommends an increase of \$84,891 General Fund based on the Committee common policy for operating expenses (see the following table).

Staff Recommendation – Institutional Programs Increase for Medical Inflation for Operating Expenses in the Medical Expense		
	Estimated FY 2006-07 Expenditures	2.0% Increase
Purchased Medical Services (object code 1940)	\$1,922,308	\$38,446
Purchased Medical Services (object code 2710)	2,282,602	45,652
Laboratory and Medical Supplies (object code 3119)	27,209	544
Pharmaceuticals (object code 3129)	12,415	<u>248</u>
Total Recommended Medical Inflation Adjustment		84,891
DI #14 - Purchased Medical Services		<u>456,570</u>
TOTAL RECOMMENDATION		\$541,461

Staff Recommendation for Line Item. Staff recommends the Committee approve an appropriation of \$7,810,704 General Fund and 39.0 FTE for this line item. The staff recommendation is calculated pursuant to Committee common policy and includes a base reduction for personal services and a 2.0 percent increase for medical inflation (making the recommendation higher than the Department request). Staff's recommendation is summarized below.

Summary of Recommendation for Institutional Programs, Medical Services		
	Total Funds (General Fund)	FTE
Personal Services	\$2,640,673	38.3
Contracts	2,050,000	0.0
Operating Expenses	<u>2,415,729</u>	<u>0.0</u>
Long Bill Appropriation (H.B. 06-1385)	7,106,402	38.3
FY 2006-07 Salary Survey	81,360	0.0
Base Reduction (0.5 Percent)	(24,117)	0.0
DI #14 - Purchased Medical Services	456,570	0.0
Medical Inflation on Operating Expenses	84,891	0.0
Annualization for 20-bed Mental Health Facility	<u>105,598</u>	<u>0.7</u>
TOTAL RECOMMENDATION	\$7,810,704	39.0

ENHANCED MENTAL HEALTH SERVICES PILOT FOR DETENTION

The funding in this line item is intended to examine the efficacy of providing intensive mental health services for detained youth. At the time this line item was added to the budget, NYC had a system-wide problem with readmissions to detention. The Division believed that a disproportionate share of the juveniles getting readmitted had a mental health problem that was not being treated in the community. The appropriation in the line item provided for assessment by NYC of youth in detention at the Mount View and Grand Mesa facilities. A companion piece of funding in the

Division of Children's Health and Rehabilitation provided community treatment upon release.

Decision Item #NP-1 - 2.0 Percent Provider Rate Increase

The Department requests a 2.0 percent provider rate increase to this line item of \$5,163 General Fund. This provider rate increase is consistent with Committee common policy. Pursuant to Committee common policy, **staff recommends the Committee approve a 2.0 percent provider rate increase to this line item of \$5,163 General Fund.**

Due to the shortage of General Fund dollars, this line item was eliminated in FY 2003-04. In FY 2005-06, the General Assembly provided \$250,000 General Fund to reestablish this program. The Department requests a continuation appropriation for this line item, a 2.0 percent provider rate increase pursuant to OSPB common policy, and a leap year adjustment. The total request is for \$263,995 General Fund. **Staff recommends the Committee approve an appropriation of \$263,995 General Fund for this line item.**

EDUCATIONAL PROGRAMS

This line item funds personal services and operating expenses associated with education, primarily in state-operated commitment facilities. In contract commitment facilities, and in detention facilities, education is the responsibility of local school districts and paid for with the help of state per pupil operating revenue (PPOR). A limited portion of the Educational Programs line is used to supplement PPOR-funded services at detention facilities with health education, such as AIDS prevention and substance abuse prevention.

There are three sources of federal funds for this line item that appear as cash funds exempt because the money is transferred from the Department of Education: (1) the Carl D. Perkins Vocational Education Act for vocational training (\$30,000); (2) Title I of the Elementary and Secondary Education Act for disadvantaged youth (\$206,336); and (3) the Individuals with Disabilities Education Act for special education (\$107,557).

Educational Programs Staffing Summary	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommended
Support Staff	2.4	4.0	4.0	4.0
Teachers	27.9	35.8	35.8	35.8
Annualization of 2-bed Mental Health Facility	0.0	0.0	1.0	1.0
TOTAL	30.3	39.8	40.8	40.8

Decision Item #NP-1 - 2.0 Percent Provider Rate Increase

The Department requests a 2.0 percent provider rate increase to this line item of \$108,768 General

Fund. This provider rate increase is consistent with Committee common policy. Pursuant to Committee common policy, **staff recommends the Committee approve a 2.0 percent provider rate increase to this line item of \$108,768 General Fund.**

The Department requests an appropriation of \$5,642,197, including \$5,298,304 General Fund, and 40.8 FTE for this line item. This request includes a 2.0 percent provider rate increase.

Staff Recommendation. Staff recommends the Committee approve an appropriation of **\$5,634,594, including \$5,290,701 General Fund, and 40.8 FTE for this line item.** This recommendation includes funding for a 2.0 percent provider rate increase. Staff's calculations for the line item are below.

Summary of Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Educational Programs				
	General Fund	Cash Funds Exempt	Total Funds	FTE
Personal Services	\$2,331,620	\$0	\$2,331,620	39.8
Operating Expenses	<u>2,762,894</u>	<u>343,893</u>	<u>3,106,787</u>	<u>0.0</u>
H.B. 06-1385 Appropriation	5,094,514	343,893	5,438,407	39.8
FY 2006-07 Salary Survey	53,812	0	53,812	0.0
Base Reduction (0.5 Percent)	(12,266)	0	(12,266)	0.0
Subtotal - Personal Services	5,136,060	343,893	5,479,953	39.8
Annualization of 20-bed Mental Health Facility	45,873	0	45,873	1.0
JBC Approved 2.0 Percent Provider Rate Increase	108,768	0	108,768	0.0
TOTAL RECOMMENDATION	\$5,290,701	\$343,893	\$5,634,594	40.8

PREVENTION/INTERVENTION SERVICES

This line item provides spending authority for an intra-agency agreement between DYC and the Alcohol and Drug Abuse Division (ADAD) located in the Division of Mental Health. Historically, the funds have supported drug and alcohol assessment and training for substance abuse counselors in DYC facilities. Prior to FY 2002-03, the funds were originally appropriated in ADAD as General Fund dollars. Because the funds are transferred to DYC, they are reflected as cash funds exempt in DYC's budget. Because of budget reductions, no General Fund dollars are transferred from ADAD. The dollars transferred to DYC are federal funds.

The Department requests a continuation level of funding of \$49,943 cash funds exempt and 1.0 FTE, *without* a 0.5 percent reduction calculated in accordance with OSPB common policy.

Staff recommends that the Committee approve an appropriation of \$49,693 cash funds exempt (federal funds transferred from ADAD) and 1.0 FTE. This recommendation is calculated

pursuant to Committee common policy, including a 0.5 percent base reduction.

(C) COMMUNITY PROGRAMS

This section of the Division funds contract placements of juveniles typically in community settings with lower security levels than state-operated institutions. This section also supports case management that begins during a juvenile's stay in commitment and continues through the end of parole. Finally, this section funds S.B. 91-94 programs intended to divert juveniles from detention and commitment, or reduce their length of stay.

PERSONAL SERVICES

This line item supports personal services for case managers, support staff, and regional administrators, who are responsible for overseeing contract placements and the overall operation of DYC services in the area. Beginning in FY 1997-98, the Division combined the role of case manager and parole officer, so the same individual tracks a juvenile through the system from commitment to the end of parole.

The source of cash funds in this line item is a reimbursement by the operator of the Ridge View facility to offset the cost of monitoring the facility pursuant to Section 19-2-411.5 (2) (e), C.R.S.

Community Programs Staffing Summary	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommended
Management	3.9	4.0	4.0	4.0
Case Managers	93.2	98.0	98.0	98.0
General Professional	1.1	2.0	2.0	2.0
Support Staff	9.4	11.2	11.2	11.2
Decision Item #12 - Case Management	0.0	0.0	6.1	0.0
Recidivism Reduction Package BA #6	0.0	0.0	(6.1)	0.0
TOTAL	107.6	115.2	115.2	115.2

***Decision Item #12 - Population Impacts on Case Management and Parole;
Recidivism Reduction Package Budget Amendment #6 - Continuum of Care and Purchase
of Contract Placements***

The Department's November budget request included Decision Item #12, which sought an additional \$297,256 General Fund and 6.1 FTE to address the projected shortfall in case management and parole services in accordance with the December 2005 Legislative Council Staff population projections. However, the Department withdrew Decision Item #12 based upon the December 2006 Legislative Council Staff population projections. This withdrawal was done through the Recidivism Reduction Package Budget Amendment #6.

The Department requests a continuation level of funding for this line item of \$7,415,925, including \$7,096,510 *net* General Fund, and 115.2 FTE. **Staff recommends the Committee approve an appropriation of \$7,393,280, including \$7,073,978 net General Fund, and 115.2 FTE for this line item.** Staff's calculations for the line item are below.

Summary of Staff Recommendation - Personal Services						
	General Fund	Cash Funds*	Cash Funds Exempt	Federal Funds**	Total	FTE
H.B. 06-1385 Appropriation	\$6,915,673	\$48,728	\$39,757	\$250,000	\$7,254,158	115.2
FY 2006-07 Salary Survey	174,512	0	1,763	0	176,275	0.0
Base Reduction (0.5 Percent)	(36,781)	0	(372)	0	(37,153)	0.0
Subtotal - Personal Services	7,053,404	48,728	41,148	250,000	7,393,280	115.2
DI #12 - Case Managers	297,256	0	0	0	297,256	6.1
Recidivism Package BA #6	(297,256)	0	0	0	(297,256)	(6.1)
TOTAL RECOMMENDATION	\$7,053,404	\$48,728	\$41,148	\$250,000	\$7,393,280	115.2

* The source of cash funds is fee revenue received by the Division pursuant to Section 19-2-411.5 (2) (e), C.R.S., from the Rights of Passage Program to offset the cost of monitoring the Ridgeview Facility.

** The source of federal funds is Title IV-E funds.

OPERATING EXPENSES

This line item provides operating funds for the FTE in the personal services line item above. The single largest expenditure category from this line item is fuel expenditures, reflecting the mobile nature of case management work. The source of cash funds is fees collected from the Ridge View contractor to offset the cost of monitoring operations in DYC facilities, which is required pursuant to Section 19-2-411.5 (2) (e), C.R.S.

- Decision Item #12 - Population Impacts on Case Management and Parole; Recidivism Reduction Package Budget Amendment #6 - Continuum of Care and Purchase of Contract Placements***

The Department's November budget request included Decision Item #12, which sought an additional \$10,746 General Fund to address the projected shortfall in case management and parole services in accordance with the December 2005 Legislative Council Staff population projections. However, the Department withdrew Decision Item #12 based upon the December 2006 Legislative Council Staff population projections. This withdrawal was done through the Recidivism Reduction Package Budget Amendment #6.

The Department requests a continuation level of funding for this line item of \$342,240, including \$339,792 General Fund. **Staff recommends the Committee approve an appropriation of \$342,240, including \$339,792 General Fund, for this line item.** Staff's calculations for the line item are below.

Summary of JBC Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Operating Expenses			
	General Fund	Cash Funds*	Total Funds
H.B. 06-1385 Appropriation	\$336,732	\$2,448	\$339,180
Annualization of 20-bed Mental Health Facility	3,060	0	3,060
TOTAL RECOMMENDATION	\$339,792	\$2,448	\$342,240

* The source of cash funds is fee revenue received by the Division pursuant to Section 19-2-411.5 (2) (e), C.R.S., from the Rights of Passage Program to offset the cost of monitoring the Ridgeview Facility.

CAPITAL OUTLAY

- ❑ ***Decision Item #12 - Population Impacts on Case Management and Parole; Recidivism Reduction Package Budget Amendment #6 - Continuum of Care and Purchase of Contract Placements***

The Department's November budget request included Decision Item #12, which sought an additional \$12,328 General Fund to address the projected shortfall in case management and parole services in accordance with the December 2005 Legislative Council Staff population projections. However, the Department withdrew Decision Item #12 based upon the December 2006 Legislative Council Staff population projections. This withdrawal was done through the Recidivism Reduction Package Budget Amendment #6.

The Department is not requesting funding for this line item in FY 2007-08. As such, **staff does not recommend the Committee approve an appropriation for this line item.**

PURCHASE OF CONTRACT PLACEMENTS

This line item provides funding for the Division to contract with private for-profit and non-profit organizations to house and treat youth. All of the contracts funded through this line item are for residential services. Non-residential services are paid for through other line items.

There is a wide variety in the type of services purchased, and thus in the rates for each contract. The range includes out-of-state contractors, whose rates reflect the fact that they are ineligible for per pupil operating revenue (PPOR), and contractors operating in state-owned buildings that benefit from custodial, facility maintenance, laundry, education and food services supplied by DYC. It also includes contractors with intensive mental health treatment programs that are eligible for Medicaid funds, and high-cost contractors such as those providing services to girls or to sex offenders. Some of the contracts are with for-profit entities, and some are with non-profit charitable or government organizations. Security levels include facilities with razor wire to those with unlocked doors. Contractors providing commitment services specialize in long-term treatment that often takes a year or more, while contractors providing detention services typically hold youth an average of one to two weeks while they await adjudication.

The source of cash funds exempt is Medicaid funds transferred from the Department of Health Care Policy and Financing.

Long Bill Footnote. In the 2003 Long Bill, the Committee added a footnote to this line item authorizing the Division to spend up to 5.0 percent of the appropriation on treatment services for youths in state-operated facilities. In FY 2005-06, this percentage was increased to 10.0 percent. The Division has used this flexibility to implement its Continuum of Care Initiative, which includes evidence-based practices to help transition youth from residential to community-based programs. To date, this flexibility has not been fully utilized because of the shortage of General Fund appropriations to this line item. For the current fiscal year, the Division plans to expend \$2.3 million on its Continuum of Care Initiative.

☐ ***Recidivism Package Budget Amendment #9 - Continued Flexibility in Purchase of Contract Placements Line Item***

Request. The Department requests continuation of the FY 2006-07 Long Bill Footnote (#79) that allows up to 10 percent of the General Fund appropriation in the Purchase of Contract Placements line item to be used for treatment transition and wrap-around services. In addition, the Department requests a total of 15 percent flexibility in using General Fund from this line item, and further requests to broaden the scope of what these moneys can be used to fund. Examples of projects that might be funded with this flexibility include: (1) ongoing monitoring and evaluation of treatment providers to assure fidelity towards implementation of evidence-based and best practice service delivery; and (2) "back-in" services for youth who are placed within state-operated and contract programs, essentially beginning the transition process sooner, and using community-based providers to establish community linkages and continuity for youth who are transitioning from residential placement to parole status.

Staff Recommendation. Staff recommendation is pending until the Committee is able to review all of the requests in the Recidivism Reduction Package.

☐ ***Decision Item #2 - Population Impacts on Contract Bed Placements; Recidivism Reduction Package Budget Amendment #6 - Continuum of Care and Purchase of Contract Placements***

Request. The Department's November budget request included Decision Item #2, which sought an additional \$2,692,974, including \$2,424,817 *net* General Fund to address the projected shortfall in case management and parole services in accordance with the December 2005 Legislative Council Staff population projections. However, the Department modified Decision Item #2 based upon the December 2006 Legislative Council Staff population projections. This modification was done through the Recidivism Reduction Package Budget Amendment #6. This budget amendment *reduced* the Department's request for this line item by \$3,218,156, including \$2,153,865 *net* General Fund. The cumulative result of the decision item and budget amendment is a *decrease* of \$525,182 total funds, with an *increase* in net General Fund of \$270,952. The calculations for the Department's request are below. Please note that the calculations include one extra day of funding for the leap year adjustment

and a 2.0 percent provider rate increase pursuant to Decision Item #NP-1.

Forecast for Commitment Population in DYC	
Forecasted Commitment ADP	1,489.4
Less Boulder Impact	(7.0)
Less State FY 2006-07 State Capacity	<u>(524.0)</u>
Total FY 07-08 Commitment Contract ADP	958.4

Summary of Department Request for Purchase of Contract Placements	
Contract Component	Total FY 07-08 Request
<u>Commitment - RCCF (GF)</u>	
Average Daily Population (ADP) - 62.5%	599.0
Average Weighted FY 05-06 Rate	<u>\$126.52</u>
FY 2007-08 Amount Requested	\$27,737,486
<u>Commitment - PRTF (CFE)</u>	
Average Daily Population (ADP) - 0.2%	2.0
Estimated Actuarial Rate	<u>\$385.00</u>
FY 2007-08 Total Amount Requested	\$281,820
<u>Commitment - TRCCF Maintenance (GF)</u>	
Average Daily Population (ADP) - 37.3%	357.4
Weighted TRCCF Rate	<u>\$92.61</u>
FY 2007-08 Total Amount Requested	\$12,114,166
<u>Commitment - TRCCF Services (GF)</u>	
Average Daily Population (ADP) - 37.3%	357.4
Weighted TRCCF Rate	<u>\$76.08</u>
FY 2007-08 Total Amount Requested	\$9,951,903
<u>Commitment - TRCCF Fee-for-Service (CFE)</u>	
Average Daily Population (ADP) - 37.3%	357.4
Weighted TRCCF Rate	<u>\$18.72</u>

Summary of Department Request for Purchase of Contract Placements	
Contract Component	Total FY 07-08 Request
FY 2007-08 Total Amount Requested	\$2,448,733
<u>Detention - Contracts (GF)</u>	
Detention Beds	31
Weighted Rate	\$126.55
FY 2007-08 Total Amount Requested	\$1,435,836
Total Need for FY 2007-08	53,969,944
DI #NP-1 - 2% Provider Rate Increase	<u>1,079,399</u>
Total Request for FY 2007-08	55,049,343
Base Request for FY 2007-08	<u>55,574,525</u>
Difference Between Base Request and Total Request	(525,182)

Staff Recommendation. Staff recommends the Committee approve the *net decrease* of \$525,182, with a corresponding *increase* in *net* General Fund of \$270,952, related to Decision Item #2 and Recidivism Reduction Package Budget Amendment #6.

Request for Line Item. The Department requests an appropriation of \$55,049,343, including \$53,656,761 *net* General Fund. This request includes the decision item and budget amendments discussed above as well as a 2.0 percent provider rate increase pursuant to Decision Item #NP-1. The following table summarizes the request.

**Summary of Request — Department of Human Services
(11) Division of Youth Corrections – (C) Community Programs
Purchase of Contract Placements**

	General Fund	Cash Funds Exempt*	Total Funds	Medicaid Cash	Net General Fund
FY 2006-07 Long Bill Appropriation - H.B. 06-1385	\$50,869,117	\$2,346,238	\$53,215,355	\$2,346,238	\$52,042,236
Special Bill H.B. 06-1395	(832,286)	1,457,874	625,588	1,457,874	(103,349)
Supplemental Appropriation S.B. 07-165	<u>(464,439)</u>	<u>(1,156,181)</u>	<u>(1,620,620)</u>	<u>(1,156,181)</u>	<u>(1,042,530)</u>
Total FY 2006-07 Appropriation	49,572,392	2,647,931	52,220,323	2,647,931	50,896,357
Decision Item #2	2,156,660	536,314	2,692,974	536,314	2,424,817
Recidivism Package BA #6	(1,089,574)	(2,128,582)	(3,218,156)	(2,128,582)	(2,153,865)
Annualization of H.B. 06-1395	0	513,126	513,126	513,126	256,563
Leap Year Adjustment	142,880	13,269	156,149	13,269	149,515
DI #NP-1 - 2.0 Percent Provider Rate Increase	<u>1,017,382</u>	<u>46,925</u>	<u>1,064,307</u>	<u>46,925</u>	<u>1,040,845</u>
Reverse S.B. 07-165	<u>464,439</u>	<u>1,156,181</u>	<u>1,620,620</u>	<u>1,156,181</u>	<u>1,042,530</u>
TOTAL RECOMMENDATION	\$52,264,179	\$2,785,164	\$55,049,343	\$2,785,164	\$53,656,761

* The source of cash funds exempt are Medicaid cash funds transferred from the Department of Health Care Policy and Financing. Of this amount, 50.0 percent is General Fund and 50.0 percent is federal Medicaid funds.

Staff Recommendation for Line Item. Staff recommends the Committee approve an appropriation of \$55,049,343, including \$53,656,761 net General Fund, for this line item. This recommendation was calculated pursuant to the estimated need for beds in the juvenile system based on the Legislative Council Staff (LCS) December 2006 population projections (see Appendix A for staff calculations based on estimated bed needs). The calculation for this recommendation is summarized on the following page.

Summary of JBC Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (C) Community Programs Purchase of Contract Placements					
	General Fund	Cash Funds Exempt*	Total Funds	Medicaid Cash	Net General Fund
FY 2006-07 Long Bill Appropriation - H.B. 06-1385	\$50,869,117	\$2,346,238	\$53,215,355	\$2,346,238	\$52,042,236
Special Bill H.B. 06-1395	(832,286)	1,457,874	625,588	1,457,874	(103,349)
Supplemental Appropriation S.B. 07-165	<u>(464,439)</u>	<u>(1,156,181)</u>	<u>(1,620,620)</u>	<u>(1,156,181)</u>	<u>(1,042,530)</u>
Total FY 2006-07 Appropriation	49,572,392	2,647,931	52,220,323	2,647,931	50,896,357
Decision Item #2	2,156,660	536,314	2,692,974	536,314	2,424,817
Recidivism Package BA #6	(1,089,574)	(2,128,582)	(3,218,156)	(2,128,582)	(2,153,865)
Annualization of H.B. 06-1395	0	513,126	513,126	513,126	256,563
Leap Year Adjustment	142,880	13,269	156,149	13,269	149,515
DI #NP-1 - 2.0 Percent Provider Rate Increase	<u>1,017,382</u>	<u>46,925</u>	<u>1,064,307</u>	<u>46,925</u>	<u>1,040,845</u>
Reverse S.B. 07-165	<u>464,439</u>	<u>1,156,181</u>	<u>1,620,620</u>	<u>1,156,181</u>	<u>1,042,530</u>
TOTAL RECOMMENDATION	\$52,264,179	\$2,785,164	\$55,049,343	\$2,785,164	\$53,656,761

MANAGED CARE PILOT PROJECT

This line item is used to fund the Boulder County Impact Project, which is a managed care agreement between the Division of Youth Corrections and Boulder County for handling delinquent youth. The agreement caps the dollars that can be used for detained and committed youth in Boulder County.

The Department requests a continuation appropriation of \$1,380,339, including \$1,363,792 *net* General Fund for this line item. This request includes a leap year adjustment and a 2.0 provider rate increase pursuant to Decision Item #NP-1. Below is a summary of the request.

Boulder Impact - Summary of FY 2007-08 Request					
	Total	General Fund	Cash Funds Exempt	Medicaid Cash Funds	Net General Fund
H.B. 06-1385 Appropriation	\$1,349,648	\$1,317,290	\$32,358	\$32,358	\$1,333,469
DI #NP-1 - 2.0 Provider Rate Increase	26,993	26,346	647	647	26,670
Leap Year Adjustment	3,698	3,608	90	90	3,653
Total Request	\$1,380,339	\$1,347,244	\$33,095	\$33,095	\$1,363,792

Staff recommends the Committee approve an appropriation of \$1,380,339, including \$1,363,792 net General Fund. Staff's calculations for the line item are below.

Summary of Recommendation - Managed Care Pilot Project				
Item	General Fund	Cash Funds Exempt	Total Funds	Net General Fund
H.B. 06-1385 Appropriation	\$1,317,290	\$32,358	\$1,349,648	\$1,333,469
Leap Year Adjustment	3,608	90	3,698	3,653
JBC Common Policy Provider Rate Increase (2.0%)	26,346	647	26,993	26,670
TOTAL RECOMMENDATION	\$1,347,244	\$33,095	\$1,380,339	\$1,363,792

SENATE BILL 91-94 PROGRAMS

Senate Bill 91-94 authorized the creation of local, judicial-district based programs designed to provide alternatives to incarceration for pre-adjudicated and adjudicated youth. Programs work to reduce the incarcerated population by impacting the number of admissions into DYC facilities, or by reducing the length of stay for youths placed in DYC facilities. Senate Bill 91-94 funds are also used in each judicial district to implement a uniform intake screening and assessment of all youth taken into custody by law enforcement. The goal of this intake screening is to determine the most appropriate placement for youth. Four levels of placement are identified on the screening instrument, including secure detention, staff secure detention, residential/shelter, and home detention with monitoring.

Of the funds appropriated to this line item, the Division reserves three percent for research, evaluations, technical assistance, and audits. The remainder of the money is allocated by formula to programs in each judicial district. Historical funding has been based on approximately 25 percent for committed youth and 75 percent for detained youth. However, because of recent budget reductions and because of the statutory cap on juvenile detention beds, the funds are currently used for detention services only.

❑ **Recidivism Reduction Package Budget Amendment #4 - Funding for S.B. 91-94 Programs**

Request. The Department requests \$1,856,017 General Fund to fully restore DYC's S.B. 91-94 funding to the original FY 2002-03 appropriation, including a 2.0 percent provider rate increase pursuant to Decision Item #NP-1 and a leap year adjustment. The FY 2002-03 S.B. 91-94 appropriation totaled \$12,255,883, or approximately \$1.8 million more than the current FY 2006-07 appropriation of \$10,422,234.

Since its inception, S.B. 91-94 has maintained the specific goal of reduced reliance upon the State's secure detention and commitment beds. However, in FY 2002-03 funding for S.B. 91-94 was reduced by 35 percent, and during the same year, the State's juvenile detention system was statutorily capped at 479 beds. During this same time period, funding for the 80-bed Community Accountability Program (a residential detention sentencing option) was completely eliminated.

Recommendation. Staff recommendation is pending until the Committee is able to review all of the requests in the Recidivism Reduction Package.

Request for Line Item. The Department requests an appropriation of \$12,535,250 General Fund for this line item. This request includes a 2.0 percent provider rate increase (although this number was calculated incorrectly by the Department), a leap year adjustment, and the Recidivism Reduction Budget Amendment #4 discussed above.

Recommendation. Staff recommends the Committee approve an appropriation of **\$10,659,233 General Fund**, which includes \$208,445 General Fund for a 2.0 percent provider rate increase pursuant to the Committee common policy.

Summary of Staff Recommendation for SB 91-94 Programs	General Fund
H.B. 06-1385 Appropriation	\$10,422,234
Leap Year Adjustment	28,554
JBC Common Policy Provider Rate Increase (2.0 Percent)	<u>208,445</u>
TOTAL RECOMMENDATION	\$10,659,233

PAROLE PROGRAM SERVICES

This line item was created in FY 1998-99 through the consolidation of several line items providing "wrap-around" services to parolees and pre-parolees. The funds are designed to assist in a successful transition from commitment to parole, and in successful completion of parole. In addition, some of the services, such as electronic monitoring, create conditions in the community that may make the Parole Board more comfortable with releasing a juvenile to parole sooner.

❑ ***Decision Item #12 - Population Impacts on Case Management and Parole;
Recidivism Reduction Package Budget Amendment #6 - Continuum of Care and Purchase
of Contract Placements***

The Department's November budget request included Decision Item #12, which sought an additional \$92,310 General Fund to address the projected shortfall in case management and parole services in accordance with the December 2005 Legislative Council Staff population projections. However, the Department withdrew Decision Item #12 based upon the December 2006 Legislative Council Staff population projections. This withdrawal was done through the Recidivism Reduction Package Budget Amendment #6.

Request. The Department, under Recidivism Reduction Package Budget Amendment #6, requests an increase of \$1,949,784 General Fund related to the FY 2006-07 Continuum of Care Initiative supplemental that was approved by the Committee in January. The FY 2006-07 supplemental transferred funding from the Purchase of Contract Placements line item due to lower LCS population projections to the Parole Program Services line item to provide a base level of funding for the Continuum of Care Initiative. However, because the Department only requested an initial supplemental change for FY 2006-07 and not a budget amendment for FY 2007-08, the base funding for the Parole Program Services line item would not include the FY 2006-07 supplemental appropriation without the Recidivism Reduction Package budget amendment.

Staff Recommendation. **Staff recommends that the Committee approve an increase of \$1,949,784 General Fund.**

Request for Line Item. The Department requests an appropriation of \$3,386,211, including \$2,300,069 General Fund. This request includes: (1) the FY 2007-08 budget amendment of \$1,949,784 General Fund discussed above related to the Recidivism Reduction Package; (2) a 2.0 percent provider rate increase pursuant to Decision Item #NP-1; and (3) a leap year adjustment.

Staff Recommendation for Line Item. **Staff recommends the Committee approve an appropriation of \$3,386,211, including \$2,300,069 General Fund, for this line item.** Of this total amount, \$1,086,142 is federal funds (Title IV-E funds). The following table summarizes the staff recommendation.

Summary of JBC Staff Recommendation - Community Programs - Parole Program Services			
	General Fund	Federal Funds	Total Funds
H.B. 06-1385 Appropriation	\$299,145	\$1,061,992	\$1,361,137
S.B. 07-165 Supplemental Appropriation	<u>1,949,784</u>	<u>0</u>	<u>1,949,784</u>
Total FY 2006-07 Appropriation	2,248,929	1,061,992	3,310,921
Recidivism Reduction BA#6	1,949,784	0	1,949,784
JBC Approved Provider Rate Increase (2.0 percent)	44,979	21,240	66,219
Leap Year Adjustment	6,161	2,910	9,071
Reverse S.B. 07-165	<u>(1,949,784)</u>	<u>0</u>	<u>(1,949,784)</u>
TOTAL RECOMMENDATION	\$2,300,069	\$1,086,142	\$3,386,211

Source of Federal Funds. The source of federal funds is Title IV-E funding. Title IV-E provides assistance to states in paying a portion of the cost associated with maintaining certain youth in out-of-home placements. The youth must meet eligibility criteria based on family income and committing circumstances (best interests of the child and reasonable efforts to avoid out-of-home placement). The placement must be in a non-institutional, non-secure, community-based setting. Many of DYC's youth and placements meet the criteria.

The Division uses random moment sampling (RMS), a federally approved method of accounting for personal services time spent on Title IV-E eligible activities. Under RMS, an automated system calls client managers arbitrarily to determine what they are doing at that moment and for the preceding hour, and whether that activity qualifies for Title IV-E reimbursement. Then, based on the percentage of Title IV-E eligible youth in the system, the agency can claim the federal funds.

JUVENILE SEX OFFENDER STAFF TRAINING

This line item was added through a supplemental appropriation in FY 2002-03 for the purpose of funding training costs for DYC staff. Pursuant to the provisions of H.B. 00-1317 (Tool / Anderson), the Sex Offender Management Board (SOMB) was required to develop standards for the evaluation and identification of juvenile sex offenders. The standards developed by the SOMB are founded on "best practices", which include an emphasis on "informed supervision". Implementing this concept involves a list of supervisory roles and duties for all individuals who have a direct care or custodial relationship with a juvenile sex offender, which includes facility staff, case managers, parents, teachers, coaches, etc. The Division estimates that, on average, approximately 250 youth in its custody either have been adjudicated for a sexual offense or have charges that include an underlying factual basis for a sexual offense. This estimate includes the population in residential treatment or under parole supervision.

The Department requests a continuation appropriation of \$38,250 cash funds (Sex Offender Surcharge Fund) to train Department staff and contractors so that they can continue the process of complying with

standards developed by the Sex Offender Management Board.

Staff recommends the Committee approve an appropriation of \$38,250 cash funds (Sex Offender Surcharge Fund established in Section 18-21-103 (3), C.R.S.) for this line item.

LONG BILL FOOTNOTES

Staff recommends continuing the following footnotes:

- 2 All Departments, Totals --** The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Until such time as the Secretary of State publishes the code of Colorado regulations and the Colorado register in electronic form pursuant to section 24-4-103 (11) (b), C.R.S., each principal department of the state is requested to produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format should be submitted to the Office of Legislative Legal Services for publishing on the Internet. Alternatively, the Office of Legislative Legal Services may provide links on its internet web site to such rules. It is the intent of the General Assembly that this be done within existing resources.

- 4 Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice --** State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from the Drug Offender Surcharge Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Fund, among other programs.

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

- 48 Department of Human Services, Division of Child Welfare** -- It is the intent of the General Assembly to encourage counties to serve children in the most appropriate and least restrictive manner. For this purpose, the Department may transfer funds among all line items in this long bill group total for the division of child welfare.
- 78 Department of Human Services, Division of Youth Corrections, Administration** -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
- 80 Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs** -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) Comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.

Staff recommends continuing the following footnotes, as amended:

- 3 All Departments, Totals** -- Every Department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during ~~FY 2006-07~~ FY 2007-08. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.
- 49 Department of Human Services, Division of Child Welfare** -- The Department is requested to provide to the Joint Budget Committee, by November 1, ~~2006~~ 2007, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
- 50 Department of Human Services, Division of Child Welfare, Child Welfare Services** -- The Department is requested to provide to the Joint Budget Committee, by November 1, ~~2006~~ 2007, information concerning actual expenditures for the last two fiscal years for services that are now funded through this consolidated line item. Such data should include the following:

(a) Program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.

- 51 Department of Human Services, Division of Child Welfare, Child Welfare Services --** Pursuant to section 26-5-104 (6), C.R.S., counties are authorized to negotiate rates, services, and outcomes with child welfare service providers and are thus not required to provide a specific rate increase for any individual provider. This provision does not apply, however, to Medicaid treatment rates. The funding appropriated for this line item includes an increase of ~~\$10,336,198~~ \$6,574,461 based on a ~~3.25~~ 2.0 percent increase in funding for county staff salaries and benefits and a 2.0 percent increase in community provider rates and Medicaid treatment rates. The purpose of this increase is to provide counties and tribes with additional funds to increase community provider rates and to pay for increases in Medicaid treatment rates.
- 52 Department of Human Services, Division of Child Welfare, Excess Federal Title IV-E Reimbursements --** Section 26-1-111 (2) (d) (II) (C), C.R.S., authorizes the General Assembly to annually appropriate moneys in the Excess Federal Title IV-E Reimbursements Cash Fund to the Department of Human Services for allocation to the counties for the provision of assistance, child care assistance, social services, and child welfare services. This provision also authorizes the General Assembly to specify, in the annual appropriations act, that counties shall expend such moneys in a manner that will be applied toward the state's maintenance of historic effort as specified in section 409 (a) (7) of the federal Social Security Act, as amended. Pursuant to this statutory authority, the General Assembly hereby specifies that counties shall expend \$1,000,000 of the moneys received through this line item appropriation for ~~FY 2006-07~~ FY 2007-08 in a manner that will be applied toward the state's maintenance of historic effort related to the federal Temporary Assistance for Needy Families program.
- 53 Department of Human Services, Division of Child Welfare, Family and Children's Programs --** It is requested that ~~\$3,949,313~~ \$4,028,299 of the funds appropriated for this line item be used to assist county departments of social services in implementing and expanding family- and community-based services for adolescents. It is the intent of the General Assembly that such services be based on a program or programs that have been demonstrated to be effective in reducing the need for higher cost residential services.
- 54 Department of Human Services, Division of Child Welfare, Family and Children's Programs --** Pursuant to section 26-5-104 (6), C.R.S., counties are authorized to negotiate rates, services, and outcomes with child welfare service providers and are thus not required to provide a specific rate increase for any individual provider. The funding appropriated for this line item includes an increase of ~~\$1,428,408~~ \$907,588 based on a ~~3.25~~ 2.0 percent increase in funding that is allocated to counties and tribes. The purpose of this increase is to provide counties and tribes with additional funds to increase rates paid to community providers.

- 78a Department of Human Services, Division of Youth Corrections, Administration** -- It is the intent of the General Assembly that the Department provide a report to the Joint Budget Committee on November 1, ~~2006~~ 2007 which tracks and compares recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.
- 79 Department of Human Services, Division of Youth Corrections, Community Programs, Purchase of Contract Placements** -- It is the intent of the General Assembly that up to 10.0 percent of the General Fund appropriation to this line may be used to provide treatment, transition, and wrap-around services to youths in the Division of Youth Correction's system in residential and non-residential settings. The Division is requested to provide a report to the Joint Budget Committee on November 1, ~~2006~~ 2007. This report should include the following information: (1) The amount spent serving youths in residential and non-residential settings from this line item in ~~FY 2005-06~~ FY 2006-07; (2) the type of services purchased with such expenditures; (3) the number of committed and detained youths treated with such expenditures; (4) baseline data that will serve to measure the effectiveness of such expenditures; and (5) an evaluation of the effectiveness of this footnote in addressing the need for flexibility in treating and transitioning youth from residential to non-residential settings.

MEMORANDUM

TO: Joint Budget Committee

FROM: Patrick Brodhead, JBC Staff (303-866-4955)

SUBJECT: Staff Comebacks for the Department of Human Services (EDO, ChildWelfare, and DYC)

DATE: March 15, 2007

This memorandum addresses the following technical changes:

1. A reduction of the provider rate increase for the Educational Programs line item within the Division of Youth Corrections by \$45,135 General Fund.
2. A change to Footnote #78a to specify that the report is requested to be submitted on January 1, 2008, rather than November 1, 2007.
3. A change to staff's recommendation for Decision Item #16 (Records and Reports) to reflect an increase in cash funds rather than cash funds exempt.

First, for the Division of Youth Corrections, staff (and the Department) inadvertently applied the 2 percent provider rater increase to the entire Educational Services line item, rather than only to the contractual portion. As a result, the staff recommendation that was approved by the Committee showed a provider rate increase of \$108,768 General Fund, rather than \$63,633 General Fund. The table on the following page provides a summary of the correction and the staff recommendation for the entire Educational Programs line item.

Summary of Staff Recommendation — Department of Human Services (11) Division of Youth Corrections – (B) Institutional Programs Educational Programs				
	General Fund	Cash Funds Exempt	Total Funds	FTE
Personal Services	\$2,331,620	\$0	\$2,331,620	39.8
Operating Expenses	<u>2,762,894</u>	<u>343,893</u>	<u>3,106,787</u>	<u>0.0</u>
H.B. 06-1385 Appropriation	5,094,514	343,893	5,438,407	39.8
FY 2006-07 Salary Survey	53,812	0	53,812	0.0
Base Reduction (0.5 Percent)	(12,266)	0	(12,266)	0.0
Subtotal - Personal Services	5,136,060	343,893	5,479,953	39.8
Annualization of 20-bed Mental Health Facility	45,873	0	45,873	1.0
JBC Approved 2.0 Percent Provider Rate Increase	63,633	0	63,633	0.0
TOTAL RECOMMENDATION	\$5,245,566	\$343,893	\$5,589,459	40.8

Second, staff's recommendation for Footnote #78a included a request for a report from NYC by November 1, 2007. However, NYC had requested that this report be included with its annual reporting on recidivism that is submitted on January 1 of each year, and the initial report for this footnote was submitted in that way. Below is the corrected language for Footnote #78a.

78a Department of Human Services, Division of Youth Corrections, Administration -- It is the intent of the General Assembly that the Department provide a report to the Joint Budget Committee on ~~November 1, 2006~~ JANUARY 1, 2008 which tracks and compares recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.

Finally, staff made a clerical error when recommending Decision Item #16 related to Records and Reports of Child Abuse or Neglect. Staff's recommendation for increased funding for FTE should have shown the increase as cash funds rather than cash funds exempt. The corrected staff recommendation is summarized in the table on the following page.

Summary of Recommendation: Records and Reports of Child Abuse or Neglect				
Description	TOTAL	Cash Funds	Cash Funds Exempt	FTE
H.B. 06-1385 Personal Services	\$452,612	\$251,530	\$201,082	6.2
FY 2006-07 Salary Survey	7,118	7,118	0	0.0
Base Reduction Per Common Policy (0.5%)	(2,298)	<u>(2,298)</u>	0	0.0
Continuation Subtotal: FY 2007-08 Personal Services	457,432	256,350	201,082	6.2
DI #16 - Records and Reports FTE	<u>60,676</u>	<u>60,676</u>	<u>0</u>	<u>1.3</u>
Subtotal - Personal Services	518,108	317,026	201,082	7.5
H.B. 06-1385 Operating Expenses	37,350	36,750	600	0.0
DI #16 - Records and Reports (\$500/FTE)	<u>650</u>	<u>650</u>	<u>0</u>	<u>0.0</u>
Subtotal - Operating Expenses	38,000	37,400	600	0.0
TOTAL RECOMMENDATION	\$556,108	\$354,426	\$201,682	7.5