

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES**

(Divisions of County Administration, Self Sufficiency, and Adult Assistance)

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

**Prepared By:
Byron DeLuke, JBC Staff
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For Further Information Contact:

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

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DEPARTMENT OF HUMAN SERVICES

(Divisions of County Administration, Self Sufficiency, and Adult Assistance)

Department Overview

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

- **County Administration:** Provides the 64 county departments of human services with resources to administer the Supplemental Nutrition Assistance Program (SNAP; formerly known as food stamps), adult cash assistance programs, Child Support Enforcement, and Adult Protective Services, among other programs. Much of this funding supports county staff who determine eligibility for programs using the Colorado Benefits Management System (CBMS). Additional funding for county administration is included in program area budgets in other divisions and in the Department of Health Care Policy and Financing.

- **Self-Sufficiency:** Provides income, nutritional, and support services to assist families and individuals in need.
 - Colorado Works is the State's implementation of the federal Temporary Assistance for Needy Families program and provides cash and other services to promote sustainable employment for low income families with children.
 - Food distribution programs assist the needy in meeting nutritional needs.
 - Low-income energy assistance and low-income telephone assistance programs provide support in those areas.
 - Child Support Enforcement works to insure that child support orders are complied with.
 - Disability Determination Services determines medical disability for Colorado residents who apply for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits.

- **Adult Assistance Programs:** Provides assistance and support for needy elderly and disabled adult populations in Colorado.
 - Supervises the Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older.
 - Supervises the Aid to the Needy Disabled and Home Care Allowance programs, which provide cash assistance for low-income disabled adults.
 - Supervises county Adult Protective Services (APS) programs, which intervene on behalf of at-risk adults to address abuse, neglect, or exploitation.
 - Supervises the provision of Older Americans Act services, such as Meals on Wheels, to older Coloradans through the 16 Area Agencies on Aging (AAA).

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

For the divisions covered in this briefing packet, the Department request reflects:

- **County Administration:** The County Administration request includes two decision items. Department request R-4 adds \$6,796,800 total funds (including \$2,039,040 General Fund) in FY 2013-14 and \$8,283,600 total funds (including \$2,485,080 General Fund) in FY 2014-15 to cover the administrative costs associated with projected increases in the food assistance caseload. Department request R-5 adds \$853,693 for a 1.5 percent common policy increase for programs that deliver services through community-based providers.
- **Office of Self Sufficiency:** The request for this division is largely a continuation budget, with one budget amendment, BA-6, to adjust county TANF reserve balances. The reserve balance line item is included in the Long Bill for informational purposes. It is the subject of an annual supplemental request and budget amendment made after the actual year-end reserve level is known. Thus, consistent with past practice, the recommendation for FY 2013-14 is 1,348,084 less than the current year.
- **Adult Assistance Programs:** The request for this division includes two large items. Department request R-8 adds \$3,818,806 total funds (including \$2,000,000 General Fund) in FY 2013-14 for the provision of senior services. This increase is composed of two elements: a \$1.8 million Old Age Pension Cash Fund increase to account for a cost of living increase approved by the State Board of Human Services in December 2012; and a \$2,000,000 increase for State Funding for Senior Services. The recommendation also annualizes the impact of H.B. 10-1384 (Noncitizen Eligibility for Old Age Pension) on projected expenditures for the OAP program line, resulting in a decrease of 7,363,767 cash funds for FY 2013-14.

Committees of Reference SMART Act Recommendations

House Public Health Care and Human Services Committee

Received January 23, 2013

Recommendations

The House Public Health Care and Human Services Committee recommended that the JBC approve the Department request for:

1. "\$6.8 million request to fund county administration costs for the Supplemental Nutrition Assistance Program"; and
2. "\$15.5 million request to increase community provider rates";
3. "\$3.8 million request to provide senior support services"; and
4. "\$250,000 request for a new adult protection data system".

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Senate Health and Human Services Committee

Received January 24, 2013

Recommendations

The Senate Health and Human Services Committee did not provide any recommendations specific to these sections of the CDHS budget.

Staff does not respond to either of these recommendations within the figure setting document or framework of the FY 2013-14 budget. However, staff will draft a letter for the Committee in response to these recommendations.

Staff Recommendation

The staff recommendation is summarized in the table below, followed by a brief description of each item listed.

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$508,214,691	\$52,765,595	\$148,585,474	\$35,751	\$306,827,871	273.7
Other legislation	6,701,231	0	6,701,231	0	0	0.0
SB 13-091 (Supplemental Appropriations)	<u>1,212,348</u>	<u>1,651,000</u>	<u>909,432</u>	<u>0</u>	<u>(1,348,084)</u>	<u>0.0</u>
TOTAL	\$516,128,270	\$54,416,595	\$156,196,137	\$35,751	\$305,479,787	273.7
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	\$516,128,270	\$54,416,595	\$156,196,137	\$35,751	\$305,479,787	273.7
R-4: Additional Funding for County Administration - Food Assistance Administration	6,796,800	2,039,040	1,359,360	0	3,398,400	0.0
R-8: State Funding for Senior Services	3,818,806	2,000,000	1,818,806	0	0	0.0
R-5: Provider rate increase	853,693	345,030	170,739	0	337,924	0.0
Annualize prior year funding	(5,018,196)	(3,065,584)	(943,056)	0	(1,009,556)	0.0
Annualize prior year legislation	(7,363,767)	0	(7,363,767)	0	0	0.0
Staff Initiated Tax Base Relief Increase	1,697,803	1,697,803	0	0	0	0.0
Staff Initiated APS Adjustments	0	403,258	(403,258)	0	0	0.0
Staff Initiated OAP Refinance	0	382,505	(382,505)	0	0	0.0
Staff Initiated LEAP Adjustment	(1,592,354)	0	300,000	0	(1,892,354)	0.0
BA #6 Adjust County TANF Reserve Balances	<u>(1,348,084)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,348,084)</u>	<u>0.0</u>
TOTAL	\$513,972,971	\$58,218,647	\$150,752,456	\$35,751	\$304,966,117	273.7
Increase/(Decrease)	(\$2,155,299)	\$3,802,052	(\$5,443,681)	\$0	(\$513,670)	0.0
Percentage Change	(0.4%)	7.0%	(3.5%)	0.0%	(0.2%)	0.0%
FY 2013-14 Executive Request:	\$512,958,090	\$55,735,081	\$150,328,787	\$35,751	\$306,858,471	273.7
Request Above/(Below) Recommendation	(\$1,014,881)	(\$2,483,566)	(\$423,669)	\$0	\$1,892,354	0.0

Issue Descriptions

R-4, Additional Funding for County Administration – Food Assistance Administration:

The recommendation adds \$6,796,800 total funds (including \$2,039,040 General Fund) in FY 2013-14 and \$8,283,600 total funds (including \$2,485,080 General Fund) in FY 2014-15 to cover the administrative costs associated with projected increases in the food assistance caseload.

R-8: State Funding for Senior Services: The recommendation adds \$3,818,806 total funds (including \$2,000,000 General Fund) in FY 2013-14. This increase is composed of two elements: a \$1.8 million Old Age Pension Cash Fund increase to account for a cost of living increase approved by the State Board of Human Services in December 2012; and a \$2,000,000 increase for State Funding for Senior Services, including congregate meals, "meals on wheels", and senior transportation services.

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

Annualize Prior Year Funding: The recommendation eliminates an increase for food assistance administration that was approved for two years only (FY 2011-12 and FY 2012-13). (Request R-4 replaces this lost funding and provides a further increase.) Additionally, the recommendation includes a technical adjustment to eliminate the impact of the FY 2012-13 supplemental related to BA #6 from the base—preventing a double reduction.

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

Staff Initiated Tax Base Relief Increase: The recommendation incorporates an increase of \$1,697,803 General Fund and is meant to fully fund Tiers I and II for FY 2013-14. This figure is based upon the Department's totals for public assistance programs that have a county share and assessed valuation in FY 2012-13.

Staff Initiated APS Adjustments: The recommendation removes funding for Adult Protective Services (APS) from the County Administration line item. The base program funding and allocation structure for APS has instead been separated out into two new line items within the Division of Adult Assistance Programs. This separation ensures that any additional funds provided will be spent on APS.

Staff Initiated OAP Refinance: The recommendation refinances 5.0 FTE currently funded with OAP cash funds with General Fund. The recommendation also moves these FTE out of the State Administration line within the OAP Program, which is meant to defray "the expense of administering such fund"; to the Administration line item that serves the entire division.

Staff Initiated LEAP Adjustment: The recommendation includes a reduction of 1,592,354 in total funds for the Low Income Energy Assistance Program. This includes: (1) \$2.45 million in Severance Tax Funds available, rather than the \$2.15 million included in the request; and (2) a \$1.9 million reduction based on projected federal FY 2013 Low Income Home Energy Assistance Program (LIHEAP) receipts. This is an adjustment related to custodial LIHEAP funding and is therefore reflected solely for informational purposes.

BA #6 Adjust County TANF Reserve Balances: The recommendation includes a reduction of 1,348,084 in TANF Reserve Balances. This line item is included in the Long Bill for informational purposes and is the subject of an annual supplemental request and budget amendment made after the actual year-end reserve level is known. Thus, consistent with past practice, the recommendation for FY 2013-14 is 1,348,084 less than the current year based on county reserves as of September 30, 2012.

(4) County Administration

Colorado has a state-supervised but county-administered social services program. Colorado's counties have a large degree of autonomy, even when compared to other states that have decentralized systems. For example, S.B. 97-06 abolished the state-operated county merit system for employees of county social services departments. Each county was to establish a successor merit system that conformed to federal standards by January 1, 2001. As a result of this high degree of decentralization, most of the County Administration budget lines provide block transfers to the counties. If counties over-expend their allocations, they are responsible for covering the shortfall, although they are often able to access federal matching funds for county-only expenditures, depending upon the program.

Over time, the responsibility for some programs has been moved out of County Administration section. Administration for child care services, child welfare services, Temporary Assistance to Needy Families, and the Old Age Pension are incorporated into line items in other sections of the Human Services budget. County administration of medical assistance programs was moved to the Department of Health Care Policy and Financing in FY 2006-07. However, county activities to determine medical assistance eligibility are essentially the same as the activities to determine eligibility for other social service programs: both involve Colorado Benefits Management System, and eligibility-determination costs are allocated between programs and the two departments. As a result, staff has reflected the Health Care Policy County Administration line item request in the numbers pages for informational purposes.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

	County Administration				
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	\$62,930,385	\$22,237,964	\$17,235,512	\$23,456,909	0.0
TOTAL	\$62,930,385	\$22,237,964	\$17,235,512	\$23,456,909	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$62,930,385	\$22,237,964	\$17,235,512	\$23,456,909	0.0
R-4: Additional Funding for County Administration - Food Assistance Administration	6,796,800	2,039,040	1,359,360	3,398,400	0.0
R-5: Provider rate increase	853,693	345,030	170,739	337,924	0.0
Annualize prior year funding	(4,715,280)	(1,414,584)	(943,056)	(2,357,640)	0.0
Staff Initiated Tax Base Relief Increase	1,697,803	1,697,803	0	0	0.0
Staff Initiated APS Adjustments	(8,520,950)	(4,833,300)	(1,700,280)	(1,987,370)	0.0
TOTAL	\$59,042,451	\$20,071,953	\$16,122,275	\$22,848,223	0.0
Increase/(Decrease)	(\$3,887,934)	(\$2,166,011)	(\$1,113,237)	(\$608,686)	0.0
Percentage Change	(6.2%)	(9.7%)	(6.5%)	(2.6%)	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$6,823,147	\$3,135,497	\$1,700,280	\$1,987,370	0.0

Issue Descriptions

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

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

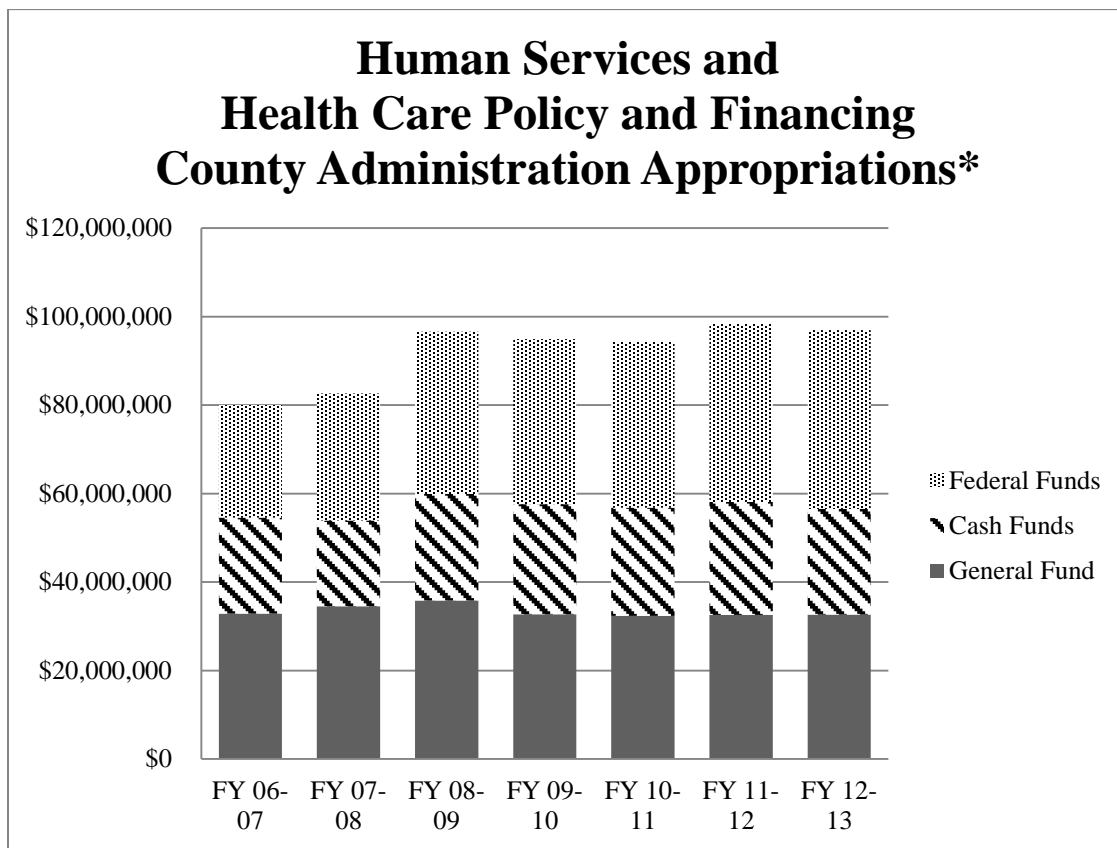
Annualize Prior Year Funding: The recommendation eliminates an increase for food assistance administration that was approved for two years only (FY 2011-12 and FY 2012-13). (Request R-4 replaces this lost funding and provides a further increase.)

Staff Initiated Tax Base Relief Increase: The recommendation incorporates an increase of \$1,697,803 General Fund and is meant to fully fund Tiers I and II for FY 2013-14. This figure is based upon the Department's totals for public assistance programs that have a county share and assessed valuation in FY 2012-13.

Staff Initiated APS Adjustments: The recommendation removes funding for Adult Protective Services (APS) from the County Administration line item. The base program funding and allocation structure for APS has instead been separated out into two new line items within the Division of Adult Assistance Programs. This separation ensures that any additional funds provided will be spent on APS.

FUNDING HISTORY AND CASELOAD GROWTH

Funding for the Human Services county administration division and the Health Care Policy county administration line item have been held flat since FY 2008-09, despite large increases in public assistance caseloads. Smaller adjustments have occurred since that time, including an increase for Food Assistance Administration in FY 2011-12. The table below combines appropriations for county administration from these departments, as dollars primarily support eligibility determination by county staff using the Colorado Benefits Management System.



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

Funding increases have generally involved reallocating General Fund in order to access more federal matching funds. The increase in FY 2008-09 was largely based on reducing County Contingency Payments (now County Tax Base Relief), which did not receive a federal match,

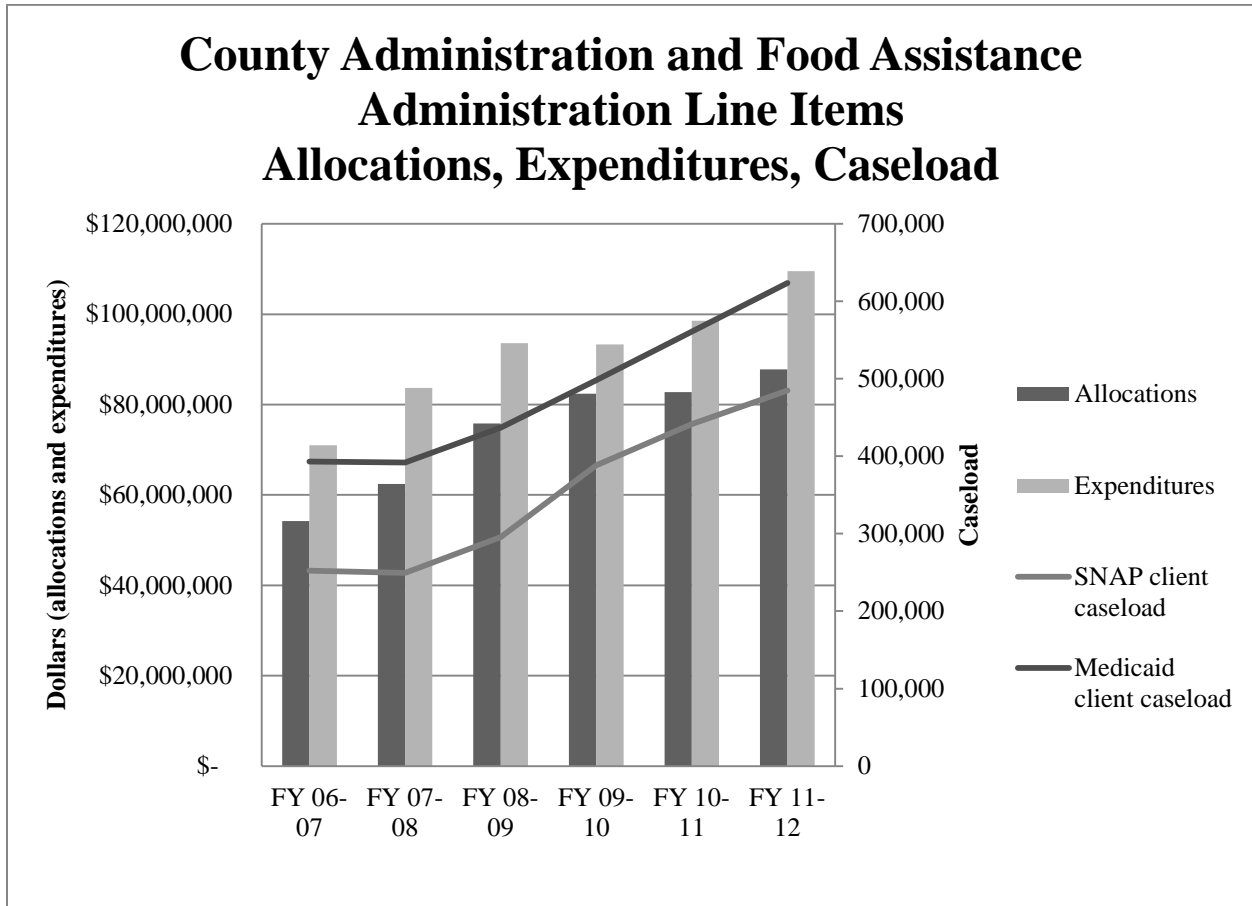
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and redirecting General Fund to the County Administration line items in Human Services and Health Care Policy and Financing, which do (H.B. 08-1250). This increased the combined appropriation for the county administration line items in the two departments by \$13.6 million--close to the level indicated by a 2007 Deloitte Development Workload Study of county administration. The FY 2011-12 increase for Food Assistance Administration was similarly financed by redirecting funds from the County Tax Base Relief line item, which does not receive a federal match, to a new line item, which does.

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

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

Funding for the County Administration allocation has been a major area of concern for counties. This is largely due to the rapid growth in food assistance (Supplemental Nutrition Assistance Program/SNAP) and Medicaid caseloads that has occurred since FY 2007-08. The chart below shows allocations and expenditures for county administration since FY 2006-07. Amounts in this chart also incorporate federal-only (ARRA) allocations for food assistance provided in FY 2009-10 and FY 2010-11, and a Food Assistance Administration separate line item appropriation added in FY 2011-12. As reflected in the chart, allocations have not kept up with caseload growth—leading to a gap between allocations and expenditures for county administration.



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

LINE ITEM DETAIL

County Administration

This line item provides funding for county administration related to the Supplemental Nutrition Assistance Program (Food Stamps), Adult Assistance programs, and a variety of other programs. Based on data from the County Financial Management System, in FY 2011-12, of the total expenditures from this line item, 73 percent was for food assistance administration, 17 percent for general county administration (including expenditures for adult protective services) and 10 percent for child support enforcement administration.

➔ **Request R-4: Additional Funding for County Administration-Food Assistance Administration**

- The Department request for R-4 is to cover administrative costs associated with growth in the food assistance caseload.
- The increase requested effectively includes three components: continue \$4.7 million, including \$1.4 million General Fund, added in FY 2011-12 for Food

Assistance Administration, rather than eliminating it; provide an additional incremental increase of \$2,081,520, including \$624,456 General Fund, for FY 2013-14; and provide a further incremental increase of \$1,485,800, including \$446,040 General Fund, for FY 2014-15.

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

➔ Request R-5: Provider Rate Increase

- The Committee has approved a 1.5 percent increase for programs that deliver services through community-based providers at an estimated cost of \$25.8 million General Fund.
- Client service providers have faced increasing labor and supplies costs while not receiving a cost of living increase since FY 2008-09.
- In FY 2010-11, the General Assembly approved rate reductions of 2.0 percent (\$1,022,778 total funds, including \$404,559 General Fund) for County Administration.
- Pursuant to common policy, staff is recommending approval of the Department request for a 1.5 percent provider rate increase at a cost of \$853,693 total funds, including \$345,030 General Fund.

➔ Staff Initiated Adjustment: Adult Protective Services Line Items

- Colorado counties are responsible for responding to reports of abuse of elderly and vulnerable individuals; however, Colorado is one of four states that do not require key professionals to report incidents of abuse.
- Senate Bill 12-078 established an Elder Abuse Task Force, which recommended an increase of \$5.8 million for APS services as well as statutory changes to implement mandatory reporting of elder abuse.
- The Governor has set aside \$5.0 million General Fund in the FY 2013-14 budget request for a bill to require mandatory reporting.
- Funding for APS is currently buried within other line items, making it difficult to determine whether current funding is adequate and to ensure that any increases benefit the correct program.
- Staff recommends providing \$8,520,950 total funds for APS services within a new Adult Protective Services line item.
- Staff recommends reducing the appropriations for the County Administration line item by a corresponding amount.

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Request: The Department requests \$57,766,598 total funds (including \$22,207,450 General Fund) in FY 2013-14. This represents an increase of \$2,935,213 total funds and \$969,486 General Fund from the current year appropriation due to departmental request R-4: Additional Funding for County Administration-Food Assistance Administration.

Recommendation: Staff recommends \$49,245,648 in total funds, including \$17,374,150 General Fund, for FY 2013-14. This recommendation reflects a significant increase for food assistance administration as well as a 1.5 percent provider rate increase. However, there is an overall decrease because of the staff recommendation for two new line items for adult protective services within the Division of Adult Assistance Programs. Please see the table below for details.

	County Administration				
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$50,116,105</u>	<u>\$19,823,380</u>	<u>\$9,193,456</u>	<u>\$21,099,269</u>	<u>0.0</u>
TOTAL	\$50,116,105	\$19,823,380	\$9,193,456	\$21,099,269	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$50,116,105	\$19,823,380	\$9,193,456	\$21,099,269	0.0
R-4: Additional Funding for County Administration - Food Assistance Administration	6,796,800	2,039,040	1,359,360	3,398,400	0.0
R-5: Provider rate increase	853,693	345,030	170,739	337,924	0.0
Staff Initiated APS Adjustments	<u>(8,520,950)</u>	<u>(4,833,300)</u>	<u>(1,700,280)</u>	<u>(1,987,370)</u>	<u>0.0</u>
TOTAL	\$49,245,648	\$17,374,150	\$9,023,275	\$22,848,223	0.0
Increase/(Decrease)	(\$870,457)	(\$2,449,230)	(\$170,181)	\$1,748,954	0.0
Percentage Change	(1.7%)	(12.4%)	(1.9%)	8.3%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$8,520,950	\$4,833,300	\$1,700,280	\$1,987,370	0.0

Analysis:

R-4: Additional Funding for County Administration – Food Assistance Administration

The federal food assistance program provides funding for food purchases for households with gross incomes below 130 percent of the federal poverty level (200 percent if the household includes an elderly or disabled member) and net income (after various deductions) below 100 percent of the poverty level. Benefits, totaling almost \$800 million for Colorado in FY 2011-12, are 100 percent federal funds. However the cost of administering the program is subject to a 50 percent federal/50 percent non-federal match. In Colorado, the non-federal share for administration is divided between the State and counties: the State covers 30 percent, counties cover 20 percent, and the federal government covers 50 percent. If counties over-expend their state allocations, however, they must cover a full 50 percent of costs.

The Department request includes three components: \$4.7 million, including \$1.4 million General Fund, that was originally added in FY 2011-12 for Food Assistance Administration (eliminated in FY 2013-14); an increase of \$2,081,520, including \$624,456 General Fund, for FY 2013-14;

*JBC Staff Figure Setting – FY 2013-14
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and an increase of \$1,485,800, including \$446,040 General Fund, for FY 2014-15. The Department justifies the request based on increased caseload.

The FY 2011-12 request was for two years because it was assumed that caseloads might begin to decline after peaking due to the recession. This assumption has proven incorrect. Caseloads have not declined from the levels used to justify the FY 2011-12 increase and have continued to climb, although at a slower rate. The rate of growth is projected to increase significantly, however, due to implementation of the Affordable Care Act beginning in January 2014.

The table below shows the history of line item appropriations and non-appropriated federal funds allocations to support food assistance administration and the Department’s projected caseload increases for SNAP. As reflected, the caseload growth (current and projected) substantially outpaces the actual and requested growth in funding.

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

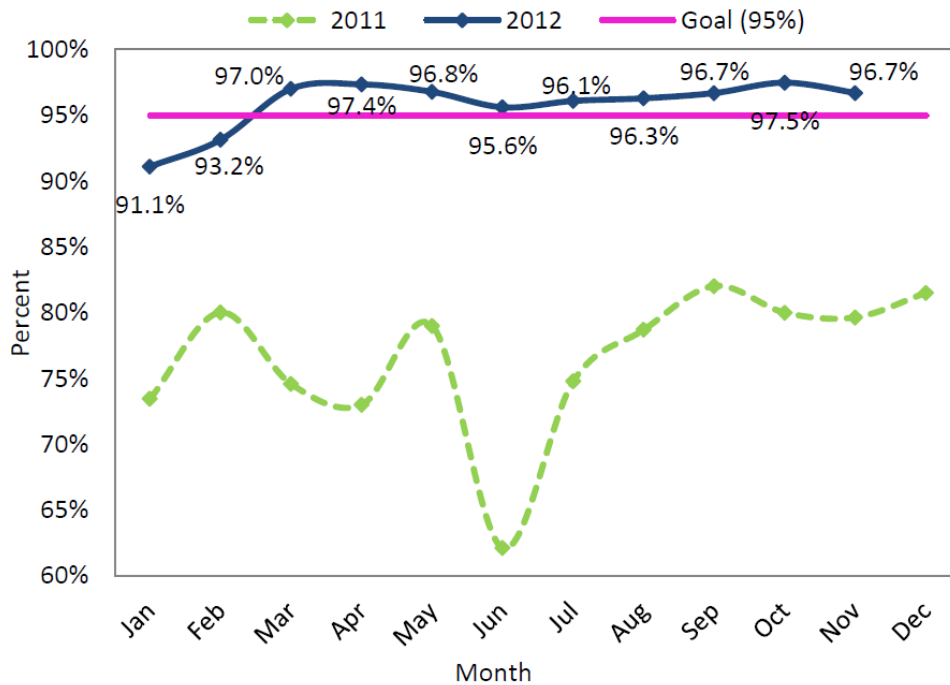
CDHS estimates that 65,000 new individuals will be added to food assistance rolls between January and June 2014 and that 84 additional caseworkers would be required to handle these anticipated new applicants. While estimates on the impact of the Affordable Care Act are uncertain, even more conservative projections that do not take this into account predict that caseload growth will not level out until FY 2014-15 at the earliest.

Colorado’s caseload growth has created issues for the State as it attempts to process SNAP applications in compliance with federal requirements. While the Department’s timeliness has improved due to business process improvements and some additional funding through the Food Assistance Administration line item, it is still not complying with federal standards in some areas. County offices are reporting increased overtime pay and reliance on temporary staff to try to keep pace with increasing workload demands. Staff is concerned that ongoing caseload growth—without adequate administrative resources—could place the Department in violation of federal requirements and possibly lead to financial penalties or legal action.

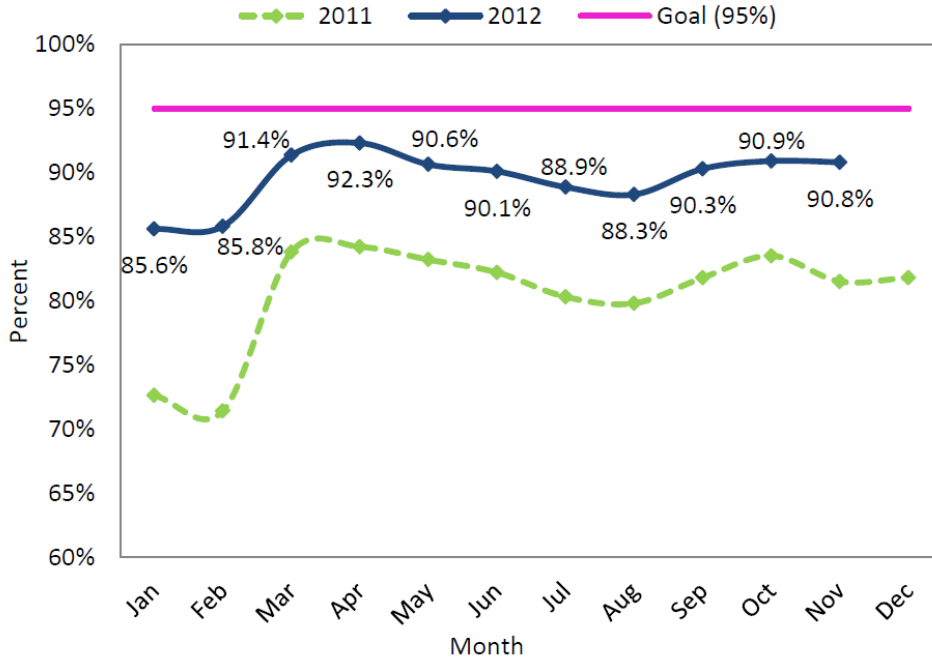
More specifically, the Department is operating under an amended Order of Settlement related to a lawsuit filed against the Department in 2005 by plaintiffs who claimed to have not received timely benefits. The agreement required the Department to show improvements in processing applications, achieving 95% timeliness by September 2012 and sustaining this through September 2013. It is also required to achieve 95 percent timely processing on renewal applications by January 2013 and sustain this through September 2013. Finally, the Department must comply with federal requirements regarding "error rates" in SNAP determinations; as such errors may result in financial penalties.

Staff has included charts below that are from the Department's "C-Stat" reports on its performance in these areas. These charts demonstrate why staff is concerned that ongoing caseload growth could place the Department in violation of federal requirements and possibly lead to further legal action. The additional funding for county administration will help to ensure continued improvement in meeting and sustaining federal standards for timely and accurate processing of Food Assistance applications.

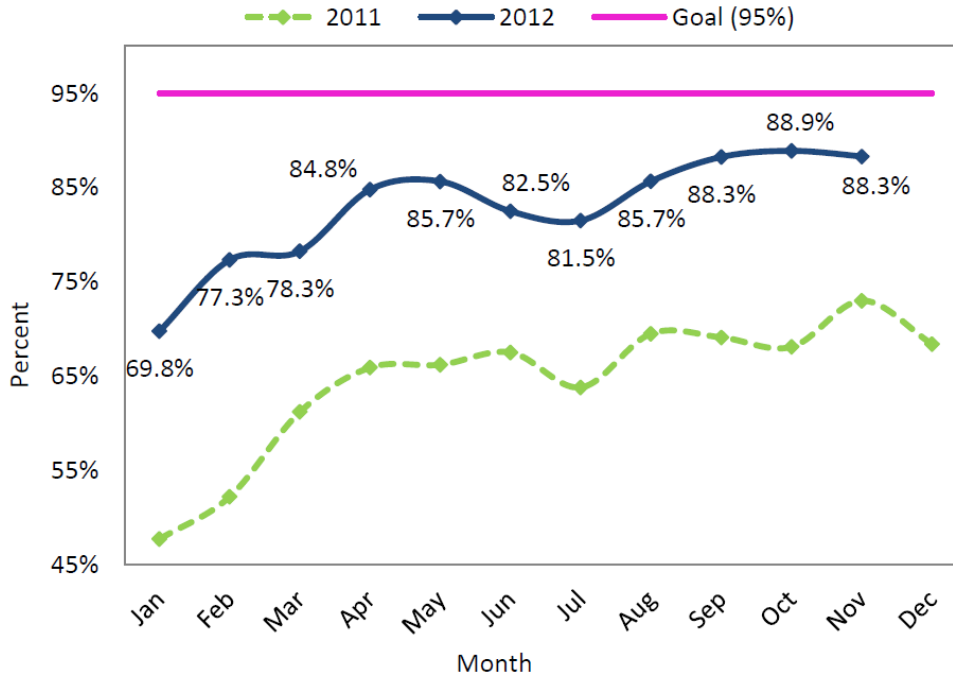
Timeliness of New Applications



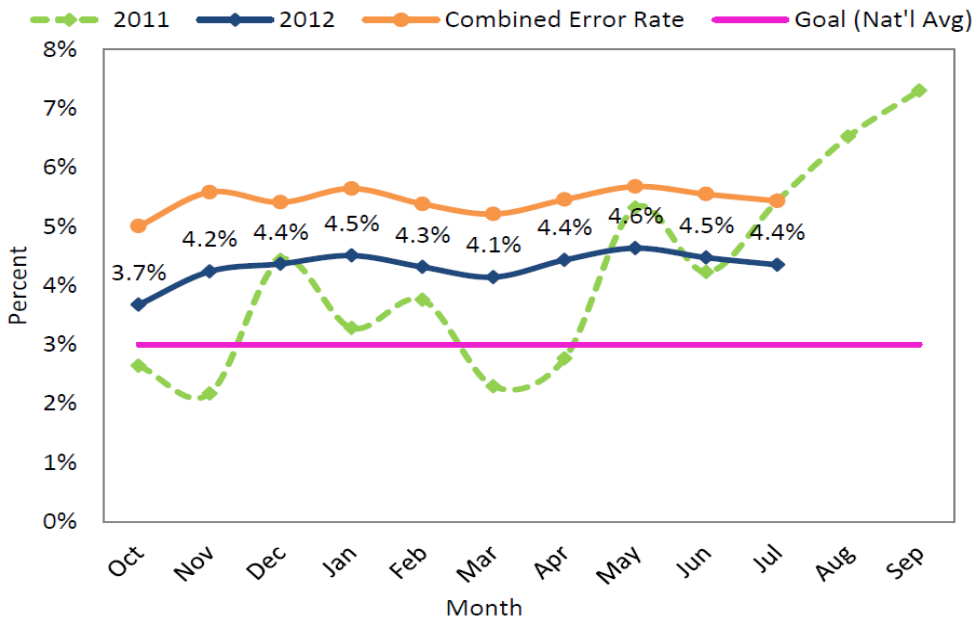
Timeliness of Expedited Applications



Timeliness of Redetermination Applications



Error Rate of Payment



R-5: Provider Rate Increase

The JBC has historically made a determination on a common figure setting policy to be applied for community provider rate increases. The "community provider" common policy applies to selected line items in the Department of Human Services, such as County Administration, that are used to fund services that might otherwise be delivered by state FTE.

For FY 2013-14, the Committee has approved a 1.5 percent community provider rate increase—\$853,693 for County Administration. This is the first increase requested since the recession began in FY 2008-09. Provider rate increases were initially provided for FY 2008-09, but these increases were largely reversed through reductions in the FY 2009-10 and FY 2010-11 budgets. Please see the following tables for specifics on County Administration.

History of Rate Adjustments for County Administration

FY 2003-04 Final Action	No adjustment
FY 2004-05 Final Action	No adjustment
FY 2005-06 Final Action	Add 2.0 percent
FY 2006-07 Final Action	Add 3.25 percent
FY 2007-08 Final Action	Add 1.5 percent
FY 2008-09 Final Action	Add 1.5 percent
FY 2009-10 Final Action	No adjustment
FY 2010-11 Final Action	Reduce 2.0 percent
FY 2011-12 Final Action	No adjustment
FY 2012-13 Final Action	No adjustment
FY 2013-14 Committee Common Policy	Add 1.5 percent

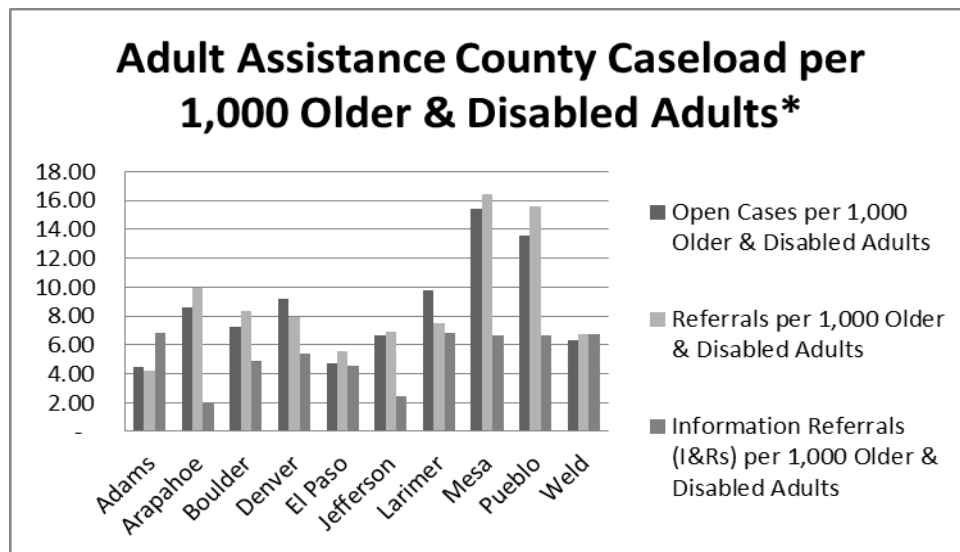
1.5 Percent Provider Rate Increase by Fund Source

Line Item	Total	General Fund	Cash Funds	Federal Funds
County Administration	\$853,693	\$345,030	\$170,739	\$337,924

Staff feels that the approved 1.5 percent increase is appropriate for County Administration because the line item was not subject to the additional rate reductions approved for several other CDHS programs in FY 2009-10. More specifically, rate reductions were applied to Medicaid developmental disability providers (2.5 percent) and to youth corrections contract placements (2.0 percent) in FY 2009-10. As a result, rates in effect for these programs were 2.5 percent lower than FY 2007-08 levels versus 0.5 percent lower for County Administration.

Adult Protective Services Adjustments

County administration for APS is incorporated in the main County Administration line item in the Department of Human Services. Counties have flexibility within county administration to allocate funds among programs. Thus, resources directed to APS are at a county’s discretion. Data provided by the Department, and included in the chart below, indicate that there is wide variation among counties in the extent to which they choose to devote resources to APS and how they operate their programs.



The Department feels that some of this variation may reflect improper recording of data in the CBMS system. However, this is the only data currently available. Because of this, it is difficult to determine whether APS is under-funded, as asserted by counties. If the General Assembly chooses to adopt a bill incorporating some or all of the Elder Abuse Task Force recommendations within the \$5.0 million set-aside established by the Governor, staff anticipates that ongoing county funding for APS will increase by \$2 to \$5 million—an increase of about 25 to 60 percent on the base. Staff believes a discrete program of this size should be subject to more legislative scrutiny than occurs when funding is incorporated in the broader County Administration appropriation.

If funding for APS is not separated from the broader County Administration line item, there is no guarantee that any additional funds provided will actually be spent on APS. These funds could be redirected to food assistance administration, given the structure of the appropriation and the current funding allocation process for county administration. This process is based on the prior calendar year count of a variety of county workload measures (e.g., APS referrals or food assistance eligibility determinations), which are pulled from the Colorado Benefits Management System (CBMS). These are then weighted for the minutes of work they drive according to a 2007 workload study. Increased funds for APS county administration allocated through the county administration allocation process would not necessarily result in an increase for APS programs versus any other county administration activity, absent a proportionate increase in APS referrals and cases.¹

Staff recommends that the APS allocation be separated from the larger County Administration line item in the Long Bill. More specifically, staff recommends providing an \$8,502,950 appropriation for APS in FY 2013-14 through a new Adult Protective Services line item, while reducing the County Administration appropriation by the same amount. To facilitate the transition process, transfer authority between the new line item and the County Administration line item should be provided for two years through an additional footnote in the Long Bill.

Food Assistance Administration

This line item was added in FY 2011-12 through the Department's Decision Item #2. Funding was appropriated in a separate line item from the main County Administration line item so funds could be allocated specifically to counties with the greatest increase in food assistance caseload. The request indicated that the funding was requested for two years only: FY 2011-12 and FY 2012-13, after which the additional funding would be discontinued.

Request: The Department requests no appropriation for this line item in FY 2013-14.

Recommendation: Staff recommends the Department request.

County Tax Base Relief

This line item assists counties with the highest costs and lowest property tax values in meeting their obligations for social services costs. These obligations include: county responsibility for maintenance of effort expenditures for the Temporary Assistance to Needy Families Block Grant (TANF) block grant, the county 20 percent share for food assistance and Medicaid reimbursements, the county share for child welfare services expenditures (20 percent for most services), and the county share for adult assistance programs (20 percent).

¹ The decision item for an APS information technology system would pull APS out of the CBMS system, presumably further complicating the county funding allocation methodology, which relies on CBMS data.

Line Item History

The current county tax base relief formula was established through H.B. 08-1250. A prior program, the County Contingency Fund, was established in 1973. It was modified to ensure that the program targeted the most needy counties (a reduction from 41 counties receiving contingency in FY 2007-08 to 23 counties in FY 2008-09), consistent with the recommendations of a 2007 taskforce. Funding was halved in FY 2009-10 in response to an Executive Request and the JBC sponsored a bill to clarify that, through FY 2011-12, funding would be limited to "Tier 1" counties—those most in need. In FY 2011-12, the Executive proposed to eliminate this line item entirely. The JBC recommended, and the General Assembly approved, retaining \$1.0 million in the line item and adopting a JBC bill (S.B. 11-228) which changed how funds for county tax base relief are distributed to qualified counties when appropriations are insufficient to fully fund a county tax base relief funding tier.

County Tax-base Relief Calculation

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

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

	\$150,000	total calculated costs
-	<u>90,000</u>	generated by 3.0 mills
=	60,000	Tier I shortfall
x 0.75 =	45,000	County Tax Base Relief Allocation (75 percent of shortfall)

Calculations for Tier II is based on the difference between the shortfall not funded under Tier I and revenue generated by 2.5 mills, with a similar calculation for Tier III. The percent of shortfall funded declines under these latter tiers. Pursuant to S.B. 11-228, if amounts are insufficient to fully fund a tier, they are allocated so that each eligible county has the same proportion of the county's obligations paid through the combination of its available property tax revenue and county tax base relief appropriations.

Recent-year Actuals/Need

Almost \$1.0 million was reverted from this line item in FY 2010-11, when the appropriation was \$2.7 million. This was because the FY 2010-11 calculation relied on property tax valuations from the period prior to the market down-turn and only Tier I counties were allowed to be funded. There were no reversions in FY 2011-12 due to the reduction in property tax valuations during the down-turn as well as the reduced appropriation. For FY 2012-13 and FY 2013-14, the

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

decline in valuations has been fully incorporated into the calculation, and funding will be insufficient to meet the need for Tiers I, II, or III.

Request: The Department requests a continuation level of \$1,000,000 General Fund.

➔ Staff Initiated Tax Base Relief Increase

- The recommendation incorporates an increase of \$1,697,803 General Fund and is meant to fully fund Tiers I and II for FY 2013-14.
- This figure is based upon the Department's totals for public assistance programs that have a county share and assessed valuation in FY 2012-13.

Recommendation: Staff recommends \$2,697,803 General Fund for FY 2013-14. This incorporates an increase of \$1,697,803 General Fund and is meant to fully fund Tiers I and II for FY 2013-14. This figure is based upon the Department's totals for public assistance programs that have a county share and assessed valuation in FY 2012-13. Please see the Table below.

Estimate to Fully Fund County Tax Base Relief: FY 2012-13

	County Share for Final Distribution	Assessed Valuation Calendar 2011	Tier I	Tier II	Tier III	Total
Adams	\$11,559,847	\$4,568,563,790	\$0	\$69,219	\$571,070	\$640,289
Alamosa	\$880,524	\$147,822,295	\$327,793	\$36,956	\$18,478	\$383,226
Bent	\$236,913	\$74,128,217	\$10,896	\$18,532	\$9,266	\$38,694
Conejos	\$332,782	\$60,529,999	\$113,394	\$15,133	\$7,566	\$136,093
Crowley	\$160,508	\$36,861,245	\$37,443	\$9,215	\$4,608	\$51,266
Delta	\$739,464	\$310,037,430	\$0	\$0	\$29,847	\$29,847
Denver	\$22,710,527	\$10,886,848,700	\$0	\$0	\$234,207	\$234,207
El Paso	\$14,357,272	\$6,326,960,150	\$0	\$0	\$425,838	\$425,838
Fremont	\$1,454,713	\$433,935,650	\$114,680	\$108,484	\$54,242	\$277,406
Huerfano	\$324,600	\$123,139,646	\$0	\$8,376	\$15,392	\$23,768
Kiowa	\$77,964	\$38,015,530	\$0	\$0	\$483	\$483
Lincoln	\$258,632	\$91,225,414	\$0	\$15,284	\$11,403	\$26,687
Logan	\$786,121	\$265,620,070	\$0	\$61,036	\$33,203	\$94,238
Montrose	\$1,201,346	\$563,075,320	\$0	\$0	\$18,799	\$18,799
Morgan	\$1,187,628	\$410,587,890	\$0	\$80,579	\$51,323	\$131,903
Otero	\$573,837	\$126,123,986	\$146,599	\$31,531	\$15,766	\$193,895
Phillips	\$136,919	\$56,483,000	\$0	\$0	\$5,988	\$5,988
Prowers	\$543,724	\$125,485,534	\$125,451	\$31,371	\$15,686	\$172,508
Pueblo	\$5,768,928	\$1,559,438,638	\$817,959	\$389,860	\$194,930	\$1,402,748
Rio Grande	\$563,686	\$175,317,599	\$28,300	\$43,829	\$21,915	\$94,044
Saguache	\$243,978	\$63,549,700	\$39,997	\$15,887	\$7,944	\$63,828
Total	\$120,438,534	\$87,800,805,733	\$1,762,511	\$935,292	\$1,747,954	\$4,445,756

Staff is recommending an increase based on several factors. Counties that have faced elimination of county tax base relief funding beginning in FY 2010-11 are generally different counties from those that benefitted from the new food assistance administration funding awarded that same year. Among the recipients of the new food assistance administration funding, only Pueblo, Alamosa, and Fremont were also recipients of County Tax Base Relief. The amounts that they received from this additional funding were far less than the funds lost from County Tax

Base Relief. For example, Pueblo gained approximately \$270,000 while losing \$1.0 million. Alamosa gain about \$56,000 while losing \$423,000.

While large urban areas have experienced fastest caseload growth since the start of the recession, counties that were always poor have also experienced caseload growth—simply less than their large urban counterparts. For example: while the "big ten" counties have experienced 70 to 80 percent growth, smaller counties have experienced 20 to 30 percent caseload growth. Meanwhile, the fundamental economic factors addressed through Tax Base Relief have not changed. Because of the reduction in County Tax Base Relief, counties that are exceptionally poor (driving increased demand for public assistance) and/or have low property values (also due to relative poverty) have had to face excessively high tax rates or are unable to offer an equitable level of public assistance compared to other regions of the State.

In the absence of increased funding for County Tax Base Relief, staff anticipates that smaller rural counties will increasingly turn to higher mill levies and rely more heavily on them, because of their limited commercial and residential real estate base. Operating under TABOR, counties are constrained in their total mill levy revenue, but capable of redirecting a higher share of their mill levy revenue to social services. This means redirecting funds away from other key community services, such as public safety.

County Share of Offsetting Revenues

Section 26-13-108, C.R.S., provides that when government authorities recover any amounts of support for public assistant recipients, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line item reflects the county share of revenues earned through child support collections, fraud refunds, state revenue intercepts, and other refunds. The largest component is related to child support enforcement.

Approximately five percent of annual child support collections and fraud refunds are used to reimburse the State, counties, and the federal government for benefits provided to families from the Temporary Assistance for Needy Families Colorado Works program. Of total recoveries, the federal government receives 50 percent, the state receives 30 percent (some of which has historically been redirected to counties as county incentives), and counties receive 20 percent.

Request: The Department requests a continuation level appropriation of \$2,986,000 cash funds.

Recommendation: Staff recommends approval of the Department request. This is based on a 20 percent share of the Department's projection of retained collections to be received in FY 2013-14. Staff also recommends continuing the footnote pertaining to this line item, which clarifies that the amount shown is an estimate. The Department is authorized to disburse an amount in excess of this appropriation (or lower than it) to reflect the actual county share.

County Incentive Payments

This line item represents the portion of the State's share of child support collections and other refunds recoveries that are redirected to counties as incentives for their performance on child support enforcement activities. Section 26-13-108, C.R.S., provides that when government

authorities recover any amounts of support for public assistant recipients, such amounts may be used to reimburse public assistance paid in accordance with federal law. The federal government receives 50 percent of recoveries, the State 30 percent, and the counties 20 percent. Statute further provides that the State may redirect an unspecified portion of its share of such recoveries to counties as an additional child support enforcement incentive. In recent years, the General Assembly has indicated via footnote on this line item what portion of the state's share is to be provided to counties. Last year, the General Assembly passed S.B. 12-113, a JBC bill, which requires the General Assembly to set the State's share of public assistance recoveries for child support and maintenance that is redirected to counties in a footnote.

County incentive payments are distributed to counties on a quarterly basis using the same formula that is applied for federal child support enforcement incentives. The formula takes into account the "collections base" for the county (an adjustment for county size) and each county's performance on four child support enforcement measures: the paternity establishment percentage, the percentage of caseload with child support enforcement orders, the percent of current support paid, and the percent of arrears cases with a payment made. Counties are required to spend county incentive payments on social services, but are otherwise unrestricted in how the funds are used.

Recent Funding History

Prior to FY 2008-09, statute redirected 50 percent of the state-share of recoveries for county incentives, so that counties received 35 percent of total recoveries. House Bill 08-1342 modified statute to enable the State to redirect a larger share to counties for county incentives. It also transferred recoveries previously appropriated in the Colorado Works line item (\$2.5 million) into the County Incentives line item. This was in response to changes at the federal level that effectively reduced county funding for Child Support Enforcement by about \$3.3 million.

Funding for County Incentives for FY 2008-09 and FY 2009-10 was based on an estimated 100 percent of the state share of retained collections for Child Support Enforcement. Starting in FY 2010-11, funding and the footnote associated with this line item was again modified to specify that counties would receive 50 percent of the state-share of recoveries. The remaining 50 percent state share of recoveries was redirected to a capital construction project (rebuilding an information technology system, requiring \$2,677,500 of the State's share of recoveries) and to increase funding for state administration of child support enforcement for various time-limited special projects. This redirection of funds was eliminated in FY 2012-13, leading to a total appropriation of \$4,113,000 for this line item.

Request: The Department requests continuation level funding of \$4,113,000 cash funds.

Recommendation: Staff recommends approving the Department request, based on the projection of the amount that would represent 100 percent of the State's share of recoveries.

(7) Office of Self Sufficiency

The Self Sufficiency section of the Human Services budget includes the Colorado Works Program, the Special Purpose Welfare Programs (Low Income Energy Assistance Program, Food Stamp Job Search, Food Distribution, Low-Income Telephone Assistance Program, Income Tax Offset, Electronic Benefits Transfer Service, Refugee Assistance, and Systematic Alien Verification for Eligibility), Child Support Enforcement, Disability Determination Services, and Administration, which oversees these programs.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of Self Sufficiency						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$298,956,977	\$5,376,412	\$29,314,308	\$33,951	\$264,232,306	245.2
SB 13-091 (Supplemental Appropriations)	<u>302,916</u>	<u>1,651,000</u>	<u>0</u>	<u>0</u>	<u>(1,348,084)</u>	<u>0.0</u>
TOTAL	\$299,259,893	\$7,027,412	\$29,314,308	\$33,951	\$262,884,222	245.2
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$299,259,893	\$7,027,412	\$29,314,308	\$33,951	\$262,884,222	245.2
Annualize prior year funding	(302,916)	(1,651,000)	0	0	1,348,084	0.0
Staff Initiated LEAP Adjustment	(1,592,354)	0	300,000	0	(1,892,354)	0.0
BA #6 Adjust County TANF Reserve Balances	<u>(1,348,084)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,348,084)</u>	<u>0.0</u>
TOTAL	\$296,016,539	\$5,376,412	\$29,614,308	\$33,951	\$260,991,868	245.2
Increase/(Decrease)	(\$3,243,354)	(\$1,651,000)	\$300,000	\$0	(\$1,892,354)	0.0
Percentage Change	(1.1%)	(23.5%)	1.0%	0.0%	(0.7%)	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$1,592,354	\$0	(\$300,000)	\$0	\$1,892,354	0.0

Issue Descriptions

Annualize Prior Year Funding: The recommendation includes a technical adjustment to eliminate the impact of the FY 2012-13 supplemental related to BA #6 from the base prior to reducing federal funds for BA #6. Essentially this adjustment prevents a double reduction.

Staff Initiated LEAP Adjustment: The recommendation includes a reduction of 1,592,354 in total funds for the Low Income Energy Assistance Program. This includes: (1) \$2.45 million in Severance Tax Funds available, rather than the \$2.15 million included in the request; and (2) a \$1.9 million reduction based on projected federal FY 2013 Low Income Home Energy Assistance Program (LIHEAP) receipts. This is an adjustment related to custodial LIHEAP funding and is therefore reflected solely for informational purposes.

BA #6 Adjust County TANF Reserve Balances: The recommendation includes a reduction of 1,348,084 in TANF Reserve Balances. This line item is included in the Long Bill for informational purposes and is the subject of an annual supplemental request and budget amendment made after the actual year-end reserve level is known. Thus, consistent with past practice, the recommendation for FY 2013-14 is 1,348,084 less than the current year based on county reserves as of September 30, 2012.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES OVERVIEW

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

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

The federal government historically provided an annual block grant to Colorado of approximately \$150 million, which was reduced in FY 2011-12 to \$136 million. Receipt is subject to Colorado's compliance with MOE requirements (\$88.5 million).² Authorization for the current federal TANF program expired September 30, 2010. However, it has been maintained through continuing resolutions. It is still unclear when full reauthorization might occur.³ Pursuant to federal law, and unlike most federal funds, TANF funds are subject to annual appropriation by the General Assembly for purposes consistent with the federal law.

Most TANF funding is appropriated as allocations to counties for the Colorado Works program (\$128.2 million federal funds in FY 2012-13). Counties are responsible for complying with the associated federal and state requirements for providing basic cash assistance to qualifying families and ensuring qualifying individuals comply with work participation requirements.⁴

² Colorado also received temporary extra allotments in response to the recession, through TANF Contingency Funds and ARRA. Pursuant to federal law, Contingency Funds are provided to states based on unemployment rate increases or high food assistance caseloads. Colorado first qualified for Contingency Funds in 2008-09. It may continue to qualify under one of the triggers in FY 2013-14; however, even if Colorado were to qualify there is no guarantee that funds will be available. A change in the triggers is also possible, if TANF is reauthorized.

³ The most recent extension maintains the program through the end of March 2013. Supplemental grants have not been authorized since the September 2011 extension (H.R. 2943). They were reduced in FFY 2010-11 (the federal fiscal year ending September 30, 2011) and eliminated starting in FFY 2011-12.

⁴ Federal rules require a 50 percent of recipient families and 90 percent of two-parent families fulfill work participation requirements for "work eligible" families, with a credit again work participation rates for reductions in

They must also spend county funds for their share of the federal maintenance of effort requirement (\$22.2 million).⁵

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

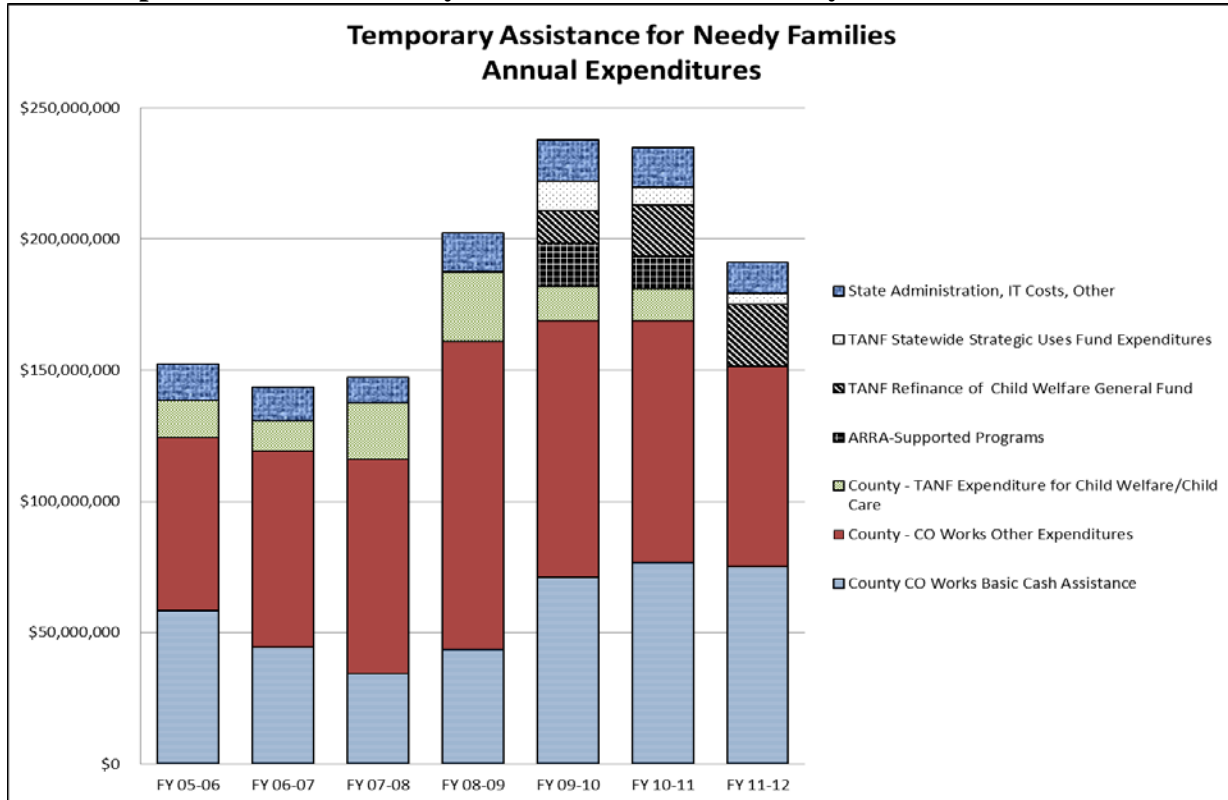
Typically, fifty percent or more of Colorado Works funding is used by counties for purposes other than basic cash assistance. Significant funding has been used to support local non-profits and various county-specific programs serving families with incomes of up to \$75,000 per year. Counties also retain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

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

a state's caseload since FFY 2005. Colorado met the work participation requirement for FFY 2009 with a work participation rate of 37.8 percent.

⁵Based on an approach adopted in FY 2011-12, if the State is notified that it has met the federal work participation rate for a prior year and qualifies for a percent reduction in the state's maintenance of effort, the local cash funds maintenance of effort requirement for the subsequent year is reduced by \$5.5 million.

TANF Expenditure Trends: Key Drivers and Recent History



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

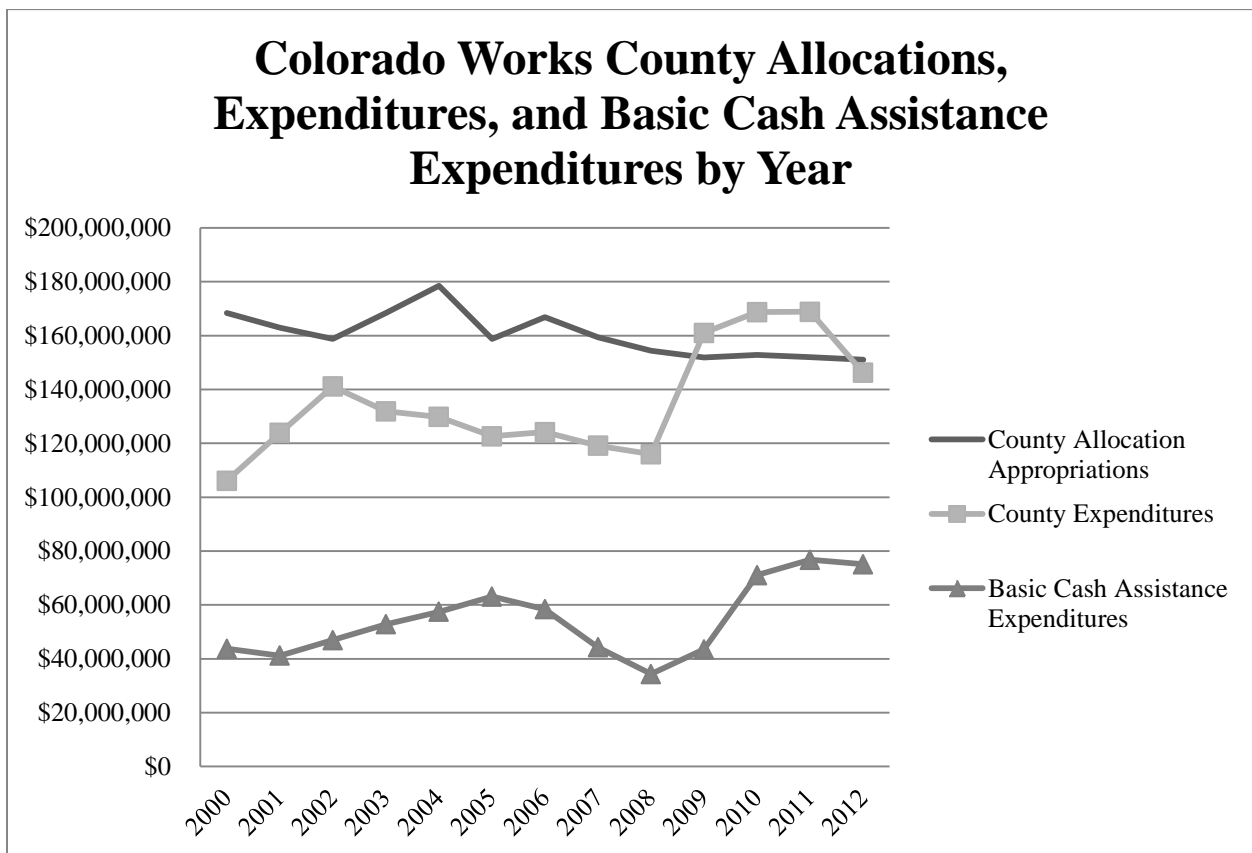
As reflected in the chart above, the expenditure of TANF funds has changed substantially in recent years. These changes reflect a number of factors, including:

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

Demand for Basic Cash Assistance and County Spending Policies

County expenditures of TANF/Colorado Works funds have fluctuated based on the demand for basic cash assistance. In FY 2011-12, despite the fact that basic cash assistance caseload remained high, counties sharply reduced their total spending.

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



The Department does not collect any information on how counties achieved these lower expenditure levels and, in general, has very little information on how counties use their TANF funds, other than Basic Cash Assistance amounts. Based on county-level expenditure data, staff

notes that many of the larger counties continued to over-expend their allocations in FY 2011-12. However, most small and medium-sized counties under-expended.

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

Federal Policy

Changes in federal funding for the TANF program have substantially affected state spending overall. Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Colorado was able to access \$68.0 million in supplemental TANF funds in FY 2008-09 and FY 2009-10 through a combination of the TANF Emergency Fund created through ARRA and the Contingency Fund created in 1996. Of the \$68.0 million accessed by Colorado during this period, \$43.1 million was from ARRA TANF Emergency Fund, which reimbursed the State for 80 percent of increased spending in certain categories (including basic cash assistance), and \$24.9 million was from the TANF Contingency Fund.⁶ Of this funding, \$23.2 million was used for new short-term program expenditures authorized through an FY 2009-10 supplemental appropriation. This included a subsidized employment program, a "rapid rehousing" program, and increased funding for low-income energy assistance and refugee services. The balance was used to facilitate refinance of Child Welfare General Fund with TANF funds and to help support county Colorado Works block grants and total TANF appropriations.

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

State Policy

State policy has been driven by the increases and decreases in federal funding, as well as state General Fund budget constraints, which led the State to use TANF to refinance General Fund in

⁶ To qualify for the Emergency Fund, the State was required to demonstrate caseload increases over prior years. To qualify for the Contingency Fund, a state's three-month unemployment rate must be at least 6.5 percent and at least 10 percent higher than the corresponding rate in either of the previous two years *or* its Supplemental Nutrition Assistance Program caseload must be at least 110 percent of the monthly average for FFY 1994 or 1995). It must also demonstrate maintenance of effort expenditures at 100 percent of the 1994 level (as opposed to the 80 percent of such expenditures usually required).

the Division of Child Welfare. The General Assembly refinanced \$12.5 million in FY 2009-10, \$19.5 million in FY 2010-11, \$23.5 million in FY 2011-12, and \$6.0 million in FY 2012-13.

State policy has also been shaped by the size of TANF reserves. Beginning in FY 2004-05, county-controlled TANF reserves began to grow, as both total and basic cash assistance expenditures fell.⁷ By FY 2006-07, reserves of funds under county control exceeded \$160 million and, in total, were larger than total annual funding for TANF county block allocations, as reflected in the chart below.⁸ Reserves under state control (identified in the chart as Long-term Reserve amounts) were far smaller.

In response, the General Assembly adopted S.B. 08-177 (Boyd/McGihon and Massey). Senate Bill 08-177 included provisions to increase basic cash assistance awards, establish caps on county-controlled TANF reserves, and authorized new uses of TANF funds at the state level (*e.g.*, the Statewide Strategic Uses Fund). A number of S.B. 08-177 components have since been modified or eliminated. Senate Bill 11-124 set the county reserve cap at 40 percent of the annual Colorado Works allocation to a county and specified that if counties exceeded their reserve caps, excess amounts would be redistributed to other counties, rather than reverting to the State-controlled Long-term Reserve. House Bill 12-1341 eliminated the state-controlled Statewide Strategic Use Fund and transferred unspent amounts to the main TANF Long-term Reserve.

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

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

As part of the JBC's 2012 legislative session action on TANF, the JBC indicated that it expected all remaining TANF refinance in the Division of Child Welfare to be eliminated and General Fund restored for FY 2013-14 (a cost of \$11.0 million General Fund). This expectation was reflected in the Long Bill Narrative and Appropriations Report. However, the Executive Request restores only \$5.0 million General Fund to Child Welfare in FY 2013-14 to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13. The request does

⁷ TANF "reserves" reflect federal spending authority for moneys not yet drawn down and expended by the State. Moneys are only transferred to the State based on qualified expenditures.

⁸ This reserve figure includes TANF funds that had been transferred to separate TANF reserves for child welfare and child care programs.

not replace the remaining \$6.0 million TANF funds in Child Welfare with General Fund or reduce this TANF appropriation.

The Department felt that because of adjustments in the Department's Long-term Reserve projection for TANF, there would be sufficient TANF revenue to cover FY 2013-14 appropriations at FY 2012-13 levels. This assumes that FY 2012-13 Contingency Funds of \$6.8 million are received. To date, the Department has received \$4.5 million in contingency funds. Additionally, the under-expenditure of General Fund in the Division of Child Welfare may have made it difficult to justify a larger net General Fund increase to replace TANF funds.

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

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

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

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

Based on the 2012 session expression of legislative intent, the General Assembly may wish to consider eliminating all TANF funding and restoring General Fund in the Division of Child Welfare in FY 2013-14. Staff is not recommending such an action in light of the updated TANF revenue projections. However, this will only serve to delay cuts to county TANF allocations.

The General Assembly could also consider a cut to TANF allocations for Child Welfare without a General Fund restoration. Staff is not recommending this approach because the benefits of maintaining Colorado Works appropriations do not clearly outweigh the costs of cutting Child Welfare appropriations. Additionally, the new federal Title IV-E waiver for Child Welfare may restrict the State's ability to reduce Child Welfare funding. It is not yet clear how TANF funding for Child Welfare will be treated under the waiver's maintenance of effort requirements.

LINE ITEM DETAIL

(A) Administration

The Office of Self Sufficiency's Administration section is responsible for the oversight of the Colorado Works Program, the Special Purpose Welfare Programs, Child Support Enforcement, and Disability Determination Services.

Personal Services

This line item supports the base salary, state PERA contributions, and contracts the division management uses for administrative oversight of its programs. Support for the Colorado Works program was moved from this line to the Colorado Works section of the budget in FY 2006-07. In FY 2007-08, 3.0 FTE were added to provide additional oversight of counties' administration of the Food Stamps program.

Request: The Department has requested continuation level funding of \$1,678,483 total funds, including \$718,999 General Fund, and 22.0 FTE for FY 2013-14.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Personal Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$1,678,483</u>	<u>\$718,999</u>	<u>\$959,484</u>	<u>22.0</u>
TOTAL	\$1,678,483	\$718,999	\$959,484	22.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$1,678,483</u>	<u>\$718,999</u>	<u>\$959,484</u>	<u>22.0</u>
TOTAL	\$1,678,483	\$718,999	\$959,484	22.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds the operating expenses of the Division. Common operating expenses include postage, equipment maintenance, and in-state travel.

Request: The Department requests \$77,499, including \$54,133 General Fund for FY 2013-14.

Recommendation: Staff recommends approving the Department request.

(B) Colorado Works Program

The Colorado Works Program implements the federal TANF block grant program. The purposes of TANF, as outlined in statute at 26-2-705, C.R.S., include:

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

Pursuant to federal law, the General Assembly has authority to appropriate TANF block grant funds for purposes consistent with these goals. In the past, Colorado received approximately \$150 million per year in federal TANF block grant funds. As discussed above, this figure was reduced to about \$136 million in FY 2011-12 because the U.S. Congress did not reauthorize TANF Supplemental Grants. These have historically comprised \$13.6 million of the Colorado allocation. Most of the Colorado TANF allocation is "sub-block-granted" to counties for the Colorado Works program. Colorado Works is a state-supervised, county administered program.

Colorado Works Administration

This program line item includes administrative costs associated with state supervision and oversight of the county-administered Colorado Works program.

Request: For the Colorado Works Administration line, the Department requests a continuing appropriation of \$1,507,454 federal TANF funds and 18.0 FTE. Of this total, \$1,393,721 is for personal services and \$113,733 is for operating.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Administration				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	\$1,507,454	\$0	\$1,507,454	18.0
TOTAL	\$1,507,454	\$0	\$1,507,454	18.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,507,454	\$0	\$1,507,454	18.0
TOTAL	\$1,507,454	\$0	\$1,507,454	18.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

County Block Grants

This line item provides funding to county departments of social services to administer the Colorado Works Program. Counties have the flexibility to use the funds for administration or program needs and to transfer up to 30 percent of funds to child welfare and child care programs. The allocation of funds among the counties is based on demographic and economic factors and is determined by the Department based on input from the Colorado Works Allocation Committee. Pursuant to Section 26-2-714, C.R.S., if the Department and the Colorado Works Allocation Committee do not reach agreement on allocations, alternatives are submitted to the Joint Budget Committee, which makes the final allocation determination. (This has never occurred.)

The line item is funded with federal Temporary Assistance for Needy Families (TANF) funds, local cash funds, and an amount from the state's share of recoveries and refunds from Child Support Enforcement and other programs. Pursuant to Section 26-2-714 (6) (c) (I), C.R.S. "For state fiscal year 1998-99 and for each state fiscal year thereafter, all counties collectively shall be required to meet levels of sending on the works program that are set forth in the annual long appropriation act..." Counties are required to fully expend their share of the maintenance of effort requirement in the Long Bill (\$22,149,730 local funds in FY 2012-13) before receiving their share of funding from their federal block grant.

Request: The Department requests continuation level funding of \$150,548,087 for this line item. The request includes and \$128,198,357 federal TANF funds and \$22,349,730 cash funds, comprised of local MOE funds and the State's share of recoveries from child support collections, fraud refunds and revenue intercepts.

Recommendation: Staff recommends approving the Department request.

Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirements

This line item was eliminated for the FY 2012-13 Long Bill; however it will appear in the staff narrative until there are no longer actual expenditures associated with it in the numbers pages. It used to provide spending authority for the Department to reimburse counties when the state is notified that its federally required TANF MOE has been reduced based on the state meeting specified work participation rates. Pursuant to Section 26-2-714 (10), C.R.S.:

"If the state meets federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort as specified in federal law for any year, the actual spending level for the works program of all counties collectively shall be reduced by the same amount as the amount of the reduction in the federal maintenance of effort requirement."¹

¹ Note that this same provision charges the Colorado Works Allocation Committee with determining each county's share of the reduction in actual spending levels. In the event that the Colorado Works Allocation Committee does not reach an agreement on each individual county's

Prior to FY 2012-13, this provision was operationalized via an additional annual TANF appropriation to counties in the amount of \$5,524,726 in this line item. After considering the statutory language above, staff argued that the Department could comply with the statutory requirement without either a statutory change or a violation of the statute. The language requires a reduction in counties' spending obligation—but does not require that this be achieved through an additional TANF allocation to counties to reimburse them for previous expenditures.

In lieu of providing counties with additional TANF funds as a reimbursement, the State instead is now required through a footnote in the Long Bill to reduce county MOE spending obligations in the year after it is notified that the State has met federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort. No appropriation is requested or recommended for this line item for FY 2013-14.

County Block Grant Support Fund

This line item was eliminated for the FY 2012-13 Long Bill due to a long-standing discrepancy between TANF revenues and expenditures and the projected exhaustion of TANF reserves in FY 2012-13 without reductions to various TANF-funded line items. However, the line item will appear in the staff narrative until there are no longer actual expenditures associated with it in the numbers pages.

Senate Bill 08-177 renamed the Short-term Works Emergency Fund the County Block Grant Support Fund. Pursuant to Section 26-720.5, C.R.S., the State Department allocated money in the Fund according to criteria and procedures established by the Department and the Colorado Works Allocation Committee. Priority was given to any county that exhausted all moneys available in the county's block grant for Colorado Works for that fiscal year. No appropriation is requested or recommended for this line item for FY 2013-14.

County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs

Pursuant to Section 26-2-714 (5) (a), C.R.S., counties are authorized to maintain a County Reserve Account of unspent Works Program county block grant funds. Counties may also retain reserves of TANF funds that are transferred to child welfare and child care block grants.

This line item is included in the Long Bill for informational purposes to assist the General Assembly and public in tracking the level of unspent TANF funds controlled by counties. It is the subject of an annual supplemental request and budget amendment made after the actual year-end reserve level is known. Thus, consistent with past practice, the line item request for the FY 2013-14 Long Bill is based on county reserves as of September 30, 2012, and this figure will be adjusted in the FY 2013-14 supplemental bill to reflect reserves as of September 30, 2013.

reduction in actual spending levels, it is required to submit alternatives to the Joint Budget Committee and the JBC would identify each individual county's share of the reduction.

➔ BA-6 – Adjust County TANF Reserve Balances

- The Department requests a decrease of \$1.4 million in federal funds reflected for FY 2013-14 in the County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs line item.
- This adjustment is to reflect the actual balance of \$38,680,365 in county-controlled reserves of TANF funding as of September 30, 2012.

Request: The Department requests \$38,680,365 federal funds (TANF) for this line item, including a reduction of \$1,348,084 for BA-6 (Colorado Works – Adjustment to County TANF Reserves).

Recommendation: Staff recommends approving the Department request.

County Training

Pursuant to Section 26-2-712 (7), C.R.S., the Department is to develop training for case workers "so that they are knowledgeable and may assist participants in: (a) identifying goals, including work activities, time frames for achieving self-sufficiency, and the means required to meet these benchmarks; (b) obtaining supportive services such as mental health counseling, substance abuse counseling, life skills training, and money management or parenting classes; (c) utilizing the family's existing strengths; (d) providing ongoing support and assistance to the family in overcoming barriers to training and employment; (e) monitoring the progress of the family toward attaining self-sufficiency; and (f) proper handling of domestic violence situations".

Request: The Department requests continuation level funding of \$475,744 federal TANF block grant funds and 2.0 FTE. Of this total, \$175,393 is for personal services and \$300,351 is for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

County Training				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	\$475,744	\$0	\$475,744	2.0
TOTAL	\$475,744	\$0	\$475,744	2.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$475,744	\$0	\$475,744	2.0
TOTAL	\$475,744	\$0	\$475,744	2.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Domestic Abuse Program

Pursuant to Section 26-7.5-101 et seq., C.R.S., the purpose of the Domestic Abuse Program is to encourage local governments and non-governmental agencies to develop domestic abuse programs. State funding for domestic abuse programs comes from the Domestic Abuse Program Fund and federal TANF funds. Moneys are appropriated from the Colorado Domestic Abuse Program Fund (Section 26-7.5-105 (3), C.R.S. for distribution to local entities as well as for the Department's related administrative expenses.

The cash fund consists of taxpayer contributions (through a check-off on Colorado individual income tax returns), any appropriations from the General Assembly, fees for petitions and responses in divorce proceedings, and marriage licenses. Senate Bill 09-068 increased the fees for divorce proceeding (by \$5 for the Domestic Abuse Program Fund) and the marriage license fee (by \$20 for the Domestic Abuse Program Fund). In addition, in FY 2012-13 the General Assembly appropriated just under \$630,000 in federal TANF funds for the program.

For FY 2012-13, the General Assembly reduced the TANF appropriation to this line item by \$30,000. However in light of reserves in the Domestic Abuse Program Fund, these TANF dollars were replaced with a \$30,000 increase in the appropriation from the Domestic Abuse Program Fund. As reflected in the table below, staff projects additional expenditures from the Fund of \$30,000 per year should be sustainable through FY 2013-14, if revenues are stable.

Domestic Abuse Program Fund				
	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Recommend	FY 2014-15 Estimate
Beginning FY Balance	\$520,087	\$402,179	\$214,900	\$27,622
Revenue*	1,078,623	1,078,623	1,078,623	1,078,623
Actual/Requested Expenditures	<u>1,196,352</u>	<u>1,265,901</u>	<u>1,265,901</u>	<u>1,265,901</u>
Ending Balance	\$402,179	\$214,900	\$27,622	(\$159,656)

*While staff has projected FY 2011-12 actual revenue continuing, the Department projects ongoing annual revenue of more than \$1.2 million.

Request: The Department requests continuation level funding of \$1,831,431, including \$1,201,754 cash funds and \$629,677 TANF funds, and 2.7 FTE for this line item. Of this total, \$171,276 is for personal services and \$1,660,155 is for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Domestic Abuse Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$1,831,431</u>	<u>\$0</u>	<u>\$1,201,754</u>	<u>\$629,677</u>	<u>2.7</u>
TOTAL	\$1,831,431	\$0	\$1,201,754	\$629,677	2.7

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

	Domestic Abuse Program				
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$1,831,431	\$0	\$1,201,754	\$629,677	2.7
TOTAL	\$1,831,431	\$0	\$1,201,754	\$629,677	2.7
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Works Program Evaluation

Pursuant to Section 26-2-723, C.R.S. the department was previously required to oversee an annual evaluation of the Works Program. This statute has been repealed; however, through an FY 2009-10 decision item, the Department requested ongoing funding at a lower level to evaluate the program. In FY 2011-12, the Committee voted to substantially reduce the appropriation from \$350,007 in FY 2010-11 to \$95,000 in FY 2011-12.

Request: The Department requests continuation level funding of \$95,000 federal TANF funds for this line item in FY 2013-14.

Recommendation: Staff recommends approval of the Department request.

Workforce Development Council

This line item represents the Department's share of funding for the Workforce Development Council in the Department of Labor. The Council serves as the State's "work force investment board" as required under the federal *Workforce Investment Act of 1998*, and is responsible for statewide planning and coordination in the delivery of federal workforce development programs and associated federal block grant moneys received.

In this regard, the Council is required to develop and submit to the U.S. Department of Labor a statewide plan for workforce development which coordinates federal, state, and local workforce development programs. The Council performs support functions and activities related to the eighteen workforce development centers throughout the state, which provide services to individuals seeking employment (including TANF participants). Funding comes from administrative moneys for several federal programs delineated in federal law and the allocation of federal funds is determined annually by the Office of State Planning and Budgeting (OSPB).

In FY 2012-13, the Committee voted to substantially reduce the appropriation from \$105,007 in FY 2011-12 to \$85,000 in FY 2012-13. This reduction was based on actual spending for the last two fiscal years and TANF solvency issues.

Request: The Department is requesting a continuation level appropriation of \$85,000 in federal TANF for this line item in FY 2013-14.

Recommendation: Staff recommends approval of the Department request.

Promoting Responsible Fatherhood Grant

This line item was eliminated for the FY 2012-13 Long Bill; however, it will appear in the staff narrative until there are no longer actual expenditures associated with it in the numbers pages. The line included the appropriations for the Promoting Responsible Fatherhood Grant the Department received from the federal government. This multi-year grant, which the state first received in FY 2008-09, was completed in FY 2011-12. No appropriation is requested or recommended for this line item for FY 2013-14.

Colorado Works Program Maintenance Fund

This line item was eliminated for the FY 2012-13 Long Bill; however, it will appear in the staff narrative until there are no longer actual expenditures associated with it in the numbers pages. The line was created by S.B. 08-177 and allowed the Department to respond to emergencies or other unforeseen circumstances at both the state and county level.

Initially, the line item was funded at \$3,000,000 federal TANF funds. Funding was reduced to \$100,000 in FY 2010-11 due to the imbalance between TANF appropriations and revenue, the need to offset proposed funding increases, and the refinance of General Fund with TANF elsewhere in the budget. The Department requested a continuation level of funding of \$100,000 in FY 2012-13; however, the Committee eliminated the appropriation for the line item. No appropriation is requested or recommended for this line item for FY 2013-14.

Colorado Works Statewide Strategic Uses Fund

This line was created by S.B. 08-177. Pursuant to Section 26-2-721.7, C.R.S., the fund is to be used to support initiatives and programs that meet one of the four purposes of the federal TANF program. An advisory committee that includes: representatives of the Department and the Department of Public Health and Environment; Colorado counties; and advocates for participants in the Colorado Works program, early childhood development, child welfare, community colleges, workforce development and mental health. The line item was originally funded with \$10,000,000. This was reduced to \$4,000,000 in FY 2010-11 and eliminated in FY 2011-12 due to the imbalance between TANF appropriations and revenue and the need to offset proposed funding increases and the refinance of General Fund elsewhere in the budget.

Department records indicate that \$1.7 million previously appropriated remained in the Fund at the end of FY 2011-12. Pursuant to statute, once appropriated to the Fund, amounts in the Fund are continuously appropriated and therefore this amount is expected to be spent down over time. The line item will continue to appear in the staff narrative until there are no longer actual expenditures associated with it in the numbers pages. No new appropriation to the Fund is requested or recommended for FY 2013-14.

(C) Special Purpose Welfare Programs

(1) Low Income Energy Assistance Program

Section 26-2-122.5, C.R.S., authorizes the Department to accept and administer funds related to low income energy assistance. The Low Income Energy Assistance Program (LEAP) provides

energy subsidies to low income households. "Low income" for this program is now defined as 150 percent of the federal poverty level (reduced by the Department in FY 2011-12 from 185 percent of the federal poverty level). The majority of funding is used to help cover heating bills for low income individuals for the cold-weather months of the year and to avoid heating shut-offs. Additionally, a portion of funding is directed to assist low-income individuals facing a heating system emergency (e.g., a furnace failure) and to fund heating system repairs. Counties assist applicants and accept and forward applications to the Department; home energy subsidy levels are established centrally by the Department.

Most of the funding derives from the federal Low Income Home Energy Assistance Program (LIHEAP) block grant. This block grant is considered a federal custodial funding source and related amounts are shown in the Long Bill for informational purposes only. Amounts available from the LIHEAP block grant and associated federal contingency funds have been highly variable, ranging from \$33.1 million in FY 2006-07 to \$71.4 million in FY 2008-09. Energy Outreach Colorado (EOC), a non-profit, also forwards funding to the LEAP program. The EOC moneys are from utilities from unclaimed overpayments and security deposits. Finally, Severance Tax and Temporary Assistance to Needy Families block grant funds (state-appropriated federal funds) have been used to support the LEAP program.

Low Income Energy Assistance Program				
Fiscal Year	Actual Expenditures	Percent Change Expenditures	Actual/Estimated Caseload	Percent Change Caseload
2005-06	\$69,947,472	56.3%	107,099	not available
2006-07	\$46,426,404	-33.6%	93,487	-12.7%
2007-08	\$52,286,937	12.6%	92,360	-1.2%
2008-09	\$73,216,811	40.0%	105,718	14.5%
2009-10	\$77,409,173	5.7%	123,388	16.7%
2010-11	\$59,000,577	-23.7%	125,099	1.4%
2011-12	\$50,039,154	-15.2%	100,796	-19.4%

Program Utilization and Benefit

As reflected in the table above, the caseload for this program increased sharply in FY 2008-09 and FY 2009-10 and was relatively flat from FY 2009-10 to FY 2010-11. The decline shown for FY 2011-12 is driven by a reduction in the eligibility limit to 150 percent of the federal poverty level. For FY 2012-13, the program anticipates a caseload of 100,796.

Severance Tax Funding

Under current law (Section 39-29-109.3 (2) (f), C.R.S.), through FY 2018-19, the LEAP program receives \$3.25 million per year transferred from the Operational Account of the Severance Tax Trust Fund if overall Severance Tax revenues are sufficient to support the full amount of the transfer. For FY 2009-10, statutory change first lowered the LEAP allocation to \$1.65 million

and then transferred the allocation to the General Fund. For FY 2010-11 and FY 2011-12, the entire allocation for LEAP was also transferred to the General Fund in S.B. 11-226.

Based on the December 2012 Legislative Council Staff revenue forecast and statutory Severance Tax allocations, there is not expected to be sufficient funding to fully support tier 2 transfers for FY 2013-14. Pending a later forecast and/or a statutory changes, staff anticipates that the \$3.25 million in statutory Severance Tax funding will be reduced by about 25 percent to approximately \$2.45 million. Staff has incorporated this figure in line item calculations below. However, this amount is shown for informational purposes only, and, if appropriate based on subsequent JBC decisions, staff will modify this figure.

Temporary Assistance for Needy Families Funding

In recent years, \$1,500,000 million from the TANF block grant has been appropriated in the Long Bill for this program (additional funding was provided in FY 2009-10 under the American Recovery and Reinvestment Act). However, based on the decline in available TANF funding, the Governor restricted the \$1.5 million TANF appropriation for LEAP for FY 2011-12 and the Committee voted to eliminate TANF funding altogether for FY 2012-13 and future years.

Request: The Department requests a continuing level appropriation of \$48,093,420, including \$3,150,000 cash funds and \$44,943,420 federal funds, and 5.2 FTE.

➔ Staff Initiated LEAP Adjustment

- The recommendation includes a reduction of 1,592,354 in total funds for the Low Income Energy Assistance Program.
- This includes: (1) \$2.45 million in Severance Tax Funds available, rather than the \$2.15 million included in the request; and (2) a \$1.9 million reduction based on projected federal FY 2013 Low Income Home Energy Assistance Program (LIHEAP) receipts.
- This is an adjustment related to custodial LIHEAP funding and is therefore reflected solely for informational purposes.

Recommendation: Staff recommends \$46,501,066 in total funds, including \$43,051,066 in federal funds and \$3,450,000 in cash funds. Of this, \$387,828 is for personal services. The staff recommendation is detailed in the table below. The differences between the request and recommendation include: (1) staff reflects \$2.45 million in Severance Tax Funds available, rather than the \$2.15 million included in the request; (2) staff has incorporated a \$1.9 million reduction based on projected federal FY 2013 LIHEAP receipts. This is an adjustment related to custodial LIHEAP funding and is therefore reflected solely for informational purposes.

Low Income Energy Assistance Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$48,093,420</u>	<u>\$0</u>	<u>\$3,150,000</u>	<u>\$44,943,420</u>	<u>5.2</u>

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Low Income Energy Assistance Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
TOTAL	\$48,093,420	\$0	\$3,150,000	\$44,943,420	5.2
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$48,093,420	\$0	\$3,150,000	\$44,943,420	5.2
Staff Initiated LEAP Adjustment	(<u>\$1,592,354</u>)	<u>\$0</u>	<u>\$300,000</u>	<u>(\$1,892,354)</u>	<u>0.0</u>
TOTAL	\$46,501,066	\$0	\$3,450,000	\$43,051,066	5.2
Increase/(Decrease)	(<u>\$1,592,354</u>)	\$0	\$300,000	(<u>\$1,892,354</u>)	0.0
Percentage Change	(3.3%)	0.0%	9.5%	(4.2%)	0.0%
FY 2013-14 Executive Request:	\$48,093,420	\$0	\$3,150,000	\$44,943,420	5.2
Request Above/(Below) Recommendation	\$1,592,354	\$0	(\$300,000)	\$1,892,354	0.0

(2) Food Stamp Job Search Units

Program Costs

This program provides employment, job search, and training services to food assistance recipients. Able-bodied recipients, ages 18 to 60, without dependent children, must generally meet a work requirement in order to remain eligible for food assistance. If they do not meet the work requirement, these individuals are limited to 3 months of food assistance benefits in any 36-month period. Work is defined as work, workfare, or an educational activity (adult basic education, GED preparation, college courses, vocational training, vocational rehabilitation, or job search classes).

The appropriation is comprised of several funding sources. Federal funds are Supplemental Nutrition Assistance Program (SNAP) moneys. A portion of the program earns a 50 percent federal match based on state administrative activities while other areas can earn 100 percent federal money. Local funds include a 20 percent share for eligible activities.

Request: The Department requests continuation level funding of \$2,057,920 total funds, including \$178,003 General Fund, and 6.2 FTE for FY 2013-14. The request includes \$479,553 in personal services and \$1,578,367 in operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Program Costs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$2,057,920</u>	<u>\$178,003</u>	<u>\$409,382</u>	<u>\$1,470,535</u>	<u>6.2</u>
TOTAL	\$2,057,920	\$178,003	\$409,382	\$1,470,535	6.2
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	<u>\$2,057,920</u>	<u>\$178,003</u>	<u>\$409,382</u>	<u>\$1,470,535</u>	<u>6.2</u>

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Program Costs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
TOTAL	\$2,057,920	\$178,003	\$409,382	\$1,470,535	6.2
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,057,920	\$178,003	\$409,382	\$1,470,535	6.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Supportive Services

This line item contains funding for the provision of supportive services to eligible Employment First participants. Such services may include transportation assistance, clothing and grooming allowances and child care services.

Request: The department requests continuation level funding of \$261,452, including \$78,435 General Fund for FY 2013-14.

Recommendation: Staff recommends the Committee approve the department's request for continuation funding.

(3) Food Distribution Program

This program administers the distribution of foods from the U.S. Department of Agriculture (USDA) to eligible recipient agencies, which maintain and enhance the nutritional needs of the populations served. Agencies include schools, child care centers, local jails, nutrition programs for the elderly and the Department of Corrections.

Request: The Department request is for continuation level funding of \$566,630 and 6.5 FTE, including \$45,583 General Fund. Of this amount, \$489,844 is for personal services and \$76,786 is for operating.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Food Distribution Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$566,630</u>	<u>\$45,583</u>	<u>\$243,813</u>	<u>\$277,234</u>	<u>6.5</u>
TOTAL	\$566,630	\$45,583	\$243,813	\$277,234	6.5
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	<u>\$566,630</u>	<u>\$45,583</u>	<u>\$243,813</u>	<u>\$277,234</u>	<u>6.5</u>
TOTAL	\$566,630	\$45,583	\$243,813	\$277,234	6.5
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$566,630	\$45,583	\$243,813	\$277,234	6.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

(4) Low-Income Telephone Assistance Program

This program provides financial assistance to low-income households to maintain basic telephone service. This line item funds the administrative costs associated with the program.

Pursuant to Section 40-3.4-105, C.R.S., eligibility is determined by the Department of Human Services for those individuals receiving assistance through the Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, or low income, disabled individuals who qualify for supplemental security income. The program is funded through a land-line telephone surcharge assessed on telephone customers statewide—previously \$0.07 and currently \$0.03 per month. The Public Utilities Commission (Department of Regulatory Agencies) establishes the uniform charge to each business and individual line. Providers retain, from the fees collected, an amount sufficient to reimburse the provider for the provision of low-income telephone assistance. Remaining collections are transmitted to the State for deposit in the Low-Income Telephone Assistance Fund. The General Assembly appropriates from the Fund for the direct and indirect costs of administering the program in the Department of Human Services.

The combined State and federal benefit was \$16.50 per month per household, including \$6.50 from state sources and \$10.00 from federal sources. The total subsidy is slightly more than the \$16 per month average cost for basic telephone service, exclusive of taxes and surcharges. Taxes and surcharges appear, at least in some cases, to double the cost of basic service.

May 2010 SAO Audit

A May 2010 State Auditor's Office audit recommended reducing or eliminating the program and relying on the related federal subsidy, given that only about 5 percent of low-income households use the program, 96 percent of low income households have access to a telephone, and that the state has no jurisdiction over cell phone services. As an alternative to eliminating or reducing the program, the SAO auditors recommended program changes including a technical clarification regarding who is eligible for the program and improved program outreach. Senate Bill 11-002, by the Audit Committee, addressed the technical clarifications on eligibility, while a bill to eliminate the program (House Bill 11-1244) was postponed indefinitely.

R-7 - Low Income Telephone Assistance Program Integrity

For FY 2012-13, the Department request included an increase of \$39,566 cash funds and 0.4 FTE for this line item and an associated reduction of 0.4 FTE and federal funds in the Low Income Energy Assistance Program line item. The Committee approved the requested LITAP increase, based on the SAO audit findings and the decision of the General Assembly during the 2011 session to retain the LITAP program. The SAO audit indicated that, if the General Assembly chose to continue the program, it should take steps to improve it, including by expanding coordination and outreach activities. Because the scale of the change was so small, and the size of program reserves sufficiently large, the decision has not impacted fee levels.

Request: The Department is requesting a continuation level of \$118,272 cash funds and 1.5 FTE, including \$97,235 for personal services and \$21,037 for operating.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Low Income Telephone Assistance Program				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	\$118,272	\$0	\$118,272	1.5
TOTAL	\$118,272	\$0	\$118,272	1.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$118,272	\$0	\$118,272	1.5
TOTAL	\$118,272	\$0	\$118,272	1.5
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(5) Income Tax Offset

Section 26-2-133, C.R.S., directs the Department of Human Services to submit information regarding individuals who are obligated to the state for overpayments of assistance payments. This appropriation covers the operational costs associated with matching Food Assistance program lists of overpaid recipients with Department of Revenue data in order to intercept corresponding income tax refunds. For the Food Assistance program, the administrative activities are funded with 50 percent General Fund and 50 percent federal funds.

Request: The department requests a continuation level appropriation of \$4,128, including \$2,064 General Fund in FY 2013-14.

Recommendation: Staff recommends that the Committee approve the Department's request for a continuation level of funding.

(6) Electronic Benefits Transfer Service

Colorado's electronic benefits transfer system (EBTS) delivers Food Assistance, Works Program, Old Age Pension, Aid to the Needy Disabled, Child Welfare, Child Care, and Low Income Energy Assistance benefits. The EBTS replaced the paper-based system of checks and Food Assistance coupons. The system distributes public assistance benefits and cash payments for services electronically by using the Colorado QUEST Card or Automated Clearing House direct deposit options for eligible clients and providers.

The Department does not operate the service itself, but contracts with a vendor in the financial services industry. In July 1996, the Department contracted with Citibank to operate the system. The contract was re-bid in 2003 with Citibank Electronic Financial Services again the winner. In January 2004 JP Morgan Electronic Financial Services purchased Citibank's EFS division. EBTS has been in operation statewide since February 1998. For FY 2009-10, the Department requested, and the General Assembly approved, funding for 2.0 FTE for a new food assistance

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fraud detection unit. The new unit was a response to citations from the U.S. Department of Agriculture which placed federal funding for food assistance administration at risk. Cash funds include the local share of system costs, with the balance from the Old Age Pension Fund.

Request: For FY 2013-14, the Department requests continuation level funding of \$3,679,032, including \$991,955 General Fund, and 7.0 FTE. Of this total, \$428,917 is for personal services and \$3,250,115 is for operating.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Electronic Benefits Transfer Service					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$3,679,032</u>	<u>\$991,955</u>	<u>\$993,608</u>	<u>\$1,693,469</u>	<u>7.0</u>
TOTAL	\$3,679,032	\$991,955	\$993,608	\$1,693,469	7.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	<u>\$3,679,032</u>	<u>\$991,955</u>	<u>\$993,608</u>	<u>\$1,693,469</u>	<u>7.0</u>
TOTAL	\$3,679,032	\$991,955	\$993,608	\$1,693,469	7.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Analysis of Line Item Reversions: There have been significant reversions from this line item over the last few years. More specifically:

- Of the total in this line item, \$2,809,268 is assumed to be required for the J.P. Morgan contract, based on General Assembly action on the FY 2011-12 decision item.
- Actual payments to the vendor in FY 2010-11 were substantially below this, and the line item reverted \$1.1 million in FY 2010-11, in significant part because per-client rate reductions were ultimately approved back to July 1, 2010, saving the State \$631,000.
- Actual expenditures for FY 2011-12 also fell below the projection, and the line item reverted \$1.2 million in FY 2011-12.
- The Department has submitted a projection for FY 2012-13 of \$2,714,280 in vendor payments or \$95,000 below the budgeted figure. The projection reflects the assumption that caseload will continue to grow monthly at the rate of 0.6 percent throughout FY 2012-13, based on the calendar-year 2011 growth-rate.

Staff believes this line item may be set somewhat higher than required given the significant reversions listed above. However, because of the level of uncertainty with respect to increasing

caseload, the staff recommendation does not incorporate a reduction at this time and instead assumes the Department will revert any excess funding. Staff will continue to watch this line item and if caseload ultimately starts to decline, staff will recommend an associated reduction.

(7) Refugee Assistance

The Colorado Refugee Services Program helps refugees become self-sufficient and adjust to living in the United States. The program is funded through a combination of federal funds from the Office of Refugee Resettlement (custodial funds included in the Long Bill for informational purposes) and federal Temporary Assistance to Needy Families block grant funds that are appropriated by the General Assembly for services to TANF-eligible refugee families.

The portion of this program supported by \$2.7 million in state-appropriated TANF funds incorporated a \$2.0 million increase in FY 2010-11. This increase was added in response to rapid growth in the refugee population and federal requirements that TANF-eligible refugees be supported through the TANF program.

The TANF component of this line item provides for refugee social services (cash assistance benefits for TANF-eligible refugees are provided through counties) analogous to the refugee social services funded by the Office of Refugee Resettlement. These funds are used to support refugee social services such as pre-employment training, English as a Second (ESL) language classes, transportation and child care (to enable refugees to attend pre-employment training and ESL classes), and case management services, which are contracted with refugee resettlement agencies. This represents a partnership between the State and counties, as counties would otherwise be responsible for providing these services for TANF-eligible refugees.

Request: The Department requests continuation level funding of \$16,686,921 federal funds and 10.0 FTE for FY 2013-14.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Refugee Assistance				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$16,686,921</u>	<u>\$0</u>	<u>\$16,686,921</u>	<u>10.0</u>
TOTAL	\$16,686,921	\$0	\$16,686,921	10.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$16,686,921</u>	<u>\$0</u>	<u>\$16,686,921</u>	<u>10.0</u>
TOTAL	\$16,686,921	\$0	\$16,686,921	10.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(8) Systematic Alien Verification for Eligibility

This line item supports the State's interface with the federal alien verification database, which serves all programs for which citizenship or legal residence is a requirement. The federal Deficit Reduction Act of 2005 required that applicants for public assistance programs be verified as United States citizens or as legal immigrants.

The Departments of Health Care Policy and Financing and Human Services verify the names and legal status of applicants for public assistance through use of the federal SAVE system. This line item supports the State's interface with the federal alien verification database. HCPF receives an appropriation of federal Medicaid dollars for the SAVE program. That Department, in turn, pays out this funding to CDHS as reappropriated funding.

Request: The Department requests a continuation level appropriation of \$53,893, including \$6,984 General Fund, \$33,951 in reappropriated funds from HCPF, and 1.0 FTE. Of this amount, \$50,404 is for personal services and \$3,489 is for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Systematic Alien Verification for Eligibility						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$53,893	\$6,984	\$3,699	\$33,951	\$9,259	1.0
TOTAL	\$53,893	\$6,984	\$3,699	\$33,951	\$9,259	1.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$53,893	\$6,984	\$3,699	\$33,951	\$9,259	1.0
TOTAL	\$53,893	\$6,984	\$3,699	\$33,951	\$9,259	1.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(9) Business Process Reengineering

This line item will be created by S.B. 13-091, the CDHS supplemental bill for FY 2012-13. It is funded with \$1,651,000 General Fund in FY 2012-13. CDHS will utilize these dollars to hire a vendor for business process reengineering best practices in eighteen county offices that administer Food Assistance, TANF, and Adult Financial Programs. The bill also provides the Department with roll forward spending authority in FY 2013-14 for funds not expended in FY 2012-13. The following table includes the estimated project timeline for the initiative.

Estimated Project Timeline

April 2013 – June 2013	Assessment of the 18 county offices completed by the vendor, including exit meetings with county leadership to discuss findings, gain consensus, and discuss strategies to move forward.
July 2013	Identify one pilot office and an on-site redesign team made up of county staff. The vendor will lead the team through the process of documenting and analyzing current business practices; full implementation planning; support for roll-out; transition plans; post roll-out support; and review of performance data.
August 2013 – June 2014	Vendor will work concurrently with two or three counties in implementing consensus business processes in all 18 county offices.

In addition, the Department received a Work Support Strategies Grant of \$293,000 from the Ford Foundation in April 2012. Colorado was one of six states awarded funding to design, test, and implement more effective, streamlined and integrated approaches to delivering key supports for low-income families. CDHS will utilize the grant money to help pay for the business process initiative, effectively reducing the appropriation in FY 2012-13 from \$1,944,000 to \$1,651,000. No appropriation is requested or recommended for this line item in FY 2013-14.

(D) Child Support Enforcement

The Child Support Enforcement program is supported under Title IV-D of the federal Social Security Act. The Colorado caseload for the program (about 149,000) includes members of the general public who request assistance in enforcing child support orders, in addition to persons on public assistance, who are required to participate. The federal government provides matching funds of 66 percent for child support enforcement activities and also makes annual incentive payments to states based on specific performance measures (e.g., percent of funds collected on current child support orders).

Much of the Child Support Enforcement program is off-budget from a Long Bill perspective. Counties reported a total of \$48.7 million in Child Support Enforcement expenditures in FY 2011-12, with a federal 66 percent share matched with a 34 percent county share. These expenditures were off-state-budget. The State portion of the program is included in the Long Bill in the Self Sufficiency section below.

Automated Child Support Enforcement System

This computer system is used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads and track collection efforts. This line item also includes funding for contractor services associated with establishing and operating the State Directory of New Hires. This Directory includes data reported by employers regarding each newly hired employee. The data is then compared to the database of parents with outstanding child support obligations. This line item also includes funding for the contractor-operated Family Support Registry.

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In FY 2010-11, 23.0 FTE (all information technology professional positions) were transferred from this line item to the Governor's Office of Information and Technology and \$1.9 million in associated costs were reduced in this section. Related funding is now initially appropriated to the Department of Human Services Office of Information Technology Services and then transferred as reappropriated funds to the Governor's Office.

Request: The Department requests continuation level funding of \$9,095,641, including \$2,654,527 General Fund, and 16.9 FTE for FY 2013-14. This includes \$6,853,712 for personal services (\$5,696,513 of which is for contract services) and \$2,241,929 for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Automated Child Support Enforcement System					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	<u>\$9,095,641</u>	<u>\$2,654,527</u>	<u>\$719,959</u>	<u>\$5,721,155</u>	<u>16.9</u>
TOTAL	\$9,095,641	\$2,654,527	\$719,959	\$5,721,155	16.9
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	<u>\$9,095,641</u>	<u>\$2,654,527</u>	<u>\$719,959</u>	<u>\$5,721,155</u>	<u>16.9</u>
TOTAL	\$9,095,641	\$2,654,527	\$719,959	\$5,721,155	16.9
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Child Support Enforcement

This line item funds the performance evaluation of the state's child support enforcement program, as required by federal law, and the provision of technical assistance to county departments of social services. It also manages the In-Hospital Paternity Establishment Program, which provides unmarried parents the opportunity to acknowledge paternity at the time of birth of a child. Federal law requires states to establish procedures for a simple civil process for voluntarily acknowledging paternity, including an in-hospital program.

The paternity program includes:

- Providing training to hospital medical records staff semi-annually;
- Providing training to local vital records staff, hospital administrators, and pre-natal clinics;
- Providing outreach and technical assistance to hospital personnel and the general public;

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- Interfacing with pregnancy prevention and father's advocacy groups; and
- Interfacing with middle school, high school, and alternative school staff.

About 35 percent of the state caseload involves interstate coordination. Finally, the 17-member Child Support Enforcement Commission reviews child support guidelines and general child support issues. The Commission makes recommendations to the Governor and the General Assembly every four years.

Request: The Department requests a continuation level appropriation of \$2,110,383, including \$645,729 General Fund, and 24.5 FTE for FY 2013-14. Of this total, \$1,569,457 is personal services and \$540,926 is operating.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Child Support Enforcement					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	\$2,110,383	\$645,729	\$71,800	\$1,392,854	24.5
TOTAL	\$2,110,383	\$645,729	\$71,800	\$1,392,854	24.5
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$2,110,383	\$645,729	\$71,800	\$1,392,854	24.5
TOTAL	\$2,110,383	\$645,729	\$71,800	\$1,392,854	24.5
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

(E) Disability Determination Services

Program Costs

Disability Determination Services conducts medical disability determinations for the Social Security Administration for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs. Funding for the program is 100.0 percent custodial federal funds (Titles II and XVI of the Social Security Act). Actual determination is done by medical professionals with whom the Department contracts.

Request: The Department request is for continuation level funding of \$19,902,138 federal funds and 121.7 FTE. Of this total, \$12,610,019 is for personal services and \$7,292,119 is for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Program Costs				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$19,902,138</u>	<u>\$0</u>	<u>\$19,902,138</u>	<u>121.7</u>
TOTAL	\$19,902,138	\$0	\$19,902,138	121.7
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$19,902,138</u>	<u>\$0</u>	<u>\$19,902,138</u>	<u>121.7</u>
TOTAL	\$19,902,138	\$0	\$19,902,138	121.7
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(10) Adult Assistance Programs

The Adult Assistance Programs section includes funding for various assistance programs that focus on elderly and disabled populations. This includes the Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older, the Aid to the Needy Disabled programs, which provide cash assistance to disabled individuals under age 60, and the Home Care Allowance program, which provides a cash subsidy to support personal care for elderly and disabled individuals. This section includes federal and state funding for nutrition and other supportive services for older Coloradans which are delivered throughout the State under the auspices of 16 Area Agencies on Aging (AAA). Finally, it supervises Adult Protective Services programs (APS), which intervene on behalf of at-risk adults to correct or alleviate situations of abuse, neglect, or exploitation.

Note: The Departments of Human Services and Health Care Policy and Financing have indicated a desire for statutory change that would move the entire Community Services for the Elderly section below, as well as the Home Care Allowance program, to the Department of Health Care Policy and Financing along with the other waiver programs for people with developmental disabilities administered by CDHS. The Joint Budget Committee indicated during the 2012 legislative session that it was not interested in carrying such a bill; however there is still interest in a statutory change. To date, a bill for this purpose has not been introduced during the 2013 legislative session. This issue will be addressed in greater detail during the staff presentation for CDHS Servicers for People with Disabilities.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Adult Assistance Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$146,327,329	\$25,151,219	\$102,035,654	\$1,800	\$19,138,656	28.5
Other legislation	6,701,231	0	6,701,231	0	0	0.0
SB 13-091 (Supplemental Appropriations)	<u>909,432</u>	<u>0</u>	<u>909,432</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$153,937,992	\$25,151,219	\$109,646,317	\$1,800	\$19,138,656	28.5
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$153,937,992	\$25,151,219	\$109,646,317	\$1,800	\$19,138,656	28.5
R-8: State Funding for Senior Services	3,818,806	2,000,000	1,818,806	0	0	0.0
Annualize prior year legislation	(7,363,767)	0	(7,363,767)	0	0	0.0
Staff Initiated APS Adjustments	8,520,950	5,236,558	1,297,022	0	1,987,370	0.0
Staff Initiated OAP Refinance	<u>0</u>	<u>382,505</u>	<u>(382,505)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$158,913,981	\$32,770,282	\$105,015,873	\$1,800	\$21,126,026	28.5
Increase/(Decrease)	\$4,975,989	\$7,619,063	(\$4,630,444)	\$0	\$1,987,370	0.0
Percentage Change	3.2%	30.3%	(4.2%)	0.0%	10.4%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	(\$9,430,382)	(\$5,619,063)	(\$1,823,949)	\$0	(\$1,987,370)	0.0

Issue Descriptions

R-8: State Funding for Senior Services: The recommendation adds \$3,818,806 total funds (including \$2,000,000 General Fund) in FY 2013-14. This increase is composed of two elements: a \$1.8 million Old Age Pension Cash Fund increase to account for a cost of living increase approved by the State Board of Human Services in December 2012; and a \$2,000,000 increase for State Funding for Senior Services, including congregate meals, "meals on wheels", and senior transportation services.

Annualize Prior Year Legislation: The recommendation reduces cash funds by 7,363,767 in FY 2013-14—annualizing the impact of H.B. 10-1384 (Noncitizen Eligibility for Old Age Pension) and H.B. 12-1226 (Crimes Against At-Risk Persons Surcharge Fund).

Staff Initiated APS Adjustments: The recommendation removes funding for Adult Protective Services (APS) from the County Administration line item. The base program funding and allocation structure for APS has instead been separated out into two new line items within the Division of Adult Assistance Programs. This separation ensures that any additional funds provided will be spent on APS.

Staff Initiated OAP Refinance: The recommendation refinances 5.0 FTE currently funded with OAP cash funds with General Fund. The recommendation also moves these FTE out of the

State Administration line within the OAP Program, which is meant to defray "the expense of administering such fund"; to the Administration line item that serves the entire division.

LINE ITEM DETAIL

(A) Administration

This line item, which constitutes the entire subdivision, covers centralized general administrative services for the division with staffing of 6.0 FTE—including both personal services and operating expenses.

➔ Staff Initiated Adjustment: OAP Refinance

- Some CDHS staff responsible for adult financial services and quality assurance programs are currently being funded through the Old Age Pension (OAP) State Administration line item.
- This is inappropriate because these staff are not all working on the OAP Program. Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund".
- Staff recommends moving 5.0 FTE from the State Administration line item to the Administration line item and refinancing the personal services and operating expenses associated with these FTE, a total of \$382,505 in FY 2013-14, with General Fund dollars.

Request: The Department requests a continuation level appropriation of \$584,225, including \$102,311 General Fund, and 6.0 FTE. Of this total, \$550,575 is for personal services and \$33,650 is for operating expenses.

Recommendation: Staff recommends \$966,730 total funds and 11.0 FTE, including \$484,816 General Fund. Of this total, \$872,035 is for personal services and \$94,695 is for operating expenses. The increase in General Fund and FTE is related to the staff recommendation to refinance and move 5.0 FTE currently funded with OAP Cash Fund dollars out of the State Administration line within the OAP Program. Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund". Because these 5.0 FTE are not working directly on the OAP program, they should be moved and refinanced with General Fund. The following table summarizes the calculation for this line item.

	Administration					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	<u>\$584,225</u>	<u>\$102,311</u>	<u>\$103,950</u>	<u>\$0</u>	<u>\$377,964</u>	<u>6.0</u>
TOTAL	\$584,225	\$102,311	\$103,950	\$0	\$377,964	6.0
FY 2013-14 Recommended Appropriation:						

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	Administration					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2012-13 Appropriation	\$584,225	\$102,311	\$103,950	\$0	\$377,964	6.0
Staff Initiated OAP Refinance	<u>382,505</u>	<u>382,505</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5.0</u>
TOTAL	\$966,730	\$484,816	\$103,950	\$0	\$377,964	11.0
Increase/(Decrease)	\$382,505	\$382,505	\$0	\$0	\$0	5.0
Percentage Change	65.5%	373.9%	0.0%	0.0%	0.0%	83.3%
FY 2013-14 Executive Request:	\$584,225	\$102,311	\$103,950	\$0	\$377,964	6.0
Request Above/(Below) Recommendation	(\$382,505)	(\$382,505)	\$0	\$0	\$0	(5.0)

(B) Old Age Pension Program

This program, authorized by the State Constitution, provides cash assistance to eligible individuals age 60 and older, and burial expenses when clients die. The OAP program has several types of administrative costs: (1) state administration for the personal services and operating costs of the state staff administering the program; (2) county administration for county staff who interact with clients and determine eligibility; (3) CBMS costs for programming and implementation of OAP-related parts of this system; and (4) EBTS costs for expenses related to providing electronic benefits to OAP recipients. There is a related OAP State Medical Program administered by the Department of Health Care Policy and Financing.

The primary source of funding for OAP is 85 percent of net revenue from most sales and excise taxes. Pursuant to the Colorado Constitution, all moneys deposited in the OAP Cash Fund are first made available for payment of basic minimum awards to qualified recipients. After such awards, amounts are used to "top up" a \$5.0 million stabilization fund, and then up to \$10.0 million is transferred to the OAP Health and Medical Care Fund to provide care to persons who qualify to receive old age pensions. The Constitution also authorizes funds to be used to defray costs of administering the Fund. After a further transfer of \$8.0 million to the Older Coloradans Cash Fund, all revenue received in excess of the amounts needed for these purposes (the vast majority) is transferred to the General Fund. As a result, greater expenditures in the OAP program mean less revenue in the General Fund to be used for other purposes.

Because revenues are continuously appropriated by the State Constitution, expenditures are not limited by amounts in the Long Bill. Pursuant to the State Constitution, eligibility established by the General Assembly and the grant standard and administrative allocations adopted by the State Board of Human Services drive expenditures. The Long Bill only reflects anticipated program expenditures for informational purposes. However, the General Assembly can change the costs of the program by modifying eligibility, as opposed to the award level. House Bill 10-1384, for example, imposed a five year waiting period for most new legal immigrants to become eligible for OAP benefits, resulting in significant savings. An initial reduction of about \$13.5 million was implemented in FY 2010-11 and a further reduction of \$7.4 million is anticipated in FY 2013-14 once the income of legal immigrants' sponsors becomes a consideration when determining eligibility for OAP.

Cash Assistance Program

This line item reflects the estimated state expenditures for OAP cash assistance, the largest component of OAP expenditures.

OAP Cash Benefit

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

Cost-of-living (COLA) Adjustments

The State Board of Human Services has historically increased the OAP benefit in alignment with federal cost-of-living increases for the Supplemental Security Income (SSI) program. Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living increases approved by the State Board of Human Services, while the caseload remained flat or declining between 24,000 and 23,000. Between January 2009 and June 2012, no cost-of-living increases were approved, and expenditures were significantly reduced starting in FY 2010-11 by S.B. 10-1384, which imposed a five year waiting period for most new legal immigrants to become eligible.

Pursuant to H.B. 12-1326, the General Assembly encouraged the State Board of Human Services to provide a cost of living increase of 3.7 percent. The Board approved this adjustment effective July 1, 2012, driving an anticipated increase of \$6.7 million for FY 2012-13. In December 2012, the Board approved an additional 1.7 percent COLA for the program, effective January 1, 2013. This increase is the reason for the Department's FY 2013-14 funding request R-8, which includes the COLA increase to the OAP in FY 2013-14.



Request R-8 – State Funding for Senior Services and Old Age Pension

- The Department requests \$1.8 million cash funds for a cost of living increase in FY 2013-14, based on a federal COLA approved for the SSI program of 1.7 percent effective January 1, 2013.
- The State Board of Human Services voted to increase the OAP benefit in alignment with the federal COLA for SSI in December 2012.
- Staff recommends approval of the Department request.

Request: The Department requests \$78,713,073 cash funds for this line item in FY 2013-14, shown for informational purposes. This represents a decrease of \$5,560,168 cash funds from the current year appropriation and takes into account:

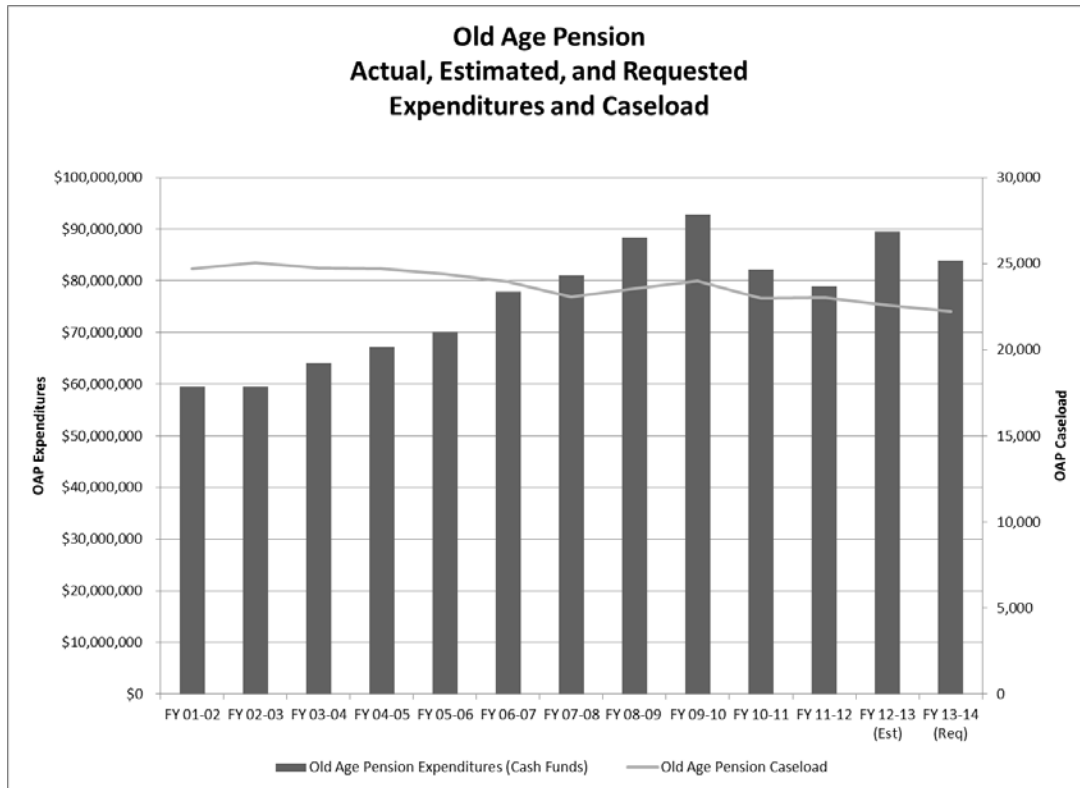
- \$1.8 million cash funds for a cost of living increase, based on federal cost of living increase approved for the SSI program of 1.7 percent effective January 1, 2013; and

- A reduction of \$7.4 million for the anticipated impact of H.B. 10-1384 which requires the income of legal immigrant's sponsors to be considered when determining their eligibility for the OAP, effective January 1, 2014 (after restrictions imposed by the Affordable Care Act end). The annualized impact of this change is estimated to be \$14.8 million in FY 2014-15.

Recommendation: Staff recommends \$79,622,505 in cash funds for FY 2013-14, taking into account both the departmental request and supplemental request S-1, which increased the cash funds appropriation for this line by \$909,432 in FY 2012-13.

Analysis: Keeping the OAP benefit at the current level saves General Fund. However, if the State fails to provide a cost of living increase for the OAP, this can create difficulties related to the State's "maintenance of effort" requirement for the federal Supplemental Security Income (SSI) program. This MOE dates to the creation of the SSI program in the 1970s. Colorado complies with the MOE by maintaining the same level of state expenditure for SSI recipients during each calendar year. Only cash disbursements to individuals who are on the federal SSI program count toward the MOE. The Old Age Pension typically contributes over \$10 million to Colorado's \$27.4 million MOE requirement. If the OAP does not increase its grant standard at the rate of the federal SSI increase, the OAP contribution to the SSI MOE declines, and the State must identify alternative qualifying cash-outlays to individuals on SSI to compensate.

Additionally, the chart below reflects expenditure and caseload trends for the OAP program. As shown, from FY 2001-02 to FY 2009-10, the program grew at an average rate of 5.7 percent per year, based largely on inflationary increases to the grant standard authorized by the State Board of Human Services, as numbers of individuals served did not change dramatically. However, FY 2010-11 expenditures declined over 10 percent based on the impact of H.B. 10-1384, which barred qualified legal aliens from accessing the OAP program for five years after their date of entry into the United States. Additional provisions of the bill, which take effect January 1, 2014, require the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility. This is projected to provide an additional \$7.4 million in savings for FY 2013-14 and \$14.8 million in annualized savings for FY 2014-15.



Finally, it is critical to note that the request for a cost of living increase is included in the overall budget request for informational purposes only, enabling the General Assembly to provide input, as it did during the 2012 session in H.B. 12-1326. General Assembly action on this request is not binding on the State Board. Indeed, the Board has already approved the 1.7 percent COLA.

Refunds

This line item provides an offset to the cash assistance program expenditures through the refunds of overpayments or payments made to ineligible clients.

Request: The Department requests continuation funding of \$588,362 cash funds.

Recommendation: Staff recommends the Committee approve the Department's request.

Burial Reimbursements

This line item funds reimbursements of burial expenses for eligible Old Age Pension beneficiaries. This money is included for informational purposes as the funds are continuously appropriated.

Request: The Department requests a continuation appropriation of \$918,364 cash funds.

Recommendation: Staff recommends that the Committee approve the Department's request.

State Administration

This appropriation funds the administrative related activities incurred by the state for the Old Age Pension program. Expenditures are for personal services and operating expenses for the management of programs funded through OAP cash funds. This money is included for informational purposes as the funds are continuously appropriated.

➔ Staff Initiated Adjustment: Adult Protective Services Line Items

- Some CDHS staff responsible for APS oversight are currently being funded through the Old Age Pension (OAP) State Administration line item.
- This is inappropriate because Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund". The APS program serves a different population and offers different benefits.
- Staff recommends providing \$403,258 total funds and 5.5 FTE within a new APS State Administration line item.
- Staff recommends reducing the appropriations for the OAP State Administration line by a corresponding amount.

➔ Staff Initiated Adjustment: OAP Refinance

- Some CDHS staff responsible for adult financial services and quality assurance programs are currently being funded through the Old Age Pension (OAP) State Administration line item.
- This is inappropriate because these staff are not all working on the OAP Program. Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund".
- Staff recommends moving 5.0 FTE from the State Administration line item to the Administration line item and refinancing the personal services and operating expenses associated with these FTE, a total of \$382,505 in FY 2013-14, with General Fund dollars.

Request: The Department requests a continuing appropriation of \$1,147,201 cash funds (Old Age Pension Fund) and 14.0 FTE. Of this total, \$920,218 is for personal services and \$226,983 is for operating expenses.

Recommendation: Staff recommends 361,438 in cash funds and 3.5 FTE for FY 2013-14. Of this total, \$262,650 is for personal services and \$98,788 is for operating expenses. The staff recommendation reflects a reduction due to the removal of APS oversight staff, financial staff, and quality assurance staff from the line item in FY 2013-14 and ongoing. See the table below for staff calculations.

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State Administration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$1,147,201</u>	<u>\$0</u>	<u>\$1,147,201</u>	<u>14.0</u>
TOTAL	\$1,147,201	\$0	\$1,147,201	14.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,147,201	\$0	\$1,147,201	14.0
Staff Initiated OAP Refinance	(382,505)	0	(382,505)	(5.0)
Staff Initiated APS Adjustments	<u>(403,258)</u>	<u>0</u>	<u>(403,258)</u>	<u>(4.2)</u>
TOTAL	\$361,438	\$0	\$361,438	4.8
Increase/(Decrease)	(\$785,763)	0	(\$785,763)	(9.2)
Percentage Change	(68.5%)	0.0%	(68.5%)	(65.7%)
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$785,763	\$0	\$785,763	9.2

Analysis: CDHS staff responsible for APS oversight, financial services, and quality assurance are being funded through the Old Age Pension (OAP) State Administration line item. This is inappropriate because Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund". The APS program is not the same as the OAP program. It serves a different population and offers different benefits. About 28 percent of the APS population is under age 60 (the cutoff age for OAP), and there is no data indicating that those receiving APS services who are over age 60 receive the OAP or qualify based on income limits. Moreover, the financial and quality assurance staff provide services for the entire Division—not just the OAP program.

The State Supreme Court has ruled in the past that the use of OAP funds for a program that is not targeted to individuals on the Old Age Pension is not consistent with the Constitution (*Davis v. Pensioners Association*, 110 Colo. 380, 135 P.2d 142 (1943)). Staff from the Office of Legislative Legal Services concur that the use of OAP funds to support other programs such as APS is inconsistent with the State Constitution.

County Administration

The OAP county administration appropriation helps fund county administration expenses related to the Old Age Pension program. This money is not included in the County Administration section of the Long Bill, and is included for informational purposes as the funds are continuously appropriated.

Request: The Department requests a continuation level of appropriation of \$2,566,974.

Recommendation: Staff recommends the request for \$2,566,974 cash funds.

(C) Other Grant Programs

Home Care Allowance Administration - SEP Contract

Funding for this line item was transferred from the Department of Health Care Policy and Financing pursuant to H.B. 10-1146. This line item represents the payment to Single Entry Point (SEP) contractors who assess individuals' eligibility, based on functional need, for the Home Care Allowance program. The funding provided is based on a fixed annual payment to each contractor.

Request: The Department requested a continuation level of \$1,063,259 General Fund for this line item.

Recommendation: Staff recommends the request.

Aid to the Needy Disabled Programs

The line item includes the funding for three related programs: Aid to the Needy Disabled - Colorado Supplement, Aid to the Needy Disabled - State-Only, and Aid to the Blind Supplemental. Each of these is described here. In general, these programs are allocated a fixed level of funding and operate within the overall budget by modifying the grant standard amount, *i.e.*, if the number of participants increases, funding provided per person declines. Total funding is comprised of General Fund, a 20 percent local share, federal reimbursements for individuals who receive Aid to the Needy Disabled - State Only who are ultimately deemed eligible for the federal Supplemental Security Income (SSI) program (interim assistance reimbursements or IARs), and other recoveries.

Aid to the Needy Disabled State-only Grant Program

This program, known as AND-SO, comprises over 80 percent of the caseload and expenditures in this line item. To qualify for this program, a person must be 18-59 years old and be certified by a physician or other designated medical professional as totally disabled and unable to work at any occupation for at least six months. The applicant's income must not exceed \$175 per month (standard effective July 1, 2011) and resources may not exceed \$2,000. About 18 percent of recipients are homeless.

If an individual is found to be eligible for SSI, the Social Security Administration will reimburse the state for all AND-SO payments made to the person while waiting for SSI eligibility determination. These reimbursements are referred to as interim assistance reimbursements and are used to offset the state and county costs of this program. The remainder of AND-SO recipients generally have a disability that is expected to last six months or less (which is less than the 12-month duration required under SSI) or have a disability resulting from alcohol or drug abuse (a disabling condition that does not qualify individuals for SSI assistance).

Aid to the Needy Disabled - Colorado Supplement

This program, known as AND-CS, provides a state supplement to individuals receiving less than the maximum federal Supplemental Security Income (SSI). The federal SSI Program is an entitlement program that provides financial assistance to persons with a disability that precludes

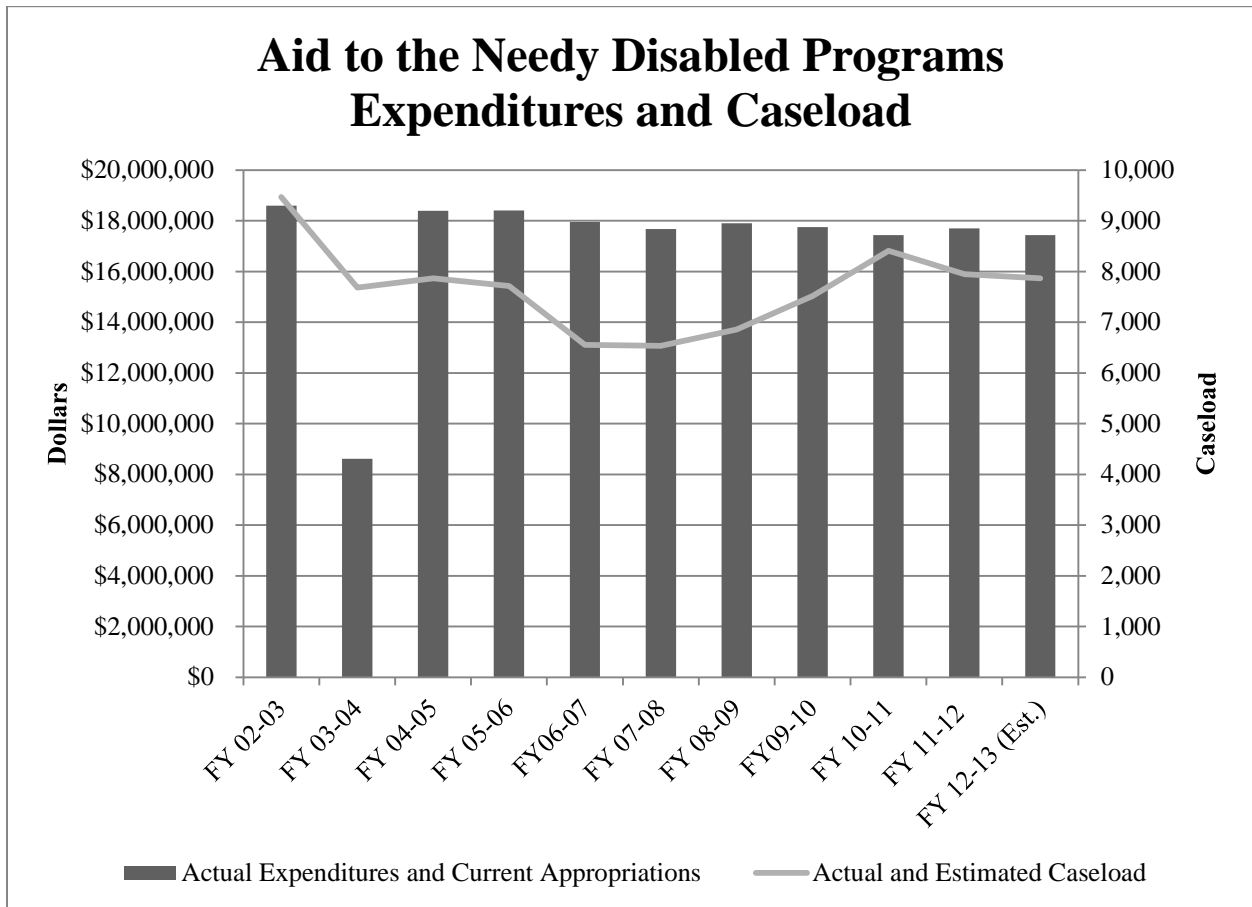
them from securing or retaining employment for at least 12 months. This program is funded through a combination of General Fund, county funds, and various refunds and recoveries. It is one of a number of programs that is used by Colorado to comply with its federal maintenance of effort (MOE) requirement for the SSI program. Pursuant to the SSI MOE, Colorado must spend no less in a calendar year on supplemental cash benefits for SSI recipients than it did in the prior calendar year or be subject to federal penalties.

Aid to the Blind State Supplemental Grant Program

This program provides supplemental income to individuals who are legally blind (Social Security Administration definition of blindness) and unable to secure or retain employment. Other income such as wages or Veteran's Assistance, may reduce the amount of the AND/AB payment. There are no medical benefits provided by the AND/AB program.

Funding History

As reflected in the chart below, in recent years the General Assembly has kept funding for this line item flat, while the Department has adjusted the client benefit level based on the number of clients in the program.



Request: The Department requests a continuation level of funding for this program of \$17,428,495 total funds.

Recommendation: Staff recommends the Department request, which includes General Fund (\$11,421,471), a 20 percent local share (\$3,413,687), federal IARs (\$2,279,944), and other recoveries (\$313,393). There was a decline in total client population in FY 2011-12—from 8,409 monthly to 7,947 monthly. Should this trend continue in FY 2012-13, staff assumes that the Department will make adjustments to increase the grant standard in response to this because there has been no proposal to reduce the program’s appropriation. Staff is not recommending a reduction given the current low grant-standards of \$637 per month for AND-CS and AND-AB as well as \$175 per month for AND-SO. The current federal poverty guidelines are \$930.83 per month for an individual.

Burial Reimbursements

This program provides assistance, up to a maximum of \$1,000, to help defray the costs of burial expenses for Aid to the Needy Disabled/Aid to the Blind recipients. This is an optional state program. However, if not funded by the State, counties would pay these costs.

Request: The Department requests a continuation level appropriation of \$508,000 (\$402,985 General Fund and \$105,015 cash funds).

Recommendation: Staff recommends the Committee approve the Department's request.

Home Care Allowance

The Home Care Allowance (HCA) is a cash assistance program for individuals that need help in daily living to prevent nursing home placement. For individuals with personal care needs, the program has historically supplemented other public benefits such as Aid to the Needy Disabled. There are three categories of HCA, determined by the level of personal care required. Depending upon the individual's score on a needs-assessment instrument, he or she receives a cash payment of \$200, \$342, or \$475 per month. These programs are allocated a fixed level of funding and operate within the overall budget by modifying the grant standard amount, i.e., if the number of participants increases, funding provided per person declines. The program had a caseload of 2,564 per month in FY 2011-12.

Senate Bill 06-219 transferred responsibility for funding of this program to the Department of Human Services from the Department of Health Care Policy and Financing. House Bill 10-1146 then modified the program to expand program eligibility to those on the federal SSI program while restricting individuals from being on both a Medicaid Home-and-Community-based Services Waiver Program and this program. Although changes were expected to take effect January 1, 2011, they actually took effect January 1, 2012. The elimination of dual eligibility for HCBS and HCA resulted in a drop in the overall caseload from 2,934 in FY 2010-11.

Additionally, H.B. 12-1177, sponsored by the Joint Budget Committee, created the Home Care Allowance Grant Program. The program was meant to assist individuals negatively affected by H.B. 10-1146. A total of 258 persons were identified as meeting eligibility criteria for the new

program. Based on this population, H.B. 12-1177 required the HCA line item to be reduced by \$799,086 General Fund plus a five percent local match of \$42,057 for FY 2012-13. The General Fund saved was then used to support the new HCA Grant Program line item for the same amount. The CDHS Division of Aging and Adult Services implemented the program, including the promulgation of rules, and recipients received benefits dating back to January 2012.

➔ BA-1: Home Care Allowance Grant Program

- The Department requests \$287,070 General Fund be transferred from the Home Care Allowance (HCA) line item to the Home Care Allowance Grant Program line item.
- These moneys would fund grant payments to clients and administrative costs that are exceeding current spending authority.
- Staff recommends approval of the budget amendment because the population served under the Grant Program has greater needs and without the additional dollars funding to administer the program would not be available for operating expenses and capital outlay, single entry point administration, printing and postage, travel, and electronic fund transfer costs as required by H.B. 12-1177.

Request: The Department requests \$9,415,544 in total funds for FY 2013-14, including a decrease of \$287,070 General Fund from the current year related to BA-1.

Recommendation: Staff recommends \$9,415,544 in total funds for FY 2013-14, including \$8,913,580 General Fund and \$501,964 cash funds (county share).

Analysis: Initial projections for spending under the HCA Grant Program were lower than has been required for two reasons. First, fewer recipients have dropped off the program than anticipated while the average grant standard has been higher than anticipated because the population has greater needs than individuals receiving benefits under the Home Care Allowance. Second, CDHS adopted an emergency rule on November 9, 2012 that allowed reinstatement into the program for clients that were eligible at any point up to June 30, 2013. The Department felt that the quick implementation of H.B. 12-1177 led to confusion by clients' representatives, particularly regarding permanent discontinuation from the program. The emergency rule creates a grace period to allow for reapplication, increasing caseload.

Staff recommends approval of the budget amendment because the population served under the Grant Program has greater needs and without the additional dollars funding to administer the program would not be available for operating expenses and capital outlay, single entry point administration, printing and postage, travel, and electronic fund transfer costs as required by H.B. 12-1177. Additionally, there does not appear to be an adverse impact to recipients of the Home Care Allowance (HCA) Program. Currently, the HCA Program is projected to be under-expended by approximately \$141,785 by the end of SFY 2012-13. Additional resources are also available through the SSI Stabilization Fund. The SSI Stabilization Fund was created by HB09-

1215 to assist with the State’s efforts to meet the federal Maintenance of Effort (MOE) expenditure requirements.

The fund includes moneys recovered through fraud, refunds, or Interim Assistance Reimbursements (IARs) from various Adult Financial programs including Old Age Pension (OAP), Aid to the Needy Disabled – Colorado Supplement (AND-CS), and Home Care Allowance (HCA). The money in the Fund is used to cover expenditures in excess of the appropriation to meet the MOE expenditure obligation. Having the ability to cover expenditures through the SSI Stabilization Fund alleviates the need to lower benefits to program recipients.

Home Care Allowance Grant Program

House Bill 12-1177 (a JBC bill) created the Home Care Allowance Grant Program in the Department of Human Services. The grant program is to assist certain people who previously received both regular HCA assistance and certain Medicaid waiver home-and-community-based services (HCBS), but who dropped HCA assistance when required to choose between the two programs as a result of House Bill 10-1146. That legislation prohibited simultaneous enrollment in both HCA and HCBS.

A total of 258 persons were identified as meeting eligibility criteria for the new program. Based on this population, H.B. 12-1177 required the HCA line item to be reduced by \$799,086 General Fund plus a five percent local match of \$42,057 for FY 2012-13. The General Fund saved was then used to support the new HCA Grant Program line item for the same amount. The CDHS Division of Aging and Adult Services implemented the program, including the promulgation of rules, and recipients received benefits dating back to January 2012.

This is a limited eligibility program and as a result, the caseload will not increase going forward. The caseload will decrease as clients become ineligible and drop off the program. There was a monthly caseload of 230 in FY 2011-12 and there is a projected monthly caseload of 225 in FY 2012-13. Clients are not allowed to reapply or be reinstated once they have become ineligible. The grant program is due to sunset July 1, 2017.

➔ BA-1: Home Care Allowance Grant Program

- The Department requests \$287,070 General Fund be transferred from the Home Care Allowance (HCA) line item to the Home Care Allowance Grant Program line item.
- These moneys would fund grant payments to clients and administrative costs that are exceeding current spending authority.
- Staff recommends approval of the budget amendment because the population served under the Grant Program has greater needs and without the additional dollars funding to administer the program would not be available for operating expenses and capital outlay, single entry point administration, printing and postage, travel, and electronic fund transfer costs as required by H.B. 12-1177.

Request: The Department requests \$1,086,156 in General Fund for FY 2013-14, including an increase of \$287,070 from the current year related to BA-1.

Recommendation: Staff recommends \$1,086,156 in General Fund for FY 2013-14.

Analysis: Initial projections for spending under the HCA Grant Program were lower than has been required for two reasons. First, fewer recipients have dropped off the program than anticipated while the average grant standard has been higher than anticipated because the population has greater needs than individuals receiving benefits under the Home Care Allowance. Second, CDHS adopted an emergency rule on November 9, 2012 that allowed reinstatement into the program for clients that were eligible at any point up to June 30, 2013. The Department felt that the quick implementation of H.B. 12-1177 led to confusion by clients' representatives, particularly regarding permanent discontinuation from the program. The emergency rule creates a grace period to allow for reapplication, increasing caseload.

Staff recommends approval of the budget amendment because the population served under the Grant Program has greater needs and without the additional dollars funding to administer the program would not be available for operating expenses and capital outlay, single entry point administration, printing and postage, travel, and electronic fund transfer costs as required by H.B. 12-1177. Additionally, there does not appear to be an adverse impact to recipients of the Home Care Allowance (HCA) Program. Currently, the HCA Program is projected to be under-expended by approximately \$141,785 by the end of SFY 2012-13. Additional resources are also available through the SSI Stabilization Fund. The SSI Stabilization Fund was created by HB09-1215 to assist with the State's efforts to meet the federal Maintenance of Effort (MOE) expenditure requirements.

The fund includes moneys recovered through fraud, refunds, or Interim Assistance Reimbursements (IARs) from various Adult Financial programs including Old Age Pension (OAP), Aid to the Needy Disabled – Colorado Supplement (AND-CS), and Home Care Allowance (HCA). The money in the Fund is used to cover expenditures in excess of the appropriation to meet the MOE expenditure obligation. Having the ability to cover expenditures through the SSI Stabilization Fund alleviates the need to lower benefits to program recipients.

Adult Foster Care

This line item funds a program that is a structured living arrangement for adults 18 and older who qualify due to physical or mental problems. The program aims to keep clients in the community and out of a more costly nursing home setting and is funded by 95 percent General Fund and five percent county funds. Responsibility for the funding of this program was transferred from the Department of Health Care Policy and Financing to the Department of Human Services by S.B. 06-219. This program also contributes to the State's SSI maintenance of effort spending.

Request: The Department requests a continuation appropriation of \$157,469 (\$149,596 General Fund and \$7,873 cash funds from local funds).

Recommendation: Staff recommends the Committee approve the Department's request for continuation funding. While there have been significant General Fund reversions over the past two years, staff is not recommending a decrease in appropriations because caseload is higher in FY 2012-13. Staff also notes that there were no reversions in fiscal years 2008-09 or 2009-10.

The reason for the reversions during fiscal years 2010-11 and 2011-12 is that caseload was down. The program is often used while people are waiting for approval of Home and Community Based Services (HCBS) and this causes the caseload to fluctuate as these individuals don't stay on the Adult Foster Care Program indefinitely. The program serves an average of ten people a month with payments ranging from \$586 to \$613 per client. As a result, the difference of just a couple of clients can have a large impact on expenditures.

SSI Stabilization Fund Programs

House Bill 09-1215, a JBC bill, created a stabilization fund to assist the Department in meeting the SSI maintenance of effort (MOE) requirement. Pursuant to 26-2-210, C.R.S., excess interim assistance reimbursements and other moneys recovered due to overpayment of recipients, plus any appropriations to the Fund, are continuously appropriated to the Department to be expended on programs that count toward the SSI MOE in a year when the Department determines the State is at risk of not meeting the MOE. At the end of the fiscal year, any amounts in excess of \$1.5 million in the Fund revert to the General Fund. Although the SSI Stabilization Fund is continuously appropriated, and additional Long Bill spending authority is not required, anticipated spending is reflected for informational purposes.

Request: The Department requests that \$1.0 million for the SSI Stabilization Fund continue to be reflected in the Long Bill for informational purposes.

Recommendation: Staff recommends approval of the Department request.

(D) Community Services for the Elderly

The State distributes these funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels", and in-home support services. Funding levels are adjusted based on available federal and state funding. The state receives annual federal allocations of Older American Act funds, which are required to be matched with 5.0 percent state funds and 10 percent other non-federal funds (local funds). The state supplements its federal Older Americans Act Programs with state moneys.

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

Funding from state sources increased significantly through FY 2008-09 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as state sales and excise taxes. More recently, state and local funding has remained relatively flat, while total funding increased through FY 2011-12 based on additional federal funds available. For FY 2012-13, funding for Community Services for the Elderly totaled \$32.3 million, including:

- \$10.1 million state funds (General Fund+Older Coloradans Cash Funds);
- \$3.5 million local funds; and
- \$18.8 million federal funds.

Services are available to individuals age 60 and over, regardless of income or assets. While the federal government does not allow a means test, it does require that priority be given to those with the greatest social and economic need, with particular attention to minority individuals and those who are frail, homebound, or otherwise isolated. Provider agencies often request donations or fees on a sliding scale for services such as transportation and congregate meals. In FY 2011-12, a total of 39,546 unduplicated consumers were served through the Older Americans Act and State Funding for Senior Services programs.

Administration

This program line item funds salary, operational costs such as in-state travel, postage, equipment rentals, overhead and supplies, and contractual services related to the state administration of programs for the elderly. The line item supports 7.0 FTE.

Request: The Department requests a continuing appropriation of \$674,579 (including \$168,645 General Fund) and 7.0 FTE for this line item. Of this total, \$596,520 is for personal services and \$78,059 is for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Administration				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$674,579</u>	<u>\$168,645</u>	<u>\$505,934</u>	<u>7.0</u>
TOTAL	\$674,579	\$168,645	\$505,934	7.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$674,579</u>	<u>\$168,645</u>	<u>\$505,934</u>	<u>7.0</u>
TOTAL	\$674,579	\$168,645	\$505,934	7.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Colorado Commission on Aging

This line item funds an administrative position (1.0 FTE) and expenses for the Commission, which meets quarterly. This staff assists the Commission with regular administrative duties and special projects. The Commission consists of seventeen members appointed by the governor, with the consent of the Senate to do the following:

- Conduct studies of the problems of the State's older people;
- Assist governmental and private agencies to coordinate their efforts on behalf of the aging in order that such efforts be effective and that duplication and waste of effort be eliminated;
- Promote and aid in the establishment of local programs and services for the aging;
- Conduct promotional activities and public education programs on the problems associated with aging;
- Review existing programs for the aging and make recommendations to the governor and the General Assembly for improvements in such programs; and
- Advise and make recommendations to CDHS on the problems associated with existing programs and services for the aging.

Request: The department requests a continuing appropriation of \$81,126 total funds, including \$20,282 General Fund and 1.0 FTE for this line item. Of this total, \$53,572 is for personal services and \$27,554 is for operating expenses.

Recommendation: Staff recommends approving the Department request, calculating this line item in accordance with Committee common policy. The following table summarizes the calculation.

Colorado Commission on Aging				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$81,126</u>	<u>\$20,282</u>	<u>\$60,844</u>	<u>1.0</u>
TOTAL	\$81,126	\$20,282	\$60,844	1.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$81,126</u>	<u>\$20,282</u>	<u>\$60,844</u>	<u>1.0</u>
TOTAL	\$81,126	\$20,282	\$60,844	1.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Senior Community Services Employment

This program promotes part-time employment in community services activities for unemployed, low-income persons age 55 or older, pursuant to a grant received through Title V of the Older Americans Act. Eligible participants are provided subsidized wages, training for skill enhancement or acquisition of skills, personal and employment counseling, and assistance in obtaining un-subsidized employment. The State enters into contracts with local community providers to implement this program. The line item is comprised of 100 percent federal funds and is included in the Long Bill for informational purposes only.

Request: The department requests that \$1,233,440 federal funds and 0.5 FTE be included in the Long Bill for informational purposes. Of this total, \$32,947 is for personal services and \$1,200,493 is for operating expenses.

Recommendation: Staff recommends approval of the Department request. Based on the most recent years' actuals, this line item may be overstated by approximately \$200,000. However, in light of uncertainty about the federal budget, staff is not recommending a change at this time.

Senior Community Services Employment				
	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	<u>\$1,233,440</u>	\$0	<u>\$1,233,440</u>	<u>0.5</u>
TOTAL	\$1,233,440	\$0	\$1,233,440	0.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	<u>\$1,233,440</u>	\$0	<u>\$1,233,440</u>	<u>0.5</u>
TOTAL	\$1,233,440	\$0	\$1,233,440	0.5
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Older Americans Act Programs

This line item provides funding for Area Agencies on Aging to contract with provider agencies to deliver a variety of services to older persons. Services provided include:

- Supportive services and senior centers - Functions include case management, client representation, shopping assistance, transportation, chore services, personal care services, adult day care, health screening, legal services, and an ombudsman;
- Nutrition services such as congregate meals, nutrition screening and education;
- In-home services for persons above the eligibility thresholds for Medicaid, Home Care Allowance and Adult Foster Care (homemaker services, personal care services, home repair services, visiting services); and,

- Disease prevention and health promotion services (e.g., health risk assessments, programs regarding physical fitness, education regarding diagnosis, prevention and treatment of age-related diseases and chronic disabling conditions).

As mentioned previously, services are available to individuals age 60 and over, regardless of income or assets. The federal government does not allow a means test, but it does require that priority be given to those with the greatest social and economic need. Through the combination of this line item and the State Funding for Senior Services line item, approximately 40,000 seniors receive services each year. Funding is provided under Title III of the Older Americans Act and requires a minimum 15 percent non-federal share, of which 5.0 percent must be from state funds.

Request: The Department requests a continuation level of funding of \$17,574,052, including \$765,125 General Fund, \$3,030,710 in local funds, and \$40,000 from the Older Coloradans Cash Fund.

Recommendation: Staff recommends the request for a continuation level of funding.

It is important to note that while the federal Title III dollars are included here for informational purposes only, they do require a 15 percent non-federal match, with one-third (5 percent) required to be from state. The State may experience an increase in federal funding for this line item in FY 2012-13 or FY 2013-14 based on the growth of Colorado’s elderly population—requiring an increase in State matching dollars (an increase of \$133,573 was provided for FY 2010-11). However, in light of ongoing questions about future federal funding levels, the Department has not requested, and staff has not recommended, an adjustment at this time.

Staff also notes that a footnote attached to this line item specifies that any additional federal Older American Act expenditures should be spent from this line item, with any necessary matching funds transferred from the State Funding for Senior Services line item. Thus, the Department is authorized to transfer General Fund and cash funds between the State Funding for Senior Services line item to the Older Americans Act Programs line item to comply with the 5.0 percent state match requirement for the Older Americans Act Programs.

National Family Caregiver Support Program

The NFCSP provides services to caregivers, so that they may continue to provide care to family and loved ones who are age 60 and over. The Department worked closely with the Area Agencies on Aging to develop a statewide comprehensive system that is responsive to a diverse group of caregivers. More specifically, the program provides:

- Information to caregivers about available services;
- Assistance gaining access to services;

- Individual counseling, organization of support groups and caregiver training to assist the caregivers in making decisions and solving problems relating to their caregiver roles;
- Respite care to enable caregivers to be temporarily relieved from their care-giving responsibilities; and,
- Supplemental services, on a limited basis to complement the care provided by caregivers.

These funds are intended for grandparents caring for non-disabled children, elderly parents of disabled or developmentally disabled children, and family members and friends caring for older people. States are encouraged to give priority to elderly parents of disabled children and low-income older individuals. The state is not currently subject to a MOE requirement for the portion of Older Americans Act funds related to the NFCSP.

Request: The Department requests an appropriation of \$2,263,386, including \$142,041 General Fund and \$423,805 cash funds from local funds. This reflects a continuation level of funding.

Recommendation: Staff recommends approval of the Department request.

State Ombudsman Program

The state contracts with the Legal Center for Persons with Disabilities and Older Persons to serve as the State Ombudsman for Colorado. Staffing for this program includes one State Long-Term Care Ombudsman, a part-time assistant and a part-time legal developer. There are also 17 paid local ombudsmen and 90 volunteer ombudsmen. The Legal Center provides services to Area Agencies on Aging and their local ombudsmen staff with training and technical services associated with local program administration. The Legal Center also monitors local programs for efficiency and effectiveness and provides reports of data and information to the Department.

Request: The department requests an appropriation of \$272,031, including \$1,800 in Medicaid reappropriated funds transferred from HCPF. Of these reappropriated funds, \$900 were appropriated as General Fund in HCPF, meaning that this continuation request is for \$112,798 net General Fund in FY 2013-14.

Recommendation: Staff recommends approval of the Department request.

State Funding for Senior Services

This line was created to reflect state funding for senior services above and beyond the state match required for Older Americans Act programs. The cash funds portion of the appropriation is from the Older Coloradans Cash Fund. That fund receives revenue from an \$8.0 million diversion of funds that would otherwise go to the General Fund. Section 26-11-205.5 (2), C.R.S., requires that moneys appropriated from this fund are administered through the Area Agencies on Aging, but the funds can be used with more flexibility than is afforded under Older Americans Act programs. The current level of state funding for senior services allows more

than 16,000 Older Coloradans to receive transportation, nutrition services, in-home assistance and other miscellaneous services.

➔ Request R-8 – State Funding for Senior Services and Old Age Pension

- Senior services such as congregate meals, "meals on wheels" and senior transportation services are supported through federal Older Americans Act funds and state funds.
- Programs are administered through a network of 16 Area Agencies on Aging located throughout the State.
- The Department requests \$2.0 million General Fund for state funding for senior services, representing a 20 percent increase in total state funding and an almost 250% increase in General Fund support.
- Staff recommends the request be approved based on current and projected growth in the State's older-adult population.

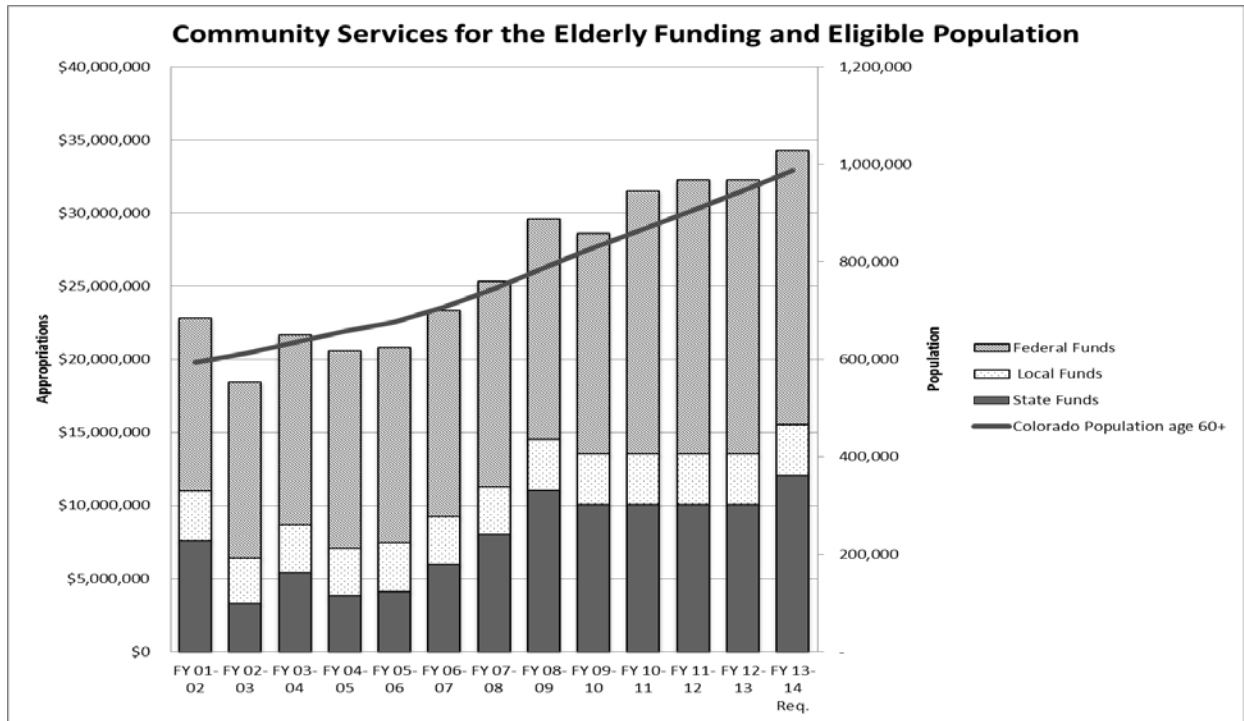
Request: The Department requests an appropriation of \$10,811,622. The request includes \$2,803,870 General Fund and \$8,007,752 cash funds from the Older Coloradans Cash Fund. It incorporates an increase of \$2 million General Fund associated with departmental request R-8: State Funding for Senior Services and Old Age Pension.

Recommendation: Staff recommends approval of the Department request, including R-8.

Analysis: This request would restore a \$1.0 million state funds reduction taken in FY 2009-10 and provide a further \$1.0 million increase in this line item. The request notes that the population of people above age 60 in Colorado is growing more rapidly than the state population as a whole. Furthermore the percent of those adults living in poverty has also grown. The request estimates that this increase would support 198,671 home delivered meals, 145,889 congregate meals, and 54,190 transportation rides, among other services.

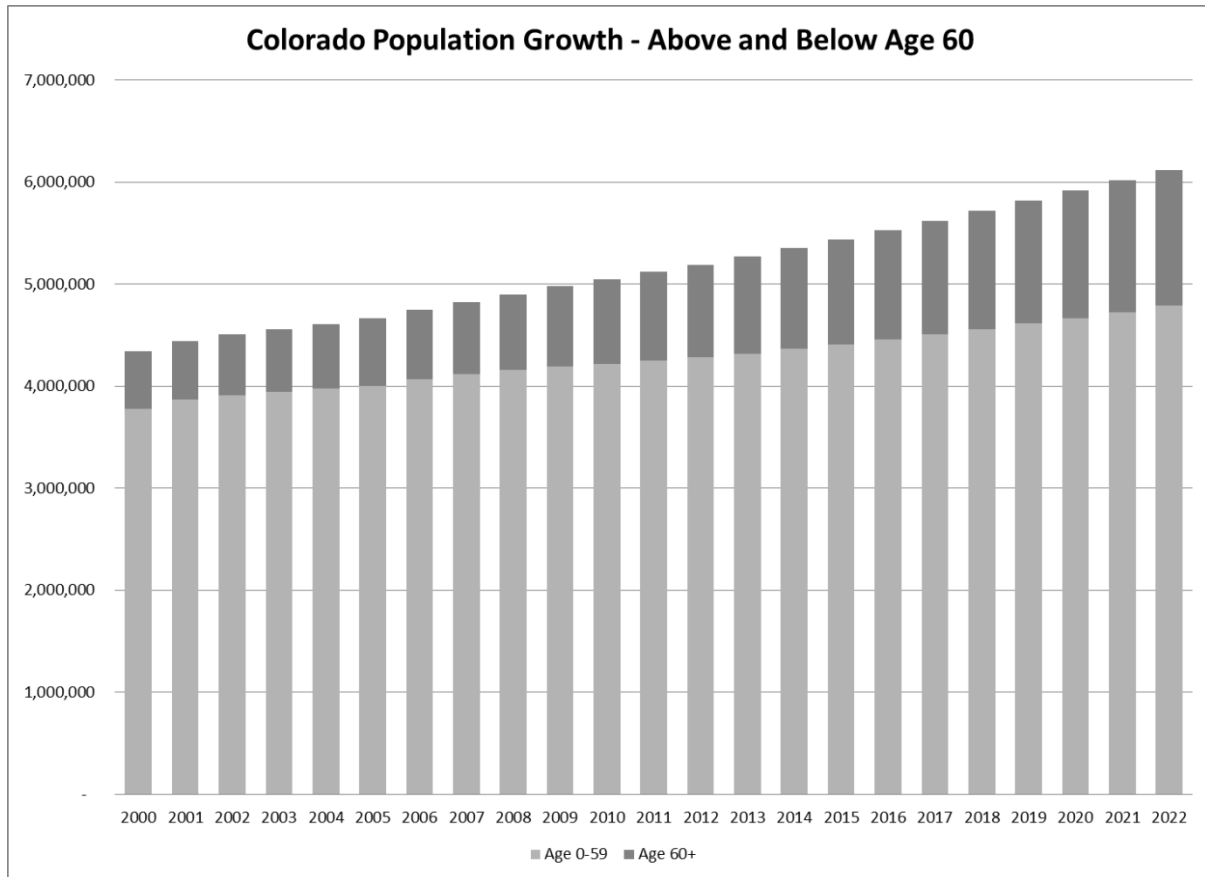
The chart below compares the growth in funding for senior services with the growth in the population age 60 and up, who are eligible for these services. The subsequent table outlines how state and federal funds for senior services have been spent in recent years, based on the required federal funding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

*JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*



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

While there has been some significant growth in funding for senior services over the past decade (50 percent between FY 2001-02 and FY 2013-14 with the request), staff recommends approval of this request. The population of individuals in Colorado over age 60 is growing more rapidly than growth in the rest of the state population, as reflected in the chart below.



Further, the population over age 60 has grown more rapidly than the growth in appropriations (67 percent between FY 2001-02 and FY 2013-14). This trend is projected to accelerate over the next several decades. The State Demography Office projects that age 65+ households in Colorado will increase by 123 percent by 2030. The rapid growth is putting a significant strain on senior services funded through this line.

The number of individuals receiving Older Americans Act and State funding for senior services has increased by 18 percent from 33,576 in FY 2005-06 to 39,546 in FY 2011-12. The large increase in demand for services has left many needy individuals on AAA waiting lists. As an example, the Denver Regional Council of Governments (DRCOG) reports the following waiting lists for its services as of January 30, 2013:

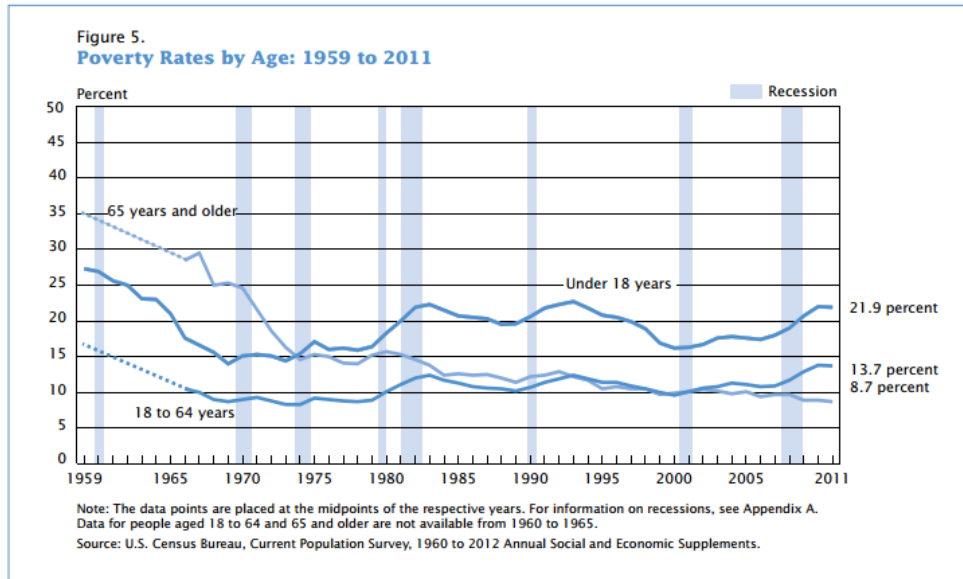
- Dental, Hearing, Vision – 1,148;
- Meals on wheels – 258;
- In home services – 224;
- Handyman services – 158;
- Care management services – 120; and
- Transportation Trips – 100 requests per month.

This gap between services demanded and supplied is just in the DRCOG region, which includes Adams, Arapahoe, Denver, Douglas, Jefferson, Gilpin, Clear Creek, and Broomfield counties. Because the number of individuals becoming eligible for these services continues to grow, the consequence of not funding the request would be a widening of this gap between those individuals able to receive services and those that demand services.

The State also may realize significant cost avoidance through additional investment in these services. State and federal studies show that services provided to older adults in their homes cost significantly less than these same services provided in hospitals or nursing homes. If these in-home services are unavailable some seniors will inevitably be forced into more costly alternatives such as Medicaid long term care. According to HCPF, the per capita cost to the State of long-term care in a nursing facility was \$57,251 in FY 2010-11. Conversely, the per capita costs associated with HCPF programs designed to keep seniors in their homes such as the Program of All-Inclusive Care for the Elderly (PACE) and Home and Community Based Services – Elderly, Blind, and Disabled (HCBS EBD) were significantly lower—\$42,427 and \$24,839 respectively during the same year.

Finally, the growing service gap may be exacerbated by federal budget reductions. To be clear, the impact of federal budget reductions is uncertain. However, if sequestration takes effect on March 1 (as appears likely) federal funding for these services could decline by eight percent—about \$1.3 million for federal FY 2012-13. Staff estimates that more than 2,200 seniors would lose services statewide, including 1,160 in the DRCOG region. Eliminating these services may carry a significant financial burden. As mentioned previously, many of these seniors would struggle to continue living independently in their homes. Without adult children who are able and willing to be caregivers, moving into a nursing home would become the only viable option. Because most seniors that receive these services are poor enough to qualify for Medicaid, it is reasonable to assume that many would turn to Medicaid for additional help.

One thing to note, however, when considering this request is that older adults are the best-off segment of the United States population. The chart below from the U.S. census bureau compares poverty rates by age. As shown, nationally in 2011, 8.7 percent of people age 65 and over lived in poverty, while 21.9 percent of children lived in poverty. Because the program is not means tested, there is no guarantee that additional dollars will go solely to those with the greatest need—although these individuals are prioritized.



Area Agencies on Aging Administration

This line item provides funding for the 16 Area Agencies on Aging (AAAs) to develop and administer area plans on services for the aging for their respective regions. The appropriation is entirely federal funds and is included in the Long Bill for informational purposes only.

Request: The Department requests that \$1,375,384 in federal funds be included in the Long Bill for informational purposes.

Recommendation: Staff recommends approval of the Department request.

Crimes Against At Risk Persons Surcharge Fund

House Bill 12-1226 established surcharges on persons who are convicted of crimes against at-risk adults and at-risk juveniles. The surcharges vary and range from \$75 for a class three misdemeanor to \$1,500 for a class two felony. Once collected, the surcharge revenue is distributed 5 percent to the Judicial Stabilization Cash Fund for administrative costs in the court and 95 percent to the newly created Crimes Against At-Risk Persons Surcharge Fund.

Moneys in the Crimes Against At-Risk Persons Surcharge Fund will be appropriated each year to the CDHS for distribution to a non-profit organization serving as a fiscal agent. The Department is currently establishing guidelines for the distribution of moneys from the fund, reporting procedures for the fiscal agent, and standards for programs that receive moneys. The fiscal agent is authorized to retain a portion of the moneys for training and coordination purposes, with the rest distributed to programs that provide respite services to caregivers. Any program that receives funds must agree to complete a signed agreement and protocol with the fiscal agent, conduct a fingerprint-based criminal history check of staff and providers, and satisfy the performance standards identified by CDHS.

Request: The Department requests \$20,857 cash funds for FY 2013-14. This represents an increase of \$15,207 cash funds from the current year appropriation due to the annualization of H.B. 10-1226.

Recommendation: Staff recommends the Department request.

(E) Adult Protective Services

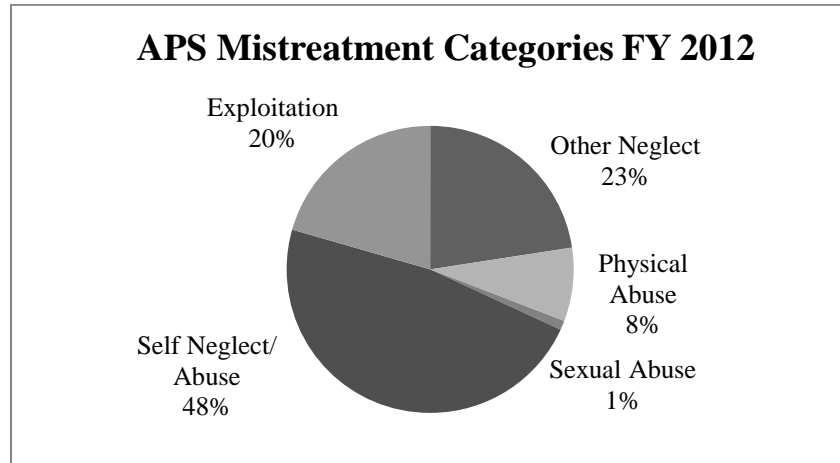
Staff is recommending this new subdivision to fund the provision of adult protective services (APS). The State first passed an APS law in 1983 to address elder-abuse. It was extended to all at-risk adults in 1991. Section 3.1 of Title 26, Colorado Revised Statutes outlines county responsibilities with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

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

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

Who receives Adult Protective Services?

The chart below summarizes APS county program data by mistreatment category.



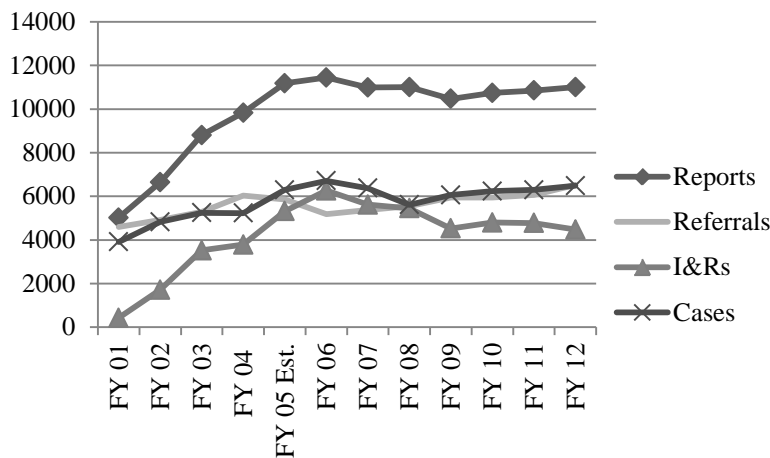
What services are provided?

Protective services to be provided by counties include:

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

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

APS Report and Case Trends



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

How are services funded?

Funding for APS is incorporated in the County Administration line item in the Long Bill, along with other county responsibilities such as eligibility determination for food assistance. During FY 2011-12, counties spent \$8.5 million, on APS services, including a \$4.8 million General fund, \$1.7 million (20 percent) local county share, and \$2.0 million federal Title XX funds (Social Services Block Grant). About \$350,000 in funding for state oversight staff is similarly embedded in the State Administration line item.

How effective are services?

Staff is currently unable to assess effectiveness. There is no APS data system in place other than the Colorado Benefits Management System (CBMS), and there does not appear to be data available on the reasons cases are closed or other outcome measures. Additionally, county administration for APS is incorporated in the main County Administration line item in the Department of Human Services and State administration for APS is incorporated in the State Administration line of the Old Age Pension Program. Because counties have the flexibility, it is difficult to determine exactly how allocated funds are being utilized.

The Department has requested \$250,000 cash funds in FY 2013-14 and \$160,000 continued funding in FY 2014-15 and ongoing to purchase, implement and maintain a new data system to manage protection and advocacy services for at-risk adults. The funding source for the request is the Old Age Pension (OAP) Fund. A fully functional APS data system would enable the Department to systematically collect and manage program data—making it possible to assess the

overall effectiveness of the program. In addition, staff is recommending this new division to ensure funds allocated for APS are spent by counties on APS.

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

During the 2012 legislative session, the General Assembly adopted S.B. 12-078, which clarified definitions and modified some requirements concerning the mistreatment, self-neglect and exploitation of at-risk adults. It also created a 17-member Elder Abuse Task Force including representative from the legal community, law enforcement, long-term care providers, health care professionals, banking, social services, and state agencies to study, make recommendations, and report on issues related to at-risk elderly adults. Recommendations included the following.

- Reduce county caseloads from 34:1 to 25:1 at an estimated cost of \$2.7 million;
- Implement mandatory reporting at an estimated cost of \$1.7 million;
- Increase funding for services for at-risk adults to be used per county discretion at a cost of \$1 million;
- Provide training and quality assurance activities in DHS at an estimated cost of \$165,000; and
- Implement a new data collection system at a cost of \$250,000.

The Executive Request from the Governor includes funding for an Adult Protection data system (See Appendix A), and the Governor's letter to the Joint Budget Committee dated November 1, 2012 indicates that \$5 million General Fund is set aside for the recommendations of the Elder Abuse Task Force. However, while many of the funding increases recommended by the Elder Abuse Task Force relate to base increases and are not driven by mandatory reporting, the Department has not requested any increase for APS outside of the \$250,000 request for a new APS data system.

S.B. 13-111: Mandatory Reporting Legislation

Under current law, an "at-risk adult" is any person over the age of 18 who, because of age or mental or physical ability, are unable to obtain services or otherwise protect their own health, safety, and welfare. Colorado law encourages members of certain professions to make reports of known or suspected abuse and provides a telephone hotline for all citizens. This bill creates a new class of protections for "at-risk elders," who are defined as any person age 70 or older. The bill also makes a number of changes to the APS system.

- Beginning July 1, 2014, members of helping professions listed in statute (mandatory reporters) are required to report known or suspected abuse of at-risk elders, and to make the report within 24 hours. Emergency medical service providers, physical therapists, clergy members, and chiropractors are added to the list of affected professionals.

- Failure to make a mandatory report is a class 3 misdemeanor. A person who files a report in good faith is immune from civil action or criminal prosecution. The bill also relocates existing penalties for theft-related crimes, caretaker neglect, and making a false report for offenses against at-risk elders.
- Law enforcement agencies are required to complete a criminal investigation when appropriate and to provide a summary of investigation reports to the relevant county department of social services and district attorney.
- The Peace Officer Standards Training (P.O.S.T.) Board in the Department of Law is required to develop and implement a training curriculum no later than January 1, 2014. Training is to assist peace officers in recognizing and responding to incidents of known or suspected abuse and exploitation of at-risk elders. On and after January 1, 2015, local law enforcement agencies are required to employ at least one officer that has completed the new P.O.S.T. training. The board is authorized to charge a fee to participants for the training.

The Department is required to implement a program to generate awareness among the public and mandatory reporters about the mistreatment, self-neglect, and exploitation of all at-risk adults beginning on January 1, 2014. CDHS is also tasked with preparing a report to certain committees of the General Assembly, including the JBC, concerning the implementation of S.B. 13-111 by December 31, 2016.

As mentioned above, the Governor included a \$5 million General Fund set aside for the elder abuse bill in his budget request. However, because the portions of S.B. 13-111 that speak to reducing county caseloads and increasing discretionary funding for counties are within the legislative declaration and have no force of law, the fiscal note only includes costs to implement mandatory reporting within counties, provide training and quality assurance activities within CDHS, and address P.O.S.T. training requirements in the Department of Law. These costs are outlined in the table below and total to \$103,708 in FY 2013-14. If the JBC is interested in appropriating additional dollars for either caseload reduction or additional services for at-risk adults through S.B. 13-111, staff would recommend that the Committee take action to set aside \$3.9 million General Fund for this purpose.

Table 2. Expenditures Under SB13-111 Mandatory Reporting			
Cost Components	FY 2013-14	FY 2014-15	FY 2015-16
Department of Human Services			
Personal Services	\$70,967	\$77,419	\$77,419
FTE	1.0	1.0	1.0
Operating Expenses and Capital Outlay	5,653	950	950
Travel	9,588	9,588	9,588
County Caseworker Increases (22.0 FTE)	0	1,657,975	1,657,975

Table 2. Expenditures Under SB13-111 Mandatory Reporting			
Cost Components	FY 2013-14	FY 2014-15	FY 2015-16
Department of Law			
Training Development	5,000	0	0
Training Implementation	12,500	12,500	7,500
TOTAL	<u>\$103,708</u>	<u>\$1,758,432</u>	<u>\$1,753,432</u>
General Fund	86,208	1,414,337	1,414,337
County Funds	0	331,595	331,595
Cash Funds	17,500	12,500	7,500

State Administration

This appropriation funds the administrative related activities incurred by the state for the Adult Protective Services program. Expenditures are for personal services and operating expenses.

➔ Staff Initiated Adjustment: Adult Protective Services Line Items

- CDHS staff responsible for APS oversight are currently being funded through the Old Age Pension (OAP) State Administration line item.
- This is inappropriate because Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund". The APS program serves a different population and offers different benefits.
- Staff recommends providing \$403,258 General Fund and 5.5 FTE within a new APS State Administration line item.
- Staff recommends reducing the appropriations for the OAP State Administration line by a corresponding amount.

Request: Because this is a new line item, there is no Executive request for FY 2013-14.

Recommendation: Staff recommends providing a \$403,258 General Fund appropriation and 5.5 FTE for APS state support staff in this new APS State Administration program line item, while reducing the OAP cash funds appropriation and FTE for OAP State Administration by the same amount. Please see the following table for an overview of the recommended changes.

State Administration			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 12-1335 (Long Bill)	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$0	\$0	0.0
Staff Initiated APS Adjustments	<u>403,258</u>	<u>403,258</u>	<u>5.5</u>

State Administration			
	Total Funds	General Fund	FTE
TOTAL	\$403,258	\$403,258	5.5
Increase/(Decrease)	\$403,258	\$403,258	5.5
Percentage Change	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$403,258)	(\$403,258)	(5.5)

Analysis: CDHS staff responsible for APS oversight are currently being funded through the Old Age Pension (OAP) State Administration line item. This is inappropriate because Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund". The APS program is not the same as the OAP program. It serves a different population and offers different benefits. About 28 percent of the APS population is under age 60 (the cutoff age for OAP), and there is no data indicating that those receiving APS services who are over age 60 receive the OAP or qualify based on income limits.

The State Supreme Court has ruled in the past that the use of OAP funds for a program that is not targeted to individuals on the Old Age Pension is not consistent with the Constitution (Davis v. Pensioners Association, 110 Colo. 380, 135 P.2d 142 (1943)). Staff from the Office of Legislative Legal Services concurs that use of OAP funds to support APS is inconsistent with the State Constitution.

Adult Protective Services

Staff is recommending this new subdivision to fund the provision of APS.

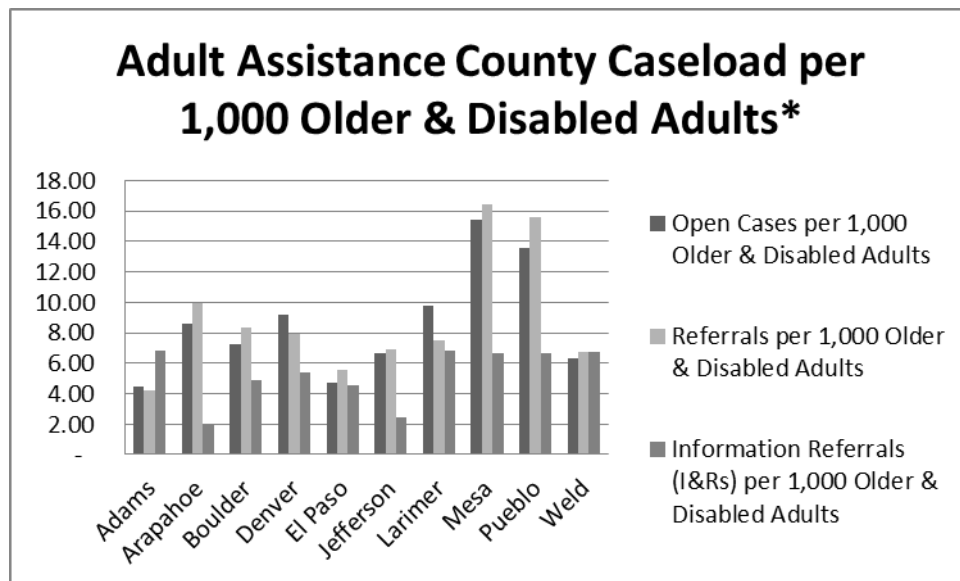
➔ Staff Initiated Adjustment: Adult Protective Services Line Items

- Colorado counties are responsible for responding to reports of abuse of elderly and vulnerable individuals; however, Colorado is one of four states that do not require key professionals to report incidents of abuse.
- Senate Bill 12-078 established an Elder Abuse Task Force, which recommended an increase of \$5.8 million for APS services as well as statutory changes to implement mandatory reporting of elder abuse.
- The Governor has set aside \$5.0 million General Fund in the FY 2013-14 budget request for a bill to require mandatory reporting.
- Funding for APS is currently buried within other line items, making it difficult to determine whether current funding is adequate and to ensure that any increases benefit the correct program.
- Staff recommends providing \$8,520,950 total funds for APS services within this new Adult Protective Services line item.
- Staff recommends reducing the appropriations for the County Administration line item by a corresponding amount.

Request: Because this is a new line item, there is no Executive request for FY 2013-14.

Recommendation: Staff recommends that the APS allocation be separated from the larger County Administration line item in the Long Bill. More specifically, staff recommends providing an \$8,520,950 appropriation for APS in FY 2013-14 through a new Adult Protective Services line item, while reducing the County Administration appropriation by the same amount. To facilitate the transition process, transfer authority between the new line item and the County Administration line item should be provided for two years through an additional footnote in the Long Bill (See the footnotes section below).

Analysis: Currently, county administration for APS is incorporated in the main County Administration line item in the Department of Human Services and State administration for APS is incorporated in the State Administration line of the Old Age Pension Program. Counties have flexibility within county administration to allocate funds among programs. Thus, resources directed to APS are at a county’s discretion. Data provided by the Department, and included in the chart below, indicate that there is wide variation among counties in the extent to which they choose to devote resources to APS and how they operate their programs.



The Department feels that some of this variation may reflect improper recording of data in the CBMS system. However, this is the only data currently available. Because of this, it is difficult to determine whether APS is under-funded, as asserted by counties. If the General Assembly chooses to adopt a bill incorporating some or all of the Elder Abuse Task Force recommendations within the \$5.0 million set-aside established by the Governor, staff anticipates that ongoing county funding for APS will increase by \$2 to \$5 million—an increase of about 25 to 60 percent on the base. Staff believes a discrete program of this size should be subject to more legislative scrutiny than occurs when funding is incorporated in the broader County Administration line item.

Further, if funding for APS is not separated from the broader County Administration line item, there is no guarantee that any additional funds provided will actually be spent on APS. These funds could be redirected to food assistance administration, given the structure of the appropriation and the current funding allocation process for county administration. This process is based on the prior calendar year count of a variety of county workload measures (e.g., APS referrals or food assistance eligibility determinations), which are pulled from the Colorado Benefits Management System (CBMS). These are then weighted for the minutes of work they drive according to a 2007 workload study. Increased funds for APS county administration allocated through the county administration allocation process would not necessarily result in an increase for APS programs versus any other county administration activity, absent a proportionate increase in APS referrals and cases.

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends the following **new footnote**:

- N Department of Human Services, Adult Assistance Programs, Adult Protective Services, Adult Protective Services** -- It is the intent of the General Assembly that any amount in the Adult Protective Services line item that is not required for the provision of adult protective services may be transferred to the County Administration line item and used to provide additional benefits under that program. It is further the intent of the General Assembly that if county spending exceeds the total appropriations from the Adult Protective Services line item, any amount in the County Administration line item that is not required for the provision of services under that program may be transferred to the Adult Protective Services line item and used to provide adult protective services.

Comment: Staff is recommending that the APS allocation be separated from the larger County Administration line item in the Long Bill. More specifically, staff is recommending an \$8,502,950 appropriation for APS in FY 2013-14 through a new Adult Protective Services line item, while reducing the County Administration appropriation by the same amount. To facilitate the transition process, staff is recommending transfer authority between the new line item and the County Administration line item through this new footnote in the Long Bill.

Staff recommends the following footnotes be **continued**:

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

Comment: For FY 2011-12, the county 20-percent share of offsetting revenue was \$2,977,244. Note that *counties* have considerable authority to "forgive" amounts that would otherwise be recovered for the county, state, and federal governments as they work to improve timely payment of child support by non-custodial parents.

- 20 Department of Human Services, County Administration, County Incentive Payments; Office of Self Sufficiency, Colorado Works Program, County Block Grants; Child Support Enforcement, Child Support Enforcement** -- It is the intent of the General Assembly that, pursuant to Sections 26-13-108 and 26-13-112.5 (2),

C.R.S., the Department distribute child support incentive payments to counties. It is further the intent of the General Assembly that all of the State share of recoveries of amounts of support for public assistance recipients, less annual appropriations from this fund source for state child support enforcement operations, be distributed to counties, as described in Section 26-13-108, C.R.S. If the total amount of the State share of recoveries is greater than the total annual appropriations from this fund source, the Department is authorized to distribute to counties, for county incentive payments, the actual State share of any additional recoveries.

Comment: The State's total 30 percent share of retained collections was \$4,465,865 in FY 2011-12. However, of this amount, the State only retained \$661,489, and the balance of the State share (\$3,804,376) was distributed to counties as incentives for child support enforcement.

- 24 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- Pursuant to Sections 26-2-714 (7) and 26-2-714 (9), C.R.S., under certain conditions, a county may transfer federal Temporary Assistance for Needy Families (TANF) funds within its Colorado Works Program Block Grant to the federal child care development fund or to programs funded by Title XX of the federal Social Security Act. One of the conditions specified is that the amount a county transfers must be specified by the Department of Human Services as being available for transfer within the limitation imposed by federal law. It is the intent of the General Assembly that the Department allow individual counties to transfer a greater percent of federal TANF funds than the state is allowed under federal law as long as: (a) Each county has had an opportunity to transfer an amount up to the federal maximum allowed; and, (b) the total amount transferred statewide does not exceed the federal maximum.

Comment: Full information about county transfers from TANF to the federal Child Care Development Fund and to Title XX programs was provided by the Department.

- 25 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- It is the intent of the General Assembly that the appropriation of local funds for Colorado Works program county block grants may be decreased by a maximum of \$100,000 to reduce one or more small counties' fiscal year 2012-13 targeted or actual spending level pursuant to Section 26-2-714 (8), C.R.S.

Comment: The Works Allocation Committee is authorized (Section 26-2-714 (8), C.R.S.) to mitigate (reduce) a small county's targeted and/or actual spending level, up to a maximum amount identified in the Long Bill. A small county is one with less than 0.38% of the total statewide Works caseload, as determined by the Department of Human Services. This footnote authorizes the Works Allocation Committee to approve a maximum of \$100,000 in mitigation. No county made use of this provision in FY 2009-10, FY 2010-11, or FY 2011-12; however, staff is not recommending elimination of this footnote from future Long Bills because the Department expects this pattern may change. Staff will revisit this issue in FY 2014-15.

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

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

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

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

Staff recommends the following footnotes be **continued as modified:**

- 30 Department of Human Services, Adult Assistance Programs, Other Grant Programs, Home Care Allowance; and Home Care Allowance Grant Program** -- Pursuant to Section 26-2-122.4 (3), C.R.S, any amount in the Home Care Allowance Grant Program line item that is not required to operate the Grant Program may be transferred to the Home Care Allowance Program line item and used to provide additional benefits under that program. IT IS FURTHER THE INTENT OF THE GENERAL ASSEMBLY THAT ANY AMOUNT IN THE HOME CARE ALLOWANCE PROGRAM LINE ITEM THAT

IS UNUSED MAY BE TRANSFERRED TO THE HOME CARE ALLOWANCE GRANT PROGRAM LINE ITEM AND USED TO PROVIDE ADDITIONAL BENEFITS UNDER THAT PROGRAM.

Comment: The Department provides the same level of benefits to participants in both the regular Home Care Allowance program and the Grant Program, but the average cost for individuals on the Grant Program is greater based on the case mix of clients. Because of this, costs associated with the Grant Program have been higher than anticipated. The Committee approved a supplemental request to transfer \$287,070 General Fund from the Home Care Allowance line item to the Home Care Allowance Grant Program line item for FY 2012-13. Additionally, the Committee approved the request to alter this footnote in FY 2013-14 and ongoing to allow transfers in both directions—providing additional flexibility for the Department.

REQUESTS FOR INFORMATION

Pursuant to H.B. 10-1119, the information requests shown below are reflected in staff's recommended priority order for line items that appear in this section of the budget. These will be combined with priority listings from other JBC staff figure setting packets for the Department of Human Services prior to the Committee's final vote on footnotes in March.

Staff recommends that the following RFIs be continued.

6. **Department of Human Services, Totals** -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for each of the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecast MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data as of the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.

Comment: Staff considers this report crucial important for figure setting, given the General Assembly's responsibility for appropriating TANF funds.

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

Comment: In light of the TANF funds appropriated for Refugee Assistance and annual changes in the numbers of refugees and federal funding levels, staff believes this report is useful.

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

Comment: This data assists staff in tracking trends in federal funding. It was added when the (M) notation was removed from the Older Americans Act Programs line item.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

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

(4) COUNTY ADMINISTRATION

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

County Administration	<u>50,809,601</u>	<u>50,258,916</u>	<u>50,116,105</u>	<u>57,766,598</u>	<u>49,245,648</u> *
General Fund	20,516,876	19,966,191	19,823,380	22,207,450	17,374,150
Cash Funds	9,193,456	9,193,456	9,193,456	10,723,555	9,023,275
Federal Funds	21,099,269	21,099,269	21,099,269	24,835,593	22,848,223
Food Assistance Administration	<u>0</u>	<u>4,715,280</u>	<u>4,715,280</u>	<u>0</u>	<u>0</u>
General Fund	0	1,414,584	1,414,584	0	0
Cash Funds	0	943,056	943,056	0	0
Federal Funds	0	2,357,640	2,357,640	0	0
County Tax Base Relief	<u>1,587,428</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,697,803</u>
General Fund	1,587,428	1,000,000	1,000,000	1,000,000	2,697,803
County Share of Offsetting Revenues	<u>2,899,425</u>	<u>3,357,152</u>	<u>2,986,000</u>	<u>2,986,000</u>	<u>2,986,000</u>
Cash Funds	2,899,425	3,357,152	2,986,000	2,986,000	2,986,000
County Incentive Payments	<u>1,768,204</u>	<u>3,310,209</u>	<u>4,113,000</u>	<u>4,113,000</u>	<u>4,113,000</u>
Cash Funds	1,768,204	3,310,209	4,113,000	4,113,000	4,113,000

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
TOTAL - (4) County Administration	57,064,658	62,641,557	62,930,385	65,865,598	59,042,451
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	22,104,304	22,380,775	22,237,964	23,207,450	20,071,953
Cash Funds	13,861,085	16,803,873	17,235,512	17,822,555	16,122,275
Federal Funds	21,099,269	23,456,909	23,456,909	24,835,593	22,848,223

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

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

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

(A) Administration

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

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

(B) Colorado Works Program

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

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Reimbursement to Counties for Prior year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement	<u>5,524,726</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	5,524,726	0	0	0	0
County Block Grant Support Fund	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	1,000,000	0	0	0	0
County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs	<u>55,618,851</u>	<u>40,082,449</u>	<u>38,680,365</u>	<u>38,680,365</u>	<u>38,680,365</u> *
Federal Funds	55,618,851	40,082,449	38,680,365	38,680,365	38,680,365
County Training	<u>531,724</u>	<u>403,356</u>	<u>475,744</u>	<u>475,744</u>	<u>475,744</u>
FTE	2.0	2.3	2.0	2.0	2.0
Federal Funds	531,724	403,356	475,744	475,744	475,744
Domestic Abuse Program	<u>1,830,757</u>	<u>1,735,289</u>	<u>1,831,431</u>	<u>1,831,431</u>	<u>1,831,431</u>
FTE	2.7	2.6	2.7	2.7	2.7
Cash Funds	1,170,933	1,107,619	1,201,754	1,201,754	1,201,754
Federal Funds	659,824	627,670	629,677	629,677	629,677
Works Program Evaluation	<u>104,958</u>	<u>93,635</u>	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>
Federal Funds	104,958	93,635	95,000	95,000	95,000
Workforce Development Council	<u>83,802</u>	<u>83,764</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>
Federal Funds	83,802	83,764	85,000	85,000	85,000

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Promoting Responsible Fatherhood Grant	<u>1,788,092</u>	<u>569,729</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	3.0	0.6	0.0	0.0	0.0
General Fund	68,353	64	0	0	0
Federal Funds	1,719,739	569,665	0	0	0
Colorado Work Program Maintenance Fund	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	100,000	0	0	0	0
Colorado Works Statewide Strategic Use Fund	<u>6,832,814</u>	<u>4,069,713</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	6,832,814	4,069,713	0	0	0
SUBTOTAL - (B) Colorado Works Program	226,361,527	199,044,629	193,223,081	193,223,081	193,223,081
FTE	<u>25.3</u>	<u>22.8</u>	<u>22.7</u>	<u>22.7</u>	<u>22.7</u>
General Fund	68,353	64	0	0	0
Cash Funds	23,558,070	23,482,245	23,551,484	23,551,484	23,551,484
Federal Funds	202,735,104	175,562,320	169,671,597	169,671,597	169,671,597

(C) Special Purpose Welfare Programs

(I) Low Income Energy Assistance Program

Low Income Energy Assistance Program	<u>58,940,618</u>	<u>49,979,195</u>	<u>48,093,420</u>	<u>48,093,420</u>	<u>46,501,066</u>
FTE	5.4	5.3	5.2	5.2	5.2
Cash Funds	1,000,000	1,725,000	3,150,000	3,150,000	3,450,000
Federal Funds	57,940,618	48,254,195	44,943,420	44,943,420	43,051,066
SUBTOTAL - (I) Low Income Energy Assistance Program	58,940,618	49,979,195	48,093,420	48,093,420	46,501,066
FTE	<u>5.4</u>	<u>5.3</u>	<u>5.2</u>	<u>5.2</u>	<u>5.2</u>
Cash Funds	1,000,000	1,725,000	3,150,000	3,150,000	3,450,000
Federal Funds	57,940,618	48,254,195	44,943,420	44,943,420	43,051,066

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

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

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

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

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(VI) Electronic Benefits Transfer Service					
Electronic Benefits Transfer Service	<u>2,591,619</u>	<u>2,508,063</u>	<u>3,679,032</u>	<u>3,679,032</u>	<u>3,679,032</u>
FTE	6.6	6.7	7.0	7.0	7.0
General Fund	571,567	413,511	991,955	991,955	991,955
Cash Funds	761,853	877,335	993,608	993,608	993,608
Federal Funds	1,258,199	1,217,217	1,693,469	1,693,469	1,693,469
SUBTOTAL - (VI) Electronic Benefits Transfer Service					
	2,591,619	2,508,063	3,679,032	3,679,032	3,679,032
FTE	<u>6.6</u>	<u>6.7</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
General Fund	571,567	413,511	991,955	991,955	991,955
Cash Funds	761,853	877,335	993,608	993,608	993,608
Federal Funds	1,258,199	1,217,217	1,693,469	1,693,469	1,693,469
(VII) Refugee Assistance					
Refugee Assistance	<u>11,087,361</u>	<u>11,568,940</u>	<u>16,686,921</u>	<u>16,686,921</u>	<u>16,686,921</u>
FTE	2.3	3.6	10.0	10.0	10.0
Federal Funds	11,087,361	11,568,940	16,686,921	16,686,921	16,686,921
SUBTOTAL - (VII) Refugee Assistance					
	11,087,361	11,568,940	16,686,921	16,686,921	16,686,921
FTE	<u>2.3</u>	<u>3.6</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
Federal Funds	11,087,361	11,568,940	16,686,921	16,686,921	16,686,921

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(VIII) Systematic Alien Verification for Eligibility					
Systematic Alien Verification for Eligibility	<u>50,444</u>	<u>47,607</u>	<u>53,893</u>	<u>53,893</u>	<u>53,893</u>
FTE	0.7	0.3	1.0	1.0	1.0
General Fund	6,939	6,247	6,984	6,984	6,984
Cash Funds	3,447	3,167	3,699	3,699	3,699
Reappropriated Funds	31,126	30,034	33,951	33,951	33,951
Federal Funds	8,932	8,159	9,259	9,259	9,259
SUBTOTAL - (VIII) Systematic Alien Verification for Eligibility					
	50,444	47,607	53,893	53,893	53,893
FTE	<u>0.7</u>	<u>0.3</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
General Fund	6,939	6,247	6,984	6,984	6,984
Cash Funds	3,447	3,167	3,699	3,699	3,699
Reappropriated Funds	31,126	30,034	33,951	33,951	33,951
Federal Funds	8,932	8,159	9,259	9,259	9,259
(9) Business Process Reengineering					
Business Process Reengineering	0	0	1,651,000	0	0
General Fund	0	0	1,651,000	0	0
SUBTOTAL - (9) Business Process Reengineering					
	0	0	1,651,000	0	0
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	1,651,000	0	0

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (C) Special Purpose Welfare					
Programs	75,456,511	67,029,888	73,172,668	71,521,668	69,929,314
<i>FTE</i>	<u>24.7</u>	<u>26.7</u>	<u>37.4</u>	<u>37.4</u>	<u>37.4</u>
General Fund	879,015	717,710	2,954,024	1,303,024	1,303,024
Cash Funds	2,432,433	3,362,263	4,971,065	4,971,065	5,271,065
Reappropriated Funds	31,126	35,862	33,951	33,951	33,951
Federal Funds	72,113,937	62,914,053	65,213,628	65,213,628	63,321,274
(D) Child Support Enforcement					
Automated Child Support Enforcement System	<u>8,754,147</u>	<u>7,233,496</u>	<u>9,095,641</u>	<u>9,095,641</u>	<u>9,095,641</u>
<i>FTE</i>	13.7	13.9	16.9	16.9	16.9
General Fund	2,945,569	2,449,270	2,654,527	2,654,527	2,654,527
Cash Funds	119,773	95,699	719,959	719,959	719,959
Federal Funds	5,688,805	4,688,527	5,721,155	5,721,155	5,721,155
Child Support Enforcement	<u>2,077,604</u>	<u>2,681,437</u>	<u>2,110,383</u>	<u>2,110,383</u>	<u>2,110,383</u>
<i>FTE</i>	21.8	23.1	24.5	24.5	24.5
General Fund	668,848	701,771	645,729	645,729	645,729
Cash Funds	71,261	245,284	71,800	71,800	71,800
Federal Funds	1,337,495	1,734,382	1,392,854	1,392,854	1,392,854
SUBTOTAL - (D) Child Support Enforcement					
<i>FTE</i>	<u>35.5</u>	<u>37.0</u>	<u>41.4</u>	<u>41.4</u>	<u>41.4</u>
General Fund	3,614,417	3,151,041	3,300,256	3,300,256	3,300,256
Cash Funds	191,034	340,983	791,759	791,759	791,759
Federal Funds	7,026,300	6,422,909	7,114,009	7,114,009	7,114,009

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(E) Disability Determination Services					
Program Costs	<u>20,632,565</u>	<u>20,374,577</u>	<u>19,902,138</u>	<u>19,902,138</u>	<u>19,902,138</u>
FTE	<u>130.9</u>	<u>120.0</u>	<u>121.7</u>	<u>121.7</u>	<u>121.7</u>
Federal Funds	20,632,565	20,374,577	19,902,138	19,902,138	19,902,138
SUBTOTAL - (E) Disability Determination Services					
	<u>20,632,565</u>	<u>20,374,577</u>	<u>19,902,138</u>	<u>19,902,138</u>	<u>19,902,138</u>
FTE	<u>130.9</u>	<u>120.0</u>	<u>121.7</u>	<u>121.7</u>	<u>121.7</u>
Federal Funds	20,632,565	20,374,577	19,902,138	19,902,138	19,902,138
TOTAL - (7) Office of Self Sufficiency					
	<u>334,906,457</u>	<u>297,923,656</u>	<u>299,259,893</u>	<u>297,608,893</u>	<u>296,016,539</u>
FTE	<u>236.0</u>	<u>225.3</u>	<u>245.2</u>	<u>245.2</u>	<u>245.2</u>
General Fund	5,319,138	4,513,274	7,027,412	5,376,412	5,376,412
Cash Funds	26,181,537	27,185,491	29,314,308	29,314,308	29,614,308
Reappropriated Funds	31,126	35,862	33,951	33,951	33,951
Federal Funds	303,374,656	266,189,029	262,884,222	262,884,222	260,991,868

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(10) ADULT ASSISTANCE PROGRAMS

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

(A) Administration

Administration	<u>324,928</u>	<u>466,574</u>	<u>584,225</u>	<u>584,225</u>	<u>966,730</u>
FTE	2.8	4.8	6.0	6.0	11.0
General Fund	102,393	101,772	102,311	102,311	484,816
Cash Funds	0	0	103,950	103,950	103,950
Reappropriated Funds	104,017	92,894	0	0	0
Federal Funds	118,518	271,908	377,964	377,964	377,964

SUBTOTAL - (A) Administration	324,928	466,574	584,225	584,225	966,730
FTE	<u>2.8</u>	<u>4.8</u>	<u>6.0</u>	<u>6.0</u>	<u>11.0</u>
General Fund	102,393	101,772	102,311	102,311	484,816
Cash Funds	0	0	103,950	103,950	103,950
Reappropriated Funds	104,017	92,894	0	0	0
Federal Funds	118,518	271,908	377,964	377,964	377,964

(B) Old Age Pension Program

Cash Assistance Programs	<u>77,627,336</u>	<u>77,554,700</u>	<u>85,182,673</u>	<u>78,713,073</u>	<u>79,622,505</u> *
Cash Funds	77,627,336	77,554,700	85,182,673	78,713,073	79,622,505
Refunds	<u>323,735</u>	<u>882,218</u>	<u>588,362</u>	<u>588,362</u>	<u>588,362</u>
Cash Funds	323,735	882,218	588,362	588,362	588,362
Burial Reimbursements	<u>1,008,477</u>	<u>918,364</u>	<u>918,364</u>	<u>918,364</u>	<u>918,364</u>
Cash Funds	1,008,477	918,364	918,364	918,364	918,364

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
State Administration	<u>974,586</u>	<u>1,070,624</u>	<u>1,147,201</u>	<u>1,147,201</u>	<u>361,438</u>
FTE	9.6	0.0	14.0	14.0	3.5
Cash Funds	974,586	1,070,624	1,147,201	1,147,201	361,438
County Administration	<u>2,196,623</u>	<u>2,083,727</u>	<u>2,566,974</u>	<u>2,566,974</u>	<u>2,566,974</u>
Cash Funds	2,196,623	2,083,727	2,566,974	2,566,974	2,566,974
SUBTOTAL - (B) Old Age Pension Program	82,130,757	82,509,633	90,403,574	83,933,974	84,057,643
FTE	9.6	0.0	14.0	14.0	3.5
Cash Funds	82,130,757	82,509,633	90,403,574	83,933,974	84,057,643

(C) Other Grant Programs

Administration - Home Care Allowance SEP

Contract	<u>0</u>	<u>1,063,259</u>	<u>1,063,259</u>	<u>1,063,259</u>	<u>1,063,259</u>
General Fund	0	1,063,259	1,063,259	1,063,259	1,063,259
Aid to the Needy Disabled Programs	<u>18,180,148</u>	<u>17,157,057</u>	<u>17,428,495</u>	<u>17,428,495</u>	<u>17,428,495</u>
General Fund	10,787,445	10,750,562	11,421,471	11,421,471	11,421,471
Cash Funds	7,392,703	6,406,495	6,007,024	6,007,024	6,007,024
Burial Reimbursements	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>
General Fund	402,985	402,985	402,985	402,985	402,985
Cash Funds	105,015	105,015	105,015	105,015	105,015
Home Care Allowance	<u>10,519,866</u>	<u>10,074,145</u>	<u>9,415,544</u>	<u>9,415,544</u>	<u>9,415,544</u>
General Fund	9,975,845	9,530,124	8,913,580	8,913,580	8,913,580
Cash Funds	544,021	544,021	501,964	501,964	501,964

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Home Care Allowance Grant Program	0	<u>469,612</u>	<u>1,086,156</u>	<u>1,086,156</u>	<u>1,086,156</u>
General Fund	0	469,612	1,086,156	1,086,156	1,086,156
Adult Foster Care	<u>83,620</u>	<u>78,103</u>	<u>157,469</u>	<u>157,469</u>	<u>157,469</u>
General Fund	75,747	70,210	149,596	149,596	149,596
Cash Funds	7,873	7,893	7,873	7,873	7,873
SSI Stabilization Fund Programs	0	<u>198,787</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Cash Funds	0	198,787	1,000,000	1,000,000	1,000,000
Administration - Home Care Allowance SEP					
Contract	<u>1,000,902</u>	0	0	0	0
General Fund	1,000,902	0	0	0	0
SUBTOTAL - (C) Other Grant Programs	30,292,536	29,548,963	30,658,923	30,658,923	30,658,923
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	22,242,924	22,286,752	23,037,047	23,037,047	23,037,047
Cash Funds	8,049,612	7,262,211	7,621,876	7,621,876	7,621,876

(D) Community Services for the Elderly

Administration	<u>651,984</u>	<u>633,335</u>	<u>674,579</u>	<u>674,579</u>	<u>674,579</u>
FTE	7.1	6.5	7.0	7.0	7.0
General Fund	155,596	159,193	168,645	168,645	168,645
Federal Funds	496,388	474,142	505,934	505,934	505,934

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Colorado Commission on Aging	<u>80,537</u>	<u>54,428</u>	<u>81,126</u>	<u>81,126</u>	<u>81,126</u>
FTE	1.0	0.5	1.0	1.0	1.0
General Fund	20,335	14,148	20,282	20,282	20,282
Federal Funds	60,202	40,280	60,844	60,844	60,844
Senior Community Services Employment	<u>1,035,963</u>	<u>1,075,584</u>	<u>1,233,440</u>	<u>1,233,440</u>	<u>1,233,440</u>
FTE	0.6	0.3	0.5	0.5	0.5
Federal Funds	1,035,963	1,075,584	1,233,440	1,233,440	1,233,440
Older Americans Act Programs	<u>16,759,588</u>	<u>15,460,000</u>	<u>17,574,052</u>	<u>17,574,052</u>	<u>17,574,052</u>
General Fund	744,079	701,890	765,125	765,125	765,125
Cash Funds	3,119,710	3,039,710	3,079,710	3,079,710	3,079,710
Federal Funds	12,895,799	11,718,400	13,729,217	13,729,217	13,729,217
National Family Caregiver Support Program	<u>1,882,237</u>	<u>2,163,518</u>	<u>2,263,386</u>	<u>2,263,386</u>	<u>2,263,386</u>
General Fund	123,743	142,041	142,041	142,041	142,041
Cash Funds	0	423,805	423,805	423,805	423,805
Federal Funds	1,758,494	1,597,672	1,697,540	1,697,540	1,697,540
State Ombudsman Program	<u>272,031</u>	<u>242,031</u>	<u>272,031</u>	<u>272,031</u>	<u>272,031</u>
General Fund	111,898	106,822	111,898	111,898	111,898
Reappropriated Funds	1,800	1,800	1,800	1,800	1,800
Federal Funds	158,333	133,409	158,333	158,333	158,333
State Funding for Senior Services	<u>8,832,668</u>	<u>8,787,222</u>	<u>8,811,622</u>	<u>10,811,622</u>	<u>10,811,622</u> *
General Fund	524,916	503,870	803,870	2,803,870	2,803,870
Cash Funds	8,307,752	8,283,352	8,007,752	8,007,752	8,007,752

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Area Agencies on Aging Administration	<u>1,795,441</u>	<u>1,326,177</u>	<u>1,375,384</u>	<u>1,375,384</u>	<u>1,375,384</u>
Federal Funds	1,795,441	1,326,177	1,375,384	1,375,384	1,375,384
Crimes Against At Risk Persons Surcharge Fund	<u>0</u>	<u>0</u>	<u>5,650</u>	<u>20,857</u>	<u>20,857</u>
Cash Funds	0	0	5,650	20,857	20,857
SUBTOTAL - (D) Community Services for the Elderly	31,310,449	29,742,295	32,291,270	34,306,477	34,306,477
<i>FTE</i>	<u>8.7</u>	<u>7.3</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>
General Fund	1,680,567	1,627,964	2,011,861	4,011,861	4,011,861
Cash Funds	11,427,462	11,746,867	11,516,917	11,532,124	11,532,124
Reappropriated Funds	1,800	1,800	1,800	1,800	1,800
Federal Funds	18,200,620	16,365,664	18,760,692	18,760,692	18,760,692
(E) Adult Protective Services					
State Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>403,258</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>5.5</u>
General Fund	0	0	0	0	403,258
Adult Protective Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,520,950</u>
General Fund	0	0	0	0	4,833,300
Cash Funds	0	0	0	0	1,700,280
Federal Funds	0	0	0	0	1,987,370
SUBTOTAL - (E) Adult Protective Services	0	0	0	0	8,924,208
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>5.5</u>
General Fund	0	0	0	0	5,236,558
Cash Funds	0	0	0	0	1,700,280
Federal Funds	0	0	0	0	1,987,370

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
TOTAL - (10) Adult Assistance Programs	144,058,670	142,267,465	153,937,992	149,483,599	158,913,981
<i>FTE</i>	<u>21.1</u>	<u>12.1</u>	<u>28.5</u>	<u>28.5</u>	<u>28.5</u>
General Fund	24,025,884	24,016,488	25,151,219	27,151,219	32,770,282
Cash Funds	101,607,831	101,518,711	109,646,317	103,191,924	105,015,873
Reappropriated Funds	105,817	94,694	1,800	1,800	1,800
Federal Funds	18,319,138	16,637,572	19,138,656	19,138,656	21,126,026
TOTAL - Department of Human Services	536,029,785	502,832,678	516,128,270	512,958,090	513,972,971
<i>FTE</i>	<u>257.1</u>	<u>237.4</u>	<u>273.7</u>	<u>273.7</u>	<u>273.7</u>
General Fund	51,449,326	50,910,537	54,416,595	55,735,081	58,218,647
Cash Funds	141,650,453	145,508,075	156,196,137	150,328,787	150,752,456
Reappropriated Funds	136,943	130,556	35,751	35,751	35,751
Federal Funds	342,793,063	306,283,510	305,479,787	306,858,471	304,966,117

Appendix B: R-9, Adult Protective Services Data System

Request: R-9 – APS Data System

The Department requests \$250,000 for FY 2013-14 and \$160,000 for FY 2014-15 and ongoing for a new Adult Protective Services (APS) data system. The request is for OAP cash funds.

Recommendation: Staff recommends approval of the Department request to purchase and implement a new data system. However, staff recommends that the new system be funded with General Fund, rather than OAP cash funds.

Analysis:

Background and Problem

As reported by the Elder Abuse Task Force, managing an APS program, at the state and county level, requires a comprehensive and confidential case management and data system. Situations involving at-risk adults must be fully documented to ensure that actions taken by APS caseworkers are legal and appropriate. Further, documentation must combine both narrative and field data to allow for a thorough analysis of the at-risk adult's health, safety, welfare, intervention, and outcomes.

The State's first statewide data system was developed in 2000 in the legacy Client Oriented Information Network (COIN) system. When the COIN system was retired, a decision was made within CBMS and CDHS executive management to move APS into CBMS. APS was not consulted in the design of the APS track and as a result, the APS track in CBMS does not meet the basic requirements for case documentation and statistical data collection and analysis. Specific problems include the following.

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

In early 2007 the CBMS system cost calculator was reassessed, resulting in an ongoing cost for APS in CBMS of \$297,000 annually. While this is a relatively low price tag, staff feels that it represents an especially high cost for a system that does not function for APS case management purposes, does not allow collection of data and outcomes, and does not prioritize any maintenance or changes to the system for the APS program. As an example, a data fix on a defect in the system, causing data errors on just under 700 cases, was requested in April 2008 and has yet to be prioritized for implementation.

Requested Solution

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

Table A: Adult Protective Services (APS) Data System Cost Estimates

	Vendor A	Vendor B	Vendor C	Vendor D	Vendor E
Costs Year 1 (purchase, implementation)	\$980,000	\$70,600	\$500,000	\$462,500	\$639,500
Ongoing Costs (maintenance, licenses, hosting fees)	\$140,000	\$45,880	\$69,000	\$255,000	\$201,000

Table B: Breakdown of Estimated Adult Protective Services (APS) Data System Costs Requested*

FY 2013-14 (One-time costs)	Unit Price	Quantity	Total Annual
APS Users a)	\$500	250	\$125,000
Annual License Fee b)	\$25,000	1	\$25,000
Data Warehouse Setup (CBMS) c)	\$10,000	1	\$10,000
Data Warehouse Interface (CBMS data access) d)	\$30,000	1	\$30,000
System modifications for Colorado e)	\$100	200 hours	\$20,000
Training f)	\$1,500 per day	10	\$15,000
CMBS data extraction g)	\$25,000	1	\$25,000
Total FY 2013-14 Cost			\$250,000
FY 2014-15 (Continuing costs) h)	Unit Price	Quantity	Total Annual
APS Users	\$500	250	\$125,000
Annual License Fee	\$25,000	1	\$25,000
Data Hosting	\$10,000	1	\$10,000
Total FY 2014-15			\$160,000

*FY 2013-14 and FY 2014-15 costs were calculated using an initial bottom-line estimate for an operational system and adding for components and services as shown above in Table B.

- a) APS users represents per user costs based upon the number of APS users in the State. The estimated cost is based on pricing structures from various vendors.
- b) Annual license fees are estimated as \$25,000 based on pricing structures from various vendors.
- c) Data warehouse setup includes the consolidation of existing data from CBMS based upon industry standards.
- d) Data warehouse interface includes the search engine to access the historical CBMS data based upon vendor estimates.
- e) System modifications include customization to the needs of Colorado based upon vendor estimates.
- f) Training costs are based upon industry standards for classroom training.
- g) CBMS data extraction represents the GOIT and CBMS costs associated with extracting the existing data to move to another vendor.
- h) Current CBMS costs billed to APS are approximately \$236,000. Out year costs are anticipated to be less than this current expense.

Additionally, the Department plans to move the current APS data housed within CBMS to the new vendor's hosted environment allowing all APS data to be housed in one location. The APS system will be selected through a comprehensive process in accordance with the Procurement Code and Rules, price, and functionality.

Possible Alternatives

No fewer than 30 significant change requests and reports would need to be developed and implemented in CBMS to fully meet the needs of the APS program. Updating CBMS is estimated to cost \$1 million at a minimum with a time frame for completion of 10 years or longer. Ongoing annual maintenance costs would also increase; however, staff does not have an accurate figure for these.

In 2012, the Department also looked into Casebook, a data system under consideration by Child Welfare. After discussions with Casebook representatives, however, it appeared that Casebook was not a reasonable option for APS. More specifically, when asked for a rough estimate of the cost associated with a reconfiguration of the data system for APS use, the estimate provided was again for \$1 million at a minimum, albeit with a shorter time frame for completion of 5 years.

Both of these alternatives are more expensive and would take longer to implement than a new APS-specific data system and as a result, staff is not recommending they be considered at this time. Rather, staff recommends approving General Fund dollars for a new APS data system. General Fund dollars are required because the use of OAP cash funds would be inconsistent with the State Constitution. Article XXIV of the State Constitution only authorizes OAP funds for "defraying the expense of administering such fund". The APS program is not the same as the OAP program. It serves a different population and offers different benefits.

Appendix C: Committees of Reference SMART Act Letters

State Representative
DIANNE PRIMAVERA
Colorado State Capitol
200 East Colfax Avenue, Room 271
Denver, Colorado 80203
Office: 303-866-4667
Email: dianne.primavera.house@state.co.us



Chairman:
Public Health Care &
Human Services Committee
Member:
Health, Insurance, &
Environment Committee
Transportation & Energy
Committee

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

January 23, 2013

Senator Pat Steadman
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Senator Steadman:

The SMART Government Act allows a committee of reference to make formal recommendations to the Joint Budget Committee (JBC) regarding state departments' budgets, based on the committee's hearings with their assigned departments. The House Public Health Care and Human Services Committee met on January 22, 2013, to discuss recommendations to the JBC per the SMART Government Act. At its meeting, the committee made the following recommendation regarding the Department of Human Services' budget.

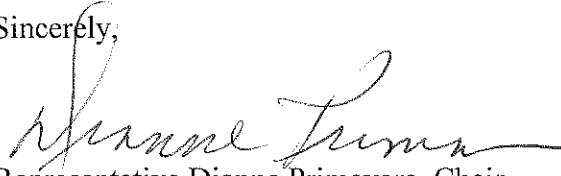
The committee voted to express its support for the Department of Human Services' FY 2013-14 budget priorities, including its:

- \$18.5 million request to strengthen Colorado's mental health system;
- \$13.0 million request to reduce the waiting list for services for individuals with developmental disabilities;
- \$1.8 million request to fund Early Intervention and Case Management services;
- \$6.8 million request to fund county administration costs for the Supplemental Nutrition Assistance Program;
- \$15.5 million request to increase community provider rates;
- \$1.3 million request to provide for utility cost increases;
- \$3.8 million request to provide senior support services;

Senator Pat Steadman
January 23, 2013
Page 2

- \$250,000 request for a new adult protection data system; and
- \$130,000 request to add an incident reporting module to the Child Care Licensing System.

Sincerely,



Representative Dianne Primavera, Chair
House Public Health Care and Human Services Committee

- c: Joint Budget Committee Members
House Public Health Care and Human Services Committee Members
Reggie Bicha, Executive Director, Department of Human Services
Sarah Sills, Legislative Liaison, Department of Human Services
John Ziegler, Staff Director, Joint Budget Committee
Elizabeth Burger, Legislative Council Staff



IRENE AGUILAR, MD
SENATE DISTRICT 32

STATE CAPITOL BUILDING
200 E. COLFAX AVENUE
DENVER, COLORADO 80203
CAPITOL: (303) 866-4852
CAPITOL FAX: (303) 866-4543

HEALTH AND HUMAN SERVICE
CHAIR

JUDICIARY
MEMBER

SENATE
STATE OF COLORADO
DENVER

Email: Irene.aguilar.senate@state.co.us

ASSISTANT MAJORITY LEADER

January 24, 2013

Senator Pat Steadman
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Senator Steadman:

The SMART Government Act allows a committee of reference to make formal recommendations to the Joint Budget Committee regarding state departments' budgets, based on the committee's hearings with their assigned departments. The Senate Health and Human Services Committee met on January 23, 2013, to discuss recommendations to the JBC per the SMART Government Act. At its meeting, the committee made the following recommendations regarding the Department of Human Services' budget.

The committee requests that the Joint Budget Committee use a portion of the savings from the Division of Youth Corrections to fund a statewide child abuse reporting hotline with enhanced training and competency assessments for the frontline staff of the hotline.

The committee requests that the Joint Budget Committee use a portion of the savings from the Division of Youth Corrections to fund restorative justice programs with a caveat that a mechanism be in place that said savings be returned to the Division of Youth Corrections if necessary.

The committee requests that the Joint Budget Committee fully fund the Behavioral Health Transformation Council.

Senator Pat Steadman
January 24, 2013
Page 2

The committee requests that the Joint Budget Committee provide \$100,000 in funding for respite family care for people with developmental disabilities.

Sincerely,

A handwritten signature in cursive script, appearing to read "Irene Aguilar", with a long horizontal flourish extending to the right.

Senator Irene Aguilar, Chair
Senate Health and Human Services Committee

- c: Joint Budget Committee Members
- Senate Health and Human Services Committee Members
- Reggie Bicha, Executive Director, Department of Human Services
- Sarah Sills, Legislative Liaison, Department of Human Services
- John Ziegler, Staff Director, Joint Budget Committee
- Dave DeNovellis, Legislative Council Staff