This file contains the following documents:

1. March 7, 2013, JBC Staff document titled: Late Supplemental Requests for FY 2012-13 and Corresponding Budget Amendments for FY 2013-14: Department of Human Services (Division of Child Welfare); and

2. March 7, 2013, JBC Staff document titled: FY 2013-14 Staff Figure Setting: Department of Human Services (Divisions of Child Welfare, Child Care).

COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE

LATE SUPPLEMENTAL REQUESTS FOR FY 2012-13 AND CORRESPONDING BUDGET AMENDMENTS FOR FY 2013-14

DEPARTMENT OF HUMAN SERVICES

(Division of Child Welfare)

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

Prepared By:
Byron DeLuke, JBC Staff
March 7, 2013

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

TABLE OF CONTENTS

General Comments

Supplemental Criteria: Staff received the following supplemental requests between February 7, 2013 and February 20, 2013. Staff notes the date these supplementals were submitted and draws the Committee's attention to Section 24-37-304 (1) (b.5), which states that OSPB shall:

> "Ensure submission, to the joint budget committee of the general assembly by January 1 of each year, of all agency requests for supplemental appropriations for the current fiscal year; however, nothing contained in this paragraph (b.5) shall be construed to prohibit an agency from later submitting a request for a supplemental appropriation based upon circumstances unknown to, and not reasonably foreseeable by, the requesting agency at the time of submission of the agency's original request for supplemental appropriations;".

This existing statutory language allows for the late submission of requests in the event of unforeseen and unknowable circumstances prior to the deadline. The Department states for each of the supplemental requests included in this package that improving General Fund revenues warrant the late supplemental request. Staff does not believe that increasing revenue forecasts are an adequate basis for not adhering to the deadlines for submitting a supplemental budget request—particularly given the September and December revenue forecasts for OSPB and Legislative Council. Staff further feels that increasing revenues do not meet the Committee's supplemental criteria: "an emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency".

Upon follow-up, the Department has also stated that the federal Title IV-E Waiver application process and the recent public highlight of child fatalities provided new data to the Department that informed the package of requests. Specifically, the review of the system related to the IV-E waiver provided valuable insight into a serious gap in service delivery for prevention and intervention services that exists in the current system. Because CDHS is seeking to address this gap in service that was highlighted by the IV-E waiver process and prevent further penetration into the State's child welfare system, the Department is seeking expedited implementation of these initiatives through the supplemental process. Staff does feel that information gleaned through the IV-E waiver process on program weaknesses represents new "data that was not available when the original appropriation was made" for all but three of the supplemental requests: S-12H, S-12B, and S-12C.

Problem – Proposed Solution: Recent news articles and the Title IV-E waiver application process have highlighted weaknesses in Colorado’s county-administered child welfare system. The State has been working with counties to improve child welfare services for more than a decade through a variety of initiatives. However, many of the issues that were raised in past system reviews are still challenges, including among others: (1) substantial differences in county services and performance; (2) limited state oversight and tools for improving performance; (3) the high number of fatalities for children under the age of five (2.52 per 100,000 children versus the national average of 2.10 per 100,000); and (4) the number of families that are referred to the child welfare system but screened out without receiving any services. The Department is proposing to target these shortcomings through this package.

Taken as a group, the supplemental requests and budget amendments target those families that are screened out and look to deliver pro-active child abuse prevention services that support families in understanding the health, development, and safety needs of young children. Five of the requests (Title IV-E Waiver Development, SafeCare, the Nurse Family Partnership augmentation, Community Response, and Core Services) aim to reduce child abuse through new or expanded prevention and intervention services. Four others (Enhancing Child Protection Practices, Enhanced Training, the Child Abuse and Neglect Hotline, and Strategic Planning for a Public Awareness Campaign) look to improve existing child protection practices statewide. The final three requests (Public Facing Website, Mobile Computing Technology, and Workload Study) look to increase transparency and improve efficiency by investing in the work force.

Presentation: Staff would typically present the supplemental requests in a separate supplemental presentation, followed by consideration of budget amendments during figure setting. Given the number of requests, however, and the close relationship of the supplemental requests and budget amendments, staff has decided to present each supplemental request together with its associated budget amendment in this document. This allows the Committee to consider each programmatic request in its entirety. Staff has also included a brief overview of each budget amendment as part of the figure setting narrative, but has not provided the detailed descriptions included below.

Supplemental Request, Department Priority 12E, BA-9E Title IV-E Waiver and Evaluation Development Costs

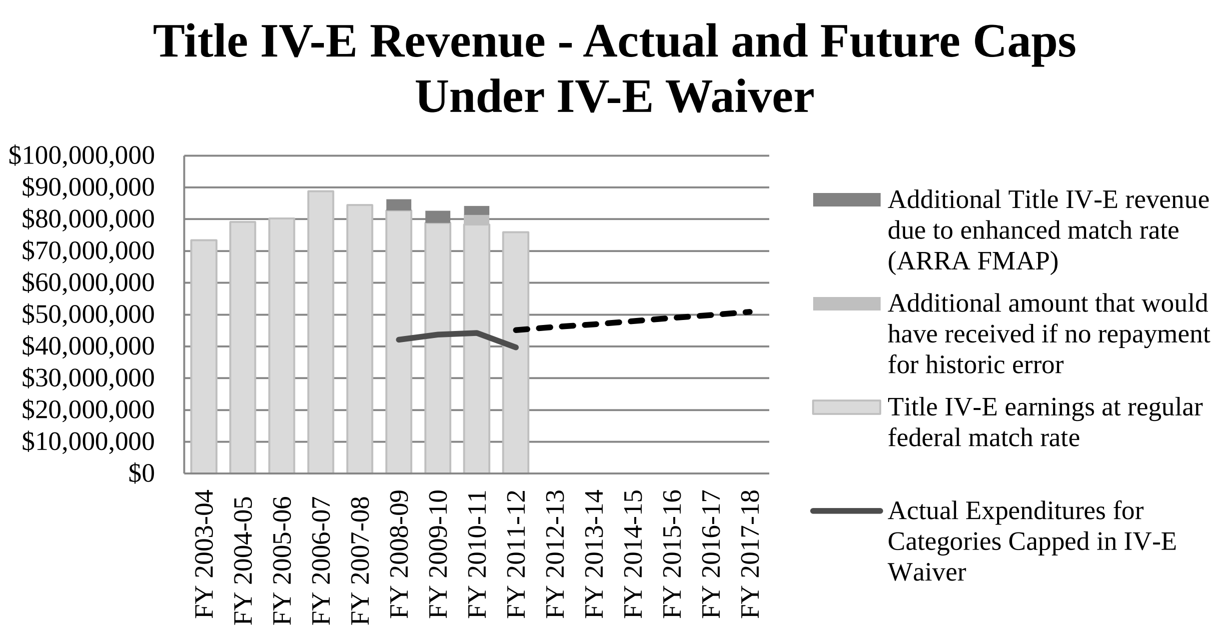
Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**YES**
The Department indicates that the request is the result of new data, namely the recently received IV-E Waiver authorization and corresponding implementation instructions. Staff agrees that this represents new data that warrants a late supplemental request.	

Department Request: The Department requests $186,460 total funds, including $93,230 General Fund, in FY 2012-13 to fund the development and evaluation costs related to the implementation of the federal Title IV-E Waiver. The request is the counterpart to BA-9E, which requests $500,018 total funds, including $250,009 General Fund, for FY 2013-14 and ongoing.

Staff Recommendation: Staff recommends that the Committee approve both the supplemental request and budget amendment in full.

Title IV-E Waiver and Evaluation Development	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
Recommended Long Bill Supplemental	$136,471	$68,235	$68,236	0.0
TOTAL	**$136,471**	**$68,235**	**$68,236**	**0.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$136,471	$68,235	$68,236	0.0
Recommended Long Bill Supplemental	(136,471)	(68,235)	(68,236)	0.0
BA #9E - IV-E Waiver and Evaluation Development	500,018	250,009	250,009	0.0
TOTAL	**$500,018**	**$250,009**	**$250,009**	**0.0**
Increase/(Decrease)	$363,547	$181,774	$181,773	0.0
Percentage Change	266.4%	266.4%	266.4%	0.0%
FY 2013-14 Executive Request:	**$500,018**	**$250,009**	**$250,009**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

Staff Analysis: Staff feels that without additional funding for development and evaluation activities, the Department risks being unable to implement the IV-E Waiver. The Department reports that prior Title IV-E Waiver experience cannot be found within current CDHS staff. Staff agrees with the Department that in order to implement the Waiver in a timely and efficient manner, the work should be performed by contractors with past Waiver experience. The Department could look to reduce county allocations to cover development and evaluation costs; however, staff feels that modifying the child welfare allocation in the middle of the fiscal year would be time consuming and potentially place an undue burden on county departments. Colorado could also decline to implement the Waiver altogether; however, this would reduce federal allocations for child welfare services by $6.5 million in FY 2013-14 (See below).



Background: For several years, there has been a disconnect between federal funding for child welfare and the kinds of services federal child welfare policy promotes. Federal law places increasing emphasis on avoiding out of home placements, serving children and families in the family home, and reunifying families if this can be done safely. For example, the Child and Family Services Reviews of each state judge states in large part on how effective they are at providing permanency for children, including in their family-home.

Federal funding, however, is largely focused on out-of-home placements. Nationally, about 85 percent of federal funding specifically targeted to child welfare has been for out-of-home placement (Title IV-E foster care and adoption assistance) with the majority of this for foster care. In Colorado, over $75 million has been received annually for Title IV-E foster care and adoption assistance, while under $8 million in federal grants are reflected in the budget for family preservation and reunification.

The conflicts in federal law and policy create a dilemma for states. If states follow best-practice with respect to child welfare services, they are likely to see their federal funding decline. Colorado has experienced a downward trend in overall Title IV-E funding. Between FY 2008-09 and FY 2011-12, a total of $12.4 million in federal Title IV-E funding was eliminated from the budget. These cuts were partially back-filled with $6.2 million in other funds, including $5.9 million General Fund. Budget adjustments, however, have not kept up with revenue declines. In FY 2011-12, actual IV-E revenue again came in below expectations, resulting in reduced funds available for counties. For additional information on Title IV-E revenue and funding drivers in Colorado, see the attached appendix.

Congress has thus far been unable to agree on legislation providing for wholesale reform of child welfare funding. However, in 2011 the *Child and Family Services Improvement and Innovation Act of 2011* was signed into law. The bill authorized 10 new Title IV-E demonstration waivers per year between 2012 and FFY 2014. Title IV-E waivers were first authorized in 1994, and 23 states (including Colorado) have had waivers to test various innovations in the past. However, this Act represents the first time new waivers have been authorized since 2006.

During the summer of 2012, Colorado submitted its waiver application. It negotiated and reached an agreement with federal authorities in October. As described in the waiver application, three primary interventions will be implemented in all counties at some point during the waiver, and three additional interventions may be selected by a subset of the counties. The three core practices to be adopted by all counties:

1. Family engagement: The State will introduce precepts and processes targeted at engaging families in case planning and accessing services, through a combination of training, coaching, and peer mentoring. It will also modify non-safety certification for relative foster family homes to facilitate placement of children with relatives when out-of-home placement is necessary.

2. Trauma-informed child assessments: The State will supplement existing child assessment processes and instruments with standardized tools that are geared toward children who have experienced trauma.

3. Trauma-focused behavioral health treatment: Counties and behavioral health organizations (the state's Medicaid behavioral health managed care entities) will increase the use of behavioral health treatments that have been shown to be effective with children who have experienced trauma. This will be accomplished through contracts with local human service providers and/or through their expanded utilization by the behavioral health organizations.

The three additional practices which may be adopted by some counties are:

1. Permanency roundtables: A program for engaging staff, the target youth, and others in creating and implementing a plan for a permanent family home setting for the youth and preparation for adulthood.

2. Kinship supports: Programs for supporting kinship caregivers who are not certified as foster care providers, including support groups, referral networks, and additional financial assistance.

3. Market segmentation: A tool for targeting recruitment of foster parents and adoptive parents.

Problem: The Waiver implementation plan is being developed in FY 2012-13 and as a result, the implementation plan development costs will be incurred in FY 2012-13. In addition, to comply with the waiver terms and conditions, the Department must deliver expenditure reports and request for proposals, while contracting for an evaluation of waiver interventions, which begin in FY 2013-14.

Proposed Solution: The Department is requesting funding for development costs. These costs include automated systems development, agency administration, consultant costs, orientation and training, and evaluation planning.

Cost Assumptions: The following table identifies the developmental and evaluation costs that make up the supplemental request.

IV-E Waiver Development and Evaluation Cost Components

Cost Component	General Fund	Federal Funds	Total
Coordinator	$12,000	$12,000	$24,000
Trails Development	24,995	24,994	49,989
Consulting	12,375	12,375	24,750
Training	3,850	3,850	7,700
Evaluation	40,010	40,010	80,021
Total	**$93,230**	**$93,230**	**$186,460**

Automated Systems (Trails) Development – The Office of Information Technology will incur costs to modify Trails in FY 2012-13, including both development and programming costs for the case management system utilized by the Department and county departments to implement the waiver and allow for the tracking of expenditures. The total requested for IT is $49,989, based on the following:

- Project management – 300 hours x $60 = $18,000;
- Business analyst – 485 hours x $45 = $21,825; and
- Programming services – 242 hours x $42 = $10,164.

Consulting Costs – The Department intends to partner with consultants with IV-E Waiver demonstration implementation expertise. The negotiated cost is projected at $24,750, based on CDHS' historical and current consultant rates.

Orientation and Training – The Department will utilize $7,700 in FY 2012-13 for seven one-day trainings across the State. The cost of a trainer (travel costs for Department staff), training materials, and facility costs are included in this estimate.

Evaluation – The Department will utilize $80,021 in FY 2012-13 to cover the evaluator's costs to create the evaluation plan required under the agreement with the federal Administration for Children and Families. This estimate is based on a review of existing evaluation contracts. The vendor will develop evaluation design options to evaluate the outcomes and a cost comparison of waiver and non-waiver child welfare activities. The design will include both quantitative and qualitative research and data collection methods, including both a matched case comparison and time-series analysis of key measures of child safety, permanency, and well-being.

Development of the evaluation will begin in April 2013. The work will be performed over three months and require 723 hours of professional services. The anticipated implementation for the Waiver program is July 2013. The evaluation design must be in place at the time of implementation. The evaluation will then continue throughout the five year demonstration. The Department is requesting $500,018 total funds, including $250,009 General Fund, in FY 2013-14 for this required on-going evaluation of the Waiver program.

Anticipated Outcomes: The request enables the development of the Waiver implementation plan and on-going evaluation of waiver activities. Having an implementation plan that meets the federal requirements and ensures that waiver activities will be executed with fidelity is necessary for a successful demonstration. As mentioned before, there are some potential alternatives to this request, including a reduction in county allocations to cover the development costs and performing the implementation work with existing personnel.

Pursuant to Section 26-5-104 (4), C.R.S., counties receive capped funding allocations for the administration and provision of child welfare services. Counties are allowed to use capped allocation moneys for child welfare services without categorical restriction. Those counties that serve at least 80 percent of the total child welfare services population (the largest ten counties) receive individual capped allocations, and the remaining small- and medium- sized counties receive separate capped allocations. Each county's allocation consists of local, state, and federal funds. The Department uses *state and federal* funds appropriated through the Division of Child Welfare to reimburse county departments of social services for approximately 80 percent of related expenses, up to the amount available in each county's allocation.

Current law directs the Department of Human Services, with input from the Child Welfare Allocations Committee, to annually develop formulas for allocating child welfare funding among counties. In determining such formulas, the Department is to take into consideration historical expenditures, a comparison of such expenditures to the associated caseload, and other factors "that directly affect the population of children in need of child welfare services in a county" [Section 26-5-104 (3) (a), C.R.S.]. A county's allocation may be amended due to "caseload growth ... or changes in federal law or federal funding" [Section 26-5-104 (4) (e), C.R.S.]. While this language would allow the Department to alter county allocations so as to cover the expenses related to implementation of the IV-E waiver, this process would be time consuming and burdensome for counties—delaying implementation of the Waiver program.

Staff also considered whether implementation work should be performed by existing personnel. To avoid negatively impacting other programs and ensure that the Department's implementation plan meets the federal requirements and ensures that waiver activities will be executed with fidelity, staff feels that implementation and evaluation should be performed by individuals with former Title IV-E Waiver experience. Because none of the current CDHS staff have prior experience developing or evaluating a Title IV-E Waiver, staff feels that the Department should hire an outside contractor for this work.

Supplemental Request, Department Priority 12A, BA-9A Prevention Services - SafeCAre

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. However, staff does feel that data gleaned through the recently completed IV-E Waiver authorization process represents new data that warrants a late supplemental request.	

Department Request: The Department requests $733,001 General Fund and 0.9 FTE in FY 2012-13. This request will fund prevention services for families at risk of entering the child welfare system by expanding the program SafeCare to nine sites throughout the State. The Department is also requesting roll-forward spending authority for FY 2012-13 expenditures to accommodate any additional time needed to establish contracts. The supplemental request is counterpart to the budget amendment BA-9A, which includes a $2,210,784 General Fund and 1.0 FTE increase for SafeCare in FY 2013-14 and annualize to $3,874,776 and 1.0 FTE in FY 2014-15.

Staff Recommendation: Staff recommends that the Committee approve the late supplemental and budget amendment. However because the common policy of the Committee is not to include POTS for requests of less than 20.0 FTE, staff is recommending $724,420 and 0.9 FTE for the supplemental in FY 2012-13 and $2,201,150 and 1.0 FTE for the budget amendment in FY 2013-14.

Community-based Child Abuse Prevention Services			
	Total Funds	**General Fund**	**FTE**
FY 2012-13 Appropriation:			
Recommended Long Bill Supplemental	$1,015,517	$1,015,517	0.9
TOTAL	**$1,015,517**	**$1,015,517**	**0.9**
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	$1,015,517	$1,015,517	0.9
Recommended Long Bill Supplemental	(1,015,517)	(1,015,517)	(0.9)
BA #9A Preventions Services - SafeCare	2,201,150	2,201,150	1.0
BA #9B - Community-based Child Abuse Prevention	0	0	0.0
BA #9K - Nurse Family Partnerships	1,534,134	1,534,134	0.9
TOTAL	**$3,735,284**	**$3,735,284**	**1.9**
Increase/(Decrease)	$2,719,767	$2,719,767	1.0
Percentage Change	267.8%	267.8%	111.1%
FY 2013-14 Executive Request:	**$4,991,981**	**$4,991,981**	**3.7**
Request Above/(Below) Recommendation	$1,256,697	$1,256,697	1.8

Staff Analysis: In recent years the child welfare community and CDHS have recognized the need to link child abuse and neglect prevention with more traditional child welfare services. Of the currently available evidence-based programs, the SafeCare model is one of the relatively few research-supported prevention and intervention programs for child maltreatment.

Problem: A review of Colorado's substantiated child abuse reports shows that young children under age five are at the greatest risk for being subject to child abuse or neglect. Given that maltreating parents are influenced by a variety of social, cultural, and family factors, it has become apparent to many within the human services community that a multidimensional approach to intervention is needed. Empirical research referenced in the supplemental request has identified factors that contribute to child maltreatment and its negative effects on children, including lack of resources, stress, poverty, marital discord, lack of social support, lack of problem solving skills, and deficits in knowledge about effective parenting strategies such as child behavior management.

With the variety of negative outcomes that maltreated children experience and the number of stresses that their parents face, the need for research-based effective prevention and intervention programs is essential. However, the continuum of child welfare services has generally begun with a report of suspected abuse, a determination of whether the county department would investigate the report, and then a determination of whether child welfare would provide services or remove the child from the home based upon the level of risk to the child's health and safety. Child abuse and neglect prevention has not been a major part of the child welfare service array.

Proposed Solution: SafeCare was originally developed in 1979, and the structured program is now coordinated by the National SafeCare Center at Georgia State University. SafeCare is an evidenced-based parenting program for at-risk and maltreating parents that addresses the social and family ecology in which child maltreatment occurs. It was developed for and evaluated with families who have a number of difficulties and is based on the eco-behavioral model, which posits that maltreatment arises from a combination of factors, including individual parent factors, parent–child interactions, family factors, and broader cultural and societal factors. As such, SafeCare services are always administered in the family's home.

The model addresses the health risks for children (associated with home safety hazards, filth, and lack of proper health care skills and resources) and the psychosocial risks (associated with poor parent–child interactions and parenting skills) that research shows are associated with maltreatment. SafeCare home visitors work with families in their home to improve skills in several areas. Parents are taught, for example how to plan and implement activities with their children, respond appropriately to child behaviors, improve home safety, and address health and safety issues. SafeCare services would be provided in weekly home visits lasting from 1-2 hours. The program would typically last between 15-20 weeks for each family, and the content for home visiting sessions would be delivered in three separate modules covering child health, home safety, and positive parent child interactions.

Home Safety – The Home Safety Module will identify and eliminate safety and health hazards in the home. Using the Home Accident Prevention Inventory, providers often work with parents to identify environmental and health hazards in each room. Some examples include: unguarded stairs, access to cleaning materials, uncovered electrical outlets, etc. Once the home has been evaluated, providers use a variety of training methods to teach parents how to identify and reduce the number of hazards, and make existing hazards inaccessible to children. Evidence gathered from programs in Oklahoma and California has shown this module to be effective in reducing hazards and that parents maintain safety improvements over time.

Health – The Health Module will train parents to use health reference materials, prevent illness, identify symptoms of childhood illnesses or injuries, and provide or seek appropriate treatment when needed. To assess actual health-related behavior, SafeCare providers often ask parents to role-play health scenarios and decide whether to treat the child at home, call a medical provider, or seek emergency treatment. Parents will likely be provided with a medically-validated health manual that includes: a symptom guide, information about planning and prevention, and how to care for a child at home. In many cases, parents are also supplied with health recording charts and basic health supplies (e.g., thermometer).

Parent-Child Interactions – The Parent-Child Interactions Module will consist of training on parent-infant interactions (birth to 10 months) and parent-child interactions (11 months to 5 years). The purpose is to teach parents to provide engaging and stimulating age-appropriate activities; increase positive interactions; and prevent troublesome child behavior. SafeCare providers will observe parent-child play and/or daily routines and code for specific parenting behaviors. Positive behaviors are reinforced and problematic behaviors are addressed and modified during the in-home sessions.

SafeCare will be utilized when a county department has determined that the risk to a child does not meet the criteria for opening a child welfare case but that the child and family could benefit from services. County departments would refer families to SafeCare to eliminate or reduce the child safety risks that would cause a family to enter into the child welfare system. SafeCare sites will be located within a community-based agency or county department. Each would serve approximately 200 families and be linked to a population of approximately 400,000 with at least seven percent being age five or under. The goal of site location would be to target counties with the highest need for SafeCare services. Finally, the Department has assumed for the purposes of this request that the State will administer the program and contract with a provider for services; however, the actual service delivery model could vary based upon feedback from the counties.

Cost Assumptions: There are three main cost components: SafeCare sites, CDHS personnel, and independent evaluation. These components are outlined in the following table.

SafeCare Cost Components

Component	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 and Ongoing
SafeCare Sites	$476,949	$1,902,221	$3,566,213	$5,147,312
CDHS Personnel	93,270	96,961	96,961	96,961
Evaluation	162,782	211,602	211,602	211,602
Total	$733,001	$2,210,784	$3,874,776	$5,455,875

- Based on discussions with national SafeCare experts, the Department assumes that start-up training and site development funded through this supplemental request will take six months at a cost comparable to the fully-operational site cost.

- In terms of personnel, the Department is requesting 0.9 FTE in FY 2012-13, annualizing to one FTE in FY 2013-14 and beyond. This employee will manage the expansion of SafeCare, provide statewide oversight and coordination services to connect the program to the child welfare and public assistance populations, develop the processes for accessing SafeCare, and manage the contract for SafeCare services. The position will liaise with county departments, providers, private partners, and national and state child abuse prevention experts and early childhood councils to develop services that target at-risk families and children.

- The independent evaluation will be performed by a third party evaluator and assess the effectiveness of services provided. The evaluation

Anticipated Outcomes: This request would expand the SafeCare model in Colorado. Each of the nine sites is anticipated to serve 200 families. As a result, while no families would be served during the start-up phase in FY 2012-13, 600 families will be served by three sites in FY 2013-14, 1,200 families will be served by six sites in FY 2014-15, and 1,800 families will be served by nine sites in FY 2015-16 and ongoing.

As mentioned previously, the SafeCare program was developed in 1979. The program has since been adapted, augmented, and tested in large-scale settings. State or municipal-level projects examining aspects of SafeCare have occurred or are currently occurring in California, Oklahoma, Kansas, and Michigan. For example, families served by Project SafeCare in Los Angeles are less likely to have a first child maltreatment report or recurrence than are comparison groups, and they are also less likely to have children removed from the home than comparison families who receive traditional child welfare services. In fact, after 3 years post-intervention, the Los Angeles Project SafeCare families have a survival rate of more than 85% (15% recidivism), whereas families receiving traditional child welfare services have a survival rate of only 56% (44% recidivism).

A state-wide effectiveness trial was just conducted in Oklahoma through the Center on Child Abuse and Neglect at the University of Oklahoma Health Sciences Center. This study was conducted with support from the Oklahoma Department of Human Services and in collaboration with the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health. The purpose of the study was to compare two types of intensive home-based services: the SafeCare model and Enhanced Services as Usual, which involves more traditional case management and social support. According to the study, families who participated in SafeCare were about 21 to 26 perecnt less likely to experience child protective services reports than families receiving more traditional services.

The SafeCare model has not been widely adopted in Colorado. However, Denver has implemented a program called the Denver At-Home Intervention Services Initiative (DAISI), based on the SafeCare model. DAISI is provided by Denver Juvenile and Family Justice TASC (Treatment Accountability for Safer Communities), which is the in-house treatment arm of Denver Juvenile Probation. Since 2008, the DAISI project has worked to build a network that provides pro-active and prevention-oriented activities that encourage all related agencies (i.e. law enforcement, probation, judicial officers) to recognize and support the target population's ability to break the cycle of behaviors that lead to child maltreatment. The provision of SafeCare services combined with the expertise of TASC Specialists has resulted in decreased out of home placements and decreased terminations of parental rights, while at the same time decreasing substance abuse and criminal recidivism. DAISI has been limited to serving families where there is criminal justice involvement in the City and County of Denver.

These examples illustrate why SafeCare is becoming a widely disseminated model. Over 60 articles have been published in peer-reviewed journals in which single-case designs with single or multiple families have clearly demonstrated the effects of this model on changes in parenting skills, health, and safety. These changes have occurred in the often-chaotic homes of at-risk families for child maltreatment. The in-home component promotes generalization of skills across behaviors, settings, and time. As noted above, several outcome evaluations have also demonstrated the efficacy of this model. Staff feels that enabling public child welfare service agencies to use this type of evidence-based child abuse prevention tool would enable at-risk families that are currently slipping through the cracks to connect to a broader and richer service array built on a partnership between public agencies and the private sector.

Staff's only concern relates to the fact that there is still some question as to what model the State will utilize for actual service delivery. Given the fact that Colorado has a county administered child welfare system, there will be some variance in how the program services are delivered. The outcome evaluations referenced above make clear that any deviation from the central SafeCare model (i.e., lack of fidelity) is associated with less successful outcomes. However, staff concerns are alleviated by the fact that fidelity monitoring will be a significant component of the independent evaluation along with an assessment of the effectiveness of services.

Supplemental Request, Department Priority 12D, BA-9K Augmenting Nurse Family Partnerships

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**YES**
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. However, staff does feel that data gleaned through the recently completed IV-E Waiver authorization process represents new data that warrants a late supplemental request.	

Department Request: The Department requests $291,097 General Fund in FY 2012-13 to augment the existing Nurse Family Partnership program and build a partnership with child welfare agencies and other child abuse prevention programs. The request is the counterpart to BA-9K, which requests $1,637,184 General Fund and 1.8 FTE for FY 2013-14 and a continuation amount of $1,553,073 General Fund and 2.0 FTE in FY 2014-15.

Staff Recommendation: Staff recommends that the Committee approve the full amount for the supplemental request. However, staff recommends that the Committee approve only $1,534,134 General Fund and 0.9 FTE for FY 2013-14. The difference between staff recommendation and the request reflects two things. First, staff is not recommending $96,075 and 0.9 FTE for a State Referral Coordinator. Second, pursuant to Committee common policy for requests of less than 20.0 FTE, staff has not included POTS in the recommendation.

Community-based Child Abuse Prevention Services	**Total Funds**	**General Fund**	**FTE**
FY 2012-13 Appropriation:			
Recommended Long Bill Supplemental	$1,015,517	$1,015,517	0.9
TOTAL	**$1,015,517**	**$1,015,517**	**0.9**
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	$1,015,517	$1,015,517	0.9
Recommended Long Bill Supplemental	(1,015,517)	(1,015,517)	(0.9)
BA #9A Preventions Services - SafeCare	2,201,150	2,201,150	1.0
BA #9B - Community-based Child Abuse Prevention	0	0	0.0

Community-based Child Abuse Prevention Services			
	Total Funds	**General Fund**	**FTE**
BA #9K - Nurse Family Partnerships	1,534,134	1,534,134	0.9
TOTAL	**$3,735,284**	**$3,735,284**	**1.9**
Increase/(Decrease)	$2,719,767	$2,719,767	1.0
Percentage Change	267.8%	267.8%	111.1%
FY 2013-14 Executive Request:	**$4,991,981**	**$4,991,981**	**3.7**
Request Above/(Below) Recommendation	$1,256,697	$1,256,697	1.8

Staff Analysis: Staff feels that the request will positively impact child safety and permanency through evidence-based child abuse prevention services targeting those families that are referred to the child welfare system but screened out without receiving any services.

Problem: The Nurse Family Partnership Program (Partnership) serves at-risk first time mothers. It is an evidence-based public health program that was developed by David Olds and rigorously evaluated in randomized, controlled trials in Elmira, New York (1977), Memphis, Tennessee (1988) and Denver (1994). Findings from the three trials serving diverse populations living in urban and rural settings over the past three decades demonstrate that the Partnership produces the following outcomes:

- Improvements in prenatal health, birth outcomes (including greater intervals between births), child development, school readiness, academic achievement, and maternal employment; and

- Reductions in child abuse and neglect, early childhood injuries, mental health problems, and crime.

Participation in Nurse Family Partnership is voluntary. Entry into the program typically occurs within the first twenty-eight weeks of pregnancy, and Nurse Family Partnership service can occur from pregnancy through age two. Colorado has nineteen Partnership sites and those sites served approximately 2,640 families in FY 2011-12. Nurse Family Partnership has a presence in over 50 counties and is expected to expand to 58 counties in 2013.

Nurses working with first time mothers may observe an individual need for preventive family services as an attempt to avoid future child abuse and interaction with the child welfare system. However, there is currently limited to no training and coordination between nurses providing Nurse Family Partnership services and preventative services offered through the child welfare system. This request seeks to create a service delivery system that allows county departments across the State to access the Partnership and other child abuse prevention programs.

Proposed Solution: The Department is proposing to augment the Partnership by developing the policy and operating framework to bridge public health and human services. The requested funds will develop a referral process and business rules that bridge human services, the Partnership, and similar public health programs. The Department is not requesting funds for the Partnership program directly, but rather is requesting funds to develop a subprogram within it that targets human services and child welfare needs. More specifically, CDHS would utilize the funding for the following purposes:

- Referral Process – Develop a referral process that better connects families in contact with human services to child abuse prevention programs and connects families to the best prevention program to meet their needs;

- Nurse Family Partnership Augmentation – Establish and maintain a Partnership sub-program that augments the existing services by bringing public health expertise to human services, providing coordinators and system navigators to give technical assistance and support to families, public health personnel, and human services personnel seeking and using child abuse prevention services, and updating the data system related to the program;

- Training – Provide training to Partnership staff and county human services staff to link public health and human services practices;

- Evaluation and Strategic Planning – Evaluate Partnership and child abuse prevention efforts in relation to human services' needs and develop recommendations to modify prevention services and/or child welfare services to more effectively prevent child abuse; and

- Administrative Support – Provide administrative support to the Department to implement the front-end redesign of child welfare services (Related to other prevention services requests as well).

Cost Assumptions: The following table identifies the costs associated with each of the five components of this request. The table is followed by a narrative with details on each specific component.

Request Cost Summary

Component	FY 2012-13	FY 2013-14	FY 2014-15, Ongoing
Referral Process	$0	$200,075	$99,766
Partnership Augmentation	218,608	708,916	708,916
Training	39,000	295,750	295,750
Evaluation and Strategic Planning	0	211,818	238,183
Administrative Support	0	53,198	53,651
Indirect Costs	33,489	167,427	156,807
Total	**$291,097**	**$1,637,184**	**$1,553,073**

Referral Process – Changes to the referral process will improve county department access to Nurse Family Partnership and child abuse prevention services. The Partnership will be utilized when a county department has determined that a family will benefit from preventive services. County department's public assistance units or child welfare programs will refer pregnant women to the Partnership to eliminate or reduce the child safety risks that may cause a family to enter into the child welfare system. Additionally, county child welfare staff will refer first-time mothers to the Partnership when a case does not meet the criteria for further assessment or child welfare services, but the family would benefit from prevention services to reduce or eliminate a risk of future abuse. The referral could also come from the county's TANF, child care assistance or collaborative management programs. None of the supplemental dollars would be spent on updating the referral process in FY 2012-13. Changes to the referral process, which require a coordinator (1.0 FTE), would begin in FY 2013-14. Duties would include the following:

- Implementing the referral process, providing technical assistance to county departments, site visits to train county workers – 580 hours;
- Partnering with prevention service sites to determine that services are effective, implemented with fidelity, and promote child safety – 128 hours;
- Developing and implementing work plans that allow the State to maximize federal funding opportunities, create a clear record of services and create an efficient referral process – 308 hours;
- Providing technical assistance to nurses, Nurse Family Partnership representatives, county departments, other home visitor programs, and Early Childhood Councils to provide guidance and connect councils and public health initiatives to human services – 286 hours;
- Developing performance measures, evaluating program progress and effectiveness in coordination with supervisor and independent evaluators, and provide statistical data and reporting – 208 hours;
- Developing and executing procurements and contracts – 162 hours;
- Developing educational materials and market program participation – 104 hours; and
- Travel – 312 hours.

Nurse Family Partnership Augmentation – The Department will utilize funds to develop a small work unit that partners with the larger Nurse Family Partnership program, CDHS and county departments to link Nurse Family Partnership services to human services. The unit will provide coordination, system navigation, and data support services to nurses and the Department. Fully staffed, the unit will be comprised of eight contract personnel. Costs associated with the unit total $218,608 in FY 2012-13 and $708,916 in FY 2013-14 and ongoing. The following are the anticipated positions:

- Project Director (part time) – Responsible for project leadership and work with stakeholders;
- Program Manager (full time) – Responsible for managing the program's operations and coordination of contracts;
- Support Services Data Manager (part time) – Responsible for managing data collection and analysis;
- Resource and Referral (full time, two positions) – Works with the State, counties, and stakeholders to ensure collaboration and connect public health initiatives to human services;
- IT Professional (full time) – Maintains IT infrastructure and helps with the database and web portal;
- Fidelity Practice Manager (full time) – Responsible for ensuring that Partnership sites are implementing the unit's programmatic changes correctly; and

- Office Manager (part time) – Provides administrative support to the unit.

Training – The Department will utilize funds to partner with the Nurse Family Partnership national training office to develop training for nurses and county personnel. The training will share current practices, inform the community of changes in practice as the program evolves, and support information sharing between nurses and county personnel. Training will be provided regionally and an ongoing curriculum review will occur based upon training needs assessments and evaluation feedback. In FY 2012-13, training development will begin with a contracted nurse educator working for 520 hours at a cost of $39,000. Beginning in FY 2013-14, personnel associated with training will include a nurse educator and a curriculum designer at a cost of $208,000. Training costs in future years will also include expenditures for nine regional training conferences at a cost of $87,750.

Evaluation – The Department will utilize funds to perform an internal evaluation as it relates to human services. This evaluation is distinct from the federally required internal evaluation of Nurse Family Partnership services because it targets services in relation to the needs and operating parameters of Colorado's child welfare system. An independent contractor will evaluate the Partnership and other child abuse prevention programs and child welfare services to determine what improvements are needed to make services more efficient and effective, and what changes are needed to align public health and human services practices. The evaluation team will consult with the national Nurse Family Partnership project director as needed to ensure collaboration between the Partnership, the Department and county departments when developing changes in Colorado's child abuse prevention practices. Costs associated with the evaluation total $235,118 in FY 2013-14 and $264,383 in FY 2014-15 and include the following:

- Project Director (part time);
- Principal Investigator (full time);
- Budget Specialist;
- Researcher; and
- Travel

Administrative Support – The Department will utilize funds to hire 1.0 FTE, beginning in FY 2013-14, which would aid in the implementation of this program and help with the implementation of SafeCare and Community Response. Administrative support duties that would be associated with this position include the following:

- Tracks policies, action items, work group activities and develops presentations, recommendations, and reports – 520 hours;
- Proofreading, compiling data from multiple sources and publishing the data as a report, newsletter, powerpoint presentation, or other format as appropriate – 882 hours;

- Tracks communication, maintains records, schedules, tracks and attends meetings and activities, confirming participation, prepares minutes and follow up communications – 574 hours;

- Prepares accounting and purchasing documents and reviews submissions for sufficiency, and processes invoices, reimbursement requests, and purchases – 104 hours; and

- Travel – 104 hours.

Anticipated Outcomes: As mentioned above, Nurse Family Partnership programs around the county have been found to result in improvements in prenatal health, birth outcomes (including greater intervals between births), child development, school readiness, academic achievement, and maternal employment. In 2012, Nurse Family Partnership has identified the following outcomes for Colorado:

- 38 percent of mothers who entered the program without a diploma or GED have since earned one;

- 47 percent reduction in domestic violence during pregnancy;

- 91 percent of babies were born full term and 90 percent were born at a healthy weight; and

- 90 percent of mothers initiated breastfeeding and 35 percent continued to breastfeed at least six months.

Nurse Family Partnership studies show long-term effects in reducing state-verified rates of child abuse and neglect (a 48% reduction), a 28-56 percent relative reduction in emergency department encounters for injuries and ingestions during the children's second year of life, and a 79 percent relative reduction in the number of days that children were hospitalized with injuries and ingestions during children's first two years. Similar to SafeCare, staff feels that enabling public child welfare service agencies to access this type of evidence-based and successful child abuse prevention tool would enable at-risk families that are currently slipping through the cracks to connect to a broader and richer service array built on a partnership between public agencies and the private sector.

Further, these types of programs have been associated with a significant return on investment. The Washington State Institute for Public Policy, the RAND Corporation and the Brookings Institute have concluded that the return on investment for Nurse Family Partnerships is in a range of between $2.88-$5.70 of savings for every $1 spent. As a result, staff feels that the request represents a cost effective way to expand the child welfare continuum in order to reach families before child abuse is reported.

However, staff feels that the Department request for a referral coordinator (0.9 FTE in FY 2012-13 and 1.0 FTE in FY 2013-14 and ongoing) is unwarranted. As mentioned above the work unit funded with this request is responsible for managing the program's operations and coordination of contracts, data collection and analysis, ensuring collaboration and connection between public health initiatives county departments of human services, ensuring fidelity, and developing training for nurses and county personnel. Given that these overlap significantly with the requested referral coordinator's responsibilities, staff feels that the position would be redundant.

Budget Amendment, Department Priority 9B Community-based Child Abuse Prevention Services

Department Request: The Department requests $1,144,013 General Fund and 0.9 FTE in FY 2013-14 and 2,093,143 General Fund and 1.0 FTE for FY 2014-15 and thereafter for a new line item that would fund the implementation of a new community-based child abuse prevention program in six counties (eighteen over three years).

Staff Recommendation: Staff recommends that the Committee not approve the request.

Community-based Child Abuse Prevention Services	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
Recommended Long Bill Supplemental	$1,015,517	$1,015,517	0.9
TOTAL	**$1,015,517**	**$1,015,517**	**0.9**
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	$1,015,517	$1,015,517	0.9
Recommended Long Bill Supplemental	(1,015,517)	(1,015,517)	(0.9)
BA #9A Preventions Services - SafeCare	2,201,150	2,201,150	1.0
BA #9B - Community-based Child Abuse Prevention	0	0	0.0
BA #9K - Nurse Family Partnerships	1,534,134	1,534,134	0.9
TOTAL	**$3,735,284**	**$3,735,284**	**1.9**
Increase/(Decrease)	$2,719,767	$2,719,767	1.0
Percentage Change	267.8%	267.8%	111.1%
FY 2013-14 Executive Request:	**$4,991,981**	**$4,991,981**	**3.7**
Request Above/(Below) Recommendation	$1,256,697	$1,256,697	1.8

Staff Analysis: Staff feels that programs targeting those families that are screened out of the system would help to fill in a significant gap in the current array of services offered by the child welfare community. The State's existing Core Services program serves screened in families with a higher level of risk for out-of-home placements. This program, similar to the Nurse Home Partnership and SafeCare programs that are also placed in the new Community-based Child Abuse Prevention Services line item, would target those families that have been screened out of the child welfare system.

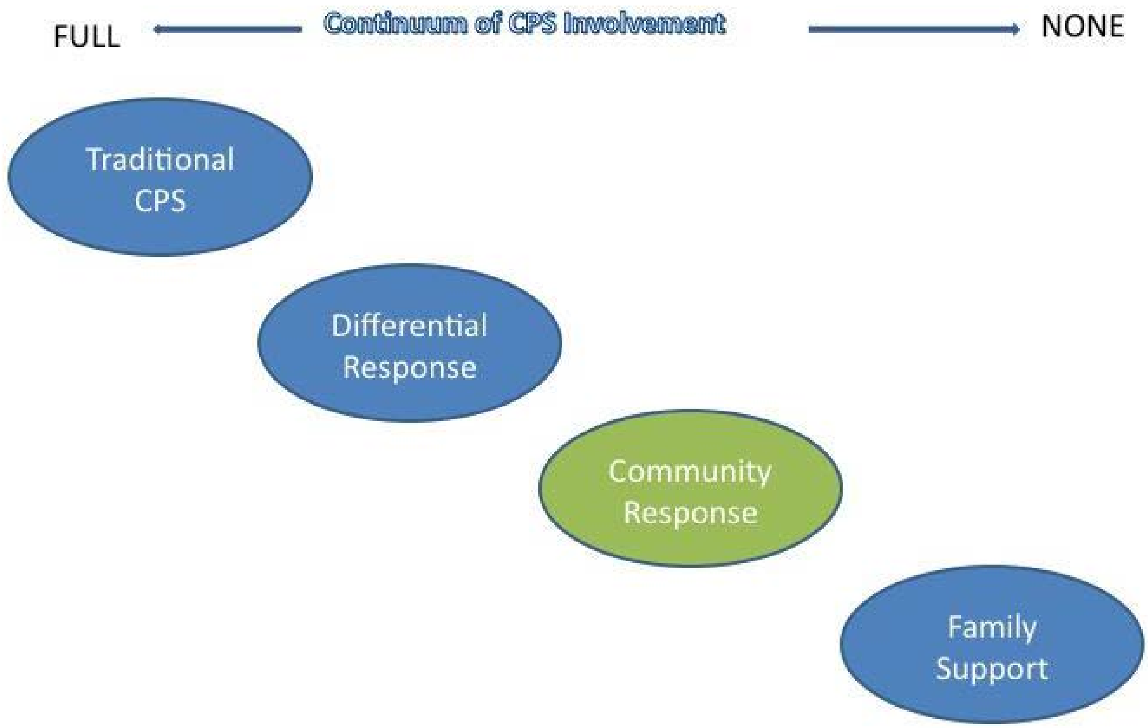
However, staff is not recommending this budget amendment because unlike the afore-mentioned programs, this proposal is not a specific research-based approach. Indeed, there is almost no detail provided on site selection, operation, timelines, targeting and selection criteria, or specific services offered through the program. While the Department does provide estimates of site cost and families served per site based on the Wisconsin Community Response Program, there is little discussion of anticipated outcomes.

Problem: In the context of the State's more traditional child abuse investigation methods (prior to differential response and R.E.D. teams), families would typically receive a "one-size-fits-all" approach to investigation and assessment, regardless of the severity of the maltreatment allegation or the level of risk attributed to the family's situation. Because of this, many child protective services reports would then be screened out. Yet families with unsubstantiated reports tend to have relatively high rates of re-reports, suggesting that risks for such families may persist or escalate over time if the underlying causes of abuse are left unchecked.

In an effort to more appropriately serve lower risk families and prevent further penetration into the child welfare system, Colorado is implementing differential response reforms and has requested additional resources through supplemental 12G and budget amendment BA-9F. Under this type of approach, families with lower risk levels can be provided with assessments of family service needs, instead of the more traditional "investigatory" responses to child maltreatment allegations. The main goals are to more appropriately serve lower risk families (although moderate and high-risk families may also be assigned to assessment tracks in some jurisdictions), reduce re-reports of abuse and neglect to county human services departments, and reduce demands on limited resources. However, these programs target screened in families with a higher level of risk for out-of-home placements.

Proposed Solution: The Department proposes establishing a program that identifies families that have been screened out, and that will benefit from prevention—particularly financial services. Site staff would reach out to families who traditionally have been brought to the attention of county departments of human services but are ultimately not served by that system. The program is intended to partner with counties to reach out to families earlier when they are facing stress in an effort to reduce future referrals to counties and ultimately to prevent child abuse and neglect. Again, the critical point is that community response differs from differential/alternative response programs in that the population of interest is families that have been referred to counties but screened out or closed after an investigation with no identified safety risks.

As indicated in the following figure, community response lies on a continuum of child maltreatment prevention and intervention services. Families screened out following a maltreatment report or investigation still may have need for services, and if so, can be considered potential targets for early intervention. Efforts to systematically engage this population are scarce, despite research evidence that such families have a significant risk of being re-reported to county departments of human services over time.



The Department would also contract for an independent evaluation to assess the effectiveness of the program in reducing further reports to county departments of human services. Based upon the evaluation requirements and a review of current evaluation contracts at CDHS, the Department estimates that the independent evaluation would cost $162,634 for 1,424 hours in FY 2013-14 and $209,165 for 1,851 in both FY 2014-15 and FY 2015-16.

Cost Assumptions: Total costs for the budget amendment include expenditures for each site, Department personnel, and an independent evaluation as outlined in the following table.

	FY 2013-14	FY 2014-15	FY 2015-16
Sites	$900,000	$1,800,000	$2,700,000
Personnel	81,379	83,978	83,978
Evaluation	162,634	209,165	209,165
Total	**$1,144,013**	**$2,093,143**	**$2,993,143**

The Department is requesting $150,000 for each site based on a review of the Wisconsin program. The sites will be located based on a review of community needs and resources. Six community sites would phase in each year for the next three years. The Department is also requesting 0.9 FTE in FY 2012-13 and 1.0 FTE in FY 2013-14 and ongoing to provide oversight, contract management, and technical assistance statewide. Finally, an independent evaluator will assess the effectiveness of the program over the first three years. Costs associated with the evaluation are outlined in the following table.

	FY 2013-14	FY 2014-15	FY 2015-16
Personnel	$140,600	$182,780	$182,780
Materials	3,244	1,784	1,784

Travel	2,673	3,873	3,873
Indirect	16,117	20,728	20,728
Total	**$162,634**	**$209,165**	**$209,165**

Anticipated Outcomes: Specific details on individual site selection and operation are not included in the request other than to say that they will provide one-time or ongoing services tailored to the needs of each family. The purpose of this is to create a program that provides flexibility for each regional site to be developed in accordance with need. Generally, however, each site will:

- Work with county departments and other groups to identify families who would benefit from services;
- Establish an array of services, both in the community and provided at the site;
- Work with families to identify goals, such as improved parenting, child health, or family self-sufficiency; and
- Provide or coordinate services to meet a family's goals.

Each site would serve approximately 50 families. As a result, the request would fund services for 300 families in year one, 600 families in year two, and 900 families in year three. Types of services each site could offer include things like: counseling, parent instruction, child development, financial supports, family meetings, and comprehensive case management on a voluntary basis. There is also a possibility for emergency services and referrals related to mental health, domestic violence, substance abuse, basic needs, and employment assistance.

The estimated cost for program services is $3,000 per family. If this cost estimate holds true, the community centers could produce significant cost avoidance for the State. In FY 2011-12, the average cost of services provided to children screened into the child welfare system was $9,987. Because this program would target at-risk families, it could successfully preempt some from formally entering into the system—avoiding costs for the State in the process. Unfortunately, because the request is somewhat vague (leaving many operational details to implementation), it is difficult to predict outcomes or the rate at which re-referrals will be reduced.

Staff agrees with the Department that this type of approach does generally fill an existing gap in the child welfare system. However, staff cannot recommend approval without additional details about the program, how it will be implemented, and how it differs from the other research-based approaches put forward as part of the child welfare package.

Budget Amendment, Department Priority 9C Enhancing Family Supports and Prevention Services – Core Services Program

Department Request: The Department requests an additional $6,133,671 General Fund in FY 2013-14 and thereafter for in-home family supports and prevention services provided through the Family and Children's Programs line item.

Staff Recommendation: Staff recommends that the Committee approve the full request.

Family and Children's Programs	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$44,776,053	$33,632,328	$5,113,437	$6,030,288	0.0
TOTAL	**$44,776,053**	**$33,632,328**	**$5,113,437**	**$6,030,288**	**0.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$44,776,053	$33,632,328	$5,113,437	$6,030,288	0.0
R-5: Provider rate increase	671,640	506,858	134,328	30,454	0.0
BA #9C - Family Supports and Prevention Core Services	6,133,671	6,133,671	0	0	0.0
TOTAL	**$51,581,364**	**$40,272,857**	**$5,247,765**	**$6,060,742**	**0.0**
Increase/(Decrease)	$6,805,311	$6,640,529	$134,328	$30,454	0.0
Percentage Change	15.2%	19.7%	2.6%	0.5%	0.0%
FY 2013-14 Executive Request:	**$51,581,364**	**$40,272,857**	**$5,247,765**	**$6,060,742**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	0.0

Staff Analysis: Prevention services support a broad range of families, including those that have not had contact with child welfare services but may be working with other human services programs, those that were brought to the attention of child welfare services but are not being assessed for safety planning, and those that are being assessed for safety planning and a determination whether the child can remain in the home safely. Given the comparably low cost to deliver these services, staff feels that any additional dollars invested in Core Services, which are leveraged to keep a child/youth in the home or more quickly return that child/youth to the home, carries with it significant cost avoidance potential for the State.

Additionally, the number of families that county departments have identified as benefiting from Core Services has increased, while the appropriation has remained unchanged. In FY 2011-12, for example, over one-third of counties reported that the number of families in their communities that were in need of Core Services had increased. The following table highlights how spending has exceeded the appropriation in the Core Services line for the past two fiscal years. Because of the increasing demand on the county level and the potential for significant cost avoidance, staff recommends the request be approved.

	FY 2010-11	FY 2011-12
Appropriation	$44,776,053	$44,776,053
Expenditure	$46,143,068	$46,118,134
Over-expenditure	**$1,367,015**	**$1,342,081**

Background: The Core Services Program serves families with children that are at risk of out-of-home placement. A set of services are made available to the families to prevent the out-of-home placement or to promote the safe return of children to the home. Core services are provided through an approved county plan as alternatives to out-of-home care or in conjunction with out-of-home care, either to reduce the level of placement needed or to facilitate the child's move to a permanent family.

Section 19-3-208, C.R.S., specifies a basic set of child welfare services counties are required to provide to eligible children and families. Certain additional services are required to be made available and provided based upon the State's capacity to increase federal funding or any other moneys appropriated for these services and as determined necessary and appropriate by individual case plans. These services include:

- Transportation to services;
- Child care;
- In-home supportive homemaker services;
- Diagnostic, mental health, and health care services;
- Drug and alcohol treatment services;
- After care services to prevent a return to out-of-home placement;
- Family support services while a child is in out-of-home placement including home-based services, family counseling, and placement alternative services;
- Financial services in order to prevent placement; and
- Family preservation services, which are brief, comprehensive, and intensive services provided to prevent the out-of-home placement of children or to promote the safe return of children to the home. Such services are further described and authorized at 26-5.5-101 through 106, C.R.S.

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

- 24-hour emergency shelter facilities;
- Information referral;
- Intensive family preservation services;

- In-home supportive homemaker services;
- Services used to develop and implement a discrete case plan; and
- Day treatment services for children.

Pursuant to Department rules, to be eligible for core services, a child must be at imminent risk of out of home placement (or in such placement). House Bill 11-1196 expanded the use of family preservation services as identified in Section 26-5.5-104, C.R.S., to families at risk of involvement in the child welfare system. This may result in the expansion of Core Services to a broader range of families, although the impact is not yet clear.

Problem: In recent years, the demand for Core Services funding has exceeded the annual allocation. The number of individuals served has grown 78 percent from 15,226 in FY 2009-10 to 27,070 in FY 2011-12. To meet the demand, county departments have limited the services an individual can receive and relied upon fund transfers from the Child Welfare Services line item appropriation, county-only moneys (county funding exceeding the Core Services allocation), TANF, and other funding streams.

Proposed Solution: Based on caseload growth, the Department requests a $6,133,671 increase in the Family and Children's Programs allocation. These funds are utilized to address the increased Core Services caseload. Between FY 2010-11 and FY 2011-12, there was a 12.2 percent increase in Core Services program participation. A 12.2 percent increase equates to an additional 3,303 individuals served. The average cost, per the FY 2011-12 Core Services Program Evaluation Annual Report, is $1,857 per person. This request funds a 12.2 percent increase in program participation at the average cost per participant.

Anticipated Outcomes: The Department prepares an annual Core Services Program Evaluation report. As reflected in the FY 2011-12 report, core services funds are allocated to counties in the following categories: substance abuse treatment, mental health services, home-based services, intensive family therapy, life skills, sexual abuse treatment, day treatment and county-designated. During FY 2011-12, 12,994 children and youth and 14,076 adult caregivers received at least one core service.

During the last two reporting cycles, there has been an increasing focus on outcomes and increasing ability (through the Colorado Trails system) to collect outcome data. These include the Core Services case goal (remain or return home, adoption, etc.), the overall outcome of the service (successful, partially successful, not engaged, etc.), and where the child/youth was placed at the time the service ended.

During the year, 50,576 service authorizations were closed—representing 19,917 unique individuals that received services. For children and youth whose original core service goal was to remain in the home, 92 percent were maintained in the home—up from 90 percent in FY 2010-11. Further, for children and youth participating in the core services program, the proportion of substantiated cases of child abuse dropped from 45 percent in the 12 months prior to core services to 3.4 percent in the 12 months following core services—representing increases from 41 percent and 3.2 percent respectively in FY 2010-11. Overall, more than two-thirds of cases are considered by caseworkers to have closed with a designation of "successful" (54 percent) or "partially successful" (17 percent) outcome. This represents a five percent increase overall from FY 2010-11.

On average, individuals received 219 days of services authorized during this fiscal year. This average does not represent a continual length of service, but rather a sum of the days for each separate service authorized for an individual. The overall average cost per authorized day was $8.48, for a total average cost of $1,818 per person for the fiscal year. Costs for out-of-home placement are much higher with an average cost of $72.42 per day in FY 2011-12. Moreover, safely maintaining children/youth in their homes not only costs the state less than an out-of-home placement, but State and national experience suggests that, most often, this course of action also represents what is in the best interest of the child/youth and the family.

Allocating additional funds through the Long Bill will enable more families to be served in their homes, improve budgeting and allow for a more effective delivery of Core Services, and decrease dependence on secondary funds utilized by county departments to meet the growing statewide need for Core Services.

Supplemental Request, Department Priority 12G, BA-9F Enhancing Child Protection Practices Statewide

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**YES**
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. However, staff feels that the egregious and near fatal incidents reported in excess of those that were anticipated represents new data. Additionally, that data gleaned through the IV-E Waiver authorization process represents new data.	

Department Request: The Department requests $13,350 total funds, including $10,680 General Fund, in FY 2012-13 to fund statewide enhancements of the child welfare screening, assessment, and fatality review practices. Budget Amendment BA-9F requests an increase of $536,869 total funds, including $498,774 General Fund and 2.7 FTE for FY 2013-14. Of this amount, $449,074 and 1.8 FTE is requested in the Division of Child Welfare, Administration line and $87,795 is requested in the Executive Director's Office, Administrative Review Unit line.

Staff Recommendation: Staff recommends that the Committee approve the full supplemental request and portions of the budget amendment. Because the Committee common policy is to not include POTS for requests of less than 20.0 FTE, staff is only recommending $433,048 total funds, including $410,525 General Fund and 1.8 FTE for the Division of Child Welfare, Administration line item, and $79,214 total funds, including $67,332 General Fund and 0.9 FTE for the Executive Director's Office, Administrative Review Unit line item.

Administration	Total Funds	General Fund	Reappropriated Funds	Federal Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	$3,643,669	$2,819,914	$133,070	$690,685	$2,886,449	41.0
Recommended Long Bill Supplemental	273,663	270,993	0	2,670	0	0.0
TOTAL	**$3,917,332**	**$3,090,907**	**$133,070**	**$693,355**	**$2,886,449**	**41.0**
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	$3,917,332	$3,090,907	$133,070	$693,355	$2,886,449	41.0
NPI: OIT staff adjustments	139,960	139,960	0	0	0	1.8
Recommended Long Bill Supplemental	(273,663)	(270,993)	0	(2,670)	0	0.0
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	22,523	0	1.8
BA #9I - Transparency Enhancements - Website	0	0	0	0	0	0.0
TOTAL	**$4,216,677**	**$3,370,399**	**$133,070**	**$713,208**	**$2,886,449**	**44.6**
Increase/(Decrease)	$299,345	$279,492	$0	$19,853	$0	3.6
Percentage Change	7.6%	9.0%	0.0%	2.9%	0.0%	8.8%
FY 2013-14 Executive Request:	**$4,232,703**	**$3,384,022**	**$133,070**	**$715,611**	**$2,886,449**	**44.6**
Request Above/(Below) Recommendation	$16,026	$13,623	$0	$2,403	$0	0.0

Administrative Review Unit	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$2,113,612	$1,371,046	$742,566	24.2
Other legislation	10,204	10,204	0	0.0
TOTAL	**$2,123,816**	**$1,381,250**	**$742,566**	**24.2**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$2,123,816	$1,381,250	$742,566	24.2
Annualize prior year legislation	(10,204)	(10,204)	0	0.0
BA #9F - Enhancing Child Protection Practices	79,214	67,332	11,882	0.9
TOTAL	**$2,192,826**	**$1,438,378**	**$754,448**	**25.1**
Increase/(Decrease)	$69,010	$57,128	$11,882	0.9
Percentage Change	3.2%	4.1%	1.6%	3.7%
FY 2013-14 Executive Request:	**$2,201,407**	**$1,445,672**	**$755,735**	**25.1**
Request Above/(Below) Recommendation	$8,581	$7,294	$1,287	0.0

Staff Analysis: The state has never had consistent statewide rules or practices in place related to screenings and assessments of child welfare reports. To ensure statewide consistency in screening and assessment practices, the Department has revised state rules related to the differential response child protection model, including screening and assessment practices. These changes will take effect in March, 2013. In addition, CDHS has implemented the use of

R.E.D. Teams (Review, Evaluate and Decide), a best practice multi-disciplinary team approach to screening and assessments in five counties.

The supplemental request and budget amendment together would fund two state positions to improve Child Welfare's screening and assessment process; fund one state position to enhance the Department's fatality review teams; and utilize contract dollars to hire a vendor to implement screening and assessment best practices statewide. The supplemental itself would only fund ten days of contractor services that would be aimed at enhancing screening and R.E.D. Team training in FY 2012-13. The bulk of the request would begin in FY 2013-14. While hiring a dedicated contractor would help to cultivate a consistent statewide screening and referral review practice, staff does not feel that it is critical to fund ten days of consultation services in FY 2012-13. Indeed, the Department has not detailed any significant consequences related to a delay in the start of consultation services until July 2013.

Problem: Historically, the state has not had consistent statewide rules or practices in place related to screenings and assessments of child welfare reports. As a result, the screening and assessment process is handled differently from county to county. Many of the families in the Child Welfare fatality reports were referred to the system at some point but "screened out" of the system. It is difficult, however, to prevent this from occurring without first ensuring that counties are using consistent practices for screenings and assessments of child welfare referrals.

Proposed Solution: The Department is proposing to address the lack of consistency by (1) expanding the R.E.D. teams model statewide in an expedited manner, through contract services for training and coaching for counties and state staff to provide guidance and ensure fidelity of the model; (2) expanding the child fatality teams to review fatality, near-fatalities and egregious incidents of child abuse and neglect in a timely and thorough manner that adheres to required timelines; and (3) contracting with a vendor to provide training, coaching and consultation services to support the implementation of enhanced screening and referral review practices that are supported by the differential response model. As mentioned above, the only piece of the request included in the supplemental is the Department request for $13,350 to hire a vendor to provide differential response, screening, and RED Team training and coaching across the State.

Cost Assumptions: The following table outlines the costs associated with the supplemental request for FY 2012-13 and associated budget amendment for FY 2013-14.

Total Request Cost Components

Cost Component	FY 2012-13	FY 2013-14	FY 2014-15, ongoing
Training and Coaching	$13,350	$282,900	$163,000
Child Welfare (Screening and Assessments) 2.0 FTE	0	166,174	171,266
Administrative Review Division, 1.0 FTE	0	87,795	91,486
Total	**$13,350**	**$536,869**	**$425,752**

As is illustrated in the table above, the Department requests only $13,350 for FY 2012-13 to obtain contracted training, coaching, and consultation services to support the initial implementation of enhanced screening and referral review practices supported by the differential response model. The following assumptions were made when putting together this cost estimate.

- The costs were determined based upon a review of current training and differential response contracts, consulting with vendors, and evaluating historical training costs.

- The vendor will provide 10 days of consultation services to support the initial development of the screening and assessment training during FY 2012-13.

- The daily rate for consultation services in FY 2012-13 will be $1,335.

For FY 2013-14, FY 2014-15, and ongoing, the Department requests 1.0 FTE to oversee the referral processes used across Colorado, 1.0FTE to ensure fidelity in the county departments' differential response model implementation, including the enhanced screening and R.E.D. Team referral reviews, and 1.0 FTE for the Administrative Review Division to support the expanded scope and workload of the Child Fatality Review Team.

Referral Specialist – The referral specialist (1.0 FTE) would be responsible for assisting in development of program and policy as it relates to the referral phase of child protection intake, monitoring county adherence to state rules, and providing technical assistance in the area of child protection referrals. Specific duties would include: assisting in the development of training, coordinating the statewide expansion of enhanced screening and R.E.D. Teams, and participating in the annual screen-out review. The specialist will also implement any recommendations following the review, working to expand the screen-out review to include institutional abuse referrals, and leading the annual April Child Abuse Prevention Awareness campaign. Total hours for these duties are expected to be 2,104 annually.

Child Protection Practice Fidelity Specialist – The child protection practice fidelity specialist (1.0 FTE) would be responsible for monitoring the fidelity of new practice implementation (differential response expansion including Enhanced Screening, and R.E.D. Teams), providing implementation assistance, county coaching and technical assistance on new practices, primarily enhanced screening and R.E.D. Teams, and assisting in determining root causes of data trends and practices through data collection, including a review of Trails database entries. This position would also maintain and update documents that outline fidelity components of the practice model (enhanced screening, R.E.D. Teams, and differential response expansion) and provide guidance to county departments in their continuous quality improvement efforts. Total hours for these duties are expected to be 2,192 annually.

ARD Personnel for the Child Fatality Review Team – The Department requests 1.0 FTE for the Administrative Revision Division (ARD) to enhance the functioning of the Child Fatality Review Team. As mentioned above, the workload associated with the review of near fatality and egregious abuse and neglect has increased significantly from the original estimate provided when S.B. 12-033 was being considered. The Fiscal Note for Senate Bill 12-033 assumed that one FTE can accommodate approximately 10 to 11 Child Fatality Team reviews over the course of a year. Given the increase in expected reviews from 11 to 21 annually, a total of 2.0 FTE need to be dedicated to the Child Fatality Review Team in order to comply with required timelines and complete the review process with the necessary rigor. Currently, the equivalent of 1.0 FTE is dedicated to the ARD review process.

Finally, the Department requests $282,900 for FY 2013-14 and $163,000 for FY 2014-15 to obtain contracted training, coaching, and consultation services to support the implementation of enhanced screening and referral review practices supported by the differential response model. The following assumptions were made when putting together this cost estimate.

- The vendor will provide 20 one-day screening and R.E.D. Team trainings, and eight one-day coaching implementation trainings in FY 20 13-14. Training will be provided to both counties that have implemented and counties that have shown readiness to implement differential response and enhanced screening and referral review processes.

- The vendor will be responsible for hiring coaches or subcontracting for coaching services. It is assumed that six part-time (10 hours per week) coaches can support 30 counties with each county receiving five coaching sessions. In FY 2014-15, 52 counties will receive coaching.

- The vendor's training will occur in parallel to training offered through the Training Academy for FY 2013-14; the vendor will then transfer the coaching program to the vendor that provides Training Academy training services or an approved Training Academy subcontractor. This allows the training to be expedited in FY 2013-14 but ultimately incorporated into the training academy training and coaching program.

- Title IV-E reimbursement will only be available for initial consultation expenditures (FY 2012-13). This request does not anticipate activities related to the screening process are eligible for reimbursement, but the Department will continue to identify potential areas for reimbursement as the program is formalized.

Anticipated Outcomes: Enhanced screening protocols will improve the quality of information gathered from reporting parties, consistency of documentation in Trails, and customer service at the county child protection hotline level. It is anticipated that R.E.D. Teams will improve county departments' ability to perform a thorough, balanced and consistent referral review. This is based on preliminary feedback about enhanced screening through R.E.D. Team protocols, which indicates that county social/human service offices have better relationships with mandated reporters, more information gathered from voluntary reporters, and increased ease in decision making as to how best to proceed. Essentially, improved screening and referral review practices positively affect the next phases of the child protection process including family engagement, safety planning, and child welfare service decisions.

Child Fatality Review staff are required to understand the causes of the reviewed incidents of egregious abuse or neglect against a child, near fatalities, or child fatalities; identify gaps or deficiencies that may exist in the delivery of services to children and their families; and to make recommendations for changes to laws, rules, and policies that will support the safe and healthy development of Colorado's children. The expanded scope of review required by S.B. 12-033, which now includes near fatalities and egregious abuse or neglect, means that current staffing levels are not sufficient to fulfill the duties within statutorily prescribed time frames. Staff feels that the additional dollars requested in FY 2013-14 and FY 2014-15 and ongoing would allow for the completion of these duties with increased rigor and within prescribed time frames.

Staff feels that the request would represent an improvement over county departments' current screening and referral practices. Some counties have begun to develop R.E.D. Teams, others have team decision-making but with alternative protocols, and many more require an individual to complete the screening and referral review process. If the request is not funded, CDHS staff will continue to support county departments; however, a consistent statewide screening and review practice will not be cultivated. The Department will also be at risk of not complying with required timelines for review of child fatality and egregious abuse or neglect if the budget amendment for additional Child Fatality Review Team staff is not approved.

Supplemental Request, Department Priority 12F, BA-9G Enhanced Training and Resources for Colorado's First Responders, Mandatory Reporters, and County Child Welfare Personnel

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**YES**
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. However, staff does feel that data gleaned through the recently completed IV-E Waiver authorization process represents new data that warrants a late supplemental request.	

Department Request: The Department requests \$188,250, including \$150,600 General Fund in FY 2012-13 to (1) improve access to child welfare training by adopting a regional model; (2) ensure that the Training Academy curriculum meets the current needs; (3) provide educational stipends to help recruit an educated workforce; and (4) expand the Training Academy course offerings to include training for first responders and mandatory reporters, and child abuse report screening staff. The request is the counterpart to BA-9G, which requests an increase of \$309,937 total funds, including \$247,950 General Fund, for FY 2013-14. The Department is also requesting roll-forward spending authority for the FY 2012-13 funding.

Staff Recommendation: Staff recommends that the Committee approve the full amounts requested in the supplemental request and budget amendment.

Training

	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$6,134,611	$3,000,279	$37,230	$3,097,102	6.0
Recommended Long Bill Supplemental	188,250	150,600	0	37,650	0.0

Training	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
TOTAL	**$6,322,861**	**$3,150,879**	**$37,230**	**$3,134,752**	**6.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$6,322,861	$3,150,879	$37,230	$3,134,752	6.0
Recommended Long Bill Supplemental	(188,250)	(150,600)	0	(37,650)	0.0
BA #9G - Enhanced Training	309,937	247,950	0	61,987	0.0
TOTAL	**$6,444,548**	**$3,248,229**	**$37,230**	**$3,159,089**	**6.0**
Increase/(Decrease)	$121,687	$97,350	$0	$24,337	0.0
Percentage Change	1.9%	3.1%	0.0%	0.8%	0.0%
FY 2013-14 Executive Request:	**$6,444,548**	**$3,248,229**	**$37,230**	**$3,159,089**	**6.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	0.0

Staff Analysis: As mentioned previously, the State, expert panels, legislators, and three governors have developed more than 100 recommendations over the past decade on how to improve the child welfare system in Colorado. CDHS has been working collaboratively with counties to improve child welfare services through a variety of initiatives, including through a State Training Academy.

Under former Governor Bill Ritter, the State's Training Academy was opened. It provides annual and ongoing in-service training for caseworkers, supervisors, case aides, and child abuse and neglect staff. However, some of the issues regarding training that were raised in past system reviews are still challenges, including a lack of consistent state-wide standards and training, access issues—particularly for those in rural counties, and the need to expand or update training to include call intake and the screening process for hotline workers and screeners, confidentiality training, and a more robust program for mandatory reporters on how to recognize child abuse.

Staff feels that this proposal would support trained personnel who know the correct questions to ask, capture the data needed for the screening and assessment staff to make informed decisions, and are able to use the most advanced screening tools available. Having skilled workers on the front end will reduce unnecessary workload on the back end. Finally, the expanded curriculum, decentralized service, and new training requirements would better ensure the practice of consistent standards across Colorado and help avoid incidents of child abuse.

Problem: The Training Academy offers research- and evidence-based training to all child welfare system providers, including: new caseworkers, experienced caseworkers, supervisors, executive leaders, private agencies, foster and adoptive parents, and kin providers. Training courses are created to help different providers meet the safety and permanency needs of Colorado’s children, youth, and families.

In 2011, the Department began a review to determine what was needed to strengthen Colorado’s Training Academy. This review found that a redesign of the Training Academy could improve service delivery. To assist with the redesign effort, the Department created the Training Steering Committee, which is comprised of state, county and community child welfare representatives. Key components of the redesign include: a regional training model with four regional training centers, incorporating more web-based learning, ongoing evaluation of the training curriculum to ensure training is current, informative and successfully delivered to the child welfare community, and identifying ways to incentivize qualified workforce—especially in rural areas. The Department has also realized the need to expand training to include call intake and the screening process for hotline workers and screeners, how to recognize child abuse for mandatory reporters, and confidentiality training for personnel working with sensitive case information.

Proposed Solution: The Department is currently making changes to the training system under advisement of the Training Steering Committee. Steps are being taken to identify new modes of training delivery and ways to administer training contracts more efficiently. This request would fund activities that allow the Training Academy to expand beyond the current model of service delivery and course offerings. The request also helps expedite these improvements.

More specifically, the Department will utilize the funding for four proposed changes: (1) adopting a regional training model, (2) keeping training curriculum current and relevant using a training needs assessment, (3) providing educational stipends to help recruiting efforts, and (4) expanding training curriculum with specific courses for hotline workers, mandatory reporters, and regarding confidentiality.

Cost Assumptions: The following tables outline the costs associated with the supplemental request and associated budget amendment.

FY 2012-13 Costs

Activity	Cost
Regional Training Center Grants	$44,000
Modify Web-based Learning Management System to Incorporate Training Needs	32,650
Develop Mandatory Reporter, First Responder, Confidentiality, Hotline Worker, and Screener Curriculum	111,600
Total	**$188,250**

FY 2013-14 Costs

Activity	Cost
Regional Training Center Grants	$44,000
Educational Stipends	150,000
12 One-day Training Needs Assessment Trainings	12,500
12 One-day Confidentiality Trainings	12,500
24 Two-day Hotline Worker and Screener Trainings	90,327
Total	**$309,937**

Regional Training Model – Persons from rural areas who are interested in training currently have a difficult time accessing courses because they are rarely offered nearby with sufficient frequency. The Department requests funds to implement and ensure the ongoing sustainability of a regional training model. Funding will support counties that volunteer training space by providing state funds for any necessary facility upgrades and ongoing maintenance. Supporting regional training removes a significant travel and access barrier currently experienced by child welfare staff as well as foster parents, adoptive parents, and kin providers. The $11,000 per site cost for each of the four regional training centers (RTCs) is based on feedback from county departments that have offered to host an RTC.

Training Needs Assessment – The Department will utilize some of the funding to ensure training meets the current needs of the child welfare community. Along with implementing an ongoing curriculum review, the Department and the child welfare community have recommended that county departments identify the training needs specific to their workers. The Training Needs Assessment is a tool that allows counties to identify training needs. This information is linked to the Training Academy Learning Management System (a web-based database) and is aggregated for the training region and for the State. This information is provided to the regional training advisory committee and the training steering community to determine what adjustments need to be made to the content or delivery of Training Academy courses. In FY 2012-13, the Training Needs Assessment tool will be developed using the following contracted personnel:

- Project Manager: 120 hours at $60 per hour;
- Programming and Development: 250 hours at $45 per hour;
- User-testing: 200 hours at $45 per hour; and
- Training Development: 8 hours at$100 per hour.

In addition, county department personnel will need to be trained to use the training needs assessment. CDHS will offer assessment training 12 times across the State, and there will be 20 participants per training (240 participants total). Costs associated with county training include the following:

- Training Delivery – Contracted at $500 per training for 12 trainings;
- Trainer Mileage – Estimated to be 2,972 miles (743 miles to reach four regions in the state) at $0.51 per mile;
- Trainer Hotel and Per Diem – $125 hotel and $56 per Diem for 4 days;
- Participant Mileage – 500 miles per training at $0.51 per mile; and
- Materials – $5 per participant.

Educational Stipends – Along with training, the Training Academy provides education stipends, which support public child welfare recruitment and retention. The program is used primarily for recruitment and retention from rural communities. The stipend program began in 1996 and is offered through the University of Denver and Metro State University to students pursuing a career in public child welfare. Twenty-eight stipends are offered for Bachelors of Social Work or Masters of Social Work students—ranging from $8,000 to $18,000 with an average of $14,000. Two-thousand dollar stipends are also offered through Metro State University to support coursework that enables an individual to obtain a case aide certification.

Individuals that are awarded a stipend enter into a contract to work in Colorado public child welfare for one year for each year the individual received the stipend. Of the 12 individuals who were awarded stipends in 1996, eight continued to be employed in Colorado public child welfare in 2008. If an individual leaves Colorado or leaves the field prior to fulfilling the stipend agreement, the individual is obligated to repay the stipend.

During the Training Academy redesign, the Department received feedback that rural counties were struggling with recruiting and retaining an educated workforce. Based on this feedback, the Department is looking to augment the Metro State University distance learning program to provide more educational stipends to students of rural higher education institutions. The request will allow ten stipends to be provided to students in rural communities. Stipends will be $14,000 per person and $10,000 will be utilized to offset the higher educational institution's administrative costs associated with the stipend program.

Training Curriculum Expansion – The Training Academy's current course offerings include:

- 19 new worker sessions, which combine web-based learning and thirteen days of classroom training;

- 6 new supervisor sessions, which are four weeks in length with a combination of web-based learning and ten classroom days;

- 36 two-day trainings for new foster parents, adoptive parents, and kin providers; and

- 40 trainings, ranging from part-day to two days, for experienced workers, supervisors, executive leaders, private agencies, foster and adoptive parents, and kin providers (child welfare workers are required to participate in 40 hours of on-going training each year and foster parents are required to participate in 20 hours of ongoing training each year).

The Training Academy does not offer a dedicated course to hotline workers and screeners. CDHS will utilize funds to develop new competency-based training. Once core competencies are established, the training curriculum will be built to communicate a set of standards for hotline workers and screeners. The course encompasses both the hotline and screening aspect of the work because for some counties these positions are combined and there is a close nexus between the duties and outcomes for these staff. The course will link the report of suspected abuse to the protocols and decisions made by workers and supervisors throughout the process, thus indicating the key information that a hotline worker and screener must obtain and communicate to timely evaluate the safety of the children in the home.

The Training Academy also does not offer training for mandatory reporters or first responders, such as educators, health professionals, behavioral health professionals, social workers, peace officers, firefighters, victim advocates, and clergy members. CDHS will utilize funds to develop web-based mandatory reporter and first responder trainings. Web-based training makes training accessible, given the workload demands of mandatory reporters and first responders. The trainings will provide basic reporting information needs such as child identity, age, parent identity, address, description of observed injury, description of child statements, and a description of circumstances that gave rise to concern. The trainings will also explain what county departments do with reported information to create a better understanding of the process. Department supplemental request S-12H would fund a public awareness campaign to promote the availability of these new training offerings.

Finally, the current Training Academy curriculum does not include a course that helps the child welfare community understand federal and state confidentiality standards when communicating with the public, partnering agencies, and families. The confidentiality course will provide child welfare workers an understanding of federal and state confidentiality standards as they apply to child welfare.

Anticipated Outcomes: The Department reports the following outcomes.

- Regional Training Model – The regional training model will improve access for county department workers, foster parents, adoptive parents and certified kin providers who cannot travel for training.

- Training Needs Assessment – The needs assessment process and identifying training through the web-based Learning Management System ensures the training offered meets the current need of county department staff.

- Educational Stipends – Expanding educational stipends will support case aides and students of social work that are pursuing a career in public child welfare through higher learning institutions outside the Denver Metro area—supporting rural county recruitment and retention.

- Training Curriculum Expansion – The county staff receiving and processing referrals will be more knowledgeable about child abuse and neglect—leading to more timely and better informed child protection decisions. Mandatory reporters will be able to identify signs of abuse and neglect in order to appropriately act on their statutory responsibility. First responders will be educated in the roles of law enforcement and child protection fundamentals. County staff will know which information can be shared in a manner that complies with confidentiality standards.

As long as the State maintains a county-run, State-administered program, staff feels that a robust and accessible training program is critical to ensure consistent statewide standards and a minimum level of service. If an exception is made to the supplemental criteria for this request, the full amounts for regional training center grants, the training needs assessment, and educational stipends are warranted.

Supplemental Request, Priority 12I (S-12D as submitted) Child Abuse And Neglect Hotline

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**YES**

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. However, staff does feel that data gleaned through the recently completed IV-E Waiver authorization process represents new data that warrants a late supplemental request.	

Department Request: The Department requests $200,000 General Fund in FY 2012-13 to purchase consulting services to plan for the development of a statewide hotline for reporting of child abuse and neglect. The Department is also requesting the ability to roll-forward any funding not spent in the current fiscal year. The Department plans to submit an FY 2013-14 supplemental request for funding to implement the hotline based on the consultants findings.

Staff Recommendation: Staff recommends that the Committee approve the full request.

Administration	Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$3,643,669	$2,819,914	$133,070	$690,685	41.0
Recommended Long Bill Supplemental	273,663	270,993	0	2,670	0.0
TOTAL	**$3,917,332**	**$3,090,907**	**$133,070**	**$693,355**	**41.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$3,917,332	$3,090,907	$133,070	$693,355	41.0
NPI: OIT staff adjustments	139,960	139,960	0	0	1.8
Recommended Long Bill Supplemental	(273,663)	(270,993)	0	(2,670)	0.0
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	22,523	1.8
BA #9I - Transparency Enhancements - Website	0	0	0	0	0.0
TOTAL	**$4,216,677**	**$3,370,399**	**$133,070**	**$713,208**	**44.6**
Increase/(Decrease)	$299,345	$279,492	$0	$19,853	3.6
Percentage Change	7.6%	9.0%	0.0%	2.9%	8.8%
FY 2013-14 Executive Request:	**$4,232,703**	**$3,384,022**	**$133,070**	**$715,611**	**44.6**
Request Above/(Below) Recommendation	$16,026	$13,623	$0	$2,403	0.0

Staff Analysis: Staff is concerned about inconsistencies in how calls to hotlines alleging abuse are handled at the county level. A statewide hotline could address some of those concerns; however, it would depend on the details surrounding implementation. Staff feels that moving to assess whether a statewide hotline would improve outcomes and how that hotline would be designed is a necessary first step. While CDHS has already created a 22 member Child Welfare Hotline Steering Committee charged with the planning and implementation of a statewide child welfare hotline, staff feels that given the history of the issue and strong positions of stakeholders on either side, bringing in objective subject matter experts in the hotline/call center field will help to achieve consensus on the most appropriate approach.

Problem: In individual's involvement in the State's child welfare system typically starts with the report of abuse or neglect. County departments receive calls from the public and also mandatory reporters that are set in statute (police, teachers, doctors, clergy, etc.). Because counties are responsible for receiving and processing calls, there are currently many different ways in which reports of child abuse and neglect can be filed. Every county has its own child abuse hotline and number. Some have a different number for after-hours calls. Reporters of abuse and neglect need to call the correct county based on where the alleged abuse or neglect occurred. Reporting to the wrong county can lead to delays, confusion, or the potential for a report being dropped.

Proposed Solution: The Department proposes to engage the services of a consultant to assist in the design of a statewide hotline. The consulting services would include the following components in the design process:

- Planning and coordination – involving stakeholders and oversight groups, including the Child Welfare Leadership Council, the Division of Child Welfare, OIT, county departments, county commissioners, and law enforcement agencies;

- Preparation of a request for information (RFI) to determine the options available for the operation of a statewide hotline;

- Preparation of a request for proposals (RFP) to select the most appropriate vendor to deliver hotline services; and

- Drafting of an implementation plan for a statewide hotline to report alleged occurrences of abuse and neglect.

Cost Assumptions: The Department states that consultant services would be needed for an estimated 2,200 hours of work, at an hourly rate of $100. The Department is assuming the upper end of time required for this type of a project based upon discussions with industry experts. Consulting firms in the field have indicated that these types of projects generally take between 1,000 to 2,000 hours of work to complete. The 2,000 hours would be utilized for the following purposes:

- 1,000 hours – Planning and coordination as outlined above;

- 200 hours – Preparation of an RFI as outlined above;

- 300 hours – Preparation of an RFP as outlined above; and

- 500 hours – Implementation plan for statewide hotline.

Implementation of a statewide hotline is projected to occur in January 2014. As a result, the Department would like to start this work and complete it in early FY 2013-14.

Anticipated Outcomes: Research and the experience of county child welfare experts demonstrate that any delay to immediate response can adversely impact the safety and permanency of at-risk children. This hotline concept allows for a uniform and simple reporting and response system for children, youth and families in Colorado by providing a centralized call number that can be accessed by the public. Staff understands that this form of access would be in addition to the local numbers that exist today to ensure ease in reaching the right person at the right time. A standard number will also allow for ease of training among mandatory reporters, and increased public awareness of how to report community concerns. The enhancement has the potential to capture critical information from reporters of abuse for immediate use by county department staff—improving efficiency and making it more likely that abuse will be reported.

As mentioned earlier, however, it is difficult to assess the impact on the screening process for reports until consensus is reached on the appropriate design. Design considerations may include the following:

- A statewide hotline, staffed by State employees, where callers are forwarded to the appropriate county for collecting information and screening for abuse and neglect;
- A statewide hotline, operated through a contract, where callers are forwarded to the appropriate county;
- A statewide hotline number, supported by interactive voice response, through which callers are forwarded to the appropriate county;
- A statewide hotline that offers counties the option of either having the call forwarded to the county for screening for abuse and neglect, or performing the screening function at the state hotline level; and
- A comprehensive statewide hotline that responds to calls of child abuse and neglect.

Counties in the past have been supportive of a consistent intake method to standardize caller interaction across the state—essentially a 1-800 child abuse reporting number that would then be routed directly to counties. However, staff believes that counties would almost certainly not support a more comprehensive statewide hotline, staffed by State employees performing the screening function at the statewide hotline level.

If the request is not funded, the Department could work to develop the specifications for a hotline within existing staff resources. Indeed, CDHS has already created a 22 member Child Welfare Hotline Steering Committee, which is charged with the planning and implementation of a statewide child welfare hotline. It consists of 22 members with 9 state representatives, 9 county representatives, and 4 stakeholders. The first meeting will be in March. The Committee will meet every two weeks through June 2013 and then one day each month thereafter. The expert consultants requested in this supplemental would join the process after passage of the Long Bill. Staff feels that given the history of the issue and strong positions of stakeholders on either side, bringing in objective subject matter experts in the hotline/call center field would help to achieve consensus on the most appropriate approach.

Supplemental Request, Department Priority 12H Strategic Planning for a Public Awareness Campaign

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**NO**
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. Further, staff does not feel that there is any additional data or unforeseen contingency that would warrant the supplemental request.	

Department Request: The Department requests $60,313 General Fund in FY 2012-13 to hire a marketing firm to assess the best manner in which to conduct a child abuse and neglect public awareness campaign. Based on the results of this assessment, the Department will submit a budget request in FY 2013-14 to fund a statewide marketing campaign. The Department is also requesting the ability to roll-forward any funding not spent in the current fiscal year.

Staff Recommendation: Staff recommends that the Committee not approve the supplemental request because it does not meet supplemental criteria. However, if the Committee decides to make an exception, staff feels that the full request is warranted.

Administration	Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$3,643,669	$2,819,914	$133,070	$690,685	41.0
Recommended Long Bill Supplemental	273,663	270,993	0	2,670	0.0
TOTAL	**$3,917,332**	**$3,090,907**	**$133,070**	**$693,355**	**41.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$3,917,332	$3,090,907	$133,070	$693,355	41.0
NPI: OIT staff adjustments	139,960	139,960	0	0	1.8
Recommended Long Bill Supplemental	(273,663)	(270,993)	0	(2,670)	0.0
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	22,523	1.8
BA #9I - Transparency Enhancements - Website	0	0	0	0	0.0
TOTAL	**$4,216,677**	**$3,370,399**	**$133,070**	**$713,208**	**44.6**
Increase/(Decrease)	$299,345	$279,492	$0	$19,853	3.6
Percentage Change	7.6%	9.0%	0.0%	2.9%	8.8%
FY 2013-14 Executive Request:	**$4,232,703**	**$3,384,022**	**$133,070**	**$715,611**	**44.6**
Request Above/(Below) Recommendation	$16,026	$13,623	$0	$2,403	0.0

Staff Analysis: For more than 30 years, those in the child welfare community have been working to raise the public's awareness of child maltreatment and neglect through various media outlets, and has done just that. Reporting rates continue to climb and the public demonstrates a 90 percent awareness rate of child maltreatment and neglect.

However, staff agrees with the Department that as the field of child maltreatment prevention continues to change, public awareness campaigns must change along with programming. The State needs to develop new child maltreatment prevention messages that empower people to make changes in their own behavior and support changes in the community (particularly in small and close knit rural communities); messages that encourage supporting parents, protecting children, reporting abuse, and building communities. While some CDHS staff have experience with past Departmental media campaigns, this supplemental request would allow CDHS to hire a vendor with specific expertise on campaigns stimulating behavioral change amongst mandatory reporters and first responders.

Problem: Child abuse and neglect is an issue that affects every community, in many forms, some of which are not normally recognized by the public, mandatory reporters, or first responders. Working with the media to mobilize the public in efforts to prevent child maltreatment has long been regarded as a vital component of a comprehensive child maltreatment prevention system in Colorado. Public awareness activities play an important role in that they have the potential to reach diverse audiences—parents, professionals, community members—who are critical in protecting children and supporting families. More specifically, increasing awareness on how to identify child abuse and neglect looks like, how to report suspected abuse, and how child protection and child welfare services can help families, will enhance the state's safety net for protecting children.

As mentioned above, public awareness and outreach related to child abuse and neglect has handled by both the counties and the State on an ad hoc basis for over 30 years. However, there has never been a targeted and consistent statewide campaign to educate mandatory reporters and first responders about accurately recognizing and reporting all forms of child abuse and neglect. As a result, while there is broad awareness of the issue, there is little understanding of the protective systems in place, which are available to those that suspect abuse or that a child is at-risk. Helping the public—mandatory reporters and first responders in particular—understand the child welfare system will improve the likelihood that abuse and neglect are reported appropriately.

Proposed Solution: The Department proposes hiring a marketing firm (through a competitive request for proposal process) to create a marketing plan for a public and mandatory reporter awareness campaign on child abuse and neglect. This will include obtaining an understanding of the many types of child abuse and neglect by attending portions of the Child Welfare Training Academy and observing county department child protection operations. After understanding the work, the vendor will study the level of knowledge held by mandatory reporters and the public and whether a campaign would improve that knowledge.

The vendor will determine who the target audience should be and how to engage this group, the best forms of media to utilize in order to reach the mandated reporters and the public, and what messages need to occur to improve public and mandatory reporter awareness. The vendor will also project costs for implementing the campaign from the recommended strategies. In this process, the contractor will work with mandatory reporters from across the state to provide input to determine how best to engage and educate their respective constituents. Based on past experience and the input of counties, the Department envisions utilizing public service announcements and social media as the primary types of media for this campaign.

Cost Assumptions: The assumptions for this request are based on a review of similar statewide public awareness campaigns that have been completed by other departments within the State system. Some examples include: the Colorado Water Conservation Board within the Department of Natural Resources, the Department of Law's campaigns for Anti-bullying and Mortgage Fraud, and the Colorado Lottery within the Division of Wildlife. These discussions led the Department to the following compensation rates for the contacted employees:

- Two contract marketing analysts (a .75 time Analyst I at $36.74 per hour and a .5 time Analyst II at $41.42 per hour) required to conduct market research and analysis related to child abuse and neglect over a six-month period;

- One administrative support staff at $30.64 per hour for five hours per week, for a six-month period; and

- One accounting staff at $30.64 per hour for one hour per week, for a six-month period.

The Department also assumes an estimated overhead rate of 10% of the total salaries. The request is for State General Fund only because it does not meet the federal definition to claim Title IV-E reimbursement "for administrative expenditures necessary for the proper and efficient administration of the title IV-E State plan", 45 CFR 1356.60 (c).

Anticipated Outcomes: There are generally two types of public awareness campaigns for child welfare—campaigns that work to create public will about an issue and campaigns that work to change an individual's behaviors. Public will campaigns seek to motivate the general public to take action about an issue. Behavioral change campaigns seek to change individual behavior in order to improve individual and societal well-being. Child maltreatment campaigns nationally have taken both tactics with varying degrees of success.

However, in Colorado, those in the human services sector that have been involved in ad hoc public awareness campaigns (mostly on the local level) have tended to create messages about child maltreatment prevention from an "expert" standpoint. There seems to have been an assumption that if local or state authorities or the news media raise enough awareness about child maltreatment, people will automatically support the issue and change their behaviors. It seems illogical to staff, however, to assume that people (mandatory reporters, first responders, or the general public) will report and respond to child abuse accurately and consistently when the human services community is not telling them specifically what or how to do this.

Strategic framing and social marketing are two strategies, which have been utilized to alter behavior on a wide cross-section of social issues with significant success nationally. Strategic framing is an approach to communications that uses the public's deeply imbedded beliefs/views and research on the way people think to create messages and alter behavior. Social marketing is the use of commercial marketing techniques and strategies to promote the adoption of a behavior or value that will improve the health or well-being of the target audience or society as a whole. The Department proposes a mix of the two approaches here. Before CDHS can do that, however, it must first:

- Define the target population for a public awareness or mandatory reporter campaign;
- Identify what information should be communicated in a campaign and how to effectively communicate the information;
- Determine which forms of media will penetrate the intended audiences;
- Determine if a media campaign would improve public and mandatory reporter involvement in child protection;
- Recommend the time frame, message and media forms that are most effective; and
- Obtain a cost projection to release the message/campaign statewide.

The Department does not have any staff with the requisite expertise to perform this type of an evaluation. As a result, staff believes that the only way to guarantee the most cost-effective campaign possible is through an outside vendor. Without an effective campaign, other requested changes to enhance child protection practices around the State, which are part of the overall supplemental package, will not be as successful. Many at-risk children and families will continue to slip through the system either unreported or without response.

Supplemental Request, Department Priority 12B, BA-9I Transparency Enhancements-Public Facing Website

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**NO**
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. Additionally, staff does not feel that any data gleaned through the recently completed IV-E Waiver authorization process represents new data that warrants a late supplemental request.	

Department Request: The Department requests $230,040 General Fund for FY 2012-13 to contract for a web-based service that makes child welfare and youth corrections Trails (the statewide automated child protection and child welfare database) data available to the Department, county departments, and the public on an on-going basis. The request is the counterpart to the Department's FY 2013-14 budget amendment BA-9I, which is for an additional $30,000 General Fund in FY 2013-14 and ongoing.

Staff Recommendation: Staff recommends that the Committee not approve the late supplemental request because it does not meet supplemental criteria. If the Committee decides to make an exception, staff feels that the full amount included in the supplemental request is warranted. If the Committee were to approve the supplemental, staff would recommend approval of the associated budget amendment.

Administration	Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$3,643,669	$2,819,914	$133,070	$690,685	41.0
Recommended Long Bill Supplemental	273,663	270,993	0	2,670	0.0
TOTAL	**$3,917,332**	**$3,090,907**	**$133,070**	**$693,355**	**41.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$3,917,332	$3,090,907	$133,070	$693,355	41.0
NPI: OIT staff adjustments	139,960	139,960	0	0	1.8
Recommended Long Bill Supplemental	(273,663)	(270,993)	0	(2,670)	0.0
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	22,523	1.8
BA #9I - Transparency Enhancements - Website	0	0	0	0	0.0
TOTAL	**$4,216,677**	**$3,370,399**	**$133,070**	**$713,208**	**44.6**
Increase/(Decrease)	$299,345	$279,492	$0	$19,853	3.6
Percentage Change	7.6%	9.0%	0.0%	2.9%	8.8%
FY 2013-14 Executive Request:	**$4,232,703**	**$3,384,022**	**$133,070**	**$715,611**	**44.6**
Request Above/(Below) Recommendation	$16,026	$13,623	$0	$2,403	0.0

Staff Analysis: The request does not meet the Joint Budget Committee's supplemental criteria. Trails has had limited reporting functionality since its inception under former Governor Bill Owens. The data, while available, has always been fragmented and difficult to manipulate into usable reports that allow a user to compare and contrast state and county level data.

Background: In FY 1995-96 the CDHS requested and received funding to conduct a feasibility study regarding the alternatives, costs, and benefits of developing an automated system for programs that serve dependent and delinquent children and youth. The resulting study, completed in September 1996, identified the requirements of an automated system, the alternatives available and their costs and benefits, the recommended alternatives, and the project management plan.

The project requirements for the child welfare portion of the system were based on requirements in the Child Welfare Settlement Agreement, federal reporting requirements under Titles IV-B and IV-E of the Social Security Act, and the daily task requirements of child welfare staff. Subsequently, CDHS requested and received funding to conduct a business process reengineering and change management process, and to design, develop, and implement the system statewide. The Department completed this task and Trails was rolled out in FY 2001-02.

Problem: Since its inception, Trails has had limited reporting functionality. The data collected through the system, while available, is fragmented and difficult to manipulate into usable reports that allow a user to compare and contrast state and county level data. Some counties currently have limited access to the Trails data—needing system experts to create any type of reports. Further, the public has no method in which to directly access child welfare or juvenile justice data and very limited ability in which to request data.

Proposed Solution: Due to difficulties obtaining data, the Department identified and began working with the University of Kansas' Results Oriented Management (ROM) system to supplement Trails reporting with child welfare data. The ROM system is a web-based reporting system that is able to extract raw data and report results that integrate these data elements in a user-friendly environment (with appropriate permissions and security features). ROM also provides a public facing capacity to query aggregate data based upon the individual interests of the user; however, the current contract to implement ROM with child welfare data does not include a public facing component.

To further enhance data availability, the Department is seeking an expansion of the contract with the University of Kansas for their ROM system to cover the Division of Youth Corrections. This would allow Trails data to be extracted and pulled into the ROM system. ROM would in turn generate new reports base upon business rules developed by the Department. More specifically, the ROM system will be configured to include secure access for state and county personnel. Other users will be allowed to access non-identifying data from Trails (presented in a HIPAA compliant manner without names, addresses or identifying numbers) for both the child welfare and youth corrections populations. As such, the primary users are envisioned to be the counties, yet the website reporting tool will be available to anyone who desires access. The timetable for this project is not detailed in the request.

Cost Assumptions: The request is for $230,040 (3,240 additional development hours at $71 per hour). The Department based this amount on estimates from the Director of the ROM system. The current contract to implement ROM with child welfare data is for $140,000. As mentioned previously, it does not include a public facing component. The contract is based on 1,976 hours of development and programming, resulting in an average rate of $70.85 per hour. There is no cost included for monthly data refreshing. Hardware and software needs were contemplated as part of the original ROM project and are not included in this request. The Department also budgeted for the expense of obtaining a URL and any web-hosting needs as part of the original ROM project. These costs are not included in the supplemental request.

The Department will incur an estimated cost of $30,000 in FY 2013-14, and thereafter, for ongoing website maintenance and technical assistance needs. This estimate was also put together by the Director of the ROM program. The Governor's Office of Informational Technology has been involved in the ROM project for child welfare and is supportive of moving forward with this project.

Alternatives: Three public facing website options were researched before the ROM recommendation was made. Chapin Hall maintains the national foster care data archives, which allows users to compare and analyze foster care entry and exit trends at the state and county level. Pennsylvania's Porch Light Project provides child welfare data and information to the public. It integrates child welfare policy, practice, outcomes, news, media, and state and national resources into a single public-facing website.

The Department chose to instead move forward with the University of Kansas because it alone met the following three criteria:

- Have the capacity for website visitors to query specific data sets;
- Allow for Colorado to tailor the reporting to supplement the existing Trails system; and
- Meet the needs of the Department, county departments, and the public.

Anticipated Outcomes: The ROM system will provide differential access to users based on data needs and confidentiality requirements. It will support C-stat, county scorecards, and Colorado Practice Model (CPM) county Quality Practice Teams (QPTs) with current and longitudinal performance data on outcomes and services. This capacity would greatly reduce county and state staff time in generating charts, graphs, tables, and reports for C-stat, county scorecards and CPM QPTs. This new reporting functionality will:

- Allow the State and counties to better understand individual county dynamics;
- Allow the State to provide better and more focused technical assistance;
- Improve performance management and identification of and responsiveness to child welfare and juvenile justice specific cases and trends;
- Promote an effective working relationship with county departments of human/social services, as their data becomes readily available; and
- Enable citizens to learn about child welfare services and be better equipped to participate in improving the delivery of child welfare and juvenile justice services across the State.

While Governor Hickenlooper's Child Welfare Plan "Keeping Kids Safe and Families Healthy" is the most recent plan to focus on increased transparency through improved data management and reporting, it is not the first to call for improved reporting and transparency relative to child welfare. Efforts to better collect, manage, and report data have been a central component in proposals to reform the child welfare program under former governors Bill Owen and Bill Ritter.

Staff feels that given the well-documented shortcomings in the State child welfare program, transparency is an essential component when working to identify deficiencies and formulate improvements. It allows those involved to identify trends and craft evidence-based solutions to any existing barriers in service delivery. If the supplemental is not approved, some county departments and CDHS will continue to struggle in obtaining performance data and additional staff time will be wasted constructing ad-hoc reports for management and the General Assembly. Further, the public will continue to have limited to no access to child welfare performance data.

Supplemental Request, Department Priority 12C, BA-9J Workforce tools – Mobile Computing Technology

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**NO**
The Department indicates that the request is the result of new data, namely improving revenue forecasts. Staff does not feel that an improving revenue picture meets the Committee's supplemental criteria. Additionally, staff does not feel that any data gleaned through the recently completed IV-E Waiver authorization process represents new data that warrants a late supplemental request.	

Department Request: The Department requests $1,923,000 total funds (including $1,800,090 General Fund) in FY 2012-13 and $723,000 total funds (including $600,090 General Fund) in FY 2013-14 and ongoing to establish a departmental source of funds that counties would access for technological improvements and wireless data plans. The Department is also requesting roll-forward spending authority for FY 2012-13 funding in the event that the expenditures are not completed within the fiscal year.

Staff Recommendation: Staff recommends that the Committee not approve the supplemental request or the budget amendment.

Workforce Tools - Mobile Computing Technology	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
Recommended Long Bill Supplemental	$0	$0	$0	0.0
TOTAL	**$0**	**$0**	**$0**	**0.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$0	$0	$0	0.0
BA #9J - Mobile Computing Technology	0	0	0	0.0
TOTAL	**$0**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$0	$0	$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$723,000**	**$600,090**	**$122,910**	**0.0**
Request Above/(Below) Recommendation	$723,000	$600,090	$122,910	0.0

Staff Analysis: Child welfare workers have always spent a large amount of time away from the office working with families and in court hearings. This practice is not the result of new regulations or business practices. Additionally, while there have been advances in wireless technology (hardware and software) during the past year, these have not been significant enough to warrant a transformational shift in business practices related to child welfare.

Three counties have chosen to invest in remote access technology to date: Adams County, Larimer County, and Jefferson County. The fact that some counties do not have the financial resources or have chosen not to invest in such technology does not represent "an emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency".

Staff also feels that the program may be premature because not every county in the State has the broadband infrastructure in place to support mobile computing. Many rural counties would need to invest in additional broadband in order to utilize the program. Because rural counties are also often the poorest counties (in terms of tax base) in the State, this program may not actually serve those it is designed to benefit. Only large- and medium-sized counties would have the capability to access these services.

Problem: While in the field, many county caseload workers are currently unable to access county and State data systems. As a result, most caseworkers write down information longhand or type up reports in Microsoft Word and then enter the same information into the Trails database once they return to the office. This process is inefficient as it requires staff to complete the same task twice. Caseworkers are forced to spend more time in the office on duplicative administrative work, reducing the time available in the field with children, families, and community providers.

Proposed Solution: The Department is requesting these supplemental dollars to provide technology to support the county departments' mobile workforce. While three counties have invested in remote-access technology, the majority have been unable or unwilling to provide staff the hardware, software, and connectivity that would support the caseworker while in the field. The Department is requesting these supplemental dollars to create a source of funds that counties could access to purchase laptops, tablets, smart phones, and wireless internet cards.

To access the fund, a county department will need to apply to CDHS. These applications will be tailored to the type of technology desired (laptops, tablets, smart phones, or internet cards). While all counties will be eligible to apply, funds will be distributed and participation in the plan will be based upon the county department's demonstrated need for new or enhanced hardware, Trails connectivity, and/or data plan to support caseworkers in the field.

Cost Assumptions: The Department worked with the Office of Information Technology to arrive at an estimated cost. Individual cost components include the following:

- Laptops and Tablets – 1,200 caseworkers based on historical data and excluding the three counties that have purchased hardware x $1,000 each = $1,200,000 (General Fund, one time);

- Trails - Software to enable access to Trails is estimated at $75,000; and

- Wireless Internet – 1,200 caseworkers x $45 per month for access = $648,000 annually.

Title IV-E funds will be utilized were authorized. The Department will partner with county departments and the Office of Information Technology to develop a process for reviewing funding requests and allocating funding for the purchase of hardware. In the event that distribution of funds for hardware purchases extends beyond FY 2012-13, the Department is requesting roll-forward spending authority. Please see the table below for an overview of costs.

FY 2012-13			
	General Fund	**Federal Funds**	**Total**
Hardware	$1,200,000	$0	$1,200,000
Trails Upgrades	62,350	12,750	75,000
Wireless	537,840	110,160	648,000
Total	**$1,800,090**	**$122,910**	**$1,923,000**
FY 2013-14			
Hardware	$0	$0	$0
Trails Upgrades	62,350	12,750	75,000
Wireless	537,840	110,160	648,000
Total	**$600,090**	**$122,910**	**$723,000**

Anticipated Outcomes: Child welfare workers spend a large amount of time away from the office. County caseworkers meet with children and families to monitor children's safety and well-being; assess the ongoing service needs of children, families and foster parents; engage biological and foster parents in developing case plans; assess permanency options for the child; monitor family progress toward established goals; and ensure that children and parents are receiving necessary services. At each stage of an intervention, caseworkers, with the support of their supervisors and other staff, determine the type of supports that children and their families need to ensure that the children are safe, are in or moving toward permanent homes, and have stable living arrangements that promote their well-being.

These frontline social services workers are the heart of the State's publicly funded child welfare services system. County caseworkers are frequently the only connection between vulnerable children and the organized systems of social services designed to help them. They build relationships with families that enable them to more effectively respond to crises, opportunities, and needs. Caseworker visits also enable county child welfare agencies to set boundaries; they are a statement that child safety is the priority and that caseworkers will monitor each child's circumstances and hold adults accountable for their well-being. Effective caseworker visits provide a community framework for children—that of protection and support—when families are struggling to care for them. Indeed, the Children's Bureau, U.S. Department of Health and Human Services, believes that the most important way to promote positive outcomes for children and their families is to ensure the quality and frequency of caseworker visits.

Although no federal standards currently exist regarding specific activities that caseworkers should perform during visits with children in foster care, a number of states have written standards. Colorado has statewide written standards that require caseworkers to visit children in foster care at least monthly. This is, however, just a minimum requirement. Caseworkers in some counties visit more often based upon need. Because the workload for caseworkers in Colorado's ten largest counties ranges from 8.4 cases per worker in Pueblo County to 13.6 in El Paso County, and averages close to 12 cases per worker statewide, an individual caseworker will be in the field on visitations for a significant portion of time each month.

In addition to their family visitation activities, caseworkers prepare for and attend court hearings, arrange for and facilitate visitation among family members, manage crisis situations, and handle vital administrative duties. These administrative duties include documenting case histories, managing case records, and entering case data into the State's child welfare management information system, Trails. The Department estimates that it can take a caseworker one full day in the office for every four days spent in the field.

Based on this estimate, CDHS states that providing counties with funds to purchase state-of-the art technology for caseworkers will reduce time spent on administrative activities by up to 24 hours per month for each caseworker. This is based on the assumption that mobile hardware and connectivity will save one day for every four in the field because some work would be completed remotely. Additionally, the Department assumes that caseworkers are out of the office in the field for at least 12 days each month. If you assume an eight hour workday, the average savings is 24 hours per month or 288 hours per year for each caseworker. CDHS then utilizes this figure to generate an annual cost avoidance of $6,912 per caseworker and extrapolates that to come up with a figure of $8,294,400 annual cost avoidance for 1,200 caseworkers statewide. Utilizing the same set of assumptions, the Department estimates that the average caseworker would have to save 39 hours per year in order for the State to break even.

Staff questions the magnitude of the Department's claim of $8,294,400 annual cost avoidance because the Department has based it on static assumptions. As documented in performance data, there is a wide variation in county child welfare systems, caseworker workload, and performance. Some counties do well on some measures and some on others. This is the main weakness of Colorado's system—as well as one of its strengths. Because counties deliver direct services, and decisions about which children will receive which services in the home or in out-of-home placement lies with counties and the courts, they are the entities that make key decisions about which reports of abuse will be investigated or identified as founded, when in home supports are appropriate for the family of a child "at imminent risk of out of home placement", and how often in-home visits are needed (beyond the minimum required by the State). Staff feels that this variability calls into question the Department's cost avoidance estimate.

Rather than considering the request in terms of cost control, staff feels it may be useful to consider whether the requested mobile technology will function as an enabler or a utility. Put another way, will these laptops and handheld devices help deliver some new business function or help run an existing business system? As defined in this supplemental request, the mobile technology has the potential to emerge as a conduit for increased performance—regardless of any avoided costs. Caseworkers would be able to supply information more readily and securely. While caseworkers are public employees, staff views the additional time caseworkers would be able to spend out of the office in the field as the equivalent of an additional value-added service in a private contract that is provided free-of-charge.

Staff also questions whether every single caseworker needs a laptop, smartphone, or wireless access. As mentioned above, because the State has a county-run child welfare system, counties have considerable ability to decide how to respond to allegations of abuse and design appropriate services for children, including those that help to reduce or shorten out-of-home placement or keep children out of court-ordered placement altogether. Counties also determine compensation levels for their staff and negotiate rates with providers for placements. At this point, only three counties have chosen to invest in remote access technology. Given the years that these tools have been available to counties, the lack of investment in mobile technology suggests that many counties do not yet deem this to be a great need or worthy investment relative to other ongoing efforts to improve business processes.

Finally, staff is concerned that those counties which are Staff also feels that the program may be premature because not every area of the State has the broadband infrastructure in place to support mobile computing. Many rural counties would need to invest in additional broadband or wait for private sector or public sector investment to utilize the program. The main reason that many of these areas do not have infrastructure in place is that carriers are hesitant to build networks where they cannot sell service at a profit.

According to a study by the Pew Internet & American Life Project, more than $1.2 billion in federal loans aimed at helping private carriers serve remote areas has been invested nationally. However, these investments have addressed only the most extreme cases. Only 38 percent of rural American households currently have access to high-speed internet connections—compared to 57 percent and 60 percent for city and suburb dwellers, respectively. Because rural counties are also often the poorest counties (in terms of tax base) in the State, this program may not actually serve those it is designed to benefit. Only large- and medium-sized counties would have the capability to access services without additional investment in rural broadband infrastructure.

Budget Amendment, Department Priority 9H
Workload Study

Department Request: The Department requests $468,555 in one-time funds, including $388,901 General Fund in FY 2013-14 to evaluate workload for county department child welfare workers.

Staff Recommendation: Staff recommends that the Committee approve the request.

Workload Study	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$0	$0	$0	0.0
TOTAL	**$0**	**$0**	**$0**	**0.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$0	$0	$0	0.0
BA #9H - Workload Study	468,555	388,901	79,654	0.0
TOTAL	**$468,555**	**$388,901**	**$79,654**	**0.0**
Increase/(Decrease)	$468,555	$388,901	$79,654	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$468,555**	**$388,901**	**$79,654**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

Staff Analysis: Staff feels that a workload management study is critical to determine how county caseworkers are spending their time so appropriate standards can be set to improve child welfare agencies' practices and system functioning and outcomes for children and families. The State has not performed a workload study since the 1970s. The caseload standard discussed in that report was for a 17:1 family caseload ratio. Since that time, however, the child welfare system has changed dramatically and a majority of states now utilize a child to worker ratio.

This is also not the first time that a workload study has been requested. Most recently, during the 2007 Legislative Session, the General Assembly approved S.B. 07-064 to establish the Foster Care and Permanence Task Force to examine the state of Colorado's system for the care of children who are removed from their biological parents due to concerns for the safety and well-being of the children. The Task Force was tasked with identifying problems and concerns and to then identify and recommend solutions to the General Assembly. The Task Force made multiple recommendations that were expected to facilitate major change to the Child Welfare system. Most of these recommendations, including that the Department conduct a workload study for county caseworkers, went unfunded due to the economic downturn.

Problem: Experienced child welfare workers are essential to ensuring abused and neglected children and their families are getting the support they need. Yet, many in the child welfare community feel that Colorado county departments of human services suffer from excessively high annual worker turnover rates. While staff does not have data on average turnover rates statewide, a 2011 Departmental survey of more than 500 county child protection staff revealed that 59 percent suffered from high to very high levels of "compassion fatigue". This tends to manifest itself through anger, fear, anxiety, hopelessness, depression, and a loss of sleep. According to the Department, "compassion fatigue" leads directly to higher levels of burnout, poor performance and turnover. The American Public Human Services Association (APHSA) reports a national average turnover rate of 22 percent.

In response to questions raised during the Department hearing on child welfare, CDHS made an attempt to determine what the turnover rates were in Colorado. However, this is difficult because some counties define turnover broadly to include retirements, promotions, family moves, etc., while other counties focus on "preventable" turnover and staff retention. The Department contacted the 10 largest counties for caseworker turnover rate information and nine counties responded. CDHS made an effort to include comparable factors for a better and more consistent evaluation, but it is critical to note that this does not necessarily represent a consistent comparison across counties. Additionally, staff would note that turnover rates may be higher in smaller- and medium-sized counties based on national trends.

County Staff Turnover Rates

County	Turnover Rate
Adams	16%
Arapahoe	8%
Boulder	Not available
Denver	9%
El Paso	23%
Jefferson	21 %
Larimer	21%

County	Turnover Rate
Mesa	15%
Pueblo	8%

One of the reasons for high turnover may be that child welfare workers are overburdened with their workload. Heavy caseloads and workloads have been cited repeatedly as key reasons that workers leave the child welfare workforce. The United States Government Accountability Office (GAO), for example, examined this issue in a study titled "HHS Could Play a Greater Role in Helping Child Welfare Agencies Recruit and Retain Staff". Caseworkers GAO interviewed reported that high turnover rates and staffing shortages leave remaining staff with insufficient time to establish relationships with children and families and make the necessary decisions to ensure safe and stable permanent placements. The GAO analysis corroborated caseworker accounts. Large caseloads and worker turnover delayed the timeliness of investigations and limited the frequency of worker visits with children, hampering agencies' attainment of some key safety and permanency outcomes.[1]

The workload for caseworkers in Colorado's ten largest counties ranges from 8.4 cases per worker in Pueblo County to 13.6 in El Paso County. Information on the number of assessments/investigations and on-going cases can be pulled directly from the Trails database for all counties. However, the Department does not have information on the ratio of caseworkers to children, families, or number of cases because counties do not report whether caseworkers are full or part-time. Staff utilization is tailored by each county to meet its needs within available funds. For example, some counties utilize blended caseloads where workers are responsible for both intake and on-going cases while some counties use caseworker aides to perform some of the case processing functions. The lack of statewide data makes it difficult to evaluate whether counties currently maintain an appropriate staffing level.

Proposed Solution: The Department is proposing a workload study with the following scope:

- Determine the workload levels for child protection assessments, including differential response assessment responses, traditional responses, and mixed caseload responses;
- Determine the workload levels for child protection ongoing workers, including specialists and generalists for workers who carry mixed cases;
- Determine the maximum number of workers that a child protection casework supervisor can carry, including assessment workers, ongoing workers, and mixed caseload staff.

Cost Assumptions: The Department is proposing to either contract directly with the State Auditor's Office or hire an independent contractor complete the study at a total cost of $468,555. The following assumptions are made regarding the contract services to perform a study.

- To perform the workload study will take three contract staff approximately 1,000 hours each at an hourly rate of $100 for a total of $300,000;

[1] U.S. Government Accountability Office. *HHS Could Play a Greater Role in Helping Child Welfare Agencies Recruit and Retain Staff*. Washington: Government Printing Office, 2003; U.S. Government Accountability Office.

- Ongoing reviews with State staff during the project are estimated at 100 hours per contract staff at an hourly rate of $100 for a total of $30,000;

- Travel for each contract staff to the counties is estimated to be 5,000 miles at a rate of $0.51 per mile for a total of $7,650;

- IT and software needs for data collection and processing are estimated at $5,000;

- Consultation with the Department (review of results and development of recommendations) is estimated at 240 hours per contract staff at an hourly rate of $100 for a total of $72,000; and

- Indirect costs are estimated to be $53,905.

The Department developed these rates based upon a cost analysis performed by its Audit Division. The total was then compared to the total cost of a 2010 Minnesota workload study ($469,000) and a 2009 New York workload study ($500,000), confirming that the funding level is appropriate. While it did not assess child welfare workload, the 2007 County Administration workload study ($500,000) was also utilized as a cost comparison. Staff did not request that the Department provide copies of the completed Minnesota and New York studies for comparison; however, copies are available should the Committee be interested.

Anticipated Outcomes: The Department states, and staff agrees, that conducting a workload study allows County Departments to determine optimal staffing levels and identify needed practice changes to optimize resources. More specifically the study will:

- Determine if there is adequate staffing/process in county departments to meet policy and legislative requirements related to delivering services to children and their families to meet outcomes of child safety, permanency, and well-being.

- Determine the case/workload to worker ratio, supervisor to caseworker ratio, and case aid/workload ratio; and

- Determine if changes in practice will require more resources or create efficiencies.

Critically, the workload study will determine for the first time exactly how much time a worker has available for case-related work by measuring differences in time spent on necessary activities across regions in the State and across service areas. This will start to provide an answer for the question of whether caseloads in Colorado counties are precluding caseworkers' adequate fulfillment of their tasks. As mentioned earlier, when social workers are overburdened with high caseloads, it can become difficult for them to be readily available for new cases or they may feel rushed to get through their existing cases, which can cause the quality of work on these cases to decrease. If workload is not managed effectively, caseworkers become overburdened—leading to higher levels of burnout, poor performance and turnover.

Staff feels that it is vital to maintain a committed and well-educated work force in the child welfare community. It has been suggested by those in the child welfare community that too many experienced case workers currently leave their line of work every year due to unbalanced workload. High staff turnover can have a negative impact on the timeliness, continuity, and quality of services provided by a child welfare agency. Workloads that are too heavy can negatively impact essential child welfare processes such as relationship building, family engagement, and permanency planning. These processes are very time intensive. As a result, staff feels it is important to ensure appropriate and balanced workloads so that social workers can allocate time available to these issues. The benefits of having a manageable workload will show in achievement of safety and permanency outcomes.

The first step toward achieving a manageable workload at all levels, however, is achieving a better understanding on whether caseloads are hindering child protection efforts and making it more difficult to create work process efficiencies. Staff believes that this request represents a reasonable approach that would help county departments and the broader county child welfare system to better retain experienced personnel and operate as efficiently as possible.

COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE

FY 2013-14 STAFF FIGURE SETTING

DEPARTMENT OF HUMAN SERVICES

(Divisions of Child Welfare, Child Care)

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

Prepared By:
Byron DeLuke, JBC Staff
March 7, 2013

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

TABLE OF CONTENTS

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 two sections of the Department.

- **Child Welfare:** County departments of social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs ($401.5 million in FY 2012-13) consist of 53 percent General Fund, 30 percent federal funds, and 17 percent county funds and various cash fund sources. The vast majority of funds appropriated for child welfare (over 97 percent) are made available to county departments as "block allocations" for the provision of child welfare services.

  If counties spend more than the capped allocations, they are responsible for covering any shortfall with other funds, which may include federal TANF block grant funds or county tax revenue. Historically, total spending by counties exceeded state allocations by 3-5 percent per year. However, since FY 2008-09, counties have reduced spending more rapidly than the State has reduced child welfare allocations. In net, county expenditures for FY 2010-11 and FY 2011-12 fell below allocations.

- **Child Care:** The Division of Child Care has three primary responsibilities:

  - The Division oversees the Colorado Child Care Assistance Program (CCCAP), which funds counties to provide child care subsidies to low-income families and families transitioning off of the Colorado Works program.

  - The Division is also responsible for child care facility licensing (including for 24-hour facilities such as residential child care facilities); and

  - The Division is responsible for promoting child care quality improvements, including the Child Care Councils authorized in Section 26-6.5-101, C.R.S.

  There are five sources of funding for Division activities. The largest single share of Division funding is the federal Child Care Development Funds (CCDF) block grant (about 70 percent of the total). State General Fund comprises about 19 percent of the budget, and local county match and licensing fees from child care facilities comprise most of the remaining 11 percent. In addition Temporary Assistance to Needy Families (TANF) funds that are authorized by counties (but are not appropriated in this part of the budget) have been a major funding source for child care subsidies.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

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

- **Child Welfare:** The Division request includes an increase of $19.4 million total funds, driven largely by a requested provider-rate increase and a package of ten budget amendments submitted on February 15, 2013 that are related to the Governor's "Keeping Kids Safe and Families Healthy 2.0" Initiative. County child welfare expenditures continued to decline in FY 2011-12, contributing to a net General Fund reversion in the Division. First and second quarter FY 2012-13 expenditures are also low.

- **Child Care**: The Department's FY 2013-14 budget request for child care includes a request for a 1.5 percent provider rate increase and an enhancement to the child care licensing information technology system. The 1.5 percent provider rate increase is for $1.4 million and is applied to the Child Care Assistance Program line item and a portion of the Child Care Licensing and Administration line item. The Department request R-10: Child Care Licensing System Incident Reporting Module is for $131,620 and is applied to the Office of Information Technology Services.

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. "$15.5 million request to increase community provider rates"; and
2. "$130,000 request to add an incident reporting module to the Child Care Licensing System".

Senate Health and Human Services Committee
Received January 24, 2013
Recommendations

The Senate Health and Human Services Committee recommended that the JBC "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".

Staff does not respond to either of these recommendations within the figure setting document or framework of the FY 2013-14 budget. However, once the Committee has completed figure setting for these sections of the budget, 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)	$489,751,378	$219,459,104	$81,493,756	$14,426,342	$174,372,176	123.4
Other legislation	755	755	0	0	0	0.0
Recommended Long Bill Supplemental	1,613,901	1,505,345	0	0	108,556	0.9
TOTAL	**$491,366,034**	**$220,965,204**	**$81,493,756**	**$14,426,342**	**$174,480,732**	**124.3**
FY 2013-14 Requested Appropriation:						
FY 2012-13 Appropriation	$491,366,034	$220,965,204	$81,493,756	$14,426,342	$174,480,732	124.3
R-5: Provider rate increase	6,823,867	3,391,595	1,275,096	214,399	1,942,777	0.0
BA #9C - Family Supports and Prevention Core Services	6,133,671	6,133,671	0	0	0	0.0
BA #9A Preventions Services - SafeCare	2,201,150	2,201,150	0	0	0	1.0
BA #9K - Nurse Family Partnerships	1,534,134	1,534,134	0	0	0	0.9
BA #9E - IV-E Waiver and Evaluation Development	500,018	250,009	0	0	250,009	0.0
BA #9H - Workload Study	468,555	388,901	0	0	79,654	0.0
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	0	22,523	1.8
BA #9G - Enhanced Training	309,937	247,950	0	0	61,987	0.0
BA #9I - Transparency Enhancements - Website	0	0	0	0	0	0.0
BA #9J - Mobile Computing Technology	0	0	0	0	0	0.0
BA #9B - Community-based Child Abuse Prevention	0	0	0	0	0	0.0
NPI: OIT staff adjustments	139,960	139,960	0	0	0	1.8
Annualize prior year funding	0	5,000,000	0	0	(5,000,000)	0.0
Annualize prior year legislation	(755)	(755)	0	0	0	0.0
Staff Initiated Revenue Adjustment	(1,474,669)	0	(1,474,669)	0	0	0.0
Recommended Long Bill Supplemental	(1,613,901)	(1,505,345)	0	0	(108,556)	(0.9)
TOTAL	**$506,821,049**	**$239,156,999**	**$81,294,183**	**$14,640,741**	**$171,729,126**	**128.9**
Increase/(Decrease)	$15,455,015	$18,191,795	($199,573)	$214,399	($2,751,606)	4.6
Percentage Change	3.1%	8.2%	(0.2%)	1.5%	(1.6%)	3.7%
FY 2013-14 Executive Request:	**$510,291,441**	**$241,231,472**	**$82,768,852**	**$14,640,741**	**$171,650,376**	**130.7**
Request Above/(Below) Recommendation	$3,470,392	$2,074,473	$1,474,669	$0	($78,750)	1.8

Issue Descriptions

R-5: Provider Rate Increase: The recommendation includes an additional $6,823,867 in total funds, including $3,391,595 General Fund, for a 1.5 percent provider rate increase.

BA #9C: The recommendation includes an additional $6,133,671 General Fund in FY 2013-14 for in-home family supports and prevention services provided through the Family and Children's Programs line item.

BA #9A: The recommendation includes an additional $2,201,150 General Fund and 1.0 FTE in FY 2013-14 to fund prevention services for families at risk of entering the child welfare system by expanding the program SafeCare to nine sites throughout the State.

BA #9K: The recommendation includes an additional $1,534,134 General Fund and 0.9 FTE in FY 2013-14 to augment the existing Nurse Family Partnership program and build a partnership with child welfare agencies and other child abuse prevention programs.

BA #9E: The recommendation includes an additional $500,018 in total funds, including $250,009 General Fund, to fund the development and evaluation costs related to the implementation of the federal Title IV-E Waiver.

BA #9H: The recommendation includes an additional $468,555 in one-time funds, including $388,901 General Fund in FY 2013-14 to evaluate workload for county department child welfare workers.

BA #9F: The recommendation includes an additional $433,048 in total funds, including $410,525 General Fund and 1.8 FTE to fund statewide enhancements of the child welfare screening, assessment, and fatality review practices.

BA #9G: The recommendation includes an additional $309,937 in total funds, including $247,950 General Fund, for FY 2013-14 to (1) improve access to child welfare training by adopting a regional training model; (2) ensure that the Training Academy curriculum meets the current needs of the child welfare community; (3) provide educational stipends to help recruit an educated workforce; and (4) expand the Training Academy course offerings to include training for first responders and mandatory reporters, and child abuse report screening staff.

BA #9I: Staff is not recommending $30,000 General Fund requested for ongoing maintenance of a new public facing website for Trails.

BA #9J: Staff is not recommending $723,000 in total funds, including $600,090 General Fund, for FY 2013-14 to establish a departmental source of funds that counties would access for technological improvements, the purchase of hardware and software, and wireless data plans.

BA #9B: Staff is not recommending $1,144,013 General Fund and 0.9 FTE in FY 2013-14 to fund the implementation of a new community-based child abuse prevention program in six counties (eighteen over three years).

NPI: OIT Staff Adjustments: The recommendation includes an additional $139,960 in General Fund and 1.8 FTE related to OIT staff adjustments. This request hits several Divisions within the Department and is revenue neutral overall.

Annualize Prior Year Funding: The recommendation restores $5.0 million General Fund to in the Child Welfare Services line to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13.

Annualize Prior Year Legislation: The request includes a decrease of $755 General Fund related to the annualization of H.B. 12-1246 (Reverse Payday Shift State Employees Paid Biweekly).

Staff Initiated Revenue Adjustment: The request includes a staff initiated decrease of $1,474,699 cash funds related to lower revenue projections for Title IV-E spillover revenues and the Performance Incentive Cash Fund in FY 2013-14.

Recommended Long Bill Supplemental: The request annualizes the impact of recommended FY 2012-13 Long Bill Add-ons.

GENERAL REMARKS

Net General Fund. Some of the line items covered in this figure-setting packet include substantial amounts of Medicaid funding transferred from the Department of Health Care Policy and Financing (HCPF). These amounts are shown as reappropriated funds in the Department of Human Services, but there is a substantial General Fund component included in the original appropriations made in HCPF. The related line items in HCPF are not addressed in figure setting for that Department. In order to allow the Committee to understand the full General Fund impact of decisions, many of lines covered in this packet include a "Net General Fund" appropriation. This reflects the total General Fund impact when the HCPF appropriations are included.

Executive Director's Office line items. This packet includes recommendations for selected line items in the Executive Director's Office that are directly related to Child Welfare programs. Other Executive Director's Office line items are set as part of other Department of Human Services figure setting presentations.

Federal Funding. Many line items in this packet are expected to be affected by sequestration, which took effect March 1, 2013. While some key health and human services programs are protected from sequestration--including Medicaid, Title IV-E, TANF, the majority of the Child Care Development Funds, and the Supplemental Nutrition Assistance Program—many other programs will be severely affected if this preliminary estimate is correct and if Congress does not take action to further modify and target the cuts.

In general, staff has not incorporated adjustments related to these potential federal funding changes into recommended appropriation levels. The Department has indicated that it may submit an interim supplemental reflecting the impact of sequestration on the FY 2013-14 appropriation but indicates that it does not presently have sufficient information from federal authorities to accurately identify changes.

(1) Executive Director's Office

(B) Special Purpose

Administrative Review Unit

This line item provides funding for the Department's "Administrative Review Unit"(ARU), which is responsible for implementing a wide variety of federal requirements related to quality assurance for the child welfare system and some youth corrections placements. The line item supports 24.2 FTE. The ARU is responsible for ensuring that the State has a child welfare quality assurance system that operates throughout the State and is able to identify service adequacy, quality, strengths, and needs, to report on areas needing improvement, and to evaluate the effectiveness of system improvement efforts.

The majority of ARU staff time is devoted to providing federally-mandated on-site case reviews of children and youth who are placed in out-of-home residential care. These reviews take place every six months for as long as a child remains in out-of-home placement. They include children and youth placed out of the home by county departments of social services, as well as youth placed in a community setting by the Division of Youth Corrections.

These face-to-face reviews are open to participation by all involved parties (the child's birth parents, foster parents, guardian ad litem, probation officer, caseworker, etc.). Federal law requires that these face-to-face case reviews be conducted by an independent entity, separate from a state's child welfare division. The reviews ensure that the child is safe, receiving required and appropriate services, and that progress is being made to either return the child or youth home safely or achieve permanency through another means. They also ensure that the county has appropriately determined the child or youth's eligibility for federal Title IV-E funds.

ARU staff also conduct periodic desk-audit reviews of a random sample of individual cases (in a single county or a group of smaller counties) to examine initial assessments and in-home and out-of-home placement decisions and activities. Finally, the ARU evaluates various systemic data indicators which are used for quality-review purposes by counties, the State and federal authorities. It publishes quarterly data reports by county on various Child and Family Services Review safety, permanency, and well-being outcome measures and prepares topical reports on key system-wide issues such Colorado child fatalities, appropriateness of county decisions to "screen out" (not assess) certain cases, and the implementation of Colorado's child welfare risk assessment tool.

In mid-FY 2008-09, 3.0 FTE were added to address problems with timeliness in completing federally-required reviews of out-of-home placements. In FY 2011-12, 1.0 FTE was removed due to declines in the out-of-home placement caseload, while the Department internally reassigned 2.0 FTE to be in-home review coordinators.

Request: The Department requests $2,201,407 total funds, including $1,445,672 General Fund and 25.1 FTE. The request includes the annualization of H.B. 12-1246 (Reverse Payday Shift State Employees Paid Biweekly).

➔ BA-9F: Enhancing Child Protection Practices

- The Department request for BA-9F is for $87,795 total funds, including $74,626 General Fund, and 0.9 FTE.
- The requested FTE would support the expanded scope and workload of the Child Fatality Review Team.
- Without additional FTE, CDHS will be at risk of not complying with required statutory timelines for completion of reviews.
- Staff recommends approval of the request.

Recommendation: Staff recommends $2,192,826 total funds, including $1,438,378 General Fund and 25.1 FTE. The staff recommendation includes the budget amendment but differs from the Department request due to the removal of AED, SAED, Short Term Disability, and Health-Life-Dental expenditures. This calculation is consistent with Committee common policy and is reflected in the table below.

Administrative Review Unit	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$2,113,612	$1,371,046	$742,566	24.2
Other legislation	10,204	10,204	0	0.0
TOTAL	**$2,123,816**	**$1,381,250**	**$742,566**	**24.2**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$2,123,816	$1,381,250	$742,566	24.2
Annualize prior year legislation	(10,204)	(10,204)	0	0.0
BA #9F - Enhancing Child Protection Practices	79,214	67,332	11,882	0.9
TOTAL	**$2,192,826**	**$1,438,378**	**$754,448**	**25.1**
Increase/(Decrease)	$69,010	$57,128	$11,882	0.9
Percentage Change	3.2%	4.1%	1.6%	3.7%
FY 2013-14 Executive Request:	**$2,201,407**	**$1,445,672**	**$755,735**	**25.1**
Request Above/(Below) Recommendation	$8,581	$7,294	$1,287	0.0

Analysis: The Department's Child Fatality Review staff are required to understand the causes of the reviewed incidents of egregious abuse or neglect against a child, near fatalities, or child fatalities; identify gaps or deficiencies that may exist in the delivery of services to children and their families; and to make recommendations for changes to laws, rules, and policies that will support the safe and healthy development of Colorado's children. The current review unit within the Department has a high caseload of reviews to conduct, with particularly limited staffing.

The adoption of Senate Bill 12-033 expanded the responsibilities of the fatality reviews to include egregious and near fatal incidents of child abuse and neglect. Since the adoption of the legislation, eighteen near-fatality or egregious incidents have been reported. All incidents are reviewed. The fiscal note for the bill had anticipated eleven near-fatality and egregious incidents per year; however, the new data would indicate that the Department should anticipate 21 incidents annually. Current staffing levels are not sufficient to fulfill the duties within statutorily prescribed time frames—30 calendar days from the receipt of a report from a county.

The fiscal note anticipated, and the Department agrees, that 1.0 FTE can accommodate 10 to 11 reviews over the course of a year. Given this ratio, a total of 2.0 FTE dedicated to the Child Fatality Review Team would be required, or an increase of 1.0 FTE. Staff feels that the additional dollars requested for this 1.0 FTE increase are necessary to allow for the timely completion of the statutorily required duties of the Child Fatality Review Team.

Records and Reports of Child Abuse or Neglect

This line item provides funding for the Department to maintain records of abuse and neglect and to perform related functions. The Department of Human Services uses records and reports of child abuse or neglect for the purpose of conducting background screening checks (generally requested by employers and agencies to screen potential child care employees, child care facility license applicants, and prospective adoptive parents). Fees paid for screening checks are used to cover the direct and indirect costs of performing background checks and administering provisions related to the appeals process and the release of information contained in records and reports. Functions related to records and reports of abuse and neglect are currently performed as follows:

- County departments of social services enter confirmed reports of child abuse or neglect in the state Department's automated system (Colorado Trails) within 60 days of receiving the complaint.

- County departments of social services provide notice to a person responsible in a confirmed report of child abuse or neglect of the person's right to appeal the county department's finding to the state Department within 90 days.

- Such a person may request: (1) a paper review of the county's confirmed report and record by the Department of Personnel and Administration, Division of Administrative Hearings; or (2) a fair hearing (either by telephone or in person) by the Division of Administrative Hearings before an administrative law judge, at which the state Department would bear the burden of proof. The notice includes information as to how the individual can access the county department's dispute resolution process.

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

In FY 2007-08, 1.3 FTE was added to this line item to help address a backlogs in child abuse dispute reviews and to avoid a backlog for background checks. The fee for a background check is currently $33.

Request: The Department requests continuation funding of $577,448 cash funds and 7.5 FTE.

Recommendation: Staff recommends approval of the Department request. The recommendation is reflected in the table below and is calculated consistent with common policy.

Records and Reports of Child Abuse or Neglect	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$577,448	$0	$577,448	7.5
TOTAL	**$577,448**	**$0**	**$577,448**	**7.5**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$577,448	$0	$577,448	7.5
TOTAL	**$577,448**	**$0**	**$577,448**	**7.5**
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$577,448**	**$0**	**$577,448**	**7.5**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

<u>Child Protection Ombudsman</u>

This program was created through Senate Bill 10-171 (Newell/Gagliardi). The bill required the Department of Human Services to establish and administer a Child Protection Ombudsman Program by contract with a public agency or private nonprofit organization. The program is required to receive and review complaints, investigate and resolve cases when appropriate, evaluate and make recommendations for the creation of a statewide grievance policy, make recommendations to improve the child welfare system, promote best practices, and report to the Governor and the General Assembly. (Complaints relating to the Judicial Branch and judicial proceedings are to be referred to the Judicial Branch).

Subject to available appropriations, the Department is required to make legal counsel available to the program in the performance of its duties, and may provide legal representation to the ombudsman in any action brought against the ombudsman in connection with his or her duties. At the beginning of the third year after program implementation, the State Auditor's Office is required to conduct a performance and fiscal audit of the program. The Child Protection Ombudsman office opened in May 2011, and as a result, the audit has not yet been completed.

Additionally, because the office opened later than anticipated in the authorizing legislation, some funds were reverted in FY 2010-11. The fiscal note for the bill assumed that the $370,000 General Fund appropriated would support contract service costs for an Ombudsman's office with four staff, as well as legal services for the Ombudsman ($29,097 of the total is set aside for this). The FY 2013-14 Ombudsman request is consistent with the fiscal note.

Request: The Department requests a continuation level of funding of $370,000 General Fund.

Recommendation: Staff recommends approval of the Department request.

(5) Division of Child Welfare

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

Child Welfare Systems Change. Over the last several years, child abuse fatalities and a number of reports have highlighted weaknesses in Colorado's child welfare system and recommended changes. Studies have pointed to: the challenges of a county-administered system; inadequate state oversight of the system; the need for additional training throughout the system; resource issues (*e.g.*, county staffing levels, provider supports); cross-system/co-occurring issues such as domestic violence and mental health; and problems with data and the state's case management system for child welfare (Colorado Trails).

In response to these studies, the Governor and the General Assembly have taken a variety of steps, ranging from providing funding for additional studies and research (*e.g.*, creation of the Child Welfare Action Committee) to adding new Division of Child Welfare staff and expanded funding for caseworker training. The Child Welfare Action Committee, which issued three reports between its creation in 2008 and completion in 2010, served a central role in shaping a number of system reform efforts.

Some of the changes initiated during the Ritter administration that have been continued, include:

Child Welfare Staff and State Organizational Restructuring. Between FY 2008-09 and FY 2009-10, the General Assembly approved the addition of a 21.0 new FTE in the Division of Child Welfare and 3.0 FTE (later reduced to 2.0 FTE) in the Administrative Review Division: an increase of nearly 60 percent to Division staffing at a cost of $1.5 million ($1.0 million General Fund). This expansion in state staffing was largely untouched by the recession.

Colorado Practice Initiative. Colorado was designated as a U.S. Department of Health and Human Services Mountains and Plains Child Welfare Implementation Center project site in November 2009. The five-year award provides Colorado with sustained technical assistance resources to develop and implement systems reform. The Initiative is "an effort to develop a clear, consistent, and cohesive approach to practice and service delivery" throughout the State. A state base practice model reflecting state standards of care was completed in October 2010, and the model was rolled out to the first cohort of counties in FY 2010-11. It is expected to be rolled out to all counties by September 2014. The model incorporates a system by which counties engage in continuous, data-based review of their performance and continuous quality improvement. The Practice Initiative is also central to Colorado's Performance Improvement Plan for responding to its 2009 federal Child and Family Services Review.

Child Welfare Training Academy. S.B. 09-164 authorized the Department to require child welfare workers to complete state-provided training before taking on a caseload. An FY 2009-10 budget decision item authorized the related funding of $1.6 million (subsequently reduced to $1.2 million) and 6.0 of the FTE described above. The request built on an existing system of state training for caseworkers. The new administration has indicated it would like to update the curriculum and expand the Academy to provide ongoing training for senior work staff, supervisors, leaders, first responders, and foster parents.

Child Welfare Ombudsman. S.B. 10-171 created a new Child Protection Ombudsman Program ($370,000 General Fund), contracted through the Department of Human Services. The program is required to receive and review complaints and make recommendations to the Governor and the General Assembly on improvements to the Child Welfare System.

Colorado Consortium on Differential Response. H.B. 10-1226 authorized a differential response child welfare pilot program to allow counties to offer voluntary services to families who are deemed to be a low- to moderate safety risk to a child, rather than referring these cases to dependency and neglect hearings in court. A $1.8 million federal research and development award from the National Quality Improvement Center on Differential Response in Child Protective Services will examine the effects of a differential response practice model on outcomes for children and families.

The pilot project will evaluate the model from February 1, 2010 to June 30, 2013 in five counties: Arapahoe, Fremont, Garfield, Jefferson, and Larimer. Senate Bill 12-011 (Spence/Summers) removed the five-county limit on the differential response pilot. Counties that choose to be added to the pilot are expected to have increased workload and costs at the front-end but may realize future cost savings to the extent families are diverted from more expensive placements and deeper system involvement. However, the bill assumed that CDHS would only approve new pilot sites if it is able to do so within existing resources. Budget Amendment 9F, discussed in detail later in the document, includes a request for an additional 2.0 FTE related to the expansion of the differential response model around the State.

Title IV-E Waiver. Title IV-E is an open-ended federal entitlement through which states are partially reimbursed for the room-and-board and administrative costs associated with foster care and adoption services. In Colorado, the reimbursement rate is 50 percent for most qualified expenditures, and the State receives about 80 million per year in federal Title IV-E revenue.

Title IV-E Revenue Decline. As for many other states, Colorado's Title IV-E revenue has been on an overall downward trend for a number of years due to the decline in out-of-home placement, as well as to an income standard that has not changed since 1996. County and state administrative issues have also had an impact. Title IV-E does not provide reimbursement for services provided to keep a child in the family home, even though the federal legal and regulatory environment places increasing emphasis on avoiding out of home placements, serving children and families in the family home, and reunifying families if this can be done safely. Prior to the award of the IV-E waiver, the Department projected that Title IV-E revenue would continue to fall at the rate of 5 to 10 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

Waivers Under the 2011 Child and Family Services Improvement and Innovation Act. The Child and Family Services Improvement and Innovation Act of 2011 was signed into law on September 30, 2011. The bill authorized 10 new Title IV-E demonstration waivers per year between 2012 and FFY 2014. Title IV-E waivers were first authorized in 1994, and 23 states (including Colorado) have had waivers to test various innovations in the past. However, this Act represents the first time new waivers have been authorized since 2006.

Pursuant to the legislation, a state shall be authorized to conduct a demonstration if the project is designed to accomplish at least one of three goals:

- Increasing permanency by reducing the time in foster placement;
- Increasing positive outcomes for youth in their homes and communities and improving safety and well-being; and/or
- Preventing child abuse and neglect and re-entry into foster care.

The state must identify changes it has made or plans to make in policies, procedures, or other elements of the state's child welfare program that will enable the state to successfully achieve the goal or goals of the project. The state must also demonstrate implemented or planned child welfare improvement policies within three years of the date of application (or 2 years after approval, whichever is later), including at least one policy that was not implemented prior to the application for a waiver. Finally, each program must be evaluated by an independent contractor using an approved evaluation design which provides for, among other items: comparison of methods of service delivery under the project versus under the State IV-E plan or plans with respect to efficiency, economy and other program management measures; and comparison of outcomes for children and families under the project.

Colorado's Title IV-E Waiver. During the summer of 2012, Colorado submitted its waiver application to federal authorities. It negotiated and reached an agreement with federal authorities in September and October of the same year. As described in the waiver application, Colorado faces particular difficulties in a number of areas, including the large number of older children and adolescents in extended out-of-home care (a substantially larger share than in other states), the number of these youth in congregate care (institutional) settings, and the number of families that are screened out without receiving services. The Department attributes this situation in large part to lack of attention to behavioral health needs. It also highlights problems with excessive short-term placements that could be prevented with front-end services, frequent moves in out-of-home care, and too many re-entries to out-of-home care after reunification.

The required Program Improvement Policies incorporated in Colorado's model are: (1) addressing the health and mental health needs of children in foster care; and (2) limiting use of congregate care. Colorado proposes to address these challenges along with the other issues raised in the waiver through three primary interventions, which will be implemented in all counties at some point during the waiver, and three additional interventions, which may be selected for implementation by a subset of counties. The three core practices to be adopted by all counties include the following.

- Family engagement: The State will introduce precepts and processes targeted at engaging families in case planning and accessing services, through a combination of training, coaching, and peer mentoring. It will also modify non-safety certification for relative foster family homes to facilitate placement of children with relatives when out-of-home placement is necessary.

- Trauma-informed child assessments: The State will supplement existing child assessment processes and instruments with standardized tools that are geared toward children who have experienced trauma.

- Trauma-focused behavioral health treatment: Counties and behavioral health organizations (the state's Medicaid behavioral health managed care entities) will increase the use of behavioral health treatments that have been shown to be effective with children who have experienced trauma. This will be accomplished through contracts with local human service providers and/or through their expanded utilization by the behavioral health organizations.

The three additional practices which may be adopted by some counties include the following.

- Permanency roundtables: A program for engaging staff, the target youth, and others in creating and implementing a plan for a permanent family home setting for the youth and preparation for adulthood.

- Kinship supports: Programs for supporting kinship caregivers who are not certified as foster care providers, including support groups, referral networks, and additional financial assistance.

- Market segmentation: A tool for targeting recruitment of foster parents and adoptive parents.

Evaluation will include a process, outcome, and cost studies. Pursuant to S-12E and BA-9E, discussed below, the Department is requesting $80,021 in FY 2012-13 and $500,018 annually for the duration of the waiver to cover the costs to create and implement the evaluation required under the agreement with the federal Administration for Children and Families. This estimate is based on a review of existing evaluation contracts. The vendor will develop evaluation design options to evaluate the outcomes and a cost comparison of waiver and non-waiver child welfare activities. The design will include both quantitative and qualitative research and data collection methods, including both a matched case comparison and time-series analysis of key measures of child safety, permanency, and well-being.

The waiver will provide Colorado with a guaranteed stream of capped federal Title IV-E funds for five years for major portions of its Title IV-E revenue stream: foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. A portion of the revenue stream, related to adoption assistance, training, some other administration costs, and computer-systems is excluded and will continue to be reimbursed based on expenditures and federal reimbursement formulas. Over the last four actual years, revenue for the categories to be included in the cap have represented 51 to 56 percent of Colorado's total IV-E revenue.

Based on the agreement, for FY 2013-14, Colorado will receive a capped amount of $46,940,857. For comparison, actual FY 2011-12 revenue for the portion of IV-E that will be capped totaled $39,671,106—or almost $6.5 million less. Capped funding would increase to $50,901,907 by FY 2017-18—almost $9 million more than is projected without the waiver.

Trends in County Allocations and Expenditures. The vast majority of child welfare appropriations are allocated to counties. Pursuant to Section 26-5-103.5 and 26-5-104 (3) and (4), C.R.S., an eight-member Child Welfare Allocations Committee determines the formula for allocation of capped funds among counties. Total county allocations for child welfare services increased through FY 2008-09, but were subsequently reduced and have been relatively flat for the last several years. Over this period, the county share of allocations has also increased from 14.6 percent to the current 17.4 percent of the total.

Counties have historically spent—in total—more than the annual block allocation, although this has always reflected a combination of over- and under-expenditures by individual counties. However, for the first time ever, in FY 2010-11, counties, in net, under expended the child welfare allocation. This pattern continued in FY 2011-12 and is projected to continue in FY 2012-13 (See below).

Appropriations for Child Welfare Allocations to Counties and County Over- and Under -expenditures						
	FY 07-08	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 11-12**	**FY 12-13 (Projected)**
County Block Allocations ($ millions)	$384.9	$394.9	$389.4	$381.3	$377.6	$376.2
Percent Change	*3.9%*	*2.6%*	*-1.4%*	*-2.1%*	*-0.4%*	*-0.1%*
County Expenditures In Excess/(Under) Capped Allocations ($ millions)	$20.4	$16.6	$12.8	($1.6)	($7.2)	($10.2)
Over/(Under) Expenditure as Percent of Capped Allocations	*5.3%*	*4.2%*	*3.3%*	*-0.4%*	*-1.9%*	*-2.7%*

The JBC staff model utilized to estimate expenditures for FY 2012-13 is rough. However, it incorporates the following assumptions:

- Straight-line projection based the first seven months of actual county expenditures;

- Additional funds available ($2.2 million), based on the "Balance of State Mitigation Pool", which is held out from initial allocations; and

- Retained under-expenditures related to the Collaborative Management Program, which allows counties that have "opted in" for FY 2012-13 to retain 50 percent of their under-expended funds. Whether counties will actually be able to retain any savings will depend upon their actual performance as well as expenditures. Retained amounts were $4.5 million in FY 2010-11 (which included Denver) and $1.5 million in FY 2011-12 (when Denver chose not to participate). Denver is participating again in FY 2012-13—leading to the staff estimate of $8.3 million in retained under-expenditures through the collaborative management incentive.

It is critical to note that data will change over the course of the year. For example, the counties responsible for almost 95 percent of the statewide under-expenditures through the first seven months of the year (Denver, Adams, Pueblo, and Arapahoe) have traditionally spent up to 50 percent more in June than any other month. After speaking with county representatives, staff feels it is likely that this expenditure trend will continue—reducing the projected reversion to $5.5 million in FY 2012-13. Regardless, another reversion appears likely in FY 2012-13.

TANF Funding for Child Welfare Programs. Since the beginning of the recession, the Department has requested, and the General Assembly has approved, multiple actions to refinance General Fund appropriations in the Child Welfare Services and Services for Children and Families line items with Temporary Assistance for Needy Families block grant funds. These refinance actions have fallen into two categories:

- *Refinance actions specifically identified as temporary.* These actions were based on the availability of state-controlled reserves which had been created, in part, by additional funding made available under the American Recovery and Reinvestment Act. These actions comprised $12.5 million of the TANF appropriations in the Division of Child Welfare, including FY 2009-10 BA-36, which refinanced $9.5 million in Services for Children and Families for three years and FY 2010-11 BRI-5, which refinanced $3.0 million in Child Welfare Services for two years. These temporary refinance actions were reversed in FY 2012-13.

- *Refinance actions identified as ongoing.* After the temporary refinance was eliminated, a total of $11.0 million in TANF appropriations was to remain in the appropriation for Child Welfare Services and Services for Children and Families. However, during the 2012 Session, the Committee indicated that all remaining TANF refinance in the Division of Child Welfare would be eliminated and General Fund restored for FY 2013-14.

The Executive Request restores only $5.0 million General Fund to Child Welfare in FY 2013-14 to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13. The request does not replace the remaining $6.0 million TANF funds in Child Welfare with General Fund or reduce this TANF appropriation.

The Department felt that because of adjustments in the Department's Long-term Reserve projection for TANF and expected contingency funds; there would be sufficient TANF revenue to cover FY 2013-14 appropriations at FY 2012-13 levels. 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.

Staff is recommending that the Committee adopt the Executive Request for FY 2013-14 for TANF appropriations in the Division of Child Welfare for two reasons. First, the State has already been awarded $6.8 million in Contingency Funds for FY 2012-13. As a result, staff agrees with the Department that there will be sufficient TANF revenue to cover FY 2013-14 appropriations at FY 2012-13 levels.

Second, the State is currently implementing the Title IV-E waiver. This will entail the expansion of three core practices to all counties and three additional practices in some counties. More specifically, CDHS will expand on four major initiatives already in planning stage or in early stages of implementation: the Colorado Practice Model; Permanency by Design; Differential Response; and the Behavioral Health-Child Welfare System of Care. There is still significant uncertainty surrounding the impact that the IV-E waiver will have upon the delivery of services in the State, and in turn, on county child welfare expenditures. Because of this, staff would instead recommend a footnote for the Child Welfare Division lines that receive TANF dollars specifying that any reversion first be taken out of TANF dollars. This would ensure that if there are under-expenditures in FY 2012-13 or FY 2013-14, TANF funds are preserved for the Colorado Works program for future years in lieu of a General Fund reversion.

If the Committee were to approve the staff recommendation and no further TANF changes are included for FY 2013-14, adjustments will still be needed for FY 2014-15 and beyond. Staff estimates that:

- 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.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	$401,527,017	$203,614,951	$71,520,310	$14,426,342	$111,965,414	57.0
Recommended Long Bill Supplemental	1,613,901	1,505,345	0	0	108,556	0.9
TOTAL	**$403,140,918**	**$205,120,296**	**$71,520,310**	**$14,426,342**	**$112,073,970**	**57.9**
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	$403,140,918	$205,120,296	$71,520,310	$14,426,342	$112,073,970	57.9
R-5: Provider rate increase	5,686,786	3,391,595	1,137,357	214,399	943,435	0.0
BA #9C - Family Supports and Prevention Core Services	6,133,671	6,133,671	0	0	0	0.0
BA #9A Preventions Services - SafeCare	2,201,150	2,201,150	0	0	0	1.0
BA #9K - Nurse Family Partnerships	1,534,134	1,534,134	0	0	0	0.9
BA #9E - IV-E Waiver and Evaluation Development	500,018	250,009	0	0	250,009	0.0
BA #9H - Workload Study	468,555	388,901	0	0	79,654	0.0
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	0	22,523	1.8
BA #9G - Enhanced Training	309,937	247,950	0	0	61,987	0.0
BA #9I - Transparency Enhancements - Website	0	0	0	0	0	0.0
BA #9J - Mobile Computing Technology	0	0	0	0	0	0.0
BA #9B - Community-based Child Abuse Prevention	0	0	0	0	0	0.0
NPI: OIT staff adjustments	139,960	139,960	0	0	0	1.8
Annualize prior year funding	0	5,000,000	0	0	(5,000,000)	0.0
Staff Initiated Revenue Adjustment	(1,474,669)	0	(1,474,669)	0	0	0.0
Recommended Long Bill Supplemental	(1,613,901)	(1,505,345)	0	0	(108,556)	(0.9)
TOTAL	**$417,459,607**	**$223,312,846**	**$71,182,998**	**$14,640,741**	**$108,323,022**	**62.5**
Increase/(Decrease)	$14,318,689	$18,192,550	($337,312)	$214,399	($3,750,948)	4.6
Percentage Change	3.6%	8.9%	(0.5%)	1.5%	(3.3%)	7.9%
FY 2013-14 Executive Request:	**$420,929,999**	**$225,183,256**	**$72,657,667**	**$14,640,741**	**$108,448,335**	**64.3**
Request Above/(Below) Recommendation	$3,470,392	$1,870,410	$1,474,669	$0	$125,313	1.8

Issue Descriptions

R-5: Provider Rate Increase: The recommendation includes an additional $6,823,867 in total funds, including $3,391,595 General Fund, for a 1.5 percent provider rate increase.

BA #9C: The recommendation includes an additional $6,133,671 General Fund in FY 2013-14 for in-home family supports and prevention services provided through the Family and Children's Programs line item.

BA #9A: The recommendation includes an additional $2,201,150 General Fund and 1.0 FTE in FY 2013-14 to fund prevention services for families at risk of entering the child welfare system by expanding the program SafeCare to nine sites throughout the State.

BA #9K: The recommendation includes an additional $1,534,134 General Fund and 0.9 FTE in FY 2013-14 to augment the existing Nurse Family Partnership program and build a partnership with child welfare agencies and other child abuse prevention programs.

BA #9E: The recommendation includes an additional $500,018 in total funds, including $250,009 General Fund, to fund the development and evaluation costs related to the implementation of the federal Title IV-E Waiver.

BA #9H: The recommendation includes an additional $468,555 in one-time funds, including $388,901 General Fund in FY 2013-14 to evaluate workload for county department child welfare workers.

BA #9F: The recommendation includes an additional $433,048 in total funds, including $410,525 General Fund and 1.8 FTE to fund statewide enhancements of the child welfare screening, assessment, and fatality review practices.

BA #9G: The recommendation includes an additional $309,937 in total funds, including $247,950 General Fund, for FY 2013-14 to (1) improve access to child welfare training by adopting a regional training model; (2) ensure that the Training Academy curriculum meets the current needs of the child welfare community; (3) provide educational stipends to help recruit an educated workforce; and (4) expand the Training Academy course offerings to include training for first responders and mandatory reporters, and child abuse report screening staff.

BA #9I: Staff is not recommending $30,000 General Fund requested for ongoing maintenance of a new public facing website for Trails.

BA #9J: Staff is not recommending $723,000 in total funds, including $600,090 General Fund, for FY 2013-14 to establish a departmental source of funds that counties would access for technological improvements, the purchase of hardware and software, and wireless data plans.

BA #9B: Staff is not recommending $1,144,013 General Fund and 0.9 FTE in FY 2013-14 to fund the implementation of a new community-based child abuse prevention program in six counties (eighteen over three years).

NPI: OIT Staff Adjustments: The recommendation includes an additional $139,960 in General Fund and 1.8 FTE related to OIT staff adjustments. This request hits several Divisions within the Department and is revenue neutral overall.

Annualize Prior Year Funding: The recommendation restores $5.0 million General Fund to in the Child Welfare Services line to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13.

Staff Initiated Revenue Adjustment: The request includes a staff initiated decrease of $1,474,699 cash funds related to lower revenue projections for Title IV-E spillover revenues and the Performance Incentive Cash Fund in FY 2013-14.

Recommended Long Bill Supplemental: The request annualizes the impact of recommended FY 2012-13 Long Bill Add-ons.

LINE ITEM DETAIL

Administration

This line item provides funding for those Department staff that supervise, manage, or provide administrative support for child welfare programs. The Division includes a child protection unit that oversees grants and policies related to child protection, a permanency unit, that oversees grants and state policies designed to support a child and family where there is an imminent risk of out-of-home placement, adoption programs, and programs for adolescents, a financial unit that oversees distribution of funds to counties, a research and data group that oversees Trails data and federal data reporting, a quality unit assurance unit that inspects county-run foster homes and responds to complaints, and a unit that oversees various special department initiatives.

Request: For FY 2013-14, the Department requests $4,232,703, including $3,450,557 "net" General Fund and 44.6 FTE. The request reflects a $589,034 increase in total funds, including BA-9F, BA-9I, and NPI BA-1. These are addressed in greater detail below.

➔ BA-9F: Enhancing Child Protection Practices Statewide

- The budget amendment includes an increase of $449,074 in total funds, including $424,148 General Fund and 1.8 FTE.
- It is associated with S-12G.
- The additional dollars will be used to fund statewide enhancements of the child welfare screening, assessment, and fatality review processes.
- Historically, the State has not had consistent statewide rules or practices in place related to screenings and assessments.
- Additionally, the State risks not adhering to statutory time requirements for child fatality and egregious neglect reviews under current staffing levels.
- Staff recommends approval; however, because common policy is to not include POTS for requests of less than 20.0 FTE, staff is recommending $433,048 total funds, including $410,525 General Fund and 1.8 FTE.

➔ BA-9I: Transparency Enhancements

- The budget amendment includes an increase of $30,000 General Fund to fund ongoing website maintenance and technical assistance needs related to a new public-facing website for Trails data that was requested in S-12B.
- Since its inception, Trails has had limited reporting functionality. The data collected through the system, while available, is fragmented and difficult to manipulate into usable reports.
- Further, the public has no method in which to directly access child welfare or juvenile justice data and very limited ability in which to request data.
- Staff does not recommend approval; however, if the Committee approves S-12B, staff would recommend approval of BA-9I.

➔ NPI BA-1: OIT Staff Adjustments

- The non-prioritized budget amendment includes an increase of $139,960 General Fund and 1.8 FTE.
- It is part of a larger request for OIT staff adjustments that impacts several other line items within the Executive Director's Office and the Office of Information Technology.
- Overall the request is budget neutral.
- Staff will present a recommendation for this request during figure setting for the CHDS OIT and EDO on March 11, 2013.
- Staff requests permission to adjust the line based on the Committee's decision.

Recommendation: The staff recommendation is reflected in the table below and is calculated consistent with common policy. Reappropriated funds are Medicaid amounts transferred from the Department of Health Care Policy and Financing. Staff requests permission to adjust the line item to reflect the Committee's decision on NPI BA-1.

Administration	Total Funds	General Fund	Reappropriated Funds	Federal Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	$3,643,669	$2,819,914	$133,070	$690,685	$2,886,449	41.0
Recommended Long Bill Supplemental	273,663	270,993	0	2,670	0	0.0
TOTAL	**$3,917,332**	**$3,090,907**	**$133,070**	**$693,355**	**$2,886,449**	**41.0**
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	$3,917,332	$3,090,907	$133,070	$693,355	$2,886,449	41.0
NPI: OIT staff adjustments	139,960	139,960	0	0	0	1.8
Recommended Long Bill Supplemental	(273,663)	(270,993)	0	(2,670)	0	0.0

Administration	Total Funds	General Fund	Reappropriated Funds	Federal Funds	Federal Funds	FTE
BA #9F - Enhancing Child Protection Practices	433,048	410,525	0	22,523	0	1.8
BA #9I - Transparency Enhancements - Website	0	0	0	0	0	0.0
TOTAL	**$4,216,677**	**$3,370,399**	**$133,070**	**$713,208**	**$2,886,449**	**44.6**
Increase/(Decrease)	$299,345	$279,492	$0	$19,853	$0	3.6
Percentage Change	7.6%	9.0%	0.0%	2.9%	0.0%	8.8%
FY 2013-14 Executive Request:	**$4,232,703**	**$3,384,022**	**$133,070**	**$715,611**	**$2,886,449**	**44.6**
Request Above/(Below) Recommendation	$16,026	$13,623	$0	$2,403	$0	0.0

Training

This line item has historically provided funding for the Department to provide necessary training for county and state staff, direct service providers (e.g., foster parents), county attorneys, guardians ad litem, court-appointed special advocates, and court personnel. Most curriculum development and training is provided by outside contractors, typically departments of social work at several colleges and universities. The appropriation for training was increased in FY 2005-06 due to a staff recommended transfer from the Family and Children's Programs line item. This action represented the consolidation of training funding into one line item.

Child Welfare Training Academy. For FY 2009-10, the General Assembly approved a large increase for this line item. Funding to increase available training was provided through a Long Bill decision item (FY 2009-10 DI#7) while policy changes to create a child welfare training academy were included in S.B. 09-164. Pursuant to S.B. 09-164, the Department is responsible for identifying specific child welfare job titles that are required to obtain certification as a mandatory condition of employment and to promulgate related rules.

In the Long Bill, funding was provided to increase both the frequency and length of training for county child welfare caseworkers and supervisors and to add a state-supervised on-the-job component. This facilitated the State's ability to require that certain training be completed before a new child welfare workers takes cases. When annualized in FY 2010-11, the cost was $1.6 million, including $0.9 million General Fund and 6.0 FTE. For FY 2011-12, the appropriation for this line item was reduced by $0.4 million, including $0.2 million General Fund, reflecting the expectation that courses would be offered every 3 weeks, rather than every 2 weeks.

Some of the issues regarding training that were raised in past system reviews are still challenges, including a lack of consistent state-wide standards and training, access issues—particularly for those in rural counties, and the need to expand or update training to include call intake and the screening process for hotline workers and screeners, confidentiality training, and a more robust program for mandatory reporters on how to recognize child abuse. As a result, the Department has requested a supplemental and budget amendment to improve access, ensure that training meets current needs, provide additional educational stipends, and expand course offerings.

Request: The Department requests $6,644,548 total funds, including $3,248,229 General Fund and 6.0 FTE. This reflects an increase of $309,937, including $247,950 General Fund for budget amendment BA-9G, detailed below.

➔ BA-9G: Enhanced Training and Resources

- The budget amendment includes an increase of $309,937 in total funds, including $247,950 General Fund.
- It is associated with departmental supplemental S-12F.
- The additional dollars will be used to improve access to the training academy, ensure that training meets current needs, provide additional educational stipends, and expand course offerings.
- Review of the Training Academy's organizational model and course offerings over the past year has identified areas that need improvement, including access issues—particularly for those in rural counties, the need to expand or update training to include call intake and the screening process, confidentiality training, and a more robust program for mandatory reporters.
- Staff recommends approval of the budget amendment.

Recommendation: The staff recommendation is reflected in the table below and is calculated consistent with common policy.

Training	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$6,134,611	$3,000,279	$37,230	$3,097,102	6.0
Recommended Long Bill Supplemental	188,250	150,600	0	37,650	0.0
TOTAL	**$6,322,861**	**$3,150,879**	**$37,230**	**$3,134,752**	**6.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$6,322,861	$3,150,879	$37,230	$3,134,752	6.0
Recommended Long Bill Supplemental	(188,250)	(150,600)	0	(37,650)	0.0
BA #9G - Enhanced Training	309,937	247,950	0	61,987	0.0
TOTAL	**$6,444,548**	**$3,248,229**	**$37,230**	**$3,159,089**	**6.0**
Increase/(Decrease)	$121,687	$97,350	$0	$24,337	0.0
Percentage Change	1.9%	3.1%	0.0%	0.8%	0.0%
FY 2013-14 Executive Request:	**$6,444,548**	**$3,248,229**	**$37,230**	**$3,159,089**	**6.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	0.0

Foster and Adoptive Parent Recruitment, Training, and Support

This line item represents the consolidated funding the Department receives related to the recruitment and retention of foster and adoptive parents. Funding is provided to support 1.0 FTE charged with monitoring and improving counties' adoptive and foster parent recruitment and retention activities and providing technical assistance to counties. This position was first funded in FY 2001-02 to meet one of the requirements of the federal *Adoption and Safe Families Act*, which requires states to have an identifiable process for assuring diligent recruitment and retention of foster and adoptive families that reflect the ethnic and racial diversity of children for whom placements are needed. The intent of the line item is to assist counties in developing and maintaining foster care resources so that:

- Children and youth in foster care line in or near the communities they were removed from;
- Siblings can be placed in the same foster or adoptive home to preserve familial connections; and
- Children and youth with developmental disabilities or behavioral/mental health issues can be cared for in an appropriate and least restrictive foster care placement.

The line item includes funding to support county efforts to develop and print marketing materials to advertise large community recruitment events and to recognize foster parents. In addition, the Heart Gallery, an exhibit that features children and youth who need adoptive families, is displayed annually in community and business venues around the State. Retention efforts funded out of this line include creating and publishing a calendar that highlights foster and adoptive families, developing and providing foster parent training materials for county departments, providing online training materials for foster parents in rural areas, and exit surveys to identify the reason that foster parents terminate foster parenting. Exit survey results are provided to county departments and child placement agencies.

Request: The Department requests continuation funding of $335,562 total funds, including $268,395 General Fund, and 1.0 FTE.

Recommendation: Staff recommends approval of the request. The staff recommendation is reflected in the table below and is calculated consistent with common policy.

Foster and Adoptive Parent Recruitment, Training, and Support	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$335,562	$268,395	$67,167	1.0
TOTAL	**$335,562**	**$268,395**	**$67,167**	**1.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$335,562	$268,395	$67,167	1.0
TOTAL	**$335,562**	**$268,395**	**$67,167**	**1.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$335,562**	**$268,395**	**$67,167**	**1.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

Child Welfare Services

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

County Capped Allocations. Pursuant to Section 26-5-104 (4), C.R.S., counties receive capped funding allocations for the administration and provision of child welfare services. Counties are allowed to use capped allocation moneys for child welfare services without categorical restriction. Those counties that serve at least 80 percent of the total child welfare services population (the largest ten counties, currently) receive individual capped allocations, and the remaining small and medium-sized counties receive separate capped allocations. Each county's allocation consists of local, state, and federal funds. The Department uses state and federal funds appropriated through the Child Welfare Services line item to reimburse county departments of social services for approximately 80 percent of related expenses, up to the amount available in each county's allocation.

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

Prior to FY 2001-02, each county's allocation of child welfare funding was based largely on historical data, including the county's out-of-home care expenditures and the county's share of open child welfare cases. In FY 2000-01, a department consultant and the Child Welfare Allocations Committee began work on an "optimization model" for use in allocating annual capped allocations among counties. The model was actively used for allocations through FY 2006-07. The allocation model sought to: (1) identify factors that drive costs in child welfare for which reliable data is available; and (2) determine which of these cost drivers should be "optimized" within a desired range. Drivers in the model include the following:

- Child abuse or neglect referrals;
- Assessments as a percentage of referred children;
- Total new involvements as a percentage of assessments;
- Out-of home placements as a percentage of open involvement;
- Average days per year for out-of-home placement;

- Average cost per day for out-of-home placements; and
- Average cost per day for subsidized adoptions.

The model allowed county flexibility in practice, and did not force counties to mirror one another in program administration. However, it did adjust county allocations when counties operated outside a range deemed reasonable by the Allocations Committee.

The optimization model came under fire due to large year-to-year funding shifts which counties found difficult to predict or manage. As a result, its use was suspended in FY 2007-08 and a subcommittee was formed to make recommendations related to the model. For FY 2007-08, the allocations committee chose to use the allocations model but to set a "floor" for reductions for small and medium-sized counties of 5.0 percent of their FY 2006-07 allocations and to not allow allocations for the state's 10 biggest counties to fall below their FY 2006-07 level. For FY 2008-09, FY 2009-10, and FY 2010-11 the allocation committee voted to allocate funding received based on the percent of the total allocation received by each county in FY 2006-07.

The allocations committee voted to reactivate the optimization model in 2011-12. Changes were incorporated to make funding more stable and predictable. The Allocations Committee is currently considering additional changes which may affect FY 2013-14 and/or future years.

End-of-year Close-out. Pursuant to Section 26-5-104 (7), C.R.S., the Department is authorized, based upon the recommendations of the Allocations Committee, to allocate any unexpended funds at fiscal year-end to any county that has over spent its capped allocation. In addition, a "mitigation fund" is set aside at the beginning of the year for distribution to small counties that over-expend, as their expenditures are less-easily managed than those of larger counties. A county may only receive "close-out" funds for authorized expenditures attributable to caseload increases beyond those anticipated when the allocations were made, and for expenditures other than those attributable to administrative and support functions.

At one time, most county under-expenditures were redistributed to counties with over-expenditures. However, in recent years, most counties have become part of the H.B. 11-1451 Collaborative Management Incentives program (or a predecessor managed care program), which often allows counties to retain a significant share (about 50 percent) of any of their allocation that is unexpended at the end of the year. Counties have to opt into the program and the amount of total retained under-expenditures depends on their actual performance as well as expenditures.

Request: The Department requests $339,258,283 in total funds, including $178,982,343 "net" General Fund. The request represents a $5,015,146 increase from the current year related to R-5, a 1.5 percent provider rate increase. The request also restores $5.0 million General Fund to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13.

➔ R-5: Community 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 for Child Welfare Services.
- Pursuant to common policy, staff is recommending approval of the 1.5 percent provider rate increase at a cost of $5,015,146 total funds.

Recommendation: Staff recommends approval of the request. The staff recommendation is reflected in the table below and is calculated consistent with common policy.

Child Welfare Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund	FTE
FY 2012-13 Appropriation:							
HB 12-1335 (Long Bill)	$334,343,137	$163,843,770	$60,730,814	$14,293,272	$95,475,281	$170,990,406	0.0
TOTAL	**$334,343,137**	**$163,843,770**	**$60,730,814**	**$14,293,272**	**$95,475,281**	**$170,990,406**	**0.0**
FY 2013-14 Recommended Appropriation:							
FY 2012-13 Appropriation	$334,343,137	$163,843,770	$60,730,814	$14,293,272	$95,475,281	$170,990,406	0.0
R-5: Provider rate increase	5,015,146	2,884,737	1,003,029	214,399	912,981	2,991,937	0.0
Annualize prior year funding	0	5,000,000	0	0	(5,000,000)	5,000,000	0.0
TOTAL	**$339,358,283**	**$171,728,507**	**$61,733,843**	**$14,507,671**	**$91,388,262**	**$178,982,343**	**0.0**
Increase/(Decrease)	$5,015,146	$7,884,737	$1,003,029	$214,399	($4,087,019)	$7,991,937	0.0
Percentage Change	1.5%	4.8%	1.7%	1.5%	(4.3%)	4.7%	0.0%
FY 2013-14 Executive Request:	**$339,358,283**	**$171,728,507**	**$61,733,843**	**$14,507,671**	**$91,388,262**	**$178,982,343**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	$0	$0	0.0

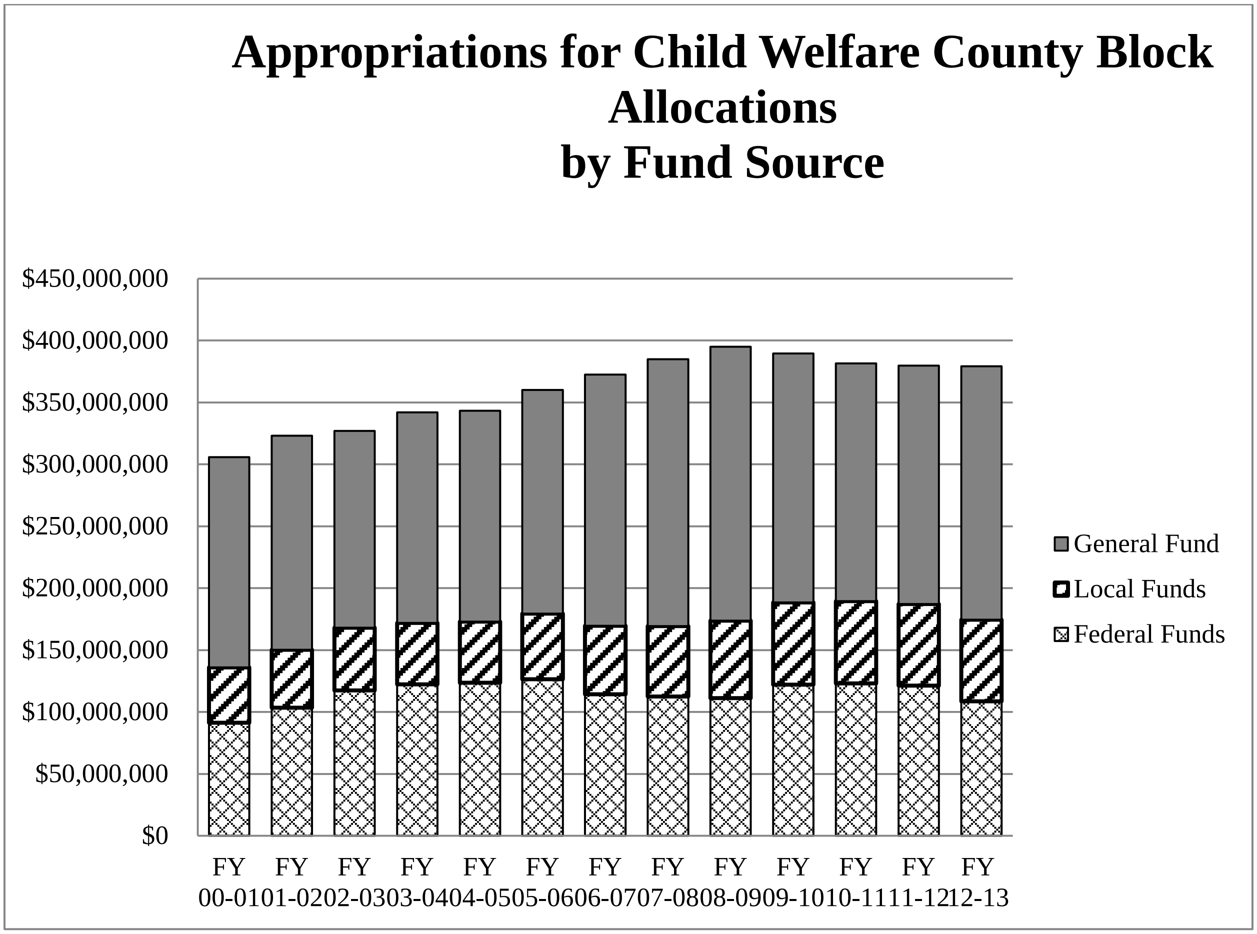
Analysis: *R-5: Provider Rate Increase*
The JBC has historically made a determination on a common figure setting policy to be applied for community provider rate increases. The "community provider" common policy applies to selected line items in the Department of Human Services, which are used to fund services that might otherwise be delivered by state FTE. For FY 2013-14, the Committee has approved a 1.5 percent rate increase—$5,015,145 total funds for this line item. 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 this line.

History of Rate Adjustments for the Child Welfare Services

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

Staff feels that the approved 1.5 percent increase is appropriate for this line item because it 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 Child Welfare Services.

Trends in County Allocations and Expenditures. The vast majority of child welfare appropriations are allocated to counties. As the following chart illustrates, total county allocations for child welfare services increased through FY 2008-09, but were subsequently reduced and have been relatively flat for the last several years. Over this period, the county share of allocations has also increased from 14.6 percent to the current 17.4 percent of the total.



Counties have historically spent—in total—more than the annual block allocation, though this has reflected a combination of over- and under-expenditures by individual counties. However, in FY 2010-11, counties, in net, under expended the child welfare allocation. This pattern continued in FY 2011-12 and is projected to continue in FY 2012-13 (See below).

Appropriations for Child Welfare Allocations to Counties and County Over- and Under -expenditures

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13 (Projected)
County Block Allocations ($ millions)	$384.9	$394.9	$389.4	$381.3	$377.6	$376.2
Percent Change	*3.9%*	*2.6%*	*-1.4%*	*-2.1%*	*-0.4%*	*-0.1%*
County Expenditures In Excess/(Under) Capped Allocations ($ millions)	$20.4	$16.6	$12.8	($1.6)	($7.2)	($10.2)
Over/(Under) Expenditure as Percent of Capped Allocations	*5.3%*	*4.2%*	*3.3%*	*-0.4%*	*-1.9%*	*-2.7%*

The JBC staff model utilized to estimate expenditures for FY 2012-13 is rough. However, it incorporates the following assumptions:

- Straight-line projection based the first seven months of actual county expenditures;

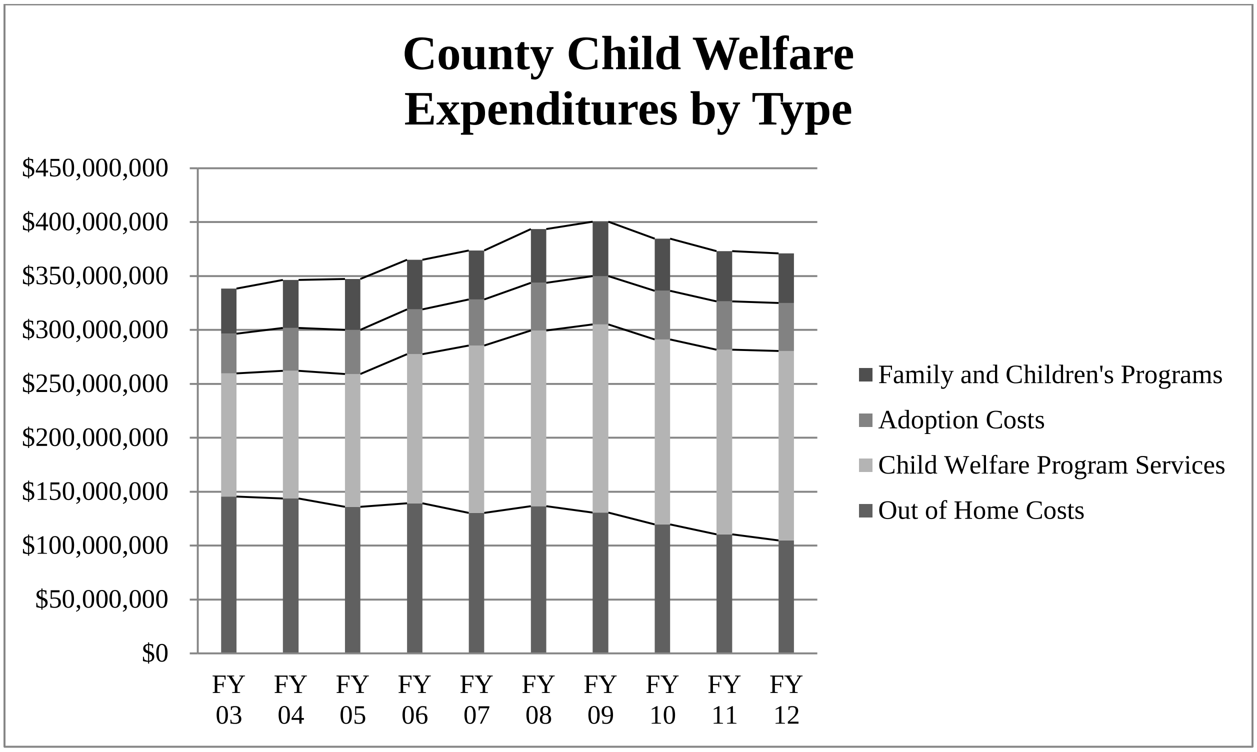
- Additional funds available ($2.2 million), based on the "Balance of State Mitigation Pool", which is held out from initial allocations; and

- Retained under-expenditures related to the Collaborative Management Program, which allows counties that have "opted in" for FY 2012-13 to retain 50 percent of their under-expended funds. Whether counties will actually be able to retain any savings will depend upon their actual performance as well as expenditures. Retained amounts were $4.5 million in FY 2010-11 (which included Denver) and $1.5 million in FY 2011-12 (when Denver chose not to participate). Denver is participating again in FY 2012-13—leading to the staff estimate of $8.3 million in retained under-expenditures through the collaborative management incentive.

It is critical to note that data will change over the course of the year. For example, the counties responsible for almost 95 percent of the statewide under-expenditures through the first seven months of the year (Denver, Adams, Pueblo, and Arapahoe) have traditionally spent up to 50 percent more in June than any other month. After speaking with county representatives, staff feels it is likely that this expenditure trend will continue—reducing the projected reversion to $5.5 million in FY 2012-13. Regardless, another reversion appears likely in FY 2012-13.

County Workload and Expenditure-Drivers. County expenditures for child welfare services are partially within their control but also include drivers beyond their control, such as the number of reports of abuse or neglect, the number of founded incidents, and judicial decisions about appropriate placements. Counties assume legal responsibility for children found dependent and neglected by the courts, regardless of the cost. However, they have considerable ability to decide how to respond to allegations of abuse and design appropriate services for children, including those that help to reduce or shorten out-of-home placement or keep children out of court-ordered placement altogether. Counties also determine compensation levels for their staff and negotiate rates with providers for placements.

As shown on the chart, in FY 2011-12, county expenditures for out-of-home costs continued to decline, but in a change from the prior two years, counties increased program services expenditures to compensate for much of the decline in out-of-home placement costs.



Performance Measures. It is unclear whether the reduction in expenditures has negatively impacted the State's performance. The chart below summarizes recent Colorado performance on performance measures tracked by federal authorities for the Child and Family Services Review. As shown, Colorado's performance has improved in some areas, but been relatively stagnant in others over time.

Statewide Performance on Federal Child and Family Services Review Measures - Shaded cells correspond to Items that do not meet federal standards						
	Federal	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011
Safety Measures						
Absence of Recurrence of Maltreatment	>=94.6%	95.3	94.9	95.8	95.7	*
Absence of Child Abuse and/or Neglect in Foster Care for 12 months	>=99.68%	99.41	99.46	99.60	99.46	*
Permanency Measures						
Percent of children whose exit to reunification is <=12 months	>= 75.2 %	76.4	77.7	79.5	78.1	76.7
Exits to reunification, median stay in months	<=5.4 mon	5.7	5.8	5.4	5.4	5.4
Percent of entry cohort reunification is <=12 months	>= 48.4%	56.5	55	51.7	56.7	55.1
Percent of children who re-enter foster care in <=12 months	<= 9.9%	15.2	17.3	17.7	13.4	17.3
Percent of children who exit to adoption in <=24 months	>= 36.6%	57.2	56	59.4	50.6	56.8
Exits to adoption, median length of stay in months	<= 27.3 mo	21.9	22.4	21.5	23.7	22.2
Percent of Children in care 17 + months adopted by end of the year	>= 20.7%	19.5	19.2	21.3	23.3	20.5
Percent of children in care 17 + months achieving legal freedom within 6 Months	>= 10.9%	3.2	2.3	4.1	2.3	1.5
Percent of children legally free adopted in <=12 months	>= 53.7%	57.7	58.3	52	62.6	63.7
Percent of children with exits to permanency prior to 18th birthday for children in care for 24 + Months	>= 29.1%	20.7	19.9	20.3	25	21.5
Percent of children with exits to permanency for children with parental rights terminated	>= 98.0%	97	95.1	97.2	97.2	96.8
Percent of children emancipated who were in foster care for 3 Years +	<=37.5%	32.4	30.2	27	25.3	26.5
Percent of children who had two or fewer placement settings for children in care for <=12 Months	>= 86.0%	85.9	87.5	86.4	88.1	87.8
Percent of children who had two or fewer placement settings for children in care for 12 - 24 Months	>= 65.4%	63.4	64.8	66.7	60.1	66.6
Percent of children who had two or fewer placement settings for children in care for 24 + Months	>= 41.8%	35.7	35.8	35.1	37.1	34.5
Source: Division of Child Welfare, 2011 Annual Evaluation Report.						

A more complete outcome evaluation tool—a Scorecard Report—was developed by a consortium of counties and is available for the State as a whole. The scorecard uses the CFSR measures but builds in many additional measures. The scorecard uses a "green/yellow/red" dashboard approach to highlight those areas in which individual counties and the State as a whole continue to struggle. Overall, the document indicates that the State achieves its performance goals for less than 50 percent of the measures, although it is within 90 percent of the goal for most others. Areas of ongoing concern include:

- Permanency - Some of Colorado's greatest challenges relate to children who have been in foster care for an extended period, who often have multiple placements and then "age out" of the system without a permanent home.

- Safety - Counties also have difficulty in maintaining children safely in their family home. For example, in 24 percent of cases, there is a repeat assessment of abuse or neglect within a year of a county's closing an assessment for abuse or neglect. In almost 10 percent of cases, there is a new incident of abuse or neglect while the case is open.

With respect to fatalities, Colorado reported 2.52 child fatalities per 100,000 children in FY 2011-12, which places the State above the national average of 2.10 per 100,000. (U.S. Department of Health and Human Services, Administration for Children and Families, *Child Maltreatment 2011*)

TANF Funding for Child Welfare Programs. Since the beginning of the recession, the Department has requested, and the General Assembly has approved, multiple actions to refinance

General Fund appropriations in the Child Welfare Services and Services for Children and Families line items with Temporary Assistance for Needy Families block grant funds. These refinance actions have fallen into two categories:

- *Refinance actions specifically identified as temporary.* These actions were based on the availability of state-controlled reserves which had been created, in part, by additional funding made available under the American Recovery and Reinvestment Act. These actions comprised $12.5 million of the TANF appropriations in the Division of Child Welfare, including FY 2009-10 BA-36, which refinanced $9.5 million in Services for Children and Families for three years and FY 2010-11 BRI-5, which refinanced $3.0 million in Child Welfare Services for two years. These temporary refinance actions were reversed in FY 2012-13.

- *Refinance actions identified as ongoing.* After the temporary refinance was eliminated, a total of $11.0 million in TANF appropriations was to remain in the appropriation for Child Welfare Services and Services for Children and Families. However, during the 2012 Session, the Committee indicated that all remaining TANF refinance in the Division of Child Welfare would be eliminated and General Fund restored for FY 2013-14.

The Executive Request restores only $5.0 million General Fund to Child Welfare in FY 2013-14 to replace a one-time appropriation of federal Social Services Block Grant funds from FY 2012-13. The request does not replace the remaining $6.0 million TANF funds in Child Welfare with General Fund or reduce this TANF appropriation.

The Department felt that because of adjustments in the Department's Long-term Reserve projection for TANF and expected contingency funds; there would be sufficient TANF revenue to cover FY 2013-14 appropriations at FY 2012-13 levels. 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.

Staff is recommending that the Committee adopt the Executive Request for FY 2013-14 for TANF appropriations in the Division of Child Welfare for the following two reasons.

- The State has already been awarded $6.8 million in Contingency Funds for FY 2012-13. As a result, staff agrees with the Department that there will be sufficient TANF revenue to cover FY 2013-14 appropriations at FY 2012-13 levels.

- The State has yet to implement the Title IV-E waiver. This will entail the expansion of four major initiatives: the Colorado Practice Model; Permanency by Design; Differential Response; and the Behavioral Health-Child Welfare System of Care. There is still significant uncertainty surrounding the impact that the IV-E waiver will have upon the delivery of services in the State, and in turn, on county child welfare expenditures.

Staff does recommend a footnote for this line item in FY 2012-13 and FY 2013-14 specifying that any reversion first be taken out of TANF dollars. This would ensure that if there are under-expenditures in FY 2012-13 or FY 2013-14, TANF funds are preserved for the Colorado Works program for future years in lieu of a General Fund reversion. If the Committee was to approve the staff recommendation and no further TANF changes are included for FY 2013-14, adjustments will still be needed for FY 2014-15 and beyond. Staff estimates that:

- 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.

Excess Federal Title IV-E Distributions for Related County Administrative Functions

States are allowed to earn federal Title IV-E funds (Title IV-E refers to a section of the federal Social Security Act) for a number of activities associated with providing services to certain children who are placed outside their own homes. Pursuant to Section 26-1-111 (2) (d) (II) (C), C.R.S., federal funds earned in excess of these appropriations are deposited each year into the Excess Federal Title IV-E Cash Fund. Such funds are appropriated in the subsequent year for distribution to counties, including for county administrative activities related to Title IV-E.

Funding for this line item was not available in FY 2009-10, FY 2010-11, FY 2011-12, of FY 2012-13 due to the lack of Excess Federal Title IV-E revenue from the prior fiscal year. A $1.0 million General Fund appropriation was provided in FY 2010-11 and a footnote added in FY 2011-12, which allows the Department to hold out up to $500,000 from the main child welfare services line item, to address Title IV-E administrative initiatives.

Request: The Department requests continuation funding of $1,350,000 for this line item.

Recommendation: Staff recommends $0 this line item in FY 2013-14; based on the Department's current projection that there will be no excess federal Title IV-E revenue in FY 2012-13 to spill over to the Excess Federal Title IV-E Cash Fund for FY 2013-14. Indeed, a straight-line projection based on revenues from the first seven months of the year has the State drawing down about $4.1 million less in federal Title IV-E dollars during FY 2012-13 than were applied in the Division. The table below details the amount of excess Title IV-E funds that have rolled over since FY 2006-07.

Total Title IV-E and Excess Federal Title IV-E Cash Fund Projection				
	Appropriation of Title IV-E Funds	**Title IV-E Revenue**	**Percent Change from Prior Year**	**Excess to Federal Title IV-E Cash Fund/(shortfall)**
FY 2006-07	$84,571,156	$88,777,718		$ 4,206,562
FY 2007-08	82,124,990	84,463,547	-4.9%	2,338,556
FY 2008-09	84,283,267	82,790,470	-2.0%	(1,492,797)
FY 2009-10	83,567,020	78,867,564	-4.7%	(4,699,456)
FY 2010-11	78,857,390	78,340,886	-0.7%	(516,504)
FY 2011-12	76,813,388	75,920,151	-3.5%	(893,237)

Title IV-E Waiver and Evaluation Development

This is a new line item requested as part of an Add-on for the FY 2012-13 Long Bill. It funds the development and evaluation costs related to the implementation of the federal Title IV-E

Waiver. Activities include automated systems development, agency administration, consultant costs, orientation and training, and evaluation planning.

Request: The Department requests $500,018 in total funds, including $250,009 General Fund.

➔ BA-9E: Title IV-E Waiver and Evaluation Development

- The budget amendment includes an increase of $500,018 in total funds, including $250,009 General Fund.
- It is associated with departmental supplemental S-12E.
- The additional dollars will be used to the development and evaluation costs related to the implementation of the federal Title IV-E Waiver.
- Staff recommends approval of the budget amendment.

Recommendation: Staff recommends approval of the Department request.

Family and Children's Programs

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

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

Description of Core Services. This program serves children who are dependent and neglected or abused, delinquent or in conflict with their families or communities through various supportive services. Section 19-3-208, C.R.S., specifies a basic set of child welfare services counties are required to provide to eligible children and families. Certain additional services are required to be made available and provided based upon the State's capacity to increase federal funding or any other moneys appropriated for these services and as determined necessary and appropriate by individual case plans. These services include:

- Transportation to services;

- Child care;
- In-home supportive homemaker services;
- Diagnostic, mental health, and health care services;
- Drug and alcohol treatment services;
- After care services to prevent a return to out-of-home placement;
- Family support services while a child is in out-of-home placement including home-based services, family counseling, and placement alternative services;
- Financial services in order to prevent placement; and
- Family preservation services, which are brief, comprehensive, and intensive services provided to prevent the out-of-home placement of children or to promote the safe return of children to the home. Such services are further described and authorized at 26-5.5-101 through 106, C.R.S.

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

- 24-hour emergency shelter facilities;
- Information referral;
- Intensive family preservation services;
- In-home supportive homemaker services;
- Services used to develop and implement a discrete case plan; and
- Day treatment services for children.

Pursuant to Department rules, to be eligible for core services, a child must be at imminent risk of out of home placement (or in such placement). House Bill 11-1196 expanded the use of family preservation services as identified in Section 26-5.5-104, C.R.S., to families at risk of involvement in the child welfare system. This may result in the expansion of Core Services to a broader range of families, although the impact is not yet clear.

Program Evaluation. The Department prepares an annual Core Services Program Evaluation report. As reflected in the FY 2011-12 report, core services funds are allocated to counties in the following categories: substance abuse treatment, mental health services, home-based services, intensive family therapy, life skills, sexual abuse treatment, day treatment and county-designated. During FY 2011-12, 12,994 children and youth and 14,076 adult caregivers received at least one core service.

During the last two reporting cycles, there has been an increasing focus on outcomes and increasing ability (through the Colorado Trails system) to collect outcome data. These include the Core Services case goal (remain or return home, adoption, etc.), the overall outcome of the service (successful, partially successful, not engaged, etc.), and where the child/youth was placed at the time the service ended.

During the year, 50,576 service authorizations were closed—representing 19,917 unique individuals that received services. For children and youth whose original core service goal was to remain in the home, 92 percent were maintained in the home—up from 90 percent in FY 2010-11. Further, for children and youth participating in the core services program, the proportion of substantiated cases of child abuse dropped from 45 percent in the 12 months prior to core services to 3.4 percent in the 12 months following core services—representing increases from 41 percent and 3.2 percent respectively in FY 2010-11. Overall, more than two-thirds of cases are considered by caseworkers to have closed with a designation of "successful" (54 percent) or "partially successful" (17 percent) outcome. This represents a five percent increase overall from FY 2010-11.

County Allocations. County allocations for Core Services are set by the Department of Human Services. The allocation of funds in this line item among counties has been essentially stagnant for many years. Recently, there has been discussion in the Child Welfare Allocation Committee, which is responsible for recommending the allocation of funds appropriated to the Child Welfare Services line item, of possible changes to the allocation of funds for Family and Children's Programs. No changes have been made to-date. Finally, pursuant to a Long Bill footnote 23, $4,006,949 of the funds appropriated for this line item is specifically set aside for counties in implementing and expanding evidence-based programs targeted at adolescents.

Request: The Department requests $51,581,364, including $40,272,857 General Fund. This includes an increase of $671,640 total funds, including $506,858 General Fund related to R-5, a 1.5 percent provider rate increase, and an increase of $6,133,671 General Fund related to BA-9C, enhancing Core Services.

➔ R-5: Community 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 for Child Welfare Services.

- Pursuant to common policy, staff is recommending approval of the 1.5 percent provider rate increase for this line at a cost of $671,640 total funds.

➔ BA-9C: Enhancing Family Supports and Prevention Services – Core Services

- The Department requests an additional $6,133,671 General Fund in FY 2013-14 and thereafter for in-home family supports and prevention services.
- The number of families that county departments have identified as benefiting from Core Services has increased, while the appropriation has remained unchanged.
- Given the cost to deliver Core Services, staff feels that any additional dollars invested have the potential for significant cost avoidance.
- Staff recommends approval of the request.

Recommendation: Staff recommends approval of the request. The staff recommendation is reflected in the table below and is calculated consistent with common policy.

Family and Children's Programs	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$44,776,053	$33,632,328	$5,113,437	$6,030,288	0.0
TOTAL	**$44,776,053**	**$33,632,328**	**$5,113,437**	**$6,030,288**	**0.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$44,776,053	$33,632,328	$5,113,437	$6,030,288	0.0
R-5: Provider rate increase	671,640	506,858	134,328	30,454	0.0
BA #9C - Family Supports and Prevention Core Services	6,133,671	6,133,671	0	0	0.0
TOTAL	**$51,581,364**	**$40,272,857**	**$5,247,765**	**$6,060,742**	**0.0**
Increase/(Decrease)	$6,805,311	$6,640,529	$134,328	$30,454	0.0
Percentage Change	15.2%	19.7%	2.6%	0.5%	0.0%
FY 2013-14 Executive Request:	**$51,581,364**	**$40,272,857**	**$5,247,765**	**$6,060,742**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	0.0

Analysis: *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, which 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 rate increase—$5,015,145 total funds for this line item. 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 this line.

History of Rate Adjustments for the Child Welfare Services

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

Staff feels that the approved 1.5 percent increase is appropriate for this line item because it 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 Child Welfare Services.

Performance-based Collaborative Management Incentives

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

House Bill 04-1451, as amended by H.B. 08-1005. House Bill 04-1451, codified at Section 24-1.9-101 through 104, C.R.S., authorizes (but does not require) each county department of social services to enter into a memorandum of understanding (MOU) with local representatives of various agencies to promote a collaborative system of services to children and families. If a county department elects to enter into an MOU pursuant to this bill, the MOU is required to include local representatives from the following agencies:

- The local judicial districts, including probation services;
- The health department, whether a county, district, or regional health department;
- The local school district or school districts;
- Each community mental health center;
- Each behavioral health organization (BHO);
- The Division of Youth Corrections; and
- Alcohol and drug abuse managed service organizations.

The statute encourages local agencies to enter into MOUs by region, and recommends that the agencies seek input, support, and collaboration from key stakeholders in the private and non-profit sectors, as well as from parent advocacy or family advocacy organizations. Parties to each MOU are required to establish collaborative management processes that are designed to: (1) reduce duplication and eliminate fragmentation of services; (2) increase the quality and effectiveness of services; and (3) encourage cost-sharing among service providers.

Participating entities may agree to attempt to meet certain performance measures, specified by the Department and the Board of Human Services. Local interagency groups that choose this option are eligible to receive incentive moneys from the "Performance-based Collaborative Management Incentive Cash Fund" through this line item. Incentive moneys, which are allocated by the Department to those interagency groups that meet or exceed the specified performance measures, are to be reinvested in services for children and families.

In addition, parties to an MOU are to create a procedure to allow General Fund savings realized as a result of the MOU to be reinvested in services for children and families. General Fund savings associated with the program, that are to be retained by participating counties, are to be determined based on rules established by the State Board of Human Services. This mechanism, as implemented in the Child Welfare Services line item, often has a substantial fiscal impact on participating counties, as it enables them to keep unspent portions of their child welfare services funding allocations.

The number of collaborative management programs has grown significantly in the last several years. As of FY 2012-13, 32 counties were participating in collaboratives. All ten of the largest counties have implemented Collaborative Management to varying degrees.

Program Evaluation. The Department is authorized to contract for external evaluation of the program. The second-year evaluation report was released in November 2011. The report reflects the continued expansion of the program across the state and strong participation. Statute requires each MOU to include authorization for the establishment of *individualized service and support teams*. These teams are critical to implementing the goals of the program, as they provide for multi-system "staffing" and thus development of an integrated service plan for children and youth. Participating sites all reported active teams (typically multiple teams).

Various measures indicate that the program is achieving its statutory goals despite challenges, including funding. Performance indicators for the various collaboratives reflect a high level of success in achieving goals related to placement stability and prevention of out-of-home placement (youth in the child welfare system) and reducing recidivism (youth involved in the juvenile justice system). Collaboratives have found it harder to achieve goals in categories such as reducing school truancy and decreasing hospitalization/inpatient services.

Funding for the Program. The fund consists of moneys received from docket fees in civil actions transferred pursuant to Section 13-32-101 (5) (a), C.R.S. For FY 2007-08, the Performance Incentive Cash Fund was repealed and all moneys in the fund were transferred into the Performance-based Collaborative Management Incentive Cash Fund. In addition, the fund received transfers from the family stabilization services fund. Current program appropriation levels exceed the annual fund revenue of approximately $2.8 million per year.

Request: The Department requests a continuing level of appropriation of $3,224,669 cash funds for FY 2013-14.

Recommendation: Staff recommends a $3,100,000 cash funds appropriation for FY 2013-14 to avoid over-spending available revenue (See the table below). On an ongoing basis, appropriations will need to be reduced further (or new revenue sources identified) to address the large gap between revenue and expenditure levels.

In FY 2011-12, the JBC took action to reduce the appropriation for this line item by $330,831, recognizing that appropriations exceeded revenues and that these needed to be brought in line. However, the current projection for this cash fund, reflected below, indicates that while reserves can continue to support the program at the current level through FY 2012-13, the appropriation will need to be reduced for FY 2013-14.

Performance-based Collaborative Management Incentive Cash Fund

	Actual FY 09-10	Actual FY 10-11	Actual FY 11-12	Projected FY 12-13	Projected FY 13-14
Cash balance beginning of year	2,171,861	1,604,839	1,077,947	684,611	313,444
Actual/anticipated cash inflow	2,832,202	2,883,760	2,823,245	2,853,502	2,853,502
Actual/appropriated cash outflow	3,399,224	3,410,652	3,216,580	3,224,669	3,224,669
Actual/anticipated liquid fund balance	1,604,839	1,077,947	684,611	313,444	(57,723)

Independent Living Programs

This line item reflects, for informational purposes, federal Title IV-E "Chafee Foster Care Independence Program" funds that are available to states to provide services for youth up to age 21 who are, or will be, emancipating out-of-home residential care. While some counties use other funding sources to support staffing units devoted to independent living services, federal Chafee funds provide the primary source of funding for independent living services in Colorado. These federal funds support direct services to eligible youth, as well as technical assistance, program and policy development, monitoring, and program administration.

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

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

This program also works in conjunction with other programs to provide services to youth leaving foster care, such as by arranging for housing vouchers and educational training vouchers for youth who have aged out of foster care.

Request: The Department requests that $2,826,582 federal funds and 4.0 FTE be included in the Long Bill for informational purposes.

Recommendation: Staff recommends the Committee approve the Department's request. The recommendation has been calculated pursuant to Committee common policy and is reflected in the table below.

Independent Living Programs	**Total Funds**	**General Fund**	**Federal Funds**	**FTE**
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$2,826,582	$0	$2,826,582	4.0
TOTAL	**$2,826,582**	**$0**	**$2,826,582**	**4.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$2,826,582	$0	$2,826,582	4.0
TOTAL	**$2,826,582**	**$0**	**$2,826,582**	**4.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$2,826,582**	**$0**	**$2,826,582**	**4.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

Promoting Safe and Stable Families Program

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

Each local site is required to have a Community Advisory Council comprised of governmental and community stakeholders, family advocates and parents, and consumers to help direct the project. Currently, 41 counties and the Ute Mountain Ute tribe receive funding to:

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

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

Request: The Department requests $4,456,680, including $50,265 General Fund, and 2.0 FTE for this line item**.**

Recommendation: Staff recommends approval of the Department request. The staff recommendation in the table below is based on a Committee common policy calculation.

Promoting Safe and Stable Families Program	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$4,456,680	$50,265	$1,064,160	$3,342,255	2.0
TOTAL	**$4,456,680**	**$50,265**	**$1,064,160**	**$3,342,255**	**2.0**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$4,456,680	$50,265	$1,064,160	$3,342,255	2.0
TOTAL	**$4,456,680**	**$50,265**	**$1,064,160**	**$3,342,255**	**2.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$4,456,680**	**$50,265**	**$1,064,160**	**$3,342,255**	**2.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	0.0

Federal Child Abuse Prevention and Treatment Act Grant

This line item reflects, for informational purposes, the funding and staff responsible for administering grants available pursuant to Section 106 of the Child Abuse Prevention and Treatment Act (CAPTA), as amended by Public Law 105-235. A five year reauthorization for the program was signed into law on December 20, 2010. Under federal law, states have five years to spend the funds available through this grant program. Funding is allotted to states annually on a formula basis according to each state's ratio of children under the age of 18 to the national total. This grant program requires each state to submit a five-year plan and an assurance that the state is operating a statewide child abuse and neglect program that includes specific provisions and procedures. These assurances include:

- Establishment of citizen review panels;
- Expungement of unsubstantiated and false reports of child abuse and neglect;

- Preservation of the confidentiality of reports and records of child abuse and neglect, and limited disclosure to individuals and entities permitted in statute;

- Provision for public disclosure of information and findings about a case of child abuse and neglect that results in a child fatality or near fatality;

- The appointment of a guardian ad litem to represent a child's best interests in court; and

- Expedited termination of parental rights for abandoned infants, and provisions that make; and conviction of certain felonies grounds for termination of parental rights.

The reauthorized version of the bill supports additional collaboration between child protective services, domestic violence and other services and makes services for children exposed to domestic violence an eligible expenditure, and encourages the use of "differential response" in child welfare practice. Differential response is defined as "a state or community-determined formal response that assesses the needs of the child or family without requiring a determination of risk or occurrence of maltreatment". States are allowed to utilize the CAPTA grant to improve their child protective service systems in the following areas:

- The intake, assessment, screening, and investigation of reports of abuse and neglect;

- Protocols to enhance investigations;

- Improving legal preparation and representation;

- Case management and delivery of services provided to children and their families;

- Risk and safety assessment tools and protocols;

- Automation systems that support the program and track reports of child abuse and neglect;

- Training for agency staff, service providers, and mandated reporters; and

- Developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors.

Request: The Department requests that $436,054 federal funds and 3.0 FTE be included in the Long Bill for informational purposes.

Recommendation: Staff recommends approval of the Department request. The staff recommendation is calculated pursuant to Committee common policy and is reflected in the table below.

Federal Child Abuse Prevention and Treatment Act Grant	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$436,054	$0	$436,054	3.0
TOTAL	**$436,054**	**$0**	**$436,054**	**3.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$436,054	$0	$436,054	3.0
TOTAL	**$436,054**	**$0**	**$436,054**	**3.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$436,054**	**$0**	**$436,054**	**3.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

Community-based Child Prevention Services

This is a new line item for FY 2013-14. The line item would appropriate funding for a series of new or expanded programs targeting those cases where families that would benefit from prevention services to ensure children are able to remain with their families in a safe and stable environment are "screened out". More specifically, the programs would identify families who will benefit from prevention services and connect those families to resources that will increase their protective capacity.

- Because the majority of referrals to child protective services involve concerns about basic care and parental resources, these programs will focus on building connections to cornerstone community services and supports;
- $2,210,784 would fund the implementation of the SafeCare model at three sites throughout the State (nine over the next three years) and is associated with Department supplemental S-12A;
- $1,144,013 would fund the implementation of a community-based prevention program in six counties (eighteen over three years); and
- $1,637,184 would fund the expansion of the Nurse Family Partnership program (currently the Nurse Home Visitor program in CDHE).

Request: The Department requests $4,991,981 in General Fund and 3.7 FTE for the new line item in FY 2013-14. Of this request, $2,210,784 and 1.0 FTE is related to the implementation of SafeCare (BA-9A), $1,637,184 and 1.8 FTE is related to the augmentation of the Nurse Family Partnership program (BA-9K), and $1,144,013 and 0.9 FTE is related to a new community-based prevention program (BA-9B).

➔ BA-9A: Prevention Services – SafeCare

- The Department requests a $2,210,784 General Fund and 1.0 FTE increase for implementation of SafeCare in FY 2013-14.

- In recent years the child welfare community and CDHS have recognized the need to link child abuse and neglect prevention with more traditional child welfare services.
- SafeCare will be utilized when a county department has determined that the risk to a child does not meet the criteria for opening a child welfare case but that the child and family could benefit from services.
- Of the currently available evidence-based programs, the SafeCare model is one of the relatively few research-supported prevention and intervention programs for child maltreatment.
- Staff recommends approval of $2,201,150 and 1.0 FTE.

➔ BA-9K: Augmenting Nurse Family Partnerships

- The Department requests $1,637,184 General Fund and 1.8 FTE to expamd the Nurse Family Partnership program in FY 2013-14.
- The Nurse Family Partnership Program serves at-risk first time mothers.
- Nurses working with first time mothers may observe a need for preventive family services as an attempt to avoid future child abuse.
- There is currently limited to no training and coordination between nurses providing Nurse Family Partnership services and preventative services offered through the child welfare system.
- This funding would create a service delivery system to allow county departments access the Partnership and vice versa.
- Staff recommends approval of $1,621,628 General Fund and 1.8 FTE.

➔ BA-9B: Community-based Child Abuse Prevention Services

- The Department requests $1,144,013 General Fund and 0.9 FTE to create a new community-based child abuse prevention program in FY 2013-14.
- Programs targeting those families that are screened out of the system would help to fill in a significant gap in the current array of services offered by the child welfare community.
- Staff does not recommend the request because unlike SafeCare and the Nurse Family Partnership, this proposal is not a specific research-based approach.
- There is little detail provided on site selection, operation, timelines, targeting and selection criteria, or specific services offered through the program.

Recommendation: Staff recommends $3,735,284 General Fund and 1.9 FTE for FY 2013-14, including $2,201,150 and 1.0 FTE for SafeCare and $1,534,134 and 0.9 FTE for Nurse Family Partnerships. Staff does not recommend approval of BA-9B: Community-based Child Abuse Prevention Services. The staff recommendation is calculated pursuant to Committee common policy and is reflected in the table below.

Community-based Child Abuse Prevention Services	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
Recommended Long Bill Supplemental	$1,015,517	$1,015,517	0.9
TOTAL	**$1,015,517**	**$1,015,517**	**0.9**
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	$1,015,517	$1,015,517	0.9
Recommended Long Bill Supplemental	(1,015,517)	(1,015,517)	(0.9)
BA #9A Preventions Services - Safe Care	2,201,150	2,201,150	1.0
BA #9B - Community-based Child Abuse Prevention	0	0	0.0
BA #9K - Nurse Family Partnerships	1,534,134	1,534,134	0.9
TOTAL	**$3,735,284**	**$3,735,284**	**1.9**
Increase/(Decrease)	$2,719,767	$2,719,767	1.0
Percentage Change	267.8%	267.8%	111.1%
FY 2013-14 Executive Request:	**$4,991,981**	**$4,991,981**	**3.7**
Request Above/(Below) Recommendation	$1,256,697	$1,256,697	1.8

Workforce Tools – Mobile Computing Technology

This is a new line item requested for FY 2013-14. The moneys appropriated through the line item would establish a departmental source of funds that counties would access for technological improvements and wireless data plans. While three counties have invested in remote-access technology, the majority have been unable or unwilling to provide staff the hardware, software, and connectivity that would support the caseworker while in the field. The Department is requesting this new line to create a source of funds that counties could access to purchase laptops, tablets, smart phones, and wireless internet cards.

To access the fund, a county department will need to apply to CDHS. These applications will be tailored to the type of technology desired (laptops, tablets, smart phones, or internet cards). While all counties will be eligible to apply, funds will be distributed and participation in the plan will be based upon the county department's demonstrated need for new or enhanced hardware, Trails connectivity, and/or data plan to support caseworkers in the field.

Request: The Department requests $723,000 total funds (including $600,090 General Fund) in FY 2013-14 and ongoing.

➔ BA-9J: Workforce Tools – Mobile Computing Technology

- The Department requests a $723,000 total funds, including $600,090 General Fund in FY 2013-14.
- The appropriation would be utilized to establish a departmental source of funds that counties would access for technological improvements and wireless data plans.

- While in the field, many county caseload workers are currently unable to access county and State data systems.
- As a result, most caseworkers write down information longhand or type up reports in Microsoft Word and then enter the same information into the Trails database once they return to the office.
- Staff questions whether every single caseworker needs a laptop, smartphone, or wireless access and whether enough wireless broadband infrastructure exists across the State to support the initiative.
- Staff does not recommend approval of the request.

Recommendation: Staff recommends that the Committee not approve the request.

<u>Workload Study</u>
This is a new line item requested for FY 2013-14. The moneys appropriated through the line item would fund a statewide study to evaluate workload for county department child welfare workers.

Request: The Department requests $468,555 total funds (including $388,901 General Fund) in FY 2013-14.

➔ BA-9H: Workload Study

- The Department requests a $468,555 total funds, including $388,901 General Fund in FY 2013-14.
- The appropriation would be utilized to fund a statewide study to evaluate workload for county department child welfare workers.
- Experienced child welfare workers are essential to ensuring abused and neglected children and their families are getting the support they need.
- Many in the child welfare community feel that Colorado county departments of human services suffer from excessively high annual worker turnover rates.
- Worker turnover and unbalanced caseloads can delay the timeliness of investigations and limit the frequency of worker visits with children, hampering agencies' attainment of key safety and permanency outcomes.
- Staff recommends approval because a workload study is required to better understand what is needed to achieve a committed and well-educated work force in the child welfare community.

Recommendation: Staff recommends that the Committee not approve the request.

(6) Division of Child Care

This division includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. An estimated 18,750 children per month received CCCAP assistance in FY 2011-12. In addition, this division is responsible for licensing and monitoring child care facilities and for administering various child care grant programs. An estimated 6,682 child care homes and facilities will be licensed by the Division in FY 2012-13. Cash funds sources shown reflect county tax revenues and fees and fines paid by child care facilities. Federal fund sources primarily reflect Child Care Development Funds.

Counties under-expended the CCCAP appropriation in FY 2011-12 and may do so again in FY 2012-13, but the Department has nonetheless requested a rate increase for the program. The State recently received a federal "Race to the Top" Early Learning Challenge Grant and has reorganized programs under a new Office of Early Childhood.

House Bill 13-1117. The bill consolidates several child development programs in CDHS. The programs transferred include the Early Childhood Leadership Council in the Governor's Office and the following programs from the Department of Public Health and Environment (DPHE):

- The Nurse Home Visitation Program;
- The Tony Grampsas Youth Services Program;
- The Colorado Student Dropout Prevention and Intervention Program;
- The Colorado Before-and-After School Project;
- The Colorado Children's Trust Fund and its board; and
- The Family Resource Center Program.

The Early Childhood Leadership Council is scheduled to be repealed on July 1, 2013. The bill extends the Early Childhood Leadership Council sunset date to September 1, 2018, and reduces the membership of the council from 35 to 20 members. The duties of the council are shifted to include advising and monitoring of early childhood programs, rather than developing legislative recommendations and improving data collection and sharing, as is specified under current law.

If this occurs, staff anticipates modifications to the structure of the Long Bill. If the bill is enacted prior to Long Bill introduction, the introduced Long Bill would need to be modified and staff would provide a recommendation during comebacks. Alternatively, changes would be made through the bill’s appropriation clause (more likely, given the legislation's progress through the legislative process).

Federal Child Care Funds. Unlike most sources of federal funds, the General Assembly has the authority to appropriate federal Child Care Development Funds (CCDF). The CCDF funds available to the state each year consist of three components. Each component, summarized below, has its own rules regarding funding and periods of obligation and expenditure.

Mandatory Funds - Each state receives fixed "mandatory" funds based on the historic federal share of federal child care expenditures (Title IV-A programs) prior to federal welfare reform: $10.17 million per year, for Colorado. No state match is required to spend mandatory funds. If a state also chooses to expend federal "matching" funds, a state must obligate its mandatory funds by the end of the federal fiscal year in which they are granted, with no limit on the liquidation period. These funds are exempted from federal sequestration.

Matching Funds - A state's allocation of federal matching funds is based on the state's relative share of children under age 13. A state is required to match expenditures of this source of funds based on its applicable federal medical assistance percentage rate (50/50 for Colorado). Matching funds are available to a state if: (a) its mandatory funds are obligated by the end of the federal fiscal year in which they are awarded; (b) within the same fiscal year, the state meets the federal child care maintenance of effort (MOE) requirement; and (c) its federal and state shares of the matching funds are obligated by the end of the fiscal year in which they are awarded. Matching funds must be fully expended in two years. With respect to the MOE requirement, a state must continue to spend at least the same amount on child care services that it spent on the Title IV-A child care programs in FFY 1994 or FFY 1995, whichever was greater, to be eligible for its share of the matching funds. These funds are exempted from federal sequestration.

Colorado uses the local share of Child Care Assistance Program expenditures to comply with federal child care MOE requirements and uses multiple sources of funds to comply with federal matching funds requirements. These include the General Fund portion of Child Care Assistance Program expenditures and a portion of Colorado Preschool Program expenditures.

Discretionary Funds - The allocation of these funds among states is based on: a state's relative share of children under age five; a state's relative share of children receiving free or reduced price school lunches under the National School Lunch Act; and, a state's per capita income. No state match is required to spend discretionary funds. States have two years to obligate their Discretionary funds and an additional year to liquidate those obligations. These funds are subject to federal sequestration.

Since FFY 2001, Congress has required certain portions of discretionary funds be targeted to certain activities. A state is required to spend these *targeted discretionary funds* each year for activities designed to enhance the quality of care, including infant and toddler care as well as school-age care and resource and referral services. In addition, states must spend at least four percent of all of its expenditures for child care on quality activities. Examples of quality activities include:

- Practitioner training and technical assistance;

- Grants or loans to allow programs to purchase needed equipment, make minor renovations, develop new curricula, or pursue accreditation;
- Use of the federal funds to train or to lower caseloads for licensing staff; and
- Grant programs specifically aimed at improving wages for child care providers.

TANF Transfer Funds - The State may effectively transfer up to 20 percent of its Temporary Assistance to Needy Families (TANF) block grant to the Child Care Development Fund (CCDF) block grant. Because most TANF funds are allocated to counties, the State has historically allowed counties to determine the share of their TANF allocations they will transfer to the child care block. Because counties presently have wide discretion in structuring their Colorado Works and Child Care Assistance Programs, the Department has supported leaving TANF-transfer decisions at the county level—leading to large swings in the amount of total spending for child care programs that has been outside of the control of the General Assembly.

Revenue and Expenditure Projections. For many years, the Department has held substantial reserves of Child Care Development Funds (CCDF) funds. As a result, staff is recommending appropriating CCDF moneys at a level that somewhat exceeds annual revenue in an effort to gradually spend-down reserves. Further, counties under-spent the CCCAP appropriation in FY 2011-12 and are expected to do so again in FY 2012-13. Based on the Department's current request and revenue projection, staff anticipates that the Department will not spend down reserves significantly in the current year or FY 2013-14. In light of this, staff is recommending that the Committee finance the requested provider rate increase entirely with federal funds and county cash funds, in lieu of any General Fund.

Federal Child Care Development Funds Available by Fund Type

	FY 2011-12	FY 2012-13	FY 2013-14	
Federal CCDF Funds	**Amounts**	**Amounts**	**Amounts**	**Comments**
CCDF Federal Grant (Unspent Balance)	$6,223,313	$11,901,873	$12,230,184	
New Annual CCDF Award	67,065,053	66,450,987	66,162,813	
Total Funds Available	73,288,366	78,352,860	78,392,997	
Mandatory Funds	*10,522,302*	*10,173,980*	*10,173,800*	
Discretionary Funds	*29,698,080*	*32,231,175*	*32,111,503*	
Matching Funds	*33,067,984*	*35,947,705*	*36,107,694*	*Requires 1-for-1 Match*
Actual/Requested Expenditures	61,386,493	66,122,676	66,917,955	
Difference (Balance to roll forward)	**$11,901,873**	**$12,230,184**	**$11,475,042**	

As mentioned above, the discretionary funds (or approximately one-third of the federal CCDF allocation) are subject to sequestration. Staff anticipates that if implemented according to current federal law, CCDF revenue will decline by about $1.7 million for FY 2012-13 and about $2.3

million for FY 2013-14 and subsequent years.[1] However, because of the large (and growing) CCDF reserves as well as the uncertainty surrounding the way in which sequestration will be implemented, staff has not incorporated adjustments related to these federal funding cuts into recommended appropriation levels.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Child Care	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$88,224,361	$15,844,153	$9,973,446	$62,406,762	66.4
Other legislation	755	755	0	0	0.0
TOTAL	**$88,225,116**	**$15,844,908**	**$9,973,446**	**$62,406,762**	**66.4**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$88,225,116	$15,844,908	$9,973,446	$62,406,762	66.4
R-5: Provider rate increase	1,137,081	0	137,739	999,342	0.0
Annualize prior year legislation	(755)	(755)	0	0	0.0
TOTAL	**$89,361,442**	**$15,844,153**	**$10,111,185**	**$63,406,104**	**66.4**
Increase/(Decrease)	$1,136,326	($755)	$137,739	$999,342	0.0
Percentage Change	1.3%	(0.0%)	1.4%	1.6%	0.0%
FY 2013-14 Executive Request:	**$89,361,442**	**$16,048,216**	**$10,111,185**	**$63,202,041**	**66.4**
Request Above/(Below) Recommendation	$0	$204,063	$0	($204,063)	0.0

Issue Descriptions

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 Child Care Licensing and Administration and Child Care Assistance line items, which have historically received provider rate adjustments pursuant to Committee common policy.

Annualize Prior Year Funding: The recommendation annualizes the impact of H.B. 12-1246, the "Reverse Payday Shift State Employees Paid Biweekly" bill.

LINE ITEM DETAIL

Child Care Licensing and Administration

The Division of Child Care is responsible for inspecting, licensing and monitoring child care facilities throughout the state, including child care homes and centers, preschool and school-age

[1] After FFY 2012-13, the Budget Control Act simply reduces caps on federal discretionary appropriations; thus, the impact on any particular program is uncertain. However, for purposes of this analysis, staff has assumed an ongoing cut at the level imposed by sequestration. The FY 2013-14 amount reflects a full year of federal cuts, while FY 2012-13 is based on 75 percent of this impact.

child care programs, homeless youth shelters, and summer camps, as well as 24-hour facilities (such as residential treatment facilities, residential child care facilities, and child placement agencies). In some counties, the Division contracts with local entities (*e.g*., county departments of social services, county health departments, child placement agencies) to perform licensing functions for certain types of facilities.

In addition, the Division supervises the county-administered Child Care Assistance Program and it performs several quality-related functions. This line item provides funding for all Division staff, except the 1.0 FTE associated with the School-readiness Child Care Subsidization Program and the 1.0 FTE associated with the Early Childhood Councils. Of the total appropriation for this line item:

- 39.4 FTE and 72 percent of the total funding (56 percent of the General Fund) relate to licensing all child care facilities and monitoring less-than-24-hour child care facilities;

- 10.0 FTE and 14 percent of the total funding (34 percent of the General Fund) relate to monitoring 24-hour child care facilities; and

- 15.0 FTE and 14 percent of the total funding (11 percent of the General Fund) relate to general administration of the Division (the Division Director, staff that administer the Child Care Assistance Program and child care grants program, staff that provide training and technical assistance to providers and county staff, and staff that ensure compliance with federal laws and regulations).

There are currently about 9,000 licensed facilities in the State and the Division certified 6,675 facilities in FY 2011-12. These facilities include 3,251 family child care homes, 3,075 child care centers, 122 resident camps, and 227 24-hour facilities ranging from group homes to camps, among other categories. Family child-care homes continue to decline in numbers, as has been the trend over the last several years.

Licensing Fees. Pursuant to Section 26-6-105, C.R.S., the Department is to establish license fees pursuant to rules promulgated by the State Board of Human Services. Such fees are not to exceed the direct and indirect costs incurred by the Department. The Department is to develop and implement an objective, systematic approach for setting, monitoring, and revising child care licensing fees by developing and using an ongoing method to track all direct and indirect costs associated with child care inspection licensing, developing a methodology to assess the relationship between licensing costs and fees, and annually reassessing costs and fees and reporting the results to the State Board. The Department is to consider the licensed capacity of facilities and the time required to license facilities.

In recent years, child care licensing fees have covered between 11 and 15 percent of the costs of the licensing program: cash funds represented about 13 percent of the portion of the child care administration budget allocated for licensing 24-hour and other facilities in FY 2009-10. Fees have been adjusted approximately every five years, with the most recent increase September 1,

2008. Fees range from $24 per year for a smaller family child care home to $792 for an initial license for a residential child care facility, with higher fees for secure facilities.

Licensing Caseloads. The Department reports that the number of licensed family child care homes continue to decline, while the number of 24 hour facilities has remained fairly stable. As part of budget reduction initiatives in FY 2008-09, the Department requested, and the General Assembly approved, a reduction in child care licensing staff (3.5 FTE or 8.2 percent of the licensing staff). Presently, licensing specialists have a caseload of 346 facilities per licensing specialist, which results in the vast majority of licensed child care providers being visited every two years. The national recommended standard is one licensing specialist for every 50 licensed facilities, with the specialist visiting each licensed facility twice per year. The Division applies a risk-based system in the licensing process. Well established, high performing child care centers may be visited as little as once every three years, although centers that are new or have a history of problems are visited more frequently.

Quality Rating Through Licensing. Colorado has had a voluntary system of facility quality rating for many years, administered by Qualistar Colorado, a private partner. CDHS is now attempting to incorporate a rating system into the state child care licensing process. It hopes to accelerate this process through a Race to the Top Early Learning Challenge Grant, which it received in December 2012. The Department's goal, as described in the Race to the Top grant proposal, is that all early learning programs would be quality rated by December 2015. Currently, 20.3 percent of all licensed childcare centers and preschools in Colorado have a quality rating. Of those facilities that are rated, 86 percent have a 3-Star or 4-Star rating.

Staff understands that the Department expects to accomplish this by requiring that a child care facility license will represent, at a minimum, a "one star" (out of four) quality program. Higher tiers of the quality rating system would continue to be outside the overall state child care licensing system. The Department has been working on changes to the quality rating system for some time, and has taken various steps to advance the effort, including through House Bill 11-1027 (Concerning the Creation of a Department of Defense Quality Child Care Standards Pilot Program) and various changes to state rules. Some state rules have been adopted and others are still undergoing review, that toughen basic licensing requirements.

Department Request: The Department requests $6,574,666 total funds, including $2,239,932 General Fund and 64.4 FTE. The request reflects a $27,433 increase related to the 1.5 percent community provider rate increase.

➔ R-5: Community 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 for Child Care Licensing and 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 $27,433 federal funds.

Recommendation: Staff recommends the Committee approve the Department request. The staff recommendation is detailed in the table below and is consistent with common policy.

Child Care Licensing and Administration	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	$6,547,233	$2,239,932	$770,824	$3,536,477	64.4
Other legislation	755	755	0	0	0.0
TOTAL	**$6,547,988**	**$2,240,687**	**$770,824**	**$3,536,477**	**64.4**
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	$6,547,988	$2,240,687	$770,824	$3,536,477	64.4
R-5: Provider rate increase	27,433	0	0	27,433	0.0
Annualize prior year legislation	(755)	(755)	0	0	0.0
TOTAL	**$6,574,666**	**$2,239,932**	**$770,824**	**$3,563,910**	**64.4**
Increase/(Decrease)	$26,678	($755)	$0	$27,433	0.0
Percentage Change	0.4%	(0.0%)	0.0%	0.8%	0.0%
FY 2013-14 Executive Request:	**$6,574,666**	**$2,239,932**	**$770,824**	**$3,563,910**	**64.4**
Request Above/(Below) Recommendation	$0	$0	$0	$0	0.0

Analysis: *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 Child Care Licensing and Administration, which 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—$27,433 federal funds for this line item. 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 Child Care Licensing and Administration.

History of Rate Adjustments for Child Care Licensing and 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
Child Care Licensing and Administration	$27,433	$0	$0	$27,433

Staff feels that the approved 1.5 percent increase is appropriate for line item because it 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 Child Care Licensing and Administration.

<u>Fines Assessed Against Licenses</u>
Senate Bill 99-152 created the Child Care Cash Fund, which consists of fines collected from licenses by the Department [see 26-6-114 (5), C.R.S.]. Fines are assessed against unlicensed child care providers for operating illegally and are assessed against licensed child care providers for consistent violation of regulations. The Department estimates that it will investigate 725

The fee structure is set in rules and regulations promulgated by the Department but may not exceed $100 dollars a day to a maximum of $10,000 dollars. Currently, any unlicensed child care facility may be fined up to $100 a day to a maximum of $1,000 for providing care for which a license is required. For providing child care for which a license is required after receipt of a cease and desist order, an unlicensed facility will be fined $100 a day to a maximum of $10,000. A licensed child care facility may be fined up to $100 a day to a maximum of $10,000 for each violation of the Child Care Act. Any person intentionally making a false statement or report to the Department or to any agency delegated by the Department to make an investigation or inspection under the provisions of the Child Care Act may be fined up to $100 a day to a maximum of $10,000.

Moneys in the Fund are continuously appropriated to the Department "to fund activities related to the improvement of the quality of child care in the state of Colorado". As a result, this line item is included in the Long Bill for informational purposes only.

Request: The Department requested a continuation level of $20,000 cash funds.

Recommendation: Staff recommends approving the Department request.

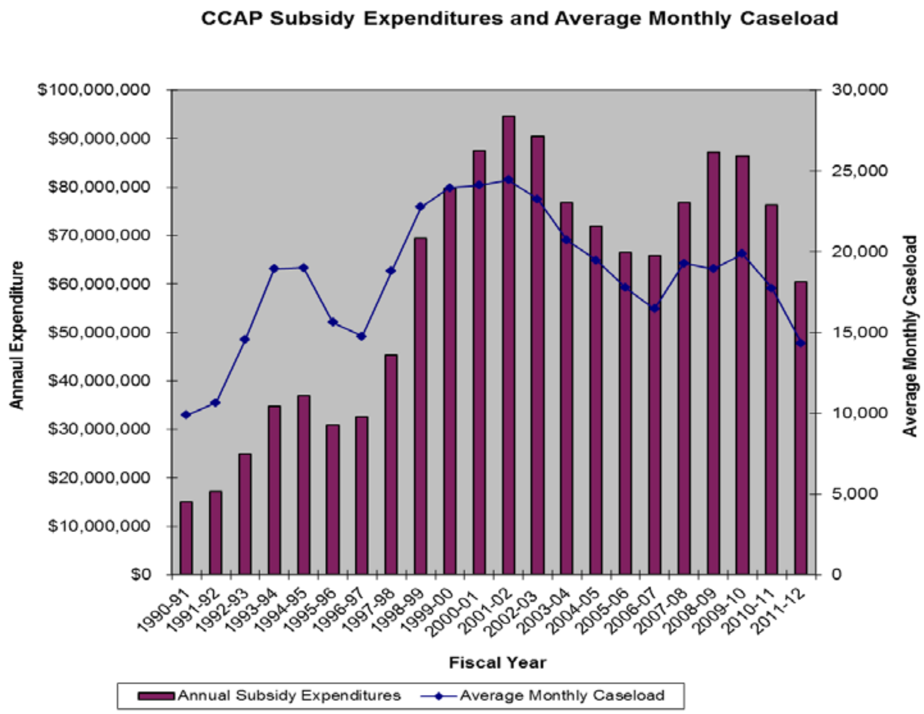
<u>Child Care Assistance Program</u>
The Colorado Child Care Assistance Program (CCCAP) is the largest single component of the Division's budget (84 percent). Senate Bill 97-120 established CCCAP in statute at Section 26-8-801 through 806, C.R.S. Child care subsidy programs, such as CCCAP, were promoted under 1996 federal welfare reform legislation to help families become financially independent.

Pursuant to Sections 26-1-11 and 26-1-201, C.R.S., the Department supervises CCCAP services administered by county departments of human/social services. As for other public assistance programs, counties serve as agents of the State and are charged with administering the program in accordance with Department regulations. The formula for allocating funds among counties is based on utilization and poverty measures. Counties are responsible for covering any costs above their allocations, which they accomplish as needed using Temporary Assistance to Needy Families block grant funds.

Subject to available appropriations, counties are required to provide child care assistance (subsidies) to any person or family whose income is less than 130 percent of the federal poverty level. Recipients of assistance are responsible for paying a portion of child care costs. Counties are also authorized to provide child care assistance for a family transitioning off the Works Program or for any other family whose income is between 130 percent of the federal poverty level ($23,806 for a family of three in 2011) and 85 percent of the state median income ($54,108 for a family of three in 2011).

Among the three categories of families served by the program—families receiving assistance from Colorado Works, families in transition from cash assistance, and other low-income families—low income families have always comprised the largest group, although the share on TANF has increased since the recession. For the period June 2010 through May 2011 (the most recent data available), TANF clients comprised about 25 percent of participating households, while children in families earning 130 percent or less of the federal poverty level (including TANF clients) made up about 80 percent of cases. For FY 2010-11, 36,599 children were served by CCCAP statewide.

The appropriation is comprised of state-appropriated federal Child Care and Development Fund (CCDF) block grant amounts, state General Fund, and county maintenance of effort and administrative amounts. Each county is required to spend, as a maintenance of effort, its share of an amount identified in the Long Bill each year, as well as its share of program administration costs. Although not reflected in the Long Bill appropriations for Child Care, overall funding sources for the program may include large county transfers from their TANF Colorado Works block grants (effectively up to 20 percent of the annual TANF grant). The following chart illustrates the history of expenditures for CCCAP, as well as the average monthly number of children for whom subsidies are provided through CCCAP. As reflected in the chart, the history of the program reflects bursts of funding and caseload expansion, followed by rapid contraction.



The trend in numbers of children served in the program is primarily driven by the amount counties spend in the program, dependent on the availability of multiple fund sources. For FY 2008-09 and FY 2009-10, there was an infusion of funding into the program from ARRA, which allowed the program to delay any decreases that would otherwise have been realized due to the economic downturn. Due to the loss of ARRA funding in FY 2010-11, there were decreases in both expenditures and children served; by 12 percent and 4.6 percent respectively. The total expenditures and number of children served again decreased in FY 2011-12 due to the loss of TANF funding for child care assistance (due to an increase in TANF caseload). Thus, the unstable expenditure pattern in child care does not reflect changing demand for subsidized child care but is rather an artifact of counties' assessment of the availability of TANF and other funding sources.

For the first time since FY 2006-07, counties under-spent the appropriation for the CCCAP program in FY 2011-12. The total reversion was $3,838,415 federal funds or over 5 percent of the original FY 2011-12 CCCAP appropriation. This was due to two inter-related factors.

- Counties have been working to contract their CCCAP expenditures for several years, due to the demands imposed by the recession on their TANF funding. Consistent with past history, as counties have been forced to divert more of their TANF funds to basic cash assistance, they have reduced spending for child care subsidies. Counties renewed their efforts to reduce CCCAP subsidy payments when the State lost its $13.6 million TANF Supplemental Grant in FY 2011-12 and counties faced the prospect of ongoing reductions in their annual TANF allocations.

- The new Child Care Automated Tracking System (CHATS) information technology system drove down county expenditures in FY 2011-12 to a degree counties did not anticipate.

The CHATS system authorizes child care subsidies and tracks utilization through a "Point of Service" (POS) mechanism. Subsidy recipients are provided swipe cards, on which their benefits are loaded. Providers have POS devices, where recipients "swipe" their cards when they drop their child off at child care. Providers are then paid based on client swipes. The Department estimates that this system has reduced county expenditures by more than $5 million per year.

Due to the sharp drop in county expenditures for CCCAP and the FY 2011-12 under-expenditures, some counties have again increased program eligibility or increased provider reimbursement rates. As of July 2012, 94 children in four counties were on waiting lists. This is far less than October 2011, when 2,299 children in 14 counties were on CCCAP waiting lists. Since October 2011, four counties—Adams, Douglas, Jefferson, and Logan—have increased their income-eligibility cutoffs and only one small county (Morgan) has reduced its cutoff. Forty-two of the 64 counties, including 9 of the big ten counties, are using an income cutoff at or below 190 percent of the poverty level. Based on expenditure data for the first quarter of FY 2012-13, counties may again under-expend appropriations in FY 2012-13. A straight-line projection of expenditures results in a $4.1 million under-expenditure.

The Department has reported that it will work with counties to avoid any under-expenditure, and it expects that the FY 2012-13 amounts will be fully spent. Among other actions, counties are expected to lift current waiting lists as they did in FY 2011-12. Because of this planned action, staff is not recommending any General Fund reduction.

Request: The Department requests $75,086,240 total funds in FY 2013-14, including $13,808,284 General Fund. The request includes a 1.5 percent provider rate increase.

➔ R-5: Community 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 for the Child Care Assistance Program.
- Pursuant to common policy, staff is recommending approval of the 1.5 percent provider rate increase at a cost of $1,109,648 total funds.
- Staff is recommending that the Committee finance the requested provider rate increase entirely with federal funds and county cash funds, in lieu of any General Fund.

Recommendation: Staff recommends that the Committee approve the Department request for $75,086,240 total funds. However, staff recommends that the Committee finance the requested provider rate increase entirely with federal funds and county cash funds, in lieu of any General Fund—resulting in a total General Fund appropriation of $13,604,221 for FY 2013-14.

Analysis: *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, which 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—$1,109,648 total funds for this line item. 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 this line.

History of Rate Adjustments for the Child Care Assistance Program

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
Child Care Licensing and Administration	$1,109,648	$0	$137,739	$971,909

Staff feels that the approved 1.5 percent increase is appropriate for this line item because it 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 the Child Care Assistance Program.

<u>Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements</u>
This line item was created in FY 2007-08 and combined the former "Grants to Improve the Quality and Availability of Child Care" and "Federal Discretionary Child Care Funds Earmarked

for Certain Purposes" line items. The two components of the line item appropriation are as follows.

"Quality Improvement" requirement. The federal government requires that 4.0 percent of expenditures for Child Care and Development Fund-supported activities be used to improve service quality. Funding for quality activities supports Colorado's Early Childhood Councils and the School-readiness Quality Improvement Program. The 4.0 percent calculation is based on total CCDF expenditures, including state expenditures required to match a portion of the federal CCDF grant and county transfers of TANF funds to CCDF. The Department's estimate for 2013-14 reflects an anticipated requirement of $3,748,375.

"Targeted Funds" requirement. Federal law concerning Child Care Development Funds also requires specific dollar amounts of the "discretionary grant" funding under CCDF be "targeted" (formerly known as "earmarked") for specific purposes. These targeted amounts are for: (1) infant/toddler programs; (2) school age and/or resource and referral programs; and (3) quality expansion activities such as professional development, mentioning, provider retention, equipment supply, facility start-up and minor facility renovation. Funding used to meet the "target" requirement may not also be used to meet the "quality" requirement (although many expenditures could be assigned to either category).

The Department seeks to target grant funds reflected in this line item to those areas determined to provide the greatest long-term gains. These areas include: increasing the efficiency and effectiveness of local child care services; raising the level of professional development in the field and providing early childhood training opportunities for child care providers; providing child care resource and referral services for families and child care providers; and, improving the ability of child care providers to prepare children for entering elementary school. Funds are used for a wide variety of contracts with the Department of Education, Qualistar Early Learning (which coordinates the network of local resource and referral agencies, among other programs), the Early Childhood Councils, and various institutions of higher education.

The table below reflects the Department's anticipated requirement for targeted funds, as reported in response to the annual request for information on Child Care Development Funds.

FY 2013-14 Targeted Funds Requirement (Estimated)				
	Quality Expansion	**Infant Toddler**	**School Age Resource and Referral**	**Total**
Estimated Targeted Funds July 1, 2013	$590,724	$342,110	$57,772	$990,606
Additional Targeted Funds During FY 2013-14 (75% of Estimated FFY 2013 Targeted Funds)	1,772,172	1,026,329	173,315	2,971,816
Total Targeted Funds in FY 2013-14	**$2,362,896**	**$1,368,439**	**$231,087**	**$3,962,422**

Request: The Department requests continuation funding of $3,473,633 federal funds.

Recommendation. Staff recommends a continuation level of appropriation for this line item of $3,473,633. This exceeds the minimum federal requirements for spending for targeted funds requirements and quality requirement spending, as reflected in the table, below. More specifically, the table compares the combined federal requirements for "targeted" and "quality" funding with anticipated spending**,** based on the Department's response to the Committee's FY 2012-13 Request for Information #7**.**

Federal Requirements	**Amount**
Federal 4% quality requirement	$3,748,375
Federal "targeted funds" requirement	3,962,422
Total federal quality and target requirement	**$7,710,797**
Quality and Target Projected Expenditures	
Office of Operations & Executive Director's Office	$3,172
Child Care Licensing and Administration (portion of line item)	3,029,713
Child Care Pilots/Early Childhood Councils	1,259,725
School Readiness Quality Improvement	2,234,193
TANF transfer funds spent on quality (none assumed)	0
Subtotal	**6,526,803**
Request and Recommendation	
Grants to Improve the Quality of Child Care and to Comply with Federal Requirements for Targeting Funds	$3,473,633
Total	**$10,816,407**
"Quality" Spending in Excess of Federal Requirements	$3,191,885

Early Childhood Councils

This line item funds the Early Childhood Councils program. The program includes 31 self-determined communities that span 58 counties. Ninety-nine percent of Colorado's population lives within these communities.

Since FY 1997-98, the Department of Human Services has worked with the Department of Education to provide grant funds and technical assistance to local communities to design consolidated programs of comprehensive early childhood care and education services intended to serve children in low-income families. The "pilot programs", as they were named, were allowed to blend various sources of state and federal funding and could apply for waivers of state rules. The pilots were used to identify best practices relative to increasing quality, meeting the diverse needs of families seeking child care, and integrating early childhood care with education programs. The law authorizing pilots was repealed and reenacted pursuant to H.B. 07-1062 to create the Early Childhood Councils program. House Bill 07-1062, codified at Section 26-6.5-101 et. seq., C.R.S., replaced the pilot program for consolidated child care services with a new, statewide system of early childhood councils. Councils represent public and private stakeholders in a local community who work to develop and improve local early childhood services and to create a seamless network of such services statewide. Early childhood services are defined by the legislation as including:

- Early Learning;

- Family Support and Parent Education;
- Social, Emotional, and Mental Health; and
- Health.

House Bill 07-1062 also required a contracted evaluation of the early childhood council system. An evaluation was completed and submitted by the Center for Research Strategies on June 30, 2010. The evaluation concluded the "the Councils are making progress in their efforts to build the foundations of local Early Childhood systems by developing their internal capacity related to staffing, communication mechanisms, strategic planning, assessment and evaluation. They are also working to build public engagement and.... increase opportunities for new funding...." The evaluation identified various barriers to success and leverage points for change including improving marketing efforts, strengthening partnerships with key stakeholders, improving use of evaluation tools, and strengthening Council's internal capacity.

Funding for the pilot program was reflected in its own line item starting in FY 2000-01 (the Pilot Program for Community Consolidated Child Care Services) until being renamed the Early Childhood Councils line item after the enactment of H.B. 07-1062. House Bill 07-1062 also transferred $2.0 million ($1.0 million General Fund) from the Child Care Assistance Program line item to expand this program starting in FY 2007-08. The appropriation for the line item was cut by $500,000 through FY 2010-11 supplemental action and an additional $500,000 through FY 2011-12 figure setting action. In total, the line-item has been cut by one-third from the FY 2009-10 level. In addition to the amounts appropriated in this line item, an estimated $312,503 that is appropriated in the line item for Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Requirements for Targeted Funds is directed to support the activities of the Early Childhood Councils.

Request: The Department requests continuation funding of $1,978,317 federal Child Care Development Funds and 1.0 FTE for this line item for FY 2013-14.

Recommendation: Staff recommends approval of the Department request. The staff recommendation is calculated consistent with Committee common policy and is reflected in the table below.

Early Childhood Councils	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$1,978,317	$0	$1,978,317	1.0
TOTAL	**$1,978,317**	**$0**	**$1,978,317**	**1.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$1,978,317	$0	$1,978,317	1.0
TOTAL	**$1,978,317**	**$0**	**$1,978,317**	**1.0**

Early Childhood Councils				
	Total Funds	**General Fund**	**Federal Funds**	**FTE**
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$1,978,317**	**$0**	**$1,978,317**	**1.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

School Readiness and Quality Improvement Program

House Bill 02-1297 [Section 26-6.5-106, C.R.S.] created the School-readiness Child Care Subsidization Program to improve the quality of certain licensed child care facilities whose enrolled children ultimately attend low-performing neighborhood elementary schools. The legislation was reauthorized in H.B. 05-1238 and the program renamed the School Readiness and Quality Improvement Program. The program provides grants to child care facilities in areas served by low-performing schools.

Statute specifies that school-readiness quality improvement program funding shall be awarded to early childhood care and education councils for subsidies to local early care and education providers based upon allocations made at the state department. The program targets the school readiness of young children who will ultimately attend eligible elementary schools that have an overall performance rating of "low" or "unsatisfactory" or that have an overall rating of "average" but have received a Transitional Colorado Assessment Program (TCAP) overall academic improvement rating of "decline" or "significant decline".

The program provides subsidies over a three year period to participating child care centers and family child care homes to cover the cost of equipment, supplies, minor renovations, curricula, staff education, scholarships, training, and bonuses for facility staff for demonstrating quality improvements and addressing problems identified in the ratings. Grantees are selected based on approval of plans that encompass criteria including: demonstrated need, number of eligible schools and providers, and plans to track future academic performance of children who participate in the program.

Workload Measures. Funding was allocated to 14 grantees (early childhood care and education councils) during the most recent grant cycle. These grantees utilize strategies such as mentoring, provider training, and provision of supplies to improve quality of care. The program served approximately 6,750 children in 464 classrooms at 149 sites. Based on the number of children served, supports are for an average of about $250 per child served or $3,000 to $4,000 per classroom or family child care home.

All sites participating in the program undergo initial evaluation by Qualistar and then have follow-up evaluations. Each site receives a baseline overall quality rating score (one, two, three, or four stars, with four being the highest achievable). These ratings are based on five measurement areas:

- Learning Environment -- a program's health and safety standards, classroom environment, curriculum and activities, interactions between adults and children, and the daily schedule;

- Family Partnerships -- how a program develops relationships with families, serves as a resource for them, and offers them opportunities to be part of their children's early learning experience;

- Training and Education -- work experience and the average level of early childhood education attained by the providers working in the home or center;

- Adult-to-Child Ratios -- average ratios in a classroom over a 10-day period, from the time the program opens until it closes; and

- Accreditation -- whether a program is accredited through a national accrediting agency.

Each site receives detailed information about its strengths and weaknesses in each of the five areas, as well as a list of concrete action steps recommended to improve program quality. The evaluation also includes a list of additional services that will be made available through the program to support quality improvement efforts. Specific quality rating information for providers receiving one or more stars is also made available to parents and members of the public through Qualistar's website [Qualistar.org]. The results of these evaluations suggest an overall improvement in quality.

- During the most recent program cycle, the total number of participating child care facilities considered "high quality" increased from 59 percent to 72 percent. Conversely, participating facilities that were considered "low quality" decreased from 41 percent to 27 percent of facilities.

- The first three-year grant cycle also reflected significant impact, with the percentage of programs achieving 3 or 4 stars increasing from 36 percent at baseline to 77 percent at second follow-up, and the programs achieving 0, 1, or 2 stars decreasing from 64 percent at baseline to 23 percent at second follow up.

Request: The Department requests continuation funding of $2,228,586 federal Child Care Development Funds for FY 2013-14.

Staff recommends approval of the Department request. The staff recommendation, calculated consistent with Committee common policy, is reflected in the table below.

School-readiness Quality Improvement Program	Total Funds	General Fund	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 12-1335 (Long Bill)	$2,228,586	$0	$2,228,586	1.0
TOTAL	**$2,228,586**	**$0**	**$2,228,586**	**1.0**
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	$2,228,586	$0	$2,228,586	1.0
TOTAL	**$2,228,586**	**$0**	**$2,228,586**	**1.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:	**$2,228,586**	**$0**	**$2,228,586**	**1.0**
Request Above/(Below) Recommendation	$0	$0	$0	0.0

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

Staff recommends the following **new footnote as an Add-on to the FY 2012-13 Long Bill**:

22a **Department of Human Services, Division of Child Welfare, Child Welfare Services –** It is the intent of the General Assembly to expend in full the General Fund appropriation in this line first; and it is also the intent that the $6,000,000 federal Temporary Assistance for Need Families Block Grant dollars be spent last, thus allowing any unexpended federal Temporary Assistance for Need Families Block Grant dollars to revert to the Colorado Long-term Works Reserve created in Section 26-2-721 (1), C.R.S.

Staff recommends the following **new footnote be continued**:

22a **Department of Human Services, Division of Child Welfare, Child Welfare Services –** It is the intent of the General Assembly to expend in full the General Fund appropriation in this line first; and it is also the intent that the $6,000,000 federal Temporary Assistance for Need Families Block Grant dollars be spent last, thus allowing any unexpended federal Temporary Assistance for Need Families Block Grant dollars to revert to the Colorado Long-term Works Reserve created in Section 26-2-721 (1), C.R.S.

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

21 **Department of Human Services, Division of Child Welfare** -- It is the intent of the General Assembly to encourage counties to serve children in the most appropriate and least restrictive manner. For this purpose, the Department may transfer funds among all line items in this long bill group total for the Division of Child Welfare, except that the Department may not transfer funds from non-custodial line items to the Child Welfare Administration line item to increase funding for personal services.

Comment: The Department has annually transferred moneys when necessary.

22 **Department of Human Services, Division of Child Welfare, Child Welfare Services –** It is the intent of the General Assembly that the Department may hold out up to $1,000,000 total funds in this line item for activities designed to maximize Colorado's receipt of federal funds under Title IV-E of the Social Security Act. Expenditures may include, but need not be limited to, distributions to counties for Title-IV-E-related administrative costs, incentive payments to counties for improved Title IV-E claiming, automated system changes, and/or purchase of contract services designed to help the State in maximizing Title IV-E receipts. Funds held out pursuant to this footnote shall be in addition to other amounts authorized to be held out from county child welfare services allocations.

Comment: This footnote was first added through FY 2011-12 supplemental action. Staff recommends continued flexibility in light of the need to maximize federal Title IV-E revenue and the implementation of the Title IV-E waiver.

23 **Department of Human Services, Division of Child Welfare, Family and Children's Programs** -- It is the intent of the General Assembly that $4,006,949 of the funds appropriated for this line item be used to assist county departments of social services in implementing and expanding family- and community-based services for adolescents. It is the intent of the General Assembly that such services be based on a program or programs that have been demonstrated to be effective in reducing the need for higher cost residential services.

Comment: The Governor has vetoed this footnote on the grounds that it violates separation of powers but also directed the Department to comply with the intent. This targeted funding was added by the General Assembly between FY 2003-04 and FY 2005-06 with the intent of ensuring that new child welfare funding be used as effectively as possible.

Legislative Requests for Information

Staff recommends the following requests be **continued.**

1. **Department of Human Services, Division of Child Welfare; and Totals –** The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S.

Comment: This request provides data important for figure setting.

2. **Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the

expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

Comment: This request provides data important for figure setting.

3. **Department of Human Services, Division of Child Welfare, Child Welfare Services** -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, such data should include the following: (a) program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.

Comment: This request provides useful information on child welfare expenditures and trends.

4. **Department of Human Services, Division of Child Welfare** -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.

Comment: This request provides background information on funds available for child welfare services.

Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	

DEPARTMENT OF HUMAN SERVICES
Reggie Bicha, Executive Director

(5) DIVISION OF CHILD WELFARE

This division provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. Funding also supports training for county and state staff, direct care service providers (e.g. foster parents), and court personnel. Cash funds sources include county tax revenues, grants and donations, federal Title IV-E funds, and amounts from the Collaborative Management Incentives Cash Fund (primarily from civil docket fees). Reappropriated funds are Medicaid funds transferred from the Department of Health Care Policy and Financing.

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	
Administration	3,626,699	3,354,392	3,917,332	4,232,703	4,216,677	*
FTE	38.2	39.2	41.0	44.6	44.6	
General Fund	2,822,672	2,553,301	3,090,907	3,384,022	3,370,399	
Reappropriated Funds	120,423	118,108	133,070	133,070	133,070	
Federal Funds	683,604	682,983	693,355	715,611	713,208	
Training	6,225,059	5,845,189	6,322,861	6,444,548	6,444,548	*
FTE	5.8	5.1	6.0	6.0	6.0	
General Fund	2,991,855	2,772,565	3,150,879	3,248,229	3,248,229	
Cash Funds	37,230	37,230	37,230	37,230	37,230	
Federal Funds	3,195,974	3,035,394	3,134,752	3,159,089	3,159,089	
Foster and Adoptive Parent Recruitment, Training, and Support	327,407	298,329	335,562	335,562	335,562	
FTE	0.6	0.6	1.0	1.0	1.0	
General Fund	260,292	231,460	268,395	268,395	268,395	
Federal Funds	67,115	66,869	67,167	67,167	67,167	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	
Child Welfare Services	331,169,644	324,267,006	334,343,137	339,358,283	339,358,283	*
General Fund	156,115,993	149,942,752	163,843,770	171,728,507	171,728,507	
Cash Funds	61,129,115	60,805,148	60,730,814	61,733,843	61,733,843	
Reappropriated Funds	12,176,287	10,935,478	14,293,272	14,507,671	14,507,671	
Federal Funds	101,748,249	102,583,628	95,475,281	91,388,262	91,388,262	
Excess Federal Title IV-E Distributions for Related County Administrative Functions	0	0	1,350,000	1,350,000	0	
Cash Funds	0	0	1,350,000	1,350,000	0	
Title IV-E Waiver and Evaluation Development	0	0	136,471	500,018	500,018	*
General Fund	0	0	68,235	250,009	250,009	
Federal Funds	0	0	68,236	250,009	250,009	
Family and Children's Programs	46,143,068	46,118,134	44,776,053	51,581,364	51,581,364	*
General Fund	31,916,198	30,296,537	33,632,328	40,272,857	40,272,857	
Cash Funds	5,113,437	5,113,437	5,113,437	5,247,765	5,247,765	
Federal Funds	9,113,433	10,708,160	6,030,288	6,060,742	6,060,742	
Performance-based Collaborative Management Incentives	3,410,652	3,216,580	3,224,669	3,224,669	3,100,000	
Cash Funds	3,410,652	3,216,580	3,224,669	3,224,669	3,100,000	
Independent Living Programs	2,338,973	3,321,848	2,826,582	2,826,582	2,826,582	
FTE	4.0	3.7	4.0	4.0	4.0	
Federal Funds	2,338,973	3,321,848	2,826,582	2,826,582	2,826,582	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	
Promoting Safe and Stable Families Program	4,458,610	4,324,199	4,456,680	4,456,680	4,456,680	
FTE	1.5	1.7	2.0	2.0	2.0	
General Fund	32,549	34,183	50,265	50,265	50,265	
Cash Funds	1,064,160	1,064,160	1,064,160	1,064,160	1,064,160	
Federal Funds	3,361,901	3,225,856	3,342,255	3,342,255	3,342,255	
Federal Child Abuse Prevention and Treatment Act Grant	440,172	272,931	436,054	436,054	436,054	
FTE	2.6	2.4	3.0	3.0	3.0	
Federal Funds	440,172	272,931	436,054	436,054	436,054	
Community-based Child Abuse Prevention Services	0	0	1,015,517	4,991,981	3,735,284	*
FTE	0.0	0.0	0.9	3.7	1.9	
General Fund	0	0	1,015,517	4,991,981	3,735,284	
Workforce Tools - Mobile Computing Technology	0	0	0	723,000	0	*
General Fund	0	0	0	600,090	0	
Federal Funds	0	0	0	122,910	0	
Workload Study	0	0	0	468,555	468,555	*
General Fund	0	0	0	388,901	388,901	
Federal Funds	0	0	0	79,654	79,654	
TOTAL - (5) Division of Child Welfare	398,140,284	391,018,608	403,140,918	420,929,999	417,459,607	
FTE	52.7	52.7	57.9	64.3	62.5	
General Fund	194,139,559	185,830,798	205,120,296	225,183,256	223,312,846	
Cash Funds	70,754,594	70,236,555	71,520,310	72,657,667	71,182,998	
Reappropriated Funds	12,296,710	11,053,586	14,426,342	14,640,741	14,640,741	
Federal Funds	120,949,421	123,897,669	112,073,970	108,448,335	108,323,022	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	

(6) DIVISION OF CHILD CARE

This section provides funding and state staff associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP), through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this section provides funding and state staff for the administration of various child care grant programs, and for licensing and monitoring child care facilities. Cash funds appropriations reflect expenditures by counties and fees and fines associated with the licensing of child care facilities. Federal funds primarily reflect Child Care Development Funds, which the General Assembly has authority to appropriate pursuant to federal law.

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	
Child Care Licensing and Administration	6,434,191	6,423,269	6,547,988	6,574,666	6,574,666	*
FTE	61.4	60.9	64.4	64.4	64.4	
General Fund	2,232,018	2,203,572	2,240,687	2,239,932	2,239,932	
Cash Funds	650,162	696,602	770,824	770,824	770,824	
Federal Funds	3,552,011	3,523,095	3,536,477	3,563,910	3,563,910	
Fines Assessed Against Licensees	19,999	19,999	20,000	20,000	20,000	
Cash Funds	19,999	19,999	20,000	20,000	20,000	
Child Care Assistance Program	74,802,572	69,554,629	73,976,592	75,086,240	75,086,240	*
General Fund	14,604,221	13,510,673	13,604,221	13,808,284	13,604,221	
Cash Funds	9,182,622	9,182,622	9,182,622	9,320,361	9,320,361	
Federal Funds	51,015,729	46,861,334	51,189,749	51,957,595	52,161,658	
Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements	3,473,633	3,473,633	3,473,633	3,473,633	3,473,633	
Federal Funds	3,473,633	3,473,633	3,473,633	3,473,633	3,473,633	
Early Childhood Councils	2,479,040	1,983,960	1,978,317	1,978,317	1,978,317	
FTE	1.0	0.9	1.0	1.0	1.0	
Federal Funds	2,479,040	1,983,960	1,978,317	1,978,317	1,978,317	

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
School-readiness Quality Improvement Program	2,229,305	2,234,489	2,228,586	2,228,586	2,228,586
FTE	1.1	1.0	1.0	1.0	1.0
Federal Funds	2,229,305	2,234,489	2,228,586	2,228,586	2,228,586
TOTAL - (6) Division of Child Care	89,438,740	83,689,979	88,225,116	89,361,442	89,361,442
FTE	63.5	62.8	66.4	66.4	66.4
General Fund	16,836,239	15,714,245	15,844,908	16,048,216	15,844,153
Cash Funds	9,852,783	9,899,223	9,973,446	10,111,185	10,111,185
Federal Funds	62,749,718	58,076,511	62,406,762	63,202,041	63,406,104
TOTAL - Department of Human Services	487,579,024	474,708,587	491,366,034	510,291,441	506,821,049
FTE	116.2	115.5	124.3	130.7	128.9
General Fund	210,975,798	201,545,043	220,965,204	241,231,472	239,156,999
Cash Funds	80,607,377	80,135,778	81,493,756	82,768,852	81,294,183
Reappropriated Funds	12,296,710	11,053,586	14,426,342	14,640,741	14,640,741
Federal Funds	183,699,139	181,974,180	174,480,732	171,650,376	171,729,126

Appendix B – 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

STATE OF COLORADO
NIL SINE NUMINE
1876

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;

- $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,

Dianne Prima

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

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

SENATE
STATE OF COLORADO
DENVER

HEALTH AND HUMAN SERVICE
CHAIR

JUDICIARY
MEMBER

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.

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

Sincerely,

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