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# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



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

**Information Technology Services, County Administration,  
Self Sufficiency, and Adult Assistance**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
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March 5, 2007**

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**FY 2007-08 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF HUMAN SERVICES**

**Information Technology Services, County Administration  
Self Sufficiency, and Adult Assistance**

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|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| <b>DEPARTMENT OF HUMAN SERVICES</b>  |                      |                      |                             |                       |                              |                    |
| <b>Executive Director: Marva Livingston Hammons</b>  |                      |                      |                             |                       |                              |                    |
| <b>(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES</b>   |                      |                      |                             |                       |                              |                    |
| The primary function of this division is to develop and maintain the Department's information technology systems, including Colorado Trails and the Colorado Benefits Management System. It also contains appropriations for the department's use of certain centralized programs (e.g. Communications Services Payments and Purchase of Services from Computer Center) that are operated in the Department of Personnel and Administration. The cash funds, cash funds exempt, and federal funds are related to the programs supported by each system. A number of programs are supported by Medicaid funding as indicated below. |                      |                      |                             |                       |                              |                    |
| Personal Services  | 5,614,112            | 5,740,794            | 5,935,455                   | 5,633,658             | 5,617,053                    | DI #17             |
| FTE  | <u>68.9</u>          | <u>69.4</u>          | <u>82.2</u>                 | <u>76.2</u>           | <u>76.2</u>                  | DI #17             |
| General Fund   | 4,047,509            | 4,158,632            | 4,269,113                   | 4,361,925             | 4,348,432                    |                    |
| Cash Funds   | 22,813               | 21,436               | 23,620                      | 24,137                | 24,062                       |                    |
| Cash Funds Exempt  | 519,971              | 500,445              | 538,254                     | 549,959               | 548,258                      |                    |
| Federal Funds  | 1,023,819            | 1,060,281            | 1,104,468                   | 697,637               | 696,301                      |                    |
| *Medicaid Cash Funds   | 213,313              | 206,668              | 220,891                     | 225,606               | 224,909                      |                    |
| *Net General Fund  | 4,154,166            | 4,261,966            | 4,379,559                   | 4,474,728             | 4,460,886                    |                    |
| Operating Expenses   | <u>1,087,675</u>     | <u>336,173</u>       | <u>386,576</u>              | <u>386,576</u>        | <u>386,576</u>               |                    |
| General Fund   | 633,050              | 264,503              | 307,488                     | 307,488               | 307,488                      |                    |
| Cash Funds   | 4,267                | 0                    | 0                           | 0                     | 0                            |                    |
| Cash Funds Exempt  | 28,842               | 16,040               | 16,040                      | 16,040                | 16,040                       |                    |
| Federal Funds  | 421,516              | 55,630               | 63,048                      | 63,048                | 63,048                       |                    |
| *Medicaid Cash Funds   | 16,040               | 16,040               | 16,040                      | 16,040                | 16,040                       |                    |
| *Net General Fund  | 641,070              | 272,523              | 315,518                     | 315,508               | 315,508                      |                    |
| Purchase of Services from Computer Center  | <u>5,181,510</u>     | <u>4,954,518</u>     | <u>5,042,336</u>            | <u>4,693,042</u>      | Pending                      |                    |
| General Fund   | 2,261,175            | 2,168,451            | 2,200,436                   | 2,048,007             |                              |                    |
| Cash Funds   | 36,688               | 28,358               | 6,836                       | 6,362                 |                              |                    |
| Cash Funds Exempt  | 5,914                | 3,565                | 3,446                       | 3,207                 |                              |                    |
| Federal Funds  | 2,877,733            | 2,754,144            | 2,831,618                   | 2,635,466             |                              |                    |
| *Medicaid Cash Funds   | 3,217                | 3,086                | 3,132                       | 2,916                 |                              |                    |
| *Net General Fund  | 2,262,784            | 2,169,994            | 2,202,002                   | 2,049,465             |                              |                    |

|   | FY 2004-05       | FY 2005-06       | FY 2006-07       | FY 2007-08       |                  | Change<br>Requests |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|
|   | Actual           | Actual           | Appropriation    | Request          | Recommendation   |                    |
| Telecommunication Systems Lease Payments  | <u>150,676</u>   | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         |                    |
| General Fund                              | 48,326           | 0                | 0                | 0                | 0                |                    |
| Cash Funds Exempt                         | 102,350          | 0                | 0                | 0                | 0                |                    |
| *Medicaid Cash Funds                      | 102,350          | 0                | 0                | 0                | 0                |                    |
| *Net General Fund                         | 99,501           | 0                | 0                | 0                | 0                |                    |
| Microcomputer Lease Payments              | <u>726,130</u>   | <u>714,321</u>   | <u>539,344</u>   | <u>539,344</u>   | <u>539,344</u>   |                    |
| General Fund                              | 406,397          | 406,397          | 301,832          | 301,832          | 301,832          |                    |
| Cash Funds                                | 20,824           | 9,953            | 15,466           | 15,466           | 15,466           |                    |
| Cash Funds Exempt                         | 174,779          | 173,215          | 128,647          | 128,647          | 128,647          |                    |
| Federal Funds                             | 124,130          | 124,756          | 93,399           | 93,399           | 93,399           |                    |
| *Medicaid Cash Funds                      | 85,584           | 85,584           | 63,563           | 63,563           | 63,563           |                    |
| *Net General Fund                         | 449,189          | 449,189          | 333,613          | 333,613          | 333,613          |                    |
| Colorado Trails                           | 9,524,431        | 9,128,010        | 9,213,375        | 9,282,886        | 9,276,217        |                    |
| FTE                                       | <u>20.5</u>      | <u>41.9</u>      | <u>48.0</u>      | <u>48.0</u>      | <u>48.0</u>      |                    |
| General Fund                              | 5,172,277        | 4,928,194        | 4,974,287        | 5,011,816        | 5,008,216        |                    |
| Cash Funds Exempt                         | 0                | 0                | 0                | 0                | 0                |                    |
| Federal Funds                             | 4,352,154        | 4,199,816        | 4,239,088        | 4,271,070        | 4,268,001        |                    |
| County Financial Management System (CFMS) | <u>1,463,970</u> | <u>1,511,751</u> | <u>1,515,836</u> | <u>1,515,836</u> | <u>1,515,836</u> |                    |
| General Fund                              | 929,907          | 781,835          | 781,835          | 781,835          | 781,835          |                    |
| Federal Funds                             | 534,063          | 729,916          | 734,001          | 734,001          | 734,001          |                    |
| Health Information Management System      | <u>325,930</u>   | <u>334,492</u>   | <u>337,768</u>   | <u>339,168</u>   | <u>339,168</u>   |                    |
| General Fund                              | 198,052          | 206,614          | 209,890          | 211,290          | 211,290          |                    |
| Cash Funds Exempt                         | 127,878          | 127,878          | 127,878          | 127,878          | 127,878          |                    |
| *Medicaid Cash Funds                      | 0                | 0                | 0                | 0                | 0                |                    |
| *Net General Fund                         | 198,082          | 206,614          | 209,890          | 211,290          | 211,290          |                    |
| Client Index Project                      | 156,112          | 155,912          | 156,116          | 156,116          | 156,116          |                    |
| FTE                                       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>3.0</u>       | <u>3.0</u>       | DI #27             |
| General Fund                              | 89,634           | 89,634           | 89,634           | 89,634           | 89,634           |                    |
| Federal Funds                             | 66,478           | 66,278           | 66,482           | 66,482           | 66,482           |                    |
| National Aging Program Information System | <u>71,635</u>    | <u>62,102</u>    | <u>93,114</u>    | <u>93,114</u>    | <u>93,114</u>    |                    |
| General Fund                              | 12,380           | 15,526           | 15,526           | 15,526           | 15,526           |                    |
| Cash Funds                                | 0                | 0                | 0                | 0                | 0                |                    |
| Cash Funds Exempt                         | 0                | 0                | 7,752            | 7,752            | 7,752            |                    |
| Federal Funds                             | 59,255           | 46,576           | 69,836           | 69,836           | 69,836           |                    |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests         |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|----------------------------|
| Colorado Benefits Management System (CBMS) | 21,277,242           | 22,905,855           | 21,663,381 a/               | 25,150,370            | 25,138,123                   | DI #5,15, BA #NP1,<br>GBA1 |
| FTE  | <u>32.1</u>          | <u>36.0</u>          | <u>35.1</u>                 | <u>35.1</u>           | <u>35.1</u>                  |                            |
| General Fund                               | 3,282,019            | 3,572,949            | 3,379,578                   | 3,904,112             | 3,899,247                    |                            |
| Cash Funds                                 | 1,703,428            | 1,814,249            | 1,727,966                   | 1,996,162             | 1,993,668                    |                            |
| Cash Funds Exempt                          | 7,350,818            | 8,092,080            | 7,599,714                   | 8,759,733             | 8,767,023                    |                            |
| Federal Funds                              | 8,940,977            | 9,426,577            | 8,956,123                   | 10,490,363            | 10,478,185                   |                            |
| *Medicaid Cash Funds                       | 7,350,818            | 8,095,613            | 7,599,714                   | 8,759,733             | 8,755,499                    |                            |
| *Net General Fund                          | 7,127,232            | 7,906,820            | 6,880,878                   | 7,950,078             | 7,945,217                    |                            |
| CBMS SAS-70 Audit                          | <u>0</u>             | <u>119,341</u>       | <u>149,000</u>              | <u>149,000</u>        | <u>149,000</u>               |                            |
| General Fund                               | 0                    | 0                    | 23,386                      | 23,386                | 23,386                       |                            |
| Cash Funds                                 | 0                    | 0                    | 11,957                      | 11,957                | 11,957                       |                            |
| Cash Funds Exempt                          | 0                    | 54,305               | 51,718                      | 51,718                | 51,718                       |                            |
| Federal Funds                              | 0                    | 65,036               | 61,939                      | 61,939                | 61,939                       |                            |
| *Medicaid Cash Funds                       | 0                    | 54,305               | 51,718                      | 51,718                | 51,718                       |                            |
| *Net General Fund                          | 0                    | 0                    | 47,614                      | 47,614                | 47,614                       |                            |
| Multiuse Network Payments                  | <u>2,346,159</u>     | <u>2,116,534</u>     | <u>2,096,192</u>            | <u>2,067,023</u>      |                              | Pending                    |
| General Fund                               | 1,431,158            | 1,291,086            | 1,278,677                   | 1,260,884             |                              |                            |
| Cash Funds                                 | 23,461               | 21,165               | 20,962                      | 20,670                |                              |                            |
| Cash Funds Exempt                          | 187,692              | 169,322              | 167,695                     | 165,362               |                              |                            |
| Federal Funds                              | 703,848              | 634,961              | 628,858                     | 620,107               |                              |                            |
| *Medicaid Cash Funds                       | 110,737              | 99,899               | 98,116                      | 96,658                |                              |                            |
| *Net General Fund                          | 1,486,526            | 1,341,036            | 1,327,735                   | 1,309,213             |                              |                            |
| Communications Services Payments           | <u>56,568</u>        | <u>74,502</u>        | <u>79,310</u>               | <u>138,867</u>        |                              | Pending                    |
| General Fund                               | 39,090               | 54,386               | 57,896                      | 101,372               |                              |                            |
| Cash Funds                                 | 0                    | 0                    | 0                           | 0                     |                              |                            |
| Cash Funds Exempt                          | 17,478               | 20,116               | 21,414                      | 37,495                |                              |                            |
| Federal Funds                              | 0                    | 0                    | 0                           | 0                     |                              |                            |
| Legacy System Shutdown                     | 478,280              | 0                    | 0                           | 0                     | 0                            |                            |
| FTE  | <u>1.6</u>           | <u>0.0</u>           | <u>0.0</u>                  | <u>0.0</u>            | <u>0.0</u>                   |                            |
| General Fund                               | 196,199              | 0                    | 0                           | 0                     | 0                            |                            |
| Cash Funds                                 | 1,433                | 0                    | 0                           | 0                     | 0                            |                            |
| Cash Funds Exempt                          | 11,116               | 0                    | 0                           | 0                     | 0                            |                            |
| Federal Funds                              | 269,532              | 0                    | 0                           | 0                     | 0                            |                            |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| Child Care Automated Tracking System - Federal Funds (New Line Item) | 0                    | 0                    | 0                           | 73,924                | 73,924                       |                    |
| <b>TOTAL - (2) OFFICE OF INFORMATION TECHNOLOGY SERVICES</b>         |                      |                      |                             |                       |                              |                    |
| FTE  | <u>123.1</u>         | <u>147.3</u>         | <u>165.3</u>                | <u>162.3</u>          | <u>162.3</u>                 |                    |
| General Fund   | 18,747,173           | 17,938,207           | 17,889,578                  | 18,419,107            | 14,986,886                   |                    |
| Cash Funds   | 1,812,914            | 1,895,161            | 1,806,807                   | 2,074,754             | 2,045,153                    |                    |
| Cash Funds Exempt  | 8,526,838            | 9,156,966            | 8,662,558                   | 9,847,791             | 9,647,316                    |                    |
| Federal Funds  | 19,373,505           | 19,163,971           | 18,848,860                  | 19,877,272            | 16,605,116                   |                    |
| *Medicaid Cash Funds   | 7,882,059            | 8,561,195            | 8,053,174                   | 9,216,234             | 9,111,729                    |                    |
| *Net General Fund  | 22,858,037           | 22,477,717           | 21,615,987                  | 22,691,692            | 19,209,339                   |                    |

a/ Fiscal year 2004-05 actual expenditures include \$3,500,000 in federal "flexible" funds that were made available to Colorado in 2003 pursuant to the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

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

#### (4) COUNTY ADMINISTRATION

This division provides counties with resources for duties related to their social services functions. Funding includes a county's 20.0 percent share or a maintenance of effort and other funding for the administrative costs of medical and cash assistance programs. Such programs include Medicaid, Adult Protection, and Food Stamps.

|  |                   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| County Administration  | <u>49,361,150</u> | <u>51,083,943</u> | <u>36,029,995</u> | <u>41,193,146</u> | <u>41,118,788</u> | DI #NP1, BA #GBA2 |
| General Fund   | 10,264,486        | 11,138,800        | 14,259,460        | 16,299,040        | 16,299,040        |                   |
| Cash Funds Exempt  | 25,196,866        | 26,772,955        | 6,848,172         | 7,889,628         | 7,815,270         |                   |
| Federal Funds  | 13,899,798        | 13,172,188        | 14,922,363        | 17,004,478        | 17,004,478        |                   |
| *Medicaid Cash Funds   | 15,233,109        | 17,188,911        | 0                 | 0                 | 0                 |                   |
| *Net General Fund  | 15,976,902        | 16,701,994        | 14,259,460        | 16,299,040        | 16,299,040        |                   |
| Administration Related to CBMS Implementation                                      | <u>3,208,774</u>  | <u>4,154,926</u>  | <u>0</u>          | <u>0</u>          | <u>0</u>          |                   |
| General Fund   | 930,756           | 1,199,372         | 0                 | 0                 | 0                 |                   |
| Cash Funds Exempt  | 1,472,828         | 1,946,773         | 0                 | 0                 | 0                 |                   |
| Federal Funds  | 805,190           | 1,008,781         | 0                 | 0                 | 0                 |                   |
| *Medicaid Cash Funds   | 0                 | 1,946,773         | 0                 | 0                 | 0                 |                   |
| *Net General Fund  | 930,756           | 2,172,759         | 0                 | 0                 | 0                 |                   |
| County Contingency Payments pursuant to Section 26-1-126, C.R.S. -<br>General Fund | 11,069,321        | 11,069,321        | 11,069,321        | 11,069,321        | 11,069,321        |                   |
| County Share of Offsetting Revenues - Cash Funds Exempt                            | 4,132,083         | 4,306,120         | 3,789,313         | 3,789,313         | 3,789,313         |                   |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| County Incentive Payments - Cash Funds Exempt                | 3,077,335            | 3,038,382            | 3,084,361                   | 3,084,361             | 3,084,361                    |                    |
| Emergency Property Tax Relief - General Fund (NEW LINE ITEM) | 0                    | 0                    | 1,193,877                   | 0                     | 0                            |                    |
| <b>TOTAL - (4) COUNTY ADMINISTRATION</b>                     | <u>70,848,663</u>    | <u>73,652,692</u>    | <u>55,166,867</u>           | <u>59,136,141</u>     | <u>59,061,783</u>            |                    |
| General Fund   | 22,264,563           | 23,407,493           | 26,522,658                  | 27,368,361            | 27,368,361                   |                    |
| Cash Funds Exempt  | 33,879,112           | 36,064,230           | 13,721,846                  | 14,763,302            | 14,688,944                   |                    |
| Federal Funds  | 14,704,988           | 14,180,969           | 14,922,363                  | 17,004,478            | 17,004,478                   |                    |
| *Medicaid Cash Funds   | 15,233,109           | 17,188,911           | 0                           | 0                     | 0                            |                    |
| *Net General Fund  | 27,976,979           | 29,944,074           | 25,328,781                  | 27,368,361            | 27,368,361                   |                    |

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

## (7) OFFICE OF SELF SUFFICIENCY

### (A) Administration

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

|                    |                |                  |               |               |               |        |
|--------------------|----------------|------------------|---------------|---------------|---------------|--------|
| Personal Services  | 2,172,629      | 2,131,497        | 1,540,166     | 1,609,977     | 1,604,884     | DI #13 |
| FTE                | <u>26.3</u>    | <u>23.8</u>      | <u>19.0</u>   | <u>22.0</u>   | <u>22.0</u>   | DI #13 |
| General Fund       | 482,512        | 493,726          | 564,434       | 611,853       | 624,982       |        |
| Federal Funds      | 1,690,117      | 1,637,771        | 975,732       | 998,124       | 979,902       |        |
| Operating Expenses | <u>112,729</u> | <u>1,140,134</u> | <u>69,735</u> | <u>85,601</u> | <u>85,601</u> | DI #13 |
| General Fund       | 24,282         | 29,174           | 50,173        | 58,106        | 58,106        |        |
| Federal Funds      | 88,447         | 1,110,960        | 19,562        | 27,495        | 27,495        |        |

|                                      |             |             |             |             |             |  |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|--|
| <b>(7) SELF SUFFICIENCY</b>          |             |             |             |             |             |  |
| <b>Subtotal - (A) Administration</b> | 2,285,358   | 3,271,631   | 1,609,901   | 1,695,578   | 1,690,485   |  |
| FTE                                  | <u>26.3</u> | <u>23.8</u> | <u>19.0</u> | <u>22.0</u> | <u>22.0</u> |  |
| General Fund                         | 506,794     | 522,900     | 614,607     | 669,959     | 683,088     |  |
| Federal Funds                        | 1,778,564   | 2,748,731   | 995,294     | 1,025,619   | 1,007,397   |  |



|   | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>   |                      |                      |                             |                       |                              |                    |
| <b>(B) Colorado Works Program</b>   |                      |                      |                             |                       |                              |                    |
| The Colorado Works Program implements federal welfare reform. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created the Temporary Assistance for Needy Families (TANF) to replace the Aid to Families with Dependent Children (AFDC). Colorado Works supervises administration of TANF programs delivered at the county level. TANF provides cash assistance benefits and other support services to eligible families to assist these families in finding and retaining employment. |                      |                      |                             |                       |                              |                    |
| Colorado Works Administration   | 0                    | 0                    | 1,069,221                   | 1,161,307             | 1,157,773                    | DI #19             |
| FTE   | <u>0.0</u>           | <u>0.0</u>           | <u>13.0</u>                 | <u>14.0</u>           | <u>14.0</u>                  | DI #19             |
| General Fund  | 0                    | 0                    | 0                           | 0                     | 0                            |                    |
| Cash Funds Exempt   | 0                    | 0                    | 0                           | 0                     | 0                            |                    |
| Federal Funds   | 0                    | 0                    | 1,069,221                   | 1,161,307             | 1,157,773                    |                    |
| County Block Grants   | <u>122,702,967</u>   | <u>124,284,391</u>   | <u>154,441,672</u>          | <u>154,441,672</u>    | <u>154,441,672</u>           |                    |
| General Fund  | 988,753              | 627,726              | 627,726                     | 627,726               | 627,726                      |                    |
| Cash Funds Exempt   | 25,602,112           | 25,786,567           | 25,323,033                  | 25,323,033            | 25,323,033                   |                    |
| Federal Funds   | 96,112,102           | 97,870,098           | 128,490,913                 | 128,490,913           | 128,490,913                  |                    |
| Reimbursement to Counties for Prior Year Expenditures Due to Reduction i<br>Federal Maintenance of Effort Requirement - Federal Funds   | 5,524,726            | 5,524,726            | 5,524,726                   | 5,524,726             | 5,524,726                    |                    |
| Short-term Works Emergency Fund - Federal Funds   | 884,953              | 8,566                | 1,000,000                   | 1,000,000             | 1,000,000                    |                    |
| County Reserve Accounts - Federal Funds   | 0                    | 0                    | 35,471,635                  | 35,471,635            | 35,471,635                   |                    |
| County Training - Federal Funds   | 390,134              | 337,411              | 390,134                     | 445,955               | 444,917                      | DI #19             |
| FTE   | 0.0                  | 0.0                  | 1.0                         | 2.0                   | 2.0                          | DI #19             |
| Domestic Violence Training - Federal Funds  | 114,872              | 108,737              | 124,336                     | 0                     | 0                            | DI #19             |
| FTE   | 0.5                  | 0.6                  | 1.0                         | 0.0                   | 0.0                          | DI #19             |
| Domestic Abuse Program  | 917,519              | 837,352              | 1,000,000                   | 1,003,222             | 975,000                      |                    |
| FTE   | <u>0.5</u>           | <u>0.9</u>           | <u>2.0</u>                  | <u>2.0</u>            | <u>2.0</u>                   |                    |
| Cash Funds Exempt   | 267,519              | 187,352              | 350,000                     | 353,222               | 325,000                      |                    |
| Federal Funds   | 650,000              | 650,000              | 650,000                     | 650,000               | 650,000                      |                    |
| Works Program Evaluation - Federal Funds  | 230,707              | 491,360              | 500,000                     | 500,000               | 500,000                      |                    |
| Workforce Development Council - Federal Funds   | 48,902               | 64,007               | 76,813                      | 76,813                | 76,813                       | BA #11             |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| TANF Federal Reporting CBMS Maintenance - Federal Funds<br>(NEW LINE ITEM)   |                      |                      | 108,720                     | 0                     | 0                            |                    |
| Federal TANF Reauthorization CBMS Changes - Federal Funds<br>(NEW LINE ITEM)   |                      |                      | 100,000                     | 250,000               | 250,000                      | BA #7              |
| <b>(7) SELF SUFFICIENCY</b>  |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (B) Colorado Works Program</b>   | 130,814,780          | 131,656,550          | 199,807,257                 | 199,875,330           | 199,842,536                  |                    |
| FTE  | <u>1.0</u>           | <u>1.5</u>           | <u>17.0</u>                 | <u>18.0</u>           | <u>18.0</u>                  |                    |
| General Fund   | 988,753              | 627,726              | 627,726                     | 627,726               | 627,726                      |                    |
| Cash Funds Exempt  | 25,869,631           | 25,973,919           | 25,673,033                  | 25,676,255            | 25,648,033                   |                    |
| Federal Funds  | 103,956,396          | 105,054,905          | 173,506,498                 | 173,571,349           | 173,566,777                  |                    |
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>  |                      |                      |                             |                       |                              |                    |
| <b>(C) Special Purpose Welfare Programs</b>  |                      |                      |                             |                       |                              |                    |
| This program provides administrative oversight to counties for food, energy, and other cash assistance to low-income households. |                      |                      |                             |                       |                              |                    |
| <b>(1) Low Income Energy Assistance</b>  | 44,750,486           | 69,947,472           | 39,667,592 b/               | 39,675,777            | 39,674,338                   |                    |
| FTE  | <u>4.5</u>           | <u>5.2</u>           | <u>6.6</u>                  | <u>6.6</u>            | <u>6.6</u>                   |                    |
| Cash Funds   | 0                    | 0                    | 5,950,000                   | 5,950,000             | 5,950,000                    |                    |
| Cash Funds Exempt  | 10,748,688           | 19,147,670           | 2,150,000                   | 2,150,000             | 2,149,832                    |                    |
| Federal Funds  | 34,001,798           | 50,799,802           | 31,567,592                  | 31,575,777            | 31,574,506                   |                    |
| <b>(2) Food Stamp Job Search Units</b>   |                      |                      |                             |                       |                              |                    |
| Program Costs  | 1,582,556            | 2,004,535            | 2,017,049                   | 2,028,595             | 2,027,218                    |                    |
| FTE  | <u>5.8</u>           | <u>5.4</u>           | <u>6.2</u>                  | <u>6.2</u>            | <u>6.2</u>                   |                    |
| General Fund   | 145,075              | 150,861              | 157,243                     | 163,015               | 162,638                      |                    |
| Cash Funds Exempt  | 409,382              | 409,382              | 409,382                     | 409,382               | 409,382                      |                    |
| Federal Funds  | 1,028,099            | 1,444,292            | 1,450,424                   | 1,456,198             | 1,455,198                    |                    |
| Supportive Services  | <u>260,160</u>       | <u>259,195</u>       | <u>261,452</u>              | <u>261,452</u>        | <u>261,452</u>               |                    |
| General Fund   | 77,951               | 77,124               | 78,435                      | 78,435                | 78,435                       |                    |
| Cash Funds Exempt  | 52,291               | 52,291               | 52,291                      | 52,291                | 52,291                       |                    |
| Federal Funds  | 129,918              | 129,780              | 130,726                     | 130,726               | 130,726                      |                    |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>                    |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (C) (2) Food Stamp Job Search Units</b>    | 1,842,716            | 2,263,730            | 2,278,501                   | 2,290,047             | 2,288,670                    |                    |
| FTE  | <u>5.8</u>           | <u>5.4</u>           | <u>6.2</u>                  | <u>6.2</u>            | <u>6.2</u>                   |                    |
| General Fund   | 223,026              | 227,985              | 235,678                     | 241,450               | 241,073                      |                    |
| Cash Funds Exempt  | 461,673              | 461,673              | 461,673                     | 461,673               | 461,673                      |                    |
| Federal Funds  | 1,158,017            | 1,574,072            | 1,581,150                   | 1,586,924             | 1,585,924                    |                    |
| <b>(3) Food Distribution Program</b>                     |                      |                      |                             |                       |                              |                    |
| FTE  | <u>5.5</u>           | <u>6.3</u>           | <u>6.5</u>                  | <u>6.5</u>            | <u>6.5</u>                   |                    |
| General Fund   | 25,000               | 24,300               | 42,470                      | 42,924                | 49,522                       |                    |
| Cash Funds   | 169,263              | 187,962              | 225,379                     | 229,491               | 230,017                      |                    |
| Cash Funds Exempt  | 17,000               | 17,000               | 0                           | 319                   | 682                          |                    |
| Federal Funds  | 194,116              | 215,726              | 256,658                     | 261,586               | 252,614                      |                    |
| <b>(4) Low-Income Telephone Assistance Program</b>       |                      |                      |                             |                       |                              |                    |
| FTE  | <u>0.9</u>           | <u>0.9</u>           | <u>0.9</u>                  | <u>0.9</u>            | <u>0.9</u>                   |                    |
| Cash Funds   | 0                    | 0                    | 60,114                      | 60,811                | 60,811                       |                    |
| Cash Funds Exempt  | 49,657               | 45,287               | 0                           | 0                     | 0                            |                    |
| <b>(5) Income Tax Offset</b>                             |                      |                      |                             |                       |                              |                    |
| General Fund   | <u>4,128</u>         | <u>4,801</u>         | <u>4,128</u>                | <u>4,128</u>          | <u>4,128</u>                 |                    |
| Federal Funds  | 2,064                | 2,401                | 2,064                       | 2,064                 | 2,064                        |                    |
| <b>(6) Electronic Benefits Transfer Service</b>          |                      |                      |                             |                       |                              |                    |
| FTE  | <u>3.7</u>           | <u>4.7</u>           | <u>5.0</u>                  | <u>5.0</u>            | <u>5.0</u>                   |                    |
| General Fund   | 298,385              | 712,820              | 822,707                     | 826,506               | 825,881                      |                    |
| Cash Funds   | 725,088              | 286,922              | 253,696                     | 253,696               | 253,696                      |                    |
| Cash Funds Exempt  | 632,033              | 634,993              | 634,993                     | 634,993               | 634,746                      |                    |
| Federal Funds  | 1,535,343            | 1,476,038            | 1,471,095                   | 1,474,894             | 1,474,259                    |                    |
| <b>(7) Refugee Assistance - Federal Funds</b>            |                      |                      |                             |                       |                              |                    |
| FTE  | 1.0                  | 1.9                  | 10.0                        | 10.0                  | 10.0                         |                    |
| <b>(8) Systematic Alien Verification for Eligibility</b> |                      |                      |                             |                       |                              |                    |
| FTE  | <u>0.7</u>           | <u>1.1</u>           | <u>1.0</u>                  | <u>1.0</u>            | <u>1.0</u>                   |                    |
| General Fund   | 5,414                | 8,683                | 10,646                      | 10,646                | 10,646                       |                    |
| Cash Funds Exempt  | 25,805               | 28,612               | 28,620                      | 28,620                | 28,620                       |                    |
| Federal Funds  | 8,792                | 5,657                | 10,646                      | 10,646                | 10,646                       |                    |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>                  |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (C) Special Purpose Welfare Programs</b> | 52,008,492           | 77,604,626           | 49,424,270                  | 49,468,066            | 49,457,310                   |                    |
| FTE  | <u>22.1</u>          | <u>25.5</u>          | <u>36.2</u>                 | <u>36.2</u>           | <u>36.2</u>                  |                    |
| General Fund   | 553,889              | 976,189              | 1,113,565                   | 1,123,590             | 1,129,186                    |                    |
| Cash Funds   | 894,351              | 474,884              | 6,489,189                   | 6,493,998             | 6,494,524                    |                    |
| Cash Funds Exempt                                      | 11,934,856           | 20,335,235           | 3,275,286                   | 3,275,605             | 3,275,553                    |                    |
| Federal Funds  | 38,625,396           | 55,818,318           | 38,546,230                  | 38,574,873            | 38,558,047                   |                    |
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>                  |                      |                      |                             |                       |                              |                    |
| <b>(D) Child Support Enforcement</b>                   |                      |                      |                             |                       |                              |                    |
| Automated Child Support Enforcement System             | 10,863,265           | 11,127,635           | 11,444,928                  | 11,502,217            | 11,494,336                   |                    |
| FTE  | <u>34.8</u>          | <u>36.1</u>          | <u>37.9</u>                 | <u>37.9</u>           | <u>37.9</u>                  |                    |
| General Fund   | 3,671,656            | 3,724,933            | 3,746,266                   | 3,765,744             | 3,763,107                    |                    |
| Cash Funds   | 10,968               | 59,285               | 145,010                     | 145,010               | 145,010                      |                    |
| Cash Funds Exempt                                      | 44,397               | 107,969              | 281,489                     | 281,489               | 281,489                      |                    |
| Federal Fund   | 7,136,244            | 7,235,448            | 7,272,163                   | 7,309,974             | 7,304,730                    |                    |
| Child Support Enforcement                              | 1,631,056            | 1,790,253            | 2,000,166                   | 2,031,798             | 2,027,077                    |                    |
| FTE  | <u>21.1</u>          | <u>21.5</u>          | <u>24.5</u>                 | <u>24.5</u>           | <u>24.5</u>                  |                    |
| General Fund   | 552,059              | 616,031              | 680,056                     | 690,811               | 689,206                      |                    |
| Federal Funds  | 1,078,997            | 1,174,222            | 1,320,110                   | 1,340,987             | 1,337,871                    |                    |
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>                  |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (D) Child Support Enforcement</b>        | 12,494,321           | 12,917,888           | 13,445,094                  | 13,534,015            | 13,521,413                   |                    |
| FTE  | <u>55.9</u>          | <u>57.6</u>          | <u>62.4</u>                 | <u>62.4</u>           | <u>62.4</u>                  |                    |
| General Fund   | 4,223,715            | 4,340,964            | 4,426,322                   | 4,456,555             | 4,452,313                    |                    |
| Cash Funds   | 10,968               | 59,285               | 145,010                     | 145,010               | 145,010                      |                    |
| Cash Funds Exempt                                      | 44,397               | 107,969              | 281,489                     | 281,489               | 281,489                      |                    |
| Federal Fund   | 8,215,241            | 8,409,670            | 8,592,273                   | 8,650,961             | 8,642,601                    |                    |
| <b>(7) OFFICE OF SELF SUFFICIENCY</b>                  |                      |                      |                             |                       |                              |                    |
| <b>(E) Disability Determination Services</b>           |                      |                      |                             |                       |                              |                    |
|  | 13,414,074           | 14,187,062           | 16,263,740                  | 16,878,250            | 16,829,817                   | DI #17             |
| FTE  | <u>122.1</u>         | <u>124.9</u>         | <u>134.5</u>                | <u>140.5</u>          | <u>140.5</u>                 | DI #17             |
| Cash Funds Exempt                                      | (15,190)             | 0                    | 0                           | 0                     | 0                            |                    |
| Federal Funds  | 13,429,264           | 14,187,062           | 16,263,740                  | 16,878,250            | 16,829,817                   |                    |
| *Medicaid Cash Funds                                   | (21,006)             | 0                    | 0                           | 0                     | 0                            |                    |
| *Net General Fund                                      | (10,503)             | 0                    | 0                           | 0                     | 0                            |                    |

|   | FY 2004-05   | FY 2005-06   | FY 2006-07    | FY 2007-08   |                | Change<br>Requests |
|---|--------------|--------------|---------------|--------------|----------------|--------------------|
|   | Actual       | Actual       | Appropriation | Request      | Recommendation |                    |
| <b>TOTAL - (7) OFFICE OF SELF SUFFICIENCY</b> | 211,017,025  | 239,637,757  | 280,550,262   | 281,451,239  | 281,341,561    |                    |
| FTE   | <u>227.4</u> | <u>233.3</u> | <u>269.1</u>  | <u>279.1</u> | <u>279.1</u>   |                    |
| General Fund                                  | 6,273,151    | 6,467,779    | 6,782,220     | 6,877,830    | 6,892,313      |                    |
| Cash Funds                                    | 905,319      | 534,169      | 6,634,199     | 6,639,008    | 6,639,534      |                    |
| Cash Funds Exempt                             | 37,833,694   | 46,417,123   | 29,229,808    | 29,233,349   | 29,205,075     |                    |
| Federal Funds                                 | 166,004,861  | 186,218,686  | 237,904,035   | 238,701,052  | 238,604,639    |                    |
| *Medicaid Cash Funds                          | (21,006)     | 0            | 0             | 0            | 0              |                    |
| *Net General Fund                             | 6,262,648    | 0            | 0             | 0            | 0              |                    |

b/ Fiscal year 2004-05 actual expenditures include \$12,400,000 in federal "flexible" funds that were made available to Colorado in 2003 pursuant to the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

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

#### (10) ADULT ASSISTANCE PROGRAMS

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

#### (10) ADULT ASSISTANCE PROGRAMS

##### (A) Administration

|                   |            |            |            |            |            |  |
|-------------------|------------|------------|------------|------------|------------|--|
|                   | 444,277    | 422,635    | 537,855    | 547,474    | 545,909    |  |
| FTE               | <u>4.9</u> | <u>4.3</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> |  |
| General Fund      | 35,676     | 36,572     | 95,587     | 96,227     | 95,936     |  |
| Cash Funds Exempt | 85,338     | 91,318     | 94,773     | 96,845     | 96,550     |  |
| Federal Funds     | 323,263    | 294,745    | 347,495    | 354,402    | 353,423    |  |

#### (10) ADULT ASSISTANCE PROGRAMS

##### (B) Old Age Pension Program

|                                      |            |            |            |            |            |          |
|--------------------------------------|------------|------------|------------|------------|------------|----------|
| Cash Assistance Program - Cash Funds | 67,077,079 | 69,951,930 | 74,472,421 | 75,961,869 | 77,451,318 | DI #NP-1 |
| Refunds - Cash Funds Exempt          | 523,871    | 588,362    | 588,362    | 588,362    | 588,362    |          |
| Burial Reimbursements - Cash Funds   | 720,335    | 941,164    | 918,364    | 918,364    | 918,364    |          |
| State Administration - Cash Funds    | 1,103,643  | 1,113,481  | 1,055,984  | 1,074,937  | 1,072,357  |          |
| FTE                                  | 10.8       | 11.6       | 14.0       | 14.0       | 14.0       |          |
| County Administration - Cash Funds   | 2,242,789  | 2,520,039  | 2,361,993  | 2,462,595  | 2,462,595  | DI #NP-1 |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| <b>(10) ADULT ASSISTANCE PROGRAMS</b>                      |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (B) Old Age Pension Program</b>              | 71,667,717           | 75,114,976           | 79,397,124                  | 81,006,127            | 82,492,996                   |                    |
| FTE  | 10.8                 | 11.6                 | 14.0                        | 14.0                  | 14.0                         |                    |
| Cash Funds   | 71,143,846           | 74,526,614           | 78,808,762                  | 80,417,765            | 81,904,634                   |                    |
| Cash Funds Exempt  | 523,871              | 588,362              | 588,362                     | 588,362               | 588,362                      |                    |
| <b>(10) ADULT ASSISTANCE PROGRAMS</b>                      |                      |                      |                             |                       |                              |                    |
| <b>(C) Other Grant Programs</b>                            |                      |                      |                             |                       |                              |                    |
| Aid to the Needy Disabled State Supplemental Grant Program | <u>6,950,899</u>     | <u>4,861,492</u>     | <u>3,268,199</u>            | <u>3,268,199</u>      | 0                            |                    |
| General Fund   | 6,528,545            | 4,331,824            | 2,493,234                   | 2,493,234             | 0                            |                    |
| Cash Funds Exempt  | 422,354              | 529,668              | 774,965                     | 774,965               | 0                            |                    |
| Aid to the Blind State Supplemental Grant Program          | <u>30,499</u>        | <u>6,349</u>         | <u>15,275</u>               | <u>15,275</u>         | 0                            |                    |
| General Fund   | 29,052               | 4,902                | 12,220                      | 12,220                | 0                            |                    |
| Cash Funds Exempt  | 1,447                | 1,447                | 3,055                       | 3,055                 | 0                            |                    |
| Aid to the Needy Disabled State-only Grant Program         | <u>11,406,561</u>    | <u>13,540,055</u>    | <u>14,666,720</u>           | <u>14,666,720</u>     | 0                            |                    |
| General Fund   | 6,838,558            | 8,456,742            | 9,621,423                   | 9,621,423             | 0                            |                    |
| Cash Funds Exempt  | 4,568,003            | 5,083,313            | 5,045,297                   | 5,045,297             | 0                            |                    |
| Aid to the Needy Disabled Programs (NEW LINE ITEM)         | 0                    | 0                    | 0                           | 0                     | <u>17,950,194</u>            |                    |
| General Fund   | 0                    | 0                    | 0                           | 0                     | 12,126,877                   |                    |
| Cash Funds Exempt  | 0                    | 0                    | 0                           | 0                     | 5,823,317                    |                    |
| Burial Reimbursements                                      | <u>448,884</u>       | <u>449,966</u>       | <u>508,000</u>              | <u>508,000</u>        | <u>508,000</u>               |                    |
| General Fund   | 348,140              | 349,222              | 402,985                     | 402,985               | 402,985                      |                    |
| Cash Funds Exempt  | 100,744              | 100,744              | 105,015                     | 105,015               | 105,015                      |                    |
| Home Care Allowance  | <u>9,985,055</u>     | <u>9,492,664</u>     | <u>10,880,411</u>           | <u>10,880,411</u>     | <u>10,880,411</u>            |                    |
| General Fund   | 0                    | 0                    | 10,336,390                  | 10,336,390            | 10,336,390                   |                    |
| Cash Funds Exempt  | 9,985,055            | 9,492,664            | 544,021                     | 544,021               | 544,021                      |                    |
| Adult Foster Care  | <u>116,263</u>       | <u>78,123</u>        | <u>157,469</u>              | <u>157,469</u>        | <u>157,469</u>               |                    |
| General Fund   | 0                    | 0                    | 149,596                     | 149,596               | 149,596                      |                    |
| Cash Funds Exempt  | 116,263              | 78,123               | 7,873                       | 7,873                 | 7,873                        |                    |
| <b>(10) ADULT ASSISTANCE PROGRAMS</b>                      |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (C) Other Grant Programs</b>                 | <u>28,938,161</u>    | <u>28,428,649</u>    | <u>29,496,074</u>           | <u>29,496,074</u>     | <u>11,545,880</u>            |                    |
| General Fund   | 13,744,295           | 13,142,690           | 23,015,848                  | 23,015,848            | 10,888,971                   |                    |
| Cash Funds Exempt  | 15,193,866           | 15,285,959           | 6,480,226                   | 6,480,226             | 656,909                      |                    |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| <b>(10) ADULT ASSISTANCE PROGRAMS</b>                |                      |                      |                             |                       |                              |                    |
| <b>(D) Community Services for the Elderly</b>        |                      |                      |                             |                       |                              |                    |
| Administration                                       | 474,884              | 502,870              | 631,610                     | 641,633               | 639,997                      |                    |
| FTE  | <u>6.5</u>           | <u>6.2</u>           | <u>7.0</u>                  | <u>7.0</u>            | <u>7.0</u>                   |                    |
| General Fund   | 126,154              | 133,055              | 168,001                     | 170,666               | 170,232                      |                    |
| Federal Funds  | 348,730              | 369,815              | 463,609                     | 470,967               | 469,765                      |                    |
| Colorado Commission on Aging                         | 70,431               | 69,695               | 75,831                      | 77,005                | 77,005                       |                    |
| FTE  | <u>1.0</u>           | <u>1.0</u>           | <u>1.0</u>                  | <u>1.0</u>            | <u>1.0</u>                   |                    |
| General Fund   | 17,547               | 17,359               | 19,506                      | 19,808                | 19,808                       |                    |
| Federal Funds  | 52,884               | 52,336               | 56,325                      | 57,197                | 57,197                       |                    |
| Senior Community Services Employment - Federal Funds | 875,405              | 869,452              | 860,537                     | 861,146               | 861,146                      |                    |
| FTE  | 0.4                  | 0.0                  | 0.5                         | 0.5                   | 0.5                          |                    |
| Older Americans Act Program                          | 10,467,590           | 9,800,886            | 13,421,987                  | 14,141,987            | 14,141,987                   | BA #19             |
| FTE  | <u>0.0</u>           | <u>0.0</u>           | <u>0.0</u>                  | <u>0.0</u>            | <u>0.0</u>                   |                    |
| General Fund   | 576,744              | 544,537              | 489,694                     | 489,694               | 489,694                      |                    |
| Cash Funds   | 0                    | 0                    | 0                           | 40,000                | 0                            |                    |
| Cash Funds Exempt                                    | 87,053               | 0                    | 3,126,763                   | 3,126,763             | 3,166,763                    |                    |
| Federal Funds  | 9,803,793            | 9,256,349            | 9,805,530                   | 10,485,530            | 10,485,530                   |                    |
| National Family Caregiver Support Program            | <u>2,018,406</u>     | <u>1,984,507</u>     | <u>1,420,414</u>            | <u>1,420,414</u>      | <u>1,420,414</u>             |                    |
| General Fund   | 355,103              | 140,792              | 142,041                     | 142,041               | 142,041                      |                    |
| Cash Funds Exempt                                    | 0                    | 213,062              | 213,062                     | 213,062               | 213,062                      |                    |
| Federal Funds  | 1,663,303            | 1,630,653            | 1,065,311                   | 1,065,311             | 1,065,311                    |                    |
| State Ombudsman Program                              | <u>222,031</u>       | <u>222,031</u>       | <u>222,031</u>              | <u>222,031</u>        | <u>222,031</u>               |                    |
| General Fund   | 61,898               | 61,898               | 61,898                      | 61,898                | 61,898                       |                    |
| Cash Funds Exempt                                    | 1,800                | 1,800                | 1,800                       | 1,800                 | 1,800                        |                    |
| Federal Funds  | 158,333              | 158,333              | 158,333                     | 158,333               | 158,333                      |                    |
| *Medicaid Cash Funds                                 | 0                    | 1,800                | 1,800                       | 1,800                 | 1,800                        |                    |
| *Net General Fund                                    | 61,898               | 62,798               | 62,798                      | 62,798                | 62,798                       |                    |
| State Funding for Senior Services                    | <u>3,000,000</u>     | <u>3,250,000</u>     | <u>5,000,000</u>            | <u>5,000,000</u>      | <u>5,000,000</u>             |                    |
| General Fund   | 1,347,134            | 1,250,000            | 2,000,000                   | 2,000,000             | 2,000,000                    |                    |
| Cash Funds   | 1,517,263            | 2,000,000            | 3,000,000                   | 3,000,000             | 3,000,000                    |                    |
| Federal Funds  | 135,603              | 0                    | 0                           | 0                     | 0                            |                    |

|  | FY 2004-05<br>Actual | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation | Change<br>Requests |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|--------------------|
| Area Agencies on Aging Administration - Federal Funds  | 1,183,339            | 1,018,194            | 981,915                     | 981,915               | 981,915                      |                    |
| <b>(10) ADULT ASSISTANCE PROGRAMS</b>  |                      |                      |                             |                       |                              |                    |
| <b>Subtotal - (D) Community Services for the Elderly</b>   | 18,312,086           | 17,717,635           | 22,614,325                  | 23,346,131            | 23,344,495                   |                    |
| FTE  | <u>7.9</u>           | <u>7.2</u>           | <u>8.5</u>                  | <u>8.5</u>            | <u>8.5</u>                   |                    |
| General Fund   | 2,484,580            | 2,147,641            | 2,881,140                   | 2,884,107             | 2,883,673                    |                    |
| Cash Funds   | 1,517,263            | 2,000,000            | 3,000,000                   | 3,040,000             | 3,000,000                    |                    |
| Cash Funds Exempt  | 88,853               | 214,862              | 3,341,625                   | 3,341,625             | 3,381,625                    |                    |
| Federal Funds  | 14,221,390           | 13,355,132           | 13,391,560                  | 14,080,399            | 14,079,197                   |                    |
| *Medicaid Cash Funds   | 0                    | 1,800                | 1,800                       | 1,800                 | 1,800                        |                    |
| *Net General Fund  | 2,484,580            | 62,798               | 62,798                      | 62,798                | 62,798                       |                    |
| <b>TOTAL - (10) ADULT ASSISTANCE PROGRAMS</b>  | 119,362,241          | 121,683,895          | 132,045,378                 | 134,395,806           | 117,929,280                  |                    |
| FTE  | <u>23.6</u>          | <u>23.1</u>          | <u>28.5</u>                 | <u>28.5</u>           | <u>28.5</u>                  |                    |
| General Fund   | 16,264,551           | 15,326,903           | 25,992,575                  | 25,996,182            | 13,868,580                   |                    |
| Cash Funds   | 72,661,109           | 76,526,614           | 81,808,762                  | 83,457,765            | 84,904,634                   |                    |
| Cash Funds Exempt  | 15,891,928           | 16,180,501           | 10,504,986                  | 10,507,058            | 4,723,446                    |                    |
| Federal Funds  | 14,544,653           | 13,649,877           | 13,739,055                  | 14,434,801            | 14,432,620                   |                    |
| *Medicaid Cash Funds   | 0                    | 1,800                | 1,800                       | 1,800                 | 1,800                        |                    |
| *Net General Fund  | 16,264,551           | 13,242,060           | 23,174,233                  | 23,174,873            | 11,047,705                   |                    |
| * These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General fund transferred as part of Medicaid. |                      |                      |                             |                       |                              |                    |
| <b>TOTAL - HUMAN SERVICES - OITS/CA/SS/AA</b>  | 449,688,359          | 483,128,649          | 514,970,310                 | 525,202,110           | 501,617,095                  |                    |
| FTE  | <u>374.1</u>         | <u>403.7</u>         | <u>462.9</u>                | <u>469.9</u>          | <u>469.9</u>                 |                    |
| General Fund   | 63,549,438           | 63,140,382           | 77,187,031                  | 78,661,480            | 63,116,140                   |                    |
| Cash Funds   | 75,379,342           | 78,955,944           | 90,249,768                  | 92,171,527            | 93,589,321                   |                    |
| Cash Funds Exempt  | 96,131,572           | 107,818,820          | 62,119,198                  | 64,351,500            | 58,264,781                   |                    |
| Federal Funds  | 214,628,007          | 233,213,503          | 285,414,313                 | 290,017,603           | 286,646,853                  |                    |
| *Medicaid Cash Funds   | 23,094,162           | 25,751,906           | 8,054,974                   | 9,218,034             | 9,113,529                    |                    |
| *Net General Fund  | 73,362,215           | 65,663,851           | 70,119,001                  | 73,234,926            | 57,625,405                   |                    |
| * These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General fund transferred as part of Medicaid. |                      |                      |                             |                       |                              |                    |



**FY 2007-08 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF HUMAN SERVICES**

**Information Technology Services, County Administration  
Self Sufficiency, and Adult Assistance**

**(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES**

The Department of Human Services' Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The office supports centralized databases and provides support and training to users, including county staff and private social service providers. The office also helps to set policies and strategic directions for de-centralized information technology systems that are operated by individual divisions within the department.

*Exclusions from base reduction calculations.* In some of the OITS lines involving personal services, a large portion of the expense is for contractual services rather than for state employees. In some cases this takes the form of contracts spanning multiple years with negotiated fixed payment rates. Base reductions applied to these contracts will not be realized by reductions in the contract payments; the State will continue to be bound by the contract terms, including the payments that must be made. Instead, the entire reduction would have to come from the rest of the personal services base. For example, if a personal services line were 50% expenses associated with employees, and 50% expenses for a long-term fixed-payment contract, the only way to realize an 0.5% base reduction for the entire line would be to take a 1.0% reduction on the employee portion. **Staff believes that this imposes an unfair burden in some cases, and will recommend in those cases that certain expenses be excluded from the base reduction calculation.** Such exclusions will be clearly identified.

**Personal Services.** This line item funds salaries, the state's share of PERA payments, and Medicare taxes for a little more than half of the FTE in the Division. This includes information technology professionals who support various systems throughout the department, as well as management, financial and administrative support staff for the division. Other FTE in the division are allocated to specific systems and are reflected in the associated program line items reviewed below.

| Staffing Summary - (2) Office of<br>Information Technology Services,<br>Personal Services | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation |
|---|----------------------|-----------------------------|-----------------------|------------------------------|
| IT Professionals/Applications   | 58.9                 | 71.7                        | 65.7                  | 65.7                         |
| Clerical/Administrative/Support   | 6.0                  | 6.0                         | 6.0                   | 6.0                          |

| Staffing Summary - (2) Office of Information Technology Services, Personal Services | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2007-08 Request | FY 2007-08 Recommendation |
|---|-------------------|--------------------------|--------------------|---------------------------|
| General Professionals   | 2.0               | 2.0                      | 2.0                | 2.0                       |
| Management  | 2.5               | 2.5                      | 2.5                | 2.5                       |
| <b>Total</b>  | <b>69.4</b>       | <b>82.2</b>              | <b>76.2</b>        | <b>76.2</b>               |

**Decision item #17 (Move FTE from ITS to DDS).** The ITS organization currently provides support services for the Disability Determination Services (DDS) program in the Office of Self Sufficiency. Like the DDS program itself, these support staff are entirely federally funded. The Department proposes to transfer the support staff from ITS to DDS. These six staff support the specialized environment required by the Social Security Administration (SSA) for DDS functions. The SSA provides full funding to support this technical function, including training, professional education, and technical conferences. The operating expenses associated with these staff are already included in the program costs line under DDS. **Staff recommends that the Committee approve decision item #17.**

The Department requests \$5,633,658 and 76.2 FTE, including \$4,361,925 General Fund and \$4,474,728 net General Fund. **Staff recommends that the Committee approve an appropriation of \$5,617,053 and 76.2 FTE, calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table.

| Summary of Personal Services Recommendation<br>(2) Office of Information Technology Services, Personal Services - Department of Human Services |                  |             |                  |               |                |                |                |                  |
|--|------------------|-------------|------------------|---------------|----------------|----------------|----------------|------------------|
|  | TOTAL            | FTE         | GF               | CF            | CFE            | FF             | Medicaid CF    | Net GF           |
| FY 2006-07 Long Bill (S.B. 06-1385)  | 5,935,455        | 82.2        | 4,269,113        | 23,620        | 538,254        | 1,104,468      | 220,891        | 4,379,559        |
| FY 2006-07 Salary Survey   | 140,671          | 0.0         | 101,170          | 563           | 12,759         | 26,179         | 5,148          | 103,744          |
| DI#17<br>Transfer FTE to DDS   | (430,847)        | (6.0)       | 0                | 0             | 0              | (430,847)      | 0              | 0                |
| Base Reduction (0.5 Percent)   | (28,226)         | 0.0         | (21,851)         | (121)         | (2,755)        | (3,499)        | (1,130)        | (22,417)         |
| <b>TOTAL Recommendation</b>  | <b>5,617,053</b> | <b>76.2</b> | <b>4,348,432</b> | <b>24,062</b> | <b>548,258</b> | <b>696,301</b> | <b>224,909</b> | <b>4,460,886</b> |

**Operating Expenses.** This line item pays for the operating expenses associated with the FTE in the personal services line item, plus much of the centralized hardware and software infrastructure used by the department. The department has requested a continuation of the FY 2006-07 appropriation. Its request is for \$386,576 and includes \$307,488 General Fund (\$315,508 net General Fund),

\$16,040 cash funds exempt, and \$63,048 federal funds. **Staff recommends that the Committee approve the Department's request.**

**Purchase of Services from Computer Center.** This line item pays for the Department's use of General Government Computer Center services and equipment. The source of funds is based on the financing for the programs that use GGCC. The Department requests an appropriation of \$4,693,042 and includes \$2,048,007 General Fund (\$2,049,465 *net* General Fund). **Staff recommendation for is pending Committee approval of a common policy for this line item.**

**Microcomputer Lease Payments.** The department's request is for a continuation level of funding of \$539,344. The request includes \$333,613 *net* General Fund. Other funding includes \$15,466 cash funds (various sources), \$128,647 cash funds exempt (Medicaid transferred from the Department of Health Care Policy and Financing and various sources), and \$93,399 federal funds (various sources). **Staff recommends the Committee approve the Department's request.**

**Colorado Trails.** This line item pays personal services, operating, and contract costs associated with Colorado Trails. Colorado Trails is a statewide system, operational since 2002, that supports activities in the Division of Child Welfare and the Division of Youth Corrections. It provides case management and financial tools and other resources to users of the program.

| <b>Staffing Summary - (2) Office of Information Technology Services, Colorado Trails</b> | <b>FY 2005-06 Actual</b> | <b>FY 2006-07 Appropriation</b> | <b>FY 2007-08 Request</b> | <b>FY 2007-08 Recommendation</b> |
|--|--------------------------|---------------------------------|---------------------------|----------------------------------|
| IT Professionals   | 26.4                     | 27.9                            | 27.9                      | 27.9                             |
| General Professionals  | 11.1                     | 14.0                            | 14.0                      | 14.0                             |
| Management   | 0.3                      | 0.3                             | 0.3                       | 0.3                              |
| Customer Support/Administration  | 4.1                      | 5.8                             | 5.8                       | 5.8                              |
| <b>TOTAL</b>   | <b>41.9</b>              | <b>48.0</b>                     | <b>48.0</b>               | <b>48.0</b>                      |

The Department requests an appropriation of \$9,282,886 and 48.0 FTE, including \$5,011,816 General Fund. **Staff recommends the Committee approve an appropriation of \$9,276,217 and 48.0 FTE.** Staff calculations are summarized in the following table. The Colorado Trails request includes a continuation level of expenditure of \$2,486,352 in long-term contractual obligations. Staff has excluded that amount from the calculation of base reduction.

| <b>Summary of Personal Services and Operating Expenses Recommendation<br/>(2) Office of Information Technology Services, Colorado Trails- Department of Human Services</b> |              |            |                     |                      |
|--|--------------|------------|---------------------|----------------------|
|  | <b>TOTAL</b> | <b>FTE</b> | <b>General Fund</b> | <b>Federal Funds</b> |
| FY 2006-07 Long Bill (H.B. 06-1385)<br>Personal Services   | \$4,913,828  | 48.0       | \$2,652,968         | \$2,260,860          |

| <b>Summary of Personal Services and Operating Expenses Recommendation</b><br><b>(2) Office of Information Technology Services, Colorado Trails- Department of Human Services</b> |                  |             |                     |                      |
|--|------------------|-------------|---------------------|----------------------|
|  | <b>TOTAL</b>     | <b>FTE</b>  | <b>General Fund</b> | <b>Federal Funds</b> |
| FY 2006-07 Salary Survey   | 75,356           | 0.0         | 40,685              | 34,671               |
| Base Reduction (0.5 Percent)<br>Not applied to multi-year contract portion of PS   | (12,514)         | 0.0         | (6,756)             | (5,758)              |
| <b>SUBTOTAL Recommendation - Personal Services</b>   | <b>4,976,670</b> | <b>48.0</b> | <b>2,686,897</b>    | <b>2,289,773</b>     |
| FY 2005-06 Long Bill (SB 05-209) Operating Expenses  | 4,299,547        | 0.0         | 2,321,319           | 1,978,228            |
| <b>SUBTOTAL Recommendation - Operating Expenses</b>  | <b>4,299,547</b> | <b>0.0</b>  | <b>2,321,319</b>    | <b>1,978,228</b>     |
| <b>TOTAL RECOMMENDATION</b>  | <b>9,276,217</b> | <b>48.0</b> | <b>5,008,216</b>    | <b>4,268,001</b>     |

**County Financial Management System.** This line item pays for contract and operating expenses associated with maintaining the County Financial Management System (CFMS). The system tracks program expenditures by program, by funding source, by county; tracks and allocates administrative costs by program; and, tracks expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over \$1.0 billion in payments annually. Funding for CFMS is used for contractual services (IT programmers) and hardware and software maintenance.

The department requests a continuation appropriation of \$1,515,836 (\$781,835 General Fund and \$734,001 federal funds from various sources) for the County Financial Management System. **For FY 2007-08, staff recommends the Committee approve the Department's request.**

**Health Information Management System.** This line item pays operating and contract costs associated with maintaining the Health Information Management System. This automated system supports clinical and administrative business functions at the Mental Health Institutes, the Regional Centers for persons with developmental disabilities, and the Division of Youth Corrections' detention and institutional facilities. The system was implemented in October 1995 in response to a requirement by the federal Health Care Financing Administration for providers to itemize all services and bill Medicare under a physician fee schedule. The system includes medical records, census, billing and accounts receivable, client banking, nutrition, laboratory, pharmacy, and clinical assessment and treatment information.

The department requests an appropriation of \$339,168, including \$211,290 General Fund. The cash funds exempt are transfers from other divisions in the department. This represents a continuation level of funding, plus \$1,400 General Fund to annualize the cost for FY 2006-07 decision item #7, the 20-bed DYC secure mental health facility in Pueblo. **Staff recommends the Committee approve the Department's request for this line item.**

**Client Index Project.** This line item pays contract and operating costs associated with maintaining the Client Index Project. The system assures that each recipient of state benefits has a unique identifier.. Each program uploads the name, gender, date of birth, social security number, and other

identifying information for any individual served, and the Index looks for other duplicate entries and assigns a unique identifier. The Index retains both this unique identifier and the identifiers assigned by each respective program's system. By maintaining a central, unduplicated listing of clients served, the Index enhances interagency coordination and cooperation, reduces data entry requirements, reduces referrals for duplicated services, reduces fraud, and provides information for program evaluations.

***Decision Item #27 (Replace Client Index Contractors with FTE).*** The current funding of this line does not include an appropriation of FTE, so contract workers are required. Because these are contract workers, common policy increases associated with salary survey have not been applied. The appropriation has remained at the current level for several years. As contractor costs have increased, the appropriation is only sufficient to employ 2.3 workers. The Department states that three full-time state employees can be hired without an increase in the line item appropriation. Current state procurement policies require regular turnover of contract workers; by using state employees who are anticipated to fill the positions for longer periods, training efforts will be reduced.

The Department requests a continuation level of funding of \$156,116, including \$89,634 General Fund and approval for 3.0 FTE. The Client Index Project has become a necessary ongoing part of Department activities. It appears inappropriate to continue an appropriation that requires the work to be done by temporary contract workers. **Staff recommends the Committee approve the request for a continuation level of funding and for 3.0 FTE.**

**National Aging Program Information System.** This system helps the department comply with federal reporting requirements regarding clients served through Older Americans Act programs. Funding is primarily used to purchase contract programmer services and to partially fund the cost of leasing/purchasing microcomputers for area agencies on aging (AAA's) and service providers. Federal funds are from Title III of the Older Americans Act and this grant requires a 25.0 percent match. Of the match, 66.6 percent is General Fund and 33.3 percent is cash funds exempt (from a local match).

The Department requests continuation funding of \$93,114, which includes \$15,526 General Fund. **Staff recommends the Committee approve the Department's request for a continuation level of funding using the indicated fund sources.**

**Colorado Benefits Management System (CBMS).**

***Decision item #5 (EDS Funding Increase).*** Electronic Data Systems (EDS) was the primary development contractor for CBMS, and is currently responsible for follow-on maintenance and operations support. The multi-year contract calls for an increase each year in the maintenance portion of the contract. For FY 2007-08, the annual contractual increase is \$379,945. In addition, this decision item covers increased system maintenance costs incurred by EDS at the request of the State. These annual maintenance costs total \$30,320. Finally, the decision item covers ongoing

maintenance payments to EDS to support the federal TANF reporting process; the cost for this work is \$144,960 annually.

The total cost for these items is \$555,225. The funding split is shown in the following table. The TANF reporting process affects only the "back end" of the system, so is funded based on the individual program for which the work is being done. The other portions of the request affect either the eligibility portion of the system, or the system as a whole, and are funded according to the "CBMS calculator," a funding split formula agreed upon by the State and the various federal agencies. Such general CBMS efforts must be funded by both the Department of Human Services and the Department of Health Care Policy and Financing.

**Staff recommends that the Committee approve decision item #5.**

| Department of Human Services - EDS Funding Increase |            |                |               |               |                |                |                |
|---|------------|----------------|---------------|---------------|----------------|----------------|----------------|
| Item  | FTE        | Total Request  | GF            | CF            | CFE            | FF             | NGF            |
| TANF reporting                                      | 0.0        | 144,960        | 0             | 0             | 0              | 144,960        | 0              |
| Other CBMS  | 0.0        | 410,265        | 64,391        | 32,924        | 142,403        | 170,547        | 131,104        |
| <b>Total</b>  | <b>0.0</b> | <b>555,225</b> | <b>64,391</b> | <b>32,924</b> | <b>142,403</b> | <b>315,507</b> | <b>131,104</b> |

Cash funds exempt are transfers from the Department of Health Care Policy and Financing and include additional General Fund dollars.

**Decision item #15 (Hardware, Disaster Recovery).** The hardware intended to provide disaster recovery capabilities for the CBMS system are not adequate. The hardware has not been upgraded, even though it turned out that the original CBMS hardware design was severely undersized. The Department estimates that the current disaster recovery hardware is capable of supporting about 4% of the normal CBMS load. A computer center disaster would currently result in eligibility processing for social services coming to a near-complete halt. The Department's preferred solution would lease the necessary UNIX servers and purchase additional storage capacity. The fiscal impact for FY 2007-08 and FY 2008-09 is shown in the following table. Impact in FY 2009-10 would be the same as FY 2008-09. Staff believes that there should be a viable disaster recovery capability for CBMS, and therefore **staff recommends that the Committee approve decision item #15.**

| Department of Human Services - Hardware, Disaster Recovery |     |               |        |        |         |         |         |
|--|-----|---------------|--------|--------|---------|---------|---------|
| Item   | FTE | Total Request | GF     | CF     | CFE     | FF      | NGF     |
| FY 2007-08   | 0.0 | 562,418       | 88,272 | 45,134 | 195,215 | 233,797 | 179,724 |
| FY 2008-09   | 0.0 | 209,994       | 32,958 | 16,852 | 72,889  | 87,295  | 67,104  |

Cash funds exempt are transfers from the Department of Health Care Policy and Financing and include additional General Fund dollars

***Supplemental Budget Amendment NP-1 (Premiums Assistance for Children's Basic Health Plan).*** This supplemental budget amendment requests \$183,000 for changes to CBMS to automate administration of the CHP+ at Work program. All processes for that program are currently being administered manually. This request originated with the Department of Health Care Policy and Financing, but is subject to the standard CBMS calculator funding split, hence has a budget impact in the Department of Human Services. **Staff recommends that the Committee approve supplemental budget amendment NP-1.**

***Budget amendment GBA-1 (Funding to Implement CBMS Changes).*** Under the new administration, the Department submitted a late budget amendment requesting \$3.1 million spending authority for the Department of Human Services (and a corresponding request for \$1.1 million for the Department of Health Care Policy and Financing) to fund high-priority CBMS change requests. As of early January 2007, 631 CBMS change requests have been implemented, 179 changes are in process, and 298 change requests have not been started due to insufficient funding. In addition, the Department reports that there is a backlog of "several hundred" decision table change requests pending. Staff recommendation regarding this budget amendment will be given later in this section.

***Termination of the Office of CBMS.*** In February 2007, Governor Ritter issued Executive Order D 005 07 which dissolves both the Office of CBMS (within the Governor's Office) and the CBMS Steering Committee. Staff from the Office of CBMS will retain similar responsibilities but will be reassigned to either the Department of Human Services or the Department of Health Care Policy and Financing; the order gives the Executive Directors until April 1, 2007, to determine specific reassignments. The Executive Directors of those two departments will jointly assume the functions of the Steering Committee, and are allowed to establish other committees to assist in the management of CBMS. No increase in personal services lines should be necessary as the result of this action; the Office of CBMS budget was cash funds exempt transferred from the Department of Human Services, a portion of which was cash funds exempt transferred from the Department of Health Care Policy and Financing.

***Background on recent change request funding.*** The following table summarizes FY 2006-07 funding associated with CBMS system changes which have been approved by the Committee. The table includes the amount included in the CBMS line item base for changes, decision items that were approved last year, and supplemental requests that have been approved since then. Funding splits are not shown, but all items were subject to the standard "CBMS calculator" treatment.

| <b>Department of Human Services<br/>FY 2006-07 Change Request Funding</b> |                      |
|---|----------------------|
| <b>Item</b>   | <b>Total Request</b> |
| Funding included in the CBMS base<br>(EDS contract)                       | 1,008,000            |
| One-time system enhancement funding<br>(DI #3)                            | 1,008,000            |

| Department of Human Services<br>FY 2006-07 Change Request Funding |                  |
|---|------------------|
| Item  | Total Request    |
| BENDEX modernization supplemental                                 | 176,367          |
| H.B. 06S-1023 and DRA supplemental                                | 176,400          |
| Long-term care changes supplemental                               | 102,000          |
| Payment error rate measurement supplemental                       | 83,600           |
| <b>Total</b>  | <b>2,554,367</b> |

The next table provides similar information on funding requests for change requests that have been submitted for FY 2007-08. The line "Funding to implement high-priority change requests" is that portion of budget amendment GBA-1 that staff considers to be associated with change requests rather than other issues such as training or hardware. Under the current approach, it seems likely that the total shown in this table will increase during the course of the fiscal year as needs for change requests to handle specific program requirements – such as the BENDEX modernization for FY 2006-07 – occur.

| Department of Human Services<br>FY 2007-008 Change Request Funding    |                  |
|---|------------------|
| Item  | Total Request    |
| Funding included in the CBMS base (EDS contract)                      | 1,008,000        |
| Premiums assistance for Children's Basic Health Care                  | 183,000          |
| Funding to implement high-priority change requests (portion of GBA-1) | 1,543,425        |
| <b>Total</b>  | <b>2,734,425</b> |

These tables are intended to make three points: (1) the amount of funding currently included in the CBMS base for handling the change request volume is insufficient, resulting in repeated requests for supplemental funding, (2) supplemental requests for changes due to outside factors are both common and sizeable, and (3) the Committee and the General Assembly are dealing with change requests in a piece-meal fashion. Staff makes the following recommendations.

1. **Staff recommends that the CBMS base amount dedicated to change requests be increased from the current \$1.0 million to \$2.5 million.** CBMS is a large, dynamic system, and so long as the federal and state government "tinker" with program eligibility requirements, reporting requirements, and interactions between the various programs for which CBMS provides critical support, there will be a steady stream of change requests. The higher value recommended by staff more closely reflects recent history as compared to the



amount that was set in the EDS contract before the state had as much experience as it now has. Staff also recommends that the Committee take a relatively hard line with supplemental requests in the future; it seems entirely reasonable to expect the departments to manage their change request queue well.

2. **Staff recommends the addition of a Long Bill footnote that requires the Department to provide a report on the CBMS change request situation twice each year.** Staff recommends that such reports be due on June 1 and November 1. The first date allows for consideration of the situation prior to the Committee's usual interim meeting in June, and the second allows for consideration during budget briefings in November and December. Proposed text for such a footnote is included in the final section of this document.
3. **Staff recommends that the Committee approve budget amendment GBA-1. Staff recommends that the Committee approve \$1,543,425 as an increase in the base.** This represents the change request portion of GBA-1 identified in the table above. Staff recommends that the remainder, \$1,585,924, be approved as one-time funding.

The Department has requested a total of \$25,150,370 and 35.1 FTE for the CBMS line item. **Staff recommends the Committee approval \$25,138,124 in total funding and 35.1 FTE for the CBMS line item for FY 2007-08.** Staff's calculation of this amount is not in accordance with Committee common policy; \$10,315,588 in multi-year contractual obligations are excluded from the base reduction calculation. Staff recommends an increase to the base of \$1,543,425 as previously described in order to handle the likely volume of change requests.

| Staff Calculation - Colorado Benefits Management System |      |               |           |           |           |           |           |
|---|------|---------------|-----------|-----------|-----------|-----------|-----------|
| Item  | FTE  | Total Request | GF        | CF        | CFE       | FF        | NGF       |
| FY07 Long Bill (H.B. 06-1385)                           | 35.1 | 21,663,381    | 3,379,578 | 1,727,966 | 7,599,714 | 8,956,123 | 6,880,878 |
| Salary Survey   | 0.0  | 70,520        | 11,072    | 5,656     | 24,477    | 29,315    | 23,876    |
| 0.5% PS Base Reduction                                  | 0.0  | (17,769)      | (2,772)   | (1,417)   | (6,234)   | (7,346)   | (5,644)   |
| Remove FY07 DI#3 One-time CR funding                    | 0.0  | (1,008,001)   | (158,207) | (80,891)  | (349,877) | (419,026) | (322,112) |
| FY08 DI#5 EDS contract increase                         | 0.0  | 555,226       | 64,392    | 32,924    | 142,403   | 315,507   | 131,104   |
| FY08 DI#15 Disaster recovery                            | 0.0  | 562,418       | 88,272    | 45,134    | 195,215   | 233,797   | 179,724   |
| FY08 BA#NP-1 Premium assistance                         | 0.0  | 183,000       | 28,721    | 14,686    | 63,520    | 76,073    | 58,478    |
| Change request base increase                            | 0.0  | 1,543,425     | 240,781   | 123,110   | 541,448   | 638,086   | 495,181   |

| Staff Calculation - Colorado Benefits Management System |             |                   |                  |                  |                  |                   |                  |
|---|-------------|-------------------|------------------|------------------|------------------|-------------------|------------------|
| Item  | FTE         | Total Request     | GF               | CF               | CFE              | FF                | NGF              |
| FY08 BA#GBA-1<br>(excluding change requests)            | 0.0         | 1,585,924         | 247,411          | 126,500          | 556,357          | 655,656           | 503,733          |
| <b>Total</b>  | <b>35.1</b> | <b>25,138,124</b> | <b>3,899,247</b> | <b>1,993,668</b> | <b>8,767,023</b> | <b>10,478,185</b> | <b>7,945,217</b> |

**CBMS SAS-70 Audit.** This line funds an on-going audit of the CBMS system. A Statement on Auditing Standards (SAS) 70 audit focuses on: (1) management policies, standards and procedures; (2) state and county staff training and subsequent adherence to standards and procedures; (3) general controls over system development, acquisition, maintenance, and change management; (4) operational controls over change management of software, logical and physical security, and contingency planning; and (5) application controls over source documents, data input, editing and processing, data output, and system access. The audit requires an assessment regarding "which functions (including reports) of the CBMS system are currently operating as intended and as necessary and which, if any, functions are not working as intended and/or as necessary."

The Department requests continuation level funding of \$149,000, including \$23,386 General Fund and \$47,614 net General Fund. **Staff recommends the Committee approve the Department's request.**

**Multiuse Network Payments.** This line item supports funds the Department of Human Services' share of costs for the statewide multi-use network. The department is requesting \$2,067,023, which includes \$1,309,213 net General Fund. **The staff recommendation for the FY 2007-08 appropriation is pending a common policy by the JBC.**

**Communications Services.** This line item supports the Department of Human Services' share of the costs for the state's public safety communications infrastructure. Funds are transferred to the Department of Personnel and Administration, the agency responsible for operations and maintenance of this program. The department requests \$138,867, including \$118,037 General Fund and \$20,830 cash funds exempt (various sources). **The staff recommendation for the FY 2007-08 appropriation is pending a common policy by the JBC.**

**Child Care Automated Tracking System (New Line Item).** Decision item #18 proposed development of the Child Care Automated Tracking System (CCATS). The decision item was presented as part of figure setting for Child Care. The Committee approved the request, and created a line item in that division, rather than in OITS.

#### (4) COUNTY ADMINISTRATION

County Administration provides funding for county departments of social services to administer several programs including food stamps, adult protection, adult assistance payment programs, and Medicaid eligibility determination. Over the last several years, the responsibility for several programs has been moved out of County Administration. In FY 1998-99, this section included the administrative functions listed above and also included child care services and child welfare services. Administrative funding related to the Works Program is now appropriated in the Office of Self-Sufficiency. More recently, S.B. 06-219 transferred responsibility for administration of medical assistance programs to the Department of Health Care Policy and Financing.

Colorado has a state-supervised but county-administered social services program. Colorado's counties have a large degree of autonomy, even when compared to other states that have decentralized systems. For example, S.B. 97-6 abolished the state-operated county merit system for employees of county social services departments. Each county was to establish a successor merit system that conformed to federal standards by January 1, 2001. As a result of this high degree of decentralization, each of the County Administration budget lines provide block transfers to the counties. The lines differ in the sources of funding and the rules for allocation between counties.

**County Administration.** The County Administration line provides the foundation by providing payments block grants to all counties. The FY 2006-07 Long Bill appropriation for this line was \$54.3 million which included an \$8.1 million decision item increase, or about 19% over the then base figure. S.B. 06-219 transferred \$18.3 million and responsibility for funding county administration of medical assistance programs to the Department of Health Care Planning and Financing. The County Administration line is subject to the provider rate increase set by the Committee as a common policy.

*Work load study.* The \$8.1 million increase included \$500,000 funding to allow the Department to conduct a work load study of the counties. Due to the highly decentralized nature of the system in Colorado, the Department does not have detailed knowledge of how much county administration "should" cost. That is, there is a lack of information at the state level regarding which factors are important and to what degree, what the best practices are in counties with different characteristics, and so forth. The work load study is intended to provide the Department with the information to make an accurate determination of the level of expenditure which should be funded. At the present time, a firm has been chosen to conduct the study, but field work is yet to begin.

***Budget Amendment GBA-2 (County Administration Increase).*** Under the new administration, the Department requests an increase of \$4.4 million for the County Administration line (there is a corresponding request for a \$2.2 million increase in the HCPF share of County Administration). The Department states that the intent of the requested increases are to provide a bridge, and that once the work load study is complete, a supplemental request will be made to "true up" the difference between the amount of this request and the actual change needed by the counties.

Compared to the base for FY 2005-06 – adjusted for the large transfer of responsibility and funds to HCPF, and other smaller factors – this line item for FY 2007-08 would have increased by 25% even before the GBA-2 increase. However, there is at least anecdotal evidence that the counties continue to be underfunded for administration functions, in part due to caseload increases, in part due to funding shortfalls for cost of living increases, and in part due to the increased work load attributed to the use of CBMS compared to previous systems. This budget amendment will provide additional funding to all counties, and uses General Fund money to leverage additional federal funds. The work load study will eventually give the State a much better idea of what county administration should cost under county "best practices", but that information is not yet available. **Staff recommends that the Committee approve budget amendment GBA-2.**

The Department requests \$41,193,146, include \$16,299,040 General Fund. Staff notes that this number contains a technical error in the Department's calculation of the provider rate increase which has been acknowledged by the Department's budget staff but does not yet appear on any corrected pages. **Staff recommends the Committee approve an appropriation of \$41,118,788.** Staff's calculation is summarized in the table below.

| Summary of Staff Recommendation - County Administration Line Item |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Total             | General Fund      | Cash Funds Exempt | Federal Funds     |
| FY 2006-07 Long Bill (H.B. 06-1385)                               | \$54,336,623      | \$14,259,460      | \$25,154,800      | \$14,922,363      |
| S.B. 06-219   | (18,306,628)      | 0                 | (18,306,628)      | 0                 |
| 1331 supplemental for implementation of H.B. 06S-1023             | 16,301            | 13,041            | 3,260             | 0                 |
| 2% provider rate increase (pursuant to JBC common policy)         | 720,599           | 285,189           | 136,963           | 298,447           |
| Annualization of H.B. 06S-1023 supplemental                       | 1,483             | 1,186             | 297               | 0                 |
| Budget amendment GBA-2 partial funding                            | 4,350,410         | 1,740,164         | 826,578           | 1,783,668         |
| <b>FY 2007-08 Staff Recommendation</b>                            | <b>41,118,788</b> | <b>16,299,040</b> | <b>7,815,270</b>  | <b>17,004,478</b> |

**County Contingency Payments pursuant to Section 26-1-126, C.R.S.** The County Contingency line was created pursuant to Section 26-1-126, C.R.S., and provides additional funding. This funding is entirely General Fund, and was intended to assist a relatively small number of counties who were perceived at that time to have high social services costs relative to their assessed property valuations. The FY 2006-07 Long Bill appropriation for this line was \$11.1 million.

*County Contingency calculations.* The calculation for eligibility of contingency payments is based on all county funding eligible for reimbursement from the General Fund less the county's total assessed valuation multiplied by a threshold mill levy. In staff's opinion, the formula embedded in

statute for determining the "claim" that counties can put forward for County Contingency funds is flawed. The mill levy used in calculating the claim is decreased annually to correspond to property valuation increases in counties that have been qualified to make claims. Going forward, this reduced mill levy is used by *all* counties in the state for determining if they can make claims. As an entirely predictable consequence, the number of counties that can claim a portion of the County Contingency appropriation has increased over time. Where County Contingency funds were available to only a small number of counties initially, in calendar year 2006, 43 of 64 counties qualified for such funds. County Contingency funds are prorated, again by statute, across all of the counties that qualify based on the size of their claim. Because the County Contingency appropriation has not increased nearly as rapidly as the number of claims or their total size, the benefit has become diluted. For FY 2006-07, fully funding the County Contingency line would have required an additional \$10.2 million.

The Department requests a continuation level appropriation of \$11,069,321 General Fund. **Staff recommends the Committee approve the Department's request.** There is general agreement that the current calculation for county contingency claims is flawed; the Committee approved an emergency supplemental for FY 2006-07 to direct additional assistance to the small number of counties originally targeted, and the Department suggests creation of a work group to address the problem. Increasing the appropriation does not deliver much relief to the counties most in need because of the dilution that has occurred over the years; decreasing the appropriation would, because of the statutory requirement for proration, punish all of the counties with claims, including those most in need.

**County Share of Offsetting Revenues.** This funding reflects revenues earned by counties through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the state in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The Department requests a continuation level appropriation of \$3,789,313 cash funds exempt. **Staff recommends that the Committee approve the Department's request.**

**County Incentive Payments.** Section 26-13-108, C.R.S., provides that when child support enforcement payments are collected on behalf of custodial parents who have received public assistance, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line reflects revenues earned by the state through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the state in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The Department requests a continuation level appropriation of \$3,084,361 cash funds exempt. **Staff recommends that the Committee approve the Department's request.**

**Emergency Property Tax Relief.** In January 2007, under the new administration, the Department submitted, and the Joint Budget Committee approved, a FY 2006-07 supplemental request to create the Emergency Property Tax Relief line. The request proposed to repeat the calculation that is made for County Contingency, but using different mill levies. This calculation identified fifteen counties with the most severe problem – high social services costs relative to their property valuation – that

County Contingency is supposed to address. The \$1.2 million supplemental funds (if approved by the entire General Assembly) will be distributed to those 15 counties. A new line item was required in order to avoid statutory distribution rules that apply to the County Administration and County Contingency lines.

In its supplemental request for emergency property tax relief, the Department recommended that a work group including county commissioners, county directors of human services, and Department representatives be formed to develop an approach that addresses the inequities contained in the current County Contingency statute. The outputs of such an undertaking will clearly not be available in time for the current budget-setting work. In considering and approving the supplemental request, staff believes that the Joint Budget Committee was indicating that they believe that the problem has reached an emergency level requiring attention.

The Department requests no appropriation for this line in FY 2007-08. **Staff recommends the Committee approve the Department's request for no appropriation.** Staff notes that the formulas used by the Department in calculating the allocation of the supplemental appropriation are not statutory, and that the allocation formulas used in the supplemental are probably not binding on the Department if an appropriation were made.

## (7) OFFICE OF SELF SUFFICIENCY

### (A) ADMINISTRATION

**Personal Services.** This line item supports the base salary, state PERA contributions, and contracts the division management uses for administrative oversight of its programs. Administrative support for the Colorado Works program was moved from this line to the Colorado Works section of the budget in FY 2006-07. In decision item #13, the Department requests an increase of 3.0 FTE, who would be assigned to the Food Stamp program. The staffing summary for this line is shown in the table below.

| <b>Staffing Summary - (7) Office of Self Sufficiency - Administration, Personal Services</b> | <b>FY 2005-06 Actual</b> | <b>FY 2006-07 Appropriation</b> | <b>FY 2007-08 Request</b> | <b>FY 2007-08 Recommendation</b> |
|--|--------------------------|---------------------------------|---------------------------|----------------------------------|
| General Professional   | 17.0                     | 13.6                            | 13.6                      | 13.6                             |
| Management   | 3.5                      | 3.0                             | 3.0                       | 3.0                              |
| Clerical / Support   | 3.3                      | 2.4                             | 2.4                       | 2.4                              |
| Decision item #13, Food Stamp FTE  | 0.0                      | 0.0                             | 3.0                       | 3.0                              |
| <b>TOTAL</b>   | <b>23.8</b>              | <b>19.0</b>                     | <b>22.0</b>               | <b>22.0</b>                      |

*Federal Food Stamp sanctions update.* As previously mentioned, Colorado has received written notice of three federal sanctions due to errors in the Food Stamp program. The following information reflects staff's understanding of the current status of those three actions.

1. An over-issuance error occurred in December 2004 and resulted in a federal sanction of \$1,034,002. The Department paid this sanction in May 2006.
2. An inappropriate implementation of an annual cost-of-living adjustment occurred in October 2004, which resulted in withholding errors of \$119,920 per quarter beginning that month. The State was notified of a sanction amounting to \$479,680 for four quarters. The Department appealed this sanction.
3. In March 2006, the State received a bill in the amount of \$11,162,598 for improper issuance of Food Stamp Program benefits under CBMS. The federal government stated that the incorrect payments were the result of CBMS system design flaws and incorrect data entry by county workers. The Department appealed this sanction. The primary grounds for this appeal is that the federal audit did not cover the entire process, and that many of the CBMS and county errors included in the federal bill were caught before the payments were actually made.

An appeals hearing for items (2) and (3) was held in February 2007. A decision on the appeals must be issued by the federal government within 60 days. That decision may be appealed in court. At this time, it is simply not possible to make any reasonable estimate of whether the state will have to pay either sanction, or the amount that may eventually be owed.

**Decision Item #13 (Food Stamp FTE).** The Department requests a funding increase of \$163,395 (including \$81,697 General Fund) and 3.0 FTE for FY 2007-08. The request includes \$8,445 in one-time expenses. The additional staff will be assigned to deal with a variety of problems that Colorado has experienced in administering the Food Stamp program:

1. The scope of the program has expanded dramatically, from an average monthly caseload of 69,048 and benefits payments of \$11,218,010 in July 2001 to 107,405 and \$19,784,218 in July 2005. The increase has placed additional demands on the state and county staffs. As a result of a previous decision item, the Department received authorization for one added FTE and some contract dollars for FY 2006-07.
2. The Department has received written notices of three federal sanctions, described below. The principle responsibilities of the additional staff will be to provide county staff training and conduct required federal reviews in an effort to avoid future federal sanctions. Such sanctions are potentially quite expensive. The three sanctions for which the state has received notice are described below, for informational purposes.
3. State regulations and rules have not been updated in a timely fashion.

**Staff recommends that the Committee approve decision item #13, Food Stamp FTE, as requested by the Department.**

The Department has requested \$1,609,977 (include \$611,853 General Fund) and 22.0 FTE for this line item. **Staff recommends an appropriation of \$1,604,884 and 22.0 FTE calculated in accordance with Committee common policy.** The following table summarizes staff's calculation of this amount.

| <b>Staff Summary - (7) Office of Self Sufficiency<br/>(A) Administration</b> | <b>Total</b> | <b>General Fund</b> | <b>Federal Funds</b> | <b>FTE</b> |
|--|--------------|---------------------|----------------------|------------|
| Previous year Long Bill appropriation<br>(H.B. 06-1385)                      | \$1,540,166  | \$564,434           | \$975,732            | 19.0       |
| FY 2006-07 Salary Survey   | 27,774       | 27,774              | 0                    | 0.0        |
| Base Reduction (0.5 Percent)   | (7,840)      | (2,961)             | (4,879)              | 0.0        |
| FY 2006-07 DI #16<br>Removal of one-time funding                             | (99,930)     | (36,622)            | (63,308)             | 0.0        |
| Decision Item #13<br>Additional Food Stamp FTE                               | 144,714      | 72,357              | 72,357               | 3.0        |



| Staff Summary - (7) Office of Self Sufficiency<br>(A) Administration | Total            | General Fund   | Federal Funds  | FTE         |
|--|------------------|----------------|----------------|-------------|
| <b>Total Personal Services Recommendation</b>                        | <b>1,604,884</b> | <b>624,982</b> | <b>979,902</b> | <b>22.0</b> |

**Operating Expenses.** The Department requests an appropriation of \$85,601, summarized in the following table. **Staff recommends that the Committee approve the Department's request.**

|   | Total         | General Fund  | Federal Funds |
|---|---------------|---------------|---------------|
| H.B. 06-1385 Appropriation              | \$69,735      | \$50,173      | \$19,562      |
| Remove FY07 DI#16 one-time funding      | (2,815)       | (1,407)       | (1,408)       |
| FY08 DI#13<br>Additional Food Stamp FTE | 18,681        | 9,340         | 9,341         |
| <b>Total FY 2006-07 Request</b>         | <b>85,601</b> | <b>58,106</b> | <b>27,495</b> |

### **(B) COLORADO WORKS PROGRAM**

**Administration.** In FY 2006-07, the administrative costs associated with the Colorado Works Program were placed in this separate line item, rather than being included in the overall administration line for the Division.

| Staffing Summary - (7) Office of Self Sufficiency - Colorado Works Program Administration | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2007-08 Request | FY 2007-08 Recommendation |
|---|-------------------|--------------------------|--------------------|---------------------------|
| General Professional  | n.a.              | 9.0                      | 9.0                | 9.0                       |
| Management  | n.a.              | 1.0                      | 1.0                | 1.0                       |
| Clerical / Support  | n.a.              | 3.0                      | 3.0                | 3.0                       |
| Decision item #19, creation of fraud investigation FTE                                    | n.a.              | 0.0                      | 1.0                | 1.0                       |
| <b>TOTAL</b>  | <b>0.0</b>        | <b>13.0</b>              | <b>14.0</b>        | <b>14.0</b>               |

**Decision Item #19 (Creation of Fraud Investigation FTE).** The Division has historically approached fraud issues in the Colorado Works program in an ad hoc manner. The Department requests the addition of an FTE dedicated to fraud prevention. The responsibilities of this individual will include:

1. Implementing and maintaining fraud prevention policies and procedures,
2. Assisting counties with reviews of their policies, procedures, and controls,
3. Oversee development of automated tools to identify potential fraud through data mining activities,

4. Provide training to county employees, and
5. Work with other agencies that have fraud prevention objectives including the State Auditor's Office and the Colorado Welfare Fraud Council.

In order to fund this position, the Department further proposes consolidating the Domestic Violence Training line into the County Training line. The Department believes such a consolidation will produce efficiencies sufficient to fund the fraud prevention FTE. These changes are summarized in the following table.

| Line Item                     | FTE Change | Funding Change |
|-------------------------------|------------|----------------|
| Colorado Works Administration | 1.0        | 70,000         |
| County Training               | 1.0        | 55,821         |
| Domestic Violence Training    | (1.0)      | (125,821)      |
| <b>Total</b>                  | <b>1.0</b> | <b>0</b>       |

The Department is required by statute (Section 26-2-708 (5.5) (a), C.R.S.) to provide ongoing domestic violence training to county staff. Statute does not specify a required level of training, nor a required level of spending. **Staff recommends the Committee approve decision item #19.**

For the Colorado Works Administration line, the Department requests an appropriation of \$1,161,307 and 14.0 FTE. This request includes a continuation level of funding for operating expenses. **Staff recommends the Committee approve an appropriation of \$1,157,773 and 14.0 FTE.** Staff's calculation, which conforms to Committee common policy decisions, is shown in the following table.

| Staff Summary - (7) Office of Self Sufficiency (B) Colorado Works Program - Administration | Federal Funds    | FTE         |
|--|------------------|-------------|
| Previous year Long Bill appropriation (H.B. 06-1385)                                       | \$1,069,221      | 13.0        |
| FY 2006-07 Salary Survey   | 24,018           | 0.0         |
| 0.5% base reduction (applied to PS only)   | (5,466)          | 0.0         |
| FY 2007-08 Decision Item #19<br>Creation of Fraud Prevention FTE                           | 70,000           | 1.0         |
| <b>Total Personal Services Recommendation</b>  | <b>1,157,773</b> | <b>14.0</b> |

**County Block Grants.** This line item provides funding to county departments of social services to administer the Colorado Works Program. Counties have the flexibility to use the funds for administration or program needs. The line item is funded with federal Temporary Assistance for Needy Families (TANF) funds, state funds, and local funds.

*Allocation of Funds Among Counties.* Pursuant to Section 26-2-714 (2), C.R.S., the Department is authorized to adjust a county's block grant of state and federal funds for the Works Program. The department is to make such adjustments based on input from the Works Allocation Committee<sup>1</sup>, and based on various factors including: (1) a county's population and that county's Works Program caseload; (2) a county's unemployment rate as determined by the Department of Labor and Employment for the prior year; a county's performance in meeting obligations under its Works Program performance "contract" with the Department; a county's failure to maintain a certain level of spending on the Works Program; the fact that a county received funds from the Short-term Works Emergency Fund for Works Program expenditures; and other factors that directly affect the population of needy families in a county. The Department is specifically not authorized to reduce a county's block grant based on the amount of moneys maintained by such county in a county Reserve Account [Section 26-2-714 (3), C.R.S.].

In addition to providing input to the Department regarding the allocation of state and federal funds, the Works Allocation Committee is required to identify each county's share of required local spending on the Works Program. The Works Allocation Committee is also authorized to mitigate (i.e., reduce) a small county's required share, up to a maximum amount identified in a Long Bill footnote [Section 26-2-714 (8), C.R.S.] .

*TANF Maintenance of Effort.* Federal welfare reform legislation required states to maintain a certain level of spending on TANF programs (called a maintenance of effort or "MOE") based on historic spending on the predecessor programs. The *minimum* federal TANF MOE required for a state to receive its full TANF block grant is equal to 80 percent of the amount a state spent on TANF programs in federal FY 1993-94; for Colorado, the minimum federal TANF MOE is \$88.4 million annually. Colorado is allowed to count expenditures for several different programs towards the TANF MOE. Primarily, expenditures for the Works Program, for certain child welfare services, for the Child Care Assistance Program, and for the Low Income Energy Assistance Program (LEAP) may be counted toward the TANF MOE. Colorado's MOE obligation is a shared responsibility of the state and counties. Each year, the appropriations of state and county funds for the Works Program are set so that total state and county expenditures that are estimated to count toward the TANF MOE will be sufficient to meet or exceed the federally required minimum MOE.

If a state does not comply with the federal TANF MOE requirement, the state's TANF grant in the following fiscal year would decrease by the amount of the shortfall and the state's TANF MOE would be increased for the following year by the amount of the shortfall. Thus, if a state does not address the shortfall it will continue to lose federal dollars each year and the state's TANF MOE will continue to increase each year.

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<sup>1</sup> The Works Allocation Committee consists of seven members, including five appointed by Colorado Counties, Inc. (CCI) and two appointed by the Department. If CCI does not appoint a representative of the county with the greatest percentage of the state's caseload (i.e., Denver), the department is required to do so.

The Department requests continuation funding of \$154,441,672, including \$627,726 General Fund, \$25,323,033 cash funds exempt, and \$128,490,913 federal funds. **Staff recommends that the Committee approve the Department's request.**

**Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirements.** This line item provides spending authority for the Department to reimburse counties when the state is notified that its federally required TANF MOE has been reduced based on the state meeting specified work participation rates. Pursuant to Section 26-2-714 (10), C.R.S.:

"If the state meets federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort as specified in federal law for any year, the actual spending level for the works program of all counties collectively shall be reduced by the same amount as the amount of the reduction in the federal maintenance of effort requirement."<sup>2</sup>

In order to allow counties to benefit from the TANF MOE reduction should the state learn that it has met the federal work participation rate requirement for FFY 2006-07, the Department requests spending authority to utilize TANF funds to repay counties for prior year Works Program expenditures. Counties would be allowed to spend the federal funds as they wish. The assumption underlying this proposal is that if counties' required spending had been decreased in FFY 2006-07 by the amount of the reduction in the federal TANF MOE, counties' would have spent less in county funds and more in federal TANF funds.

The Department requests a continuation level of \$5,524,726. **Staff recommends that the Committee approve the Department's request.**

**Short-term Works Emergency Fund.** Pursuant to Section 26-2-720, C.R.S., the Short-term Works Emergency Fund consists of moneys appropriated annually by the General Assembly. This Fund was intended to ensure that any emergencies that arose could be addressed in a timely fashion, regardless of whether the General Assembly was in session. The Department is statutorily authorized to allocate moneys in the Short-term Fund to counties for:

1. Negotiating a higher work participation rate than the work participation rate required by the federal law;
2. Costs of basic assistance grants that are in excess of five percent more than the costs for basic assistance grants in the previous state fiscal year;
3. Correction of technical errors in the determination of the amount of the county block grant that are in excess of five percent of the total amount of the county block grant;

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<sup>2</sup> Note that this same provision charges the Works Allocation Committee with determining each county's share of the reduction in actual spending levels. In the event that the Works Allocation Committee does not reach an agreement on each individual county's reduction in actual spending levels, it is required to submit alternatives to the Joint Budget Committee and the JBC would identify each individual county's share of the reduction.

4. Works Program expenditures for emergencies that were not foreseen at the time county block grants were determined; and
5. Allowable child care expenditures as provided in Section 26-2-804 (3), C.R.S.

Note that, with the exception of points #2 and #4 listed above, counties are required to exhaust other available moneys (e.g., the county block grant for the Works Program, the county block grant for the Child Care Assistance Program, and the Works Program County Reserve Account) before seeking moneys from the Short-term Works Emergency Fund. Any funds that remain in the Short-term Works Emergency Fund at the end of the state fiscal year revert to the Long-term Works Reserve Fund.

To date, the Department has seldom allocated very much out of the Short-term Works Emergency Fund (the highest amount allocated to date was \$271,868 in FY 2001-02). The Department has indicated that the reason the fund is seldom used is primarily the requirement that counties exhaust other available sources of funds prior to accessing the Short-term Works Emergency Fund. The original appropriation included in S.B. 97-120 for this line item was \$3.0 million; the appropriation was reduced to \$1.0 million in FY 2002-03. The relative large amount in FY 2004-05 involved a single county.

The Department requests a continuation level of funding of \$1,000,000. **Staff recommends that the Committee approve the Department's request.**

**County Reserve Accounts.** Pursuant to Section 26-2-714 (5) (a), C.R.S., counties are authorized to maintain a County Reserve Account of unspent Works Program county block grant funds. The actual amount will not be known until the State closes its books at the end of the current fiscal year. This line is the subject of an annual supplemental request made after the year-end amount is known. The Department requests a continuation level of funding of \$35,471,635 federal funds (TANF) for this line item. **Staff recommends that the Committee approve the Department's request.**

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

The Department requests \$445,955 and 2.0 FTE for this line. This includes the effects of decision item #19, which would combine this line and the Domestic Violence Training line, then transfer \$70,000 of the combined funding to the Administration line to fund an FTE dedicated to fraud prevention. **Staff recommends the Committee approve an appropriation of \$444,917 and 2.0 FTE.** Staff's calculation, which is in accordance with Committee common policy decisions, is

shown in the following table. The Department did not allocate any salary survey funds to this line prior to the transfer due to decision item #19.

| <b>Staff Summary - (7) Office of Self Sufficiency<br/>(B) Colorado Works Program - County Training</b> | <b>Federal<br/>Funds</b> | <b>FTE</b> |
|--|--------------------------|------------|
| Previous year Long Bill appropriation<br>(H.B. 06-1385)  | \$390,134                | 1.0        |
| Decision item #19<br>Transfer from Domestic Violence Training<br>Includes Salary Survey                | 125,821                  | 1.0        |
| Decision item #19<br>Transfer to Administration  | (70,000)                 | 0.0        |
| 0.5% base reduction (applied to PS only)   | (1,038)                  | 0.0        |
| <b>Total Personal Services Recommendation</b>  | <b>444,917</b>           | <b>2.0</b> |

**Domestic Violence Training.** Pursuant to Section 26-2-708 (5.5), C.R.S., the state Board of Human Services is to promulgate rules that requires the state department to provide on-going domestic violence training and appropriate training materials to county staff. The purpose is to facilitate the proper identification, screening, and assessment of past and present victims applying for or participating in the Colorado Works Program.

The Department is authorized to contract with any individual or entity that has demonstrated expertise in the area of domestic violence for the provision of such services. Section 26-2-708 (5.5) (c), C.R.S., provides that implementation of the Domestic Violence Training program "shall be conditioned upon the availability of appropriations from the Colorado long-term works reserve fund created in section 26-2-721".

Decision item #19, previously discussed, would combine this line with the larger County Training line. As a result, the Department requests no appropriation for this line for FY 2007-08. **Staff recommends the Committee approve the Department's request for no appropriation.**

**Domestic Abuse Program.** Pursuant to Section 26-7.5-101 et seq., C.R.S., moneys are appropriated from the Colorado Domestic Abuse Program Fund (Section 26-7.5-105 (3), C.R.S.) to the department to encourage local governments and non-governmental agencies to develop domestic abuse programs (further details about the nature of such programs is provided in the narrative for the above line item). This line item provides spending authority out of the Colorado Domestic Abuse Program Fund for distribution to local entities as well as for the department's related administrative expenses. This fund consists of taxpayer contributions (through a check-off on Colorado individual income tax returns) and appropriations from the General Assembly.

This program was established in 1983 and was funded solely with taxpayer contributions until FY 1999-00, when the tax check-off program was extended and the statute was amended to allow

General Fund support of the program. Recent expenditures and appropriations for the program are listed in the following table.

| Colorado Domestic Abuse Program: Expenditures and Appropriations |              |  |                       |                  |
|--|--------------|--|-----------------------|------------------|
| Fiscal Year  | General Fund | Contributions/<br>Cash Fund<br>Balance | Federal<br>TANF Funds | Total Funds      |
| 1999-00 (actual expenditures)                                    | 250,000      | 79,477                                 | 0                     | 329,477          |
| 2000-01 (actual expenditures)                                    | 400,000      | 47,445                                 | 0                     | 447,445          |
| 2001-02 (actual expenditures)                                    | 576,776      | 579,785                                | 0                     | 1,156,561        |
| 2002-03 (actual expenditures)                                    | 498,443      | 384,287                                | 0                     | 882,730          |
| 2003-04 (actual expenditures)                                    | 0            | 439,405                                | 648,444               | 1,087,849        |
| 2004-05 (actual expenditures)                                    | 0            | 267,519                                | 650,000               | 917,519          |
| 2005-06 (actual expenditures)                                    | 0            | 187,352                                | 650,000               | 837,352          |
| <b>2007-08 (request)</b>   | <b>0</b>     | <b>353,222</b>                         | <b>650,000</b>        | <b>1,003,222</b> |
| <b>2007-08 (recommendation)</b>                                  | <b>0</b>     | <b>300,000</b>                         | <b>650,000</b>        | <b>950,000</b>   |

For FY 2003-04, the General Assembly eliminated the General Fund appropriation for the program, substituting federal Temporary Assistance for Needy Families (TANF) funds. Under federal law concerning the TANF program, states have the ability to implement a family violence option. Under such an option, the state implements procedures to: (1) screen and identify individuals receiving TANF assistance with a history of domestic violence; (2) refer such individuals to counseling and supportive services; and (3) waive, pursuant to a determination of good cause, other program requirements in cases where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence or unfairly penalize such individuals. Colorado has implemented this option, and pursuant to Section 26-2-108 (5), C.R.S., counties are required to provide referrals to any available counseling and supportive services of past or present victims of domestic violence or those at risk of further violence (but counties are not required to pay for such counseling or supportive services).

In addition to \$650,000 TANF funds, the FY 2006-07 appropriation includes \$350,000 from the Domestic Abuse Program Fund (both taxpayer contributions and fund balance). The Department requests an appropriation for FY 2007-08 of \$1,003,222 and 2.0 FTE for this that includes \$353,222 from that fund. As detailed in the following table, assuming that contributions that remain at estimated FY 2006-07, and that the Department spends to its appropriation limit, the fund will not support an appropriation that large. In the Department's budget request, its current estimate for FY 2006-07 would exceed \$350,000 in cash funds exempt. **Staff recommends the Committee approve an appropriation of \$975,000 and 2.0 FTE, of which \$650,000 would be federal funds (TANF) and \$325,000 would be cash funds exempt from the Domestic Abuse Program Fund.**

| <b>Domestic Abuse Program Cash Fund - Cash Flow Projections</b>     |                    |
|---|--------------------|
| <b>Fiscal Year</b>  | <b>Total Funds</b> |
| Fund balance as of July 1, 2006                                     | \$178,549          |
| Estimated FY 2006-07 contributions (From Schedule 11)               | 258,000            |
| Less Expenditures based on existing spending authority              | (350,000)          |
| Projected fund balance as of July 1, 2007                           | 86,549             |
| Plus: Estimated FY 2007-08 contributions (same level as FY 2006-07) | 258,000            |
| <b>Funding anticipated to be available for FY 2007-08</b>           | <b>344,549</b>     |

**Works Program Evaluation.** Pursuant to Section 26-2-723, C.R.S. (H.B. 04-1030), the department is required, with input from an independent advisory committee established in Section 26-2-723 (4), C.R.S., to oversee an annual evaluation of the Works Program. The evaluation is to include an objective analysis of the outcomes realized by the program, including, but not limited to:

1. The characteristics of families receiving cash assistance and other services in the works program, including services received and work activities participated in and the length of participation;
2. The availability of appropriate services to enable families to move off cash assistance into employment and long-term self-sufficiency;
3. The well-being of children in families who receive cash assistance or in families who are no longer receiving cash assistance;
4. The number of families who no longer receive cash assistance due to income earned through employment or due to other reasons;
5. The earnings of families who leave the works program;
6. The number of parents who leave the works program who remain employed;
7. The number of families who return to cash assistance;
8. The number of former participants who are moving to long-term self-sufficiency;
9. The impact of the works program on Colorado's medicaid, child care, and child welfare programs; and
10. The effectiveness of the works program in providing services and benefits to families to help them move to long-term self-sufficiency.

The evaluation will sunset effective July 1, 2009. The Department's request is for a continuation of the FY 2006-07 appropriation of \$500,000 federal funds. **Staff recommends the Committee approve the department's request for this line item.**

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



moneys received. In this regard, the Council is required to develop and submit to the U.S. Department of Labor a statewide plan for workforce development which coordinates federal, state, and local workforce development programs. The Council performs support functions and activities related to the eighteen workforce development centers throughout the state, which provide services to individuals seeking employment (including TANF participants).

Pursuant to Section 24-46.3-101 (8), C.R.S., the Office of Workforce Development is to establish an annual budget for Council functions, activities, and staff. Funding for the Council is to come from administrative moneys from several federal programs delineated in federal law; the allocation of federal funds is determined annually by the Office of State Planning and Budgeting (OSPB).

***Budget Amendment #11 (Adjustment to Workforce Development Council Line).*** For FY 2006-07, the Department submitted and the Committee approved a supplemental request for \$11,813 to reflect the actual amount. The Department also submitted budget amendment #11, which requests a similar increase for FY 2007-08. **Staff recommends the Committee approve budget amendment #11.**

The Department is requesting \$76,813 in federal spending authority in FY 2007-08, which represents a continuation level of funding. **Staff recommends the Committee approve the Department's request.**

**TANF Federal Reporting CBMS Maintenance (New Line Item).** For FY 2006-07, the Department submitted and the Committee approved a supplemental request that created this line item. The \$108,720 federal funds (TANF) covered the costs of nine months of TANF federal reporting maintenance costs at a rate of \$12,080 per month. This is an ongoing expense, but the Department has included the costs for FY 2007-08 in decision item #5, affecting the Office of Information Technology Services, as the effort is more closely aligned with CBMS. **Staff has previously recommended the Committee approve decision item #5.** As a consequence of that shift, the Department requested no appropriation for this line for FY 2007-08. **Staff recommends the Committee approve the Department's request for no appropriation.**

**Federal TANF Reauthorization CBMS Changes.** For FY 2006-07, the Department requested and the Committee approved a supplemental appropriation of \$100,000 in federal funds (TANF) to fund changes in the Colorado Benefits Management System (CBMS). These changes would allow Colorado counties to more accurately gather and report work participation rates. Following changes in federal TANF rules that became effective in October 2006, Colorado is no longer in compliance with the federally-required work participation levels. The federal government may impose sanctions if the State fails to meet the federal targets. The supplemental request created a new line item to in order to track this funding.

***Budget Amendment #7 (Federal TANF Reauthorization CBMS Changes).*** Budget amendment #7 requests \$250,000 additional federal funds (TANF) for FY 2007-08 in order to continue this work. During staff discussion of the TANF rule changes during the budget briefing for the Department, staff noted that the State would almost certainly have to make changes in the Colorado Works program in order to comply with the new work participation rate targets. Changes would be

required both programs and administration. The supplemental, and this budget amendment, are intended to implement just such an administrative change. **Staff recommends the Committee approve budget amendment #7.**

The Department requests \$250,000 federal funds for this line item. **Staff recommends the Committee approve the Department's request.**

**(C) SPECIAL PURPOSE WELFARE PROGRAMS**

**(1) Low Income Energy Assistance Program.** This program provides energy subsidies to low income households. "Low income" for this program is defined relative to the federal poverty level. Staffing patterns for the program are summarized in the table below.

| Low Income Energy Assistance Program - Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2006-07 Request | FY 2006-07 Recommendation |
|---|-------------------|--------------------------|--------------------|---------------------------|
| General Professional                                    | 3.7               | 4.0                      | 4.0                | 4.0                       |
| IT Professional   | 1.0               | 1.0                      | 1.0                | 1.0                       |
| Support / Clerical Staff                                | 0.5               | 1.6                      | 1.6                | 1.6                       |
| <b>Total</b>  | <b>5.2</b>        | <b>6.6</b>               | <b>6.6</b>         | <b>6.6</b>                |

The Department requests an appropriation of \$39,675,777 and 6.6 FTE, including \$5,950,000 cash funds, \$2,150,000 cash funds exempt, and \$31,575,777 federal funds. The program costs portion of the request is a continuation level. **Staff recommends the Committee approve an appropriation of \$39,674,338 and 6.6 FTE calculated in accordance with Committee common policy.** A summary of staff's calculation of this amount is shown in the following table.

| Summary of Staff Calculation<br>Low Income Energy Assistance Program |            |                   |                  |                  |                   |
|--|------------|-------------------|------------------|------------------|-------------------|
| Item   | FTE        | Total Request     | CF               | CFE              | FF                |
| Previous year Long Bill (H.B. 06-1385)                               | 6.6        | 39,667,592        | 5,950,000        | 2,150,000        | 31,567,592        |
| Salary Survey  | 0.0        | 9,045             | 0                | 0                | 9,045             |
| 0.5% base reduction (applied to PS only)                             |            | (2,300)           | 0                | (168)            | (2,131)           |
| <b>Total</b>   | <b>0.0</b> | <b>39,674,338</b> | <b>5,950,000</b> | <b>2,149,832</b> | <b>31,574,506</b> |

**(2) Food Stamp Job Search Units**

**Program Costs.** This program provides employment, job search and training services to food stamp recipients. Able-bodied Food Stamp recipients, ages 18 to 60, without dependent children, must

meet a work requirement in order to remain eligible for Food Stamps. If they do not meet the work requirement, these individuals are limited to 3 months of Food Stamp benefits in any 36-month period. Work is defined as work, workfare or an educational activity (adult basic education, GED preparation, college courses, vocational training, vocational rehabilitation, or job search classes). Staffing patterns for the program are presented in the table below.

| Food Stamp Job Search Units - Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2006-07 Request | FY 2006-07 Recommendation |
|--|-------------------|--------------------------|--------------------|---------------------------|
| General Professional                           | 5.2               | 5.5                      | 5.5                | 5.5                       |
| Support / Clerical Staff                       | 0.2               | 0.7                      | 0.7                | 0.7                       |
| Total  | 5.4               | 6.2                      | 6.2                | 6.2                       |

The department requests \$2,028,595, including \$163,015 General Fund and 6.2 FTE for FY 2007-08, which represents a continuation appropriation. Cash funds exempt represent local share and in-kind donations. Federal funds are comprised of Food Stamps moneys from the U.S. Department of Agriculture. The appropriation is comprised of several funding schemes. A portion of the program earns a 50.0 percent federal match based on state administrative activities while other areas can earn 100.0 percent federal money. Local moneys do include a 20.0 percent share for eligible activities.

**Staff recommends the Committee approve an appropriation of \$2,027,218 and 6.2 FTE.** Of this, \$162,638 is General Fund and \$409,382 is local share. Staff's recommendation is summarized below.

| Summary of Staff Calculation<br>Special Purpose Welfare Programs - Food Stamp Job Search Units Program Costs |            |                  |                |                |                  |
|--|------------|------------------|----------------|----------------|------------------|
| Item   | FTE        | Total Request    | GF             | CFE            | FF               |
| Previous year Long Bill (H.B. 06-1385)   | 6.2        | 2,017,049        | 157,243        | 409,382        | 1,450,424        |
| Salary Survey  | 0.0        | 12,425           | 6,212          | 0              | 6,213            |
| 0.5% base reduction (applied to PS only)   |            | (2,256)          | (817)          | 0              | (1,439)          |
| <b>Total</b>   | <b>0.0</b> | <b>2,027,218</b> | <b>162,638</b> | <b>409,382</b> | <b>1,455,198</b> |

**Supportive Services.** This line item contains funding for the provision of supportive services to eligible Employment First participants. Such services may include transportation assistance, clothing and grooming allowances and child care services. The department requests continuation level funding of \$261,452, including \$78,435 General Fund. **Staff recommends the Committee approve the department's request for this line item.**

**(3) Food Distribution Program.** This program administers the distribution of foods from the U.S. Department of Agriculture (USDA) to eligible recipient agencies, which maintain and enhance

nutritional needs of the populations served. Agencies include schools, child care centers, local jails, nutrition programs for the elderly and the Department of Corrections. Staffing levels for the program are shown in the table below.

| Food Distribution Program Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2006-07 Request | FY 2006-07 Recommendation |
|--|-------------------|--------------------------|--------------------|---------------------------|
| General Professional                       | 4.7               | 5.0                      | 5.0                | 5.0                       |
| Accounting/Technician                      | 1.0               | 1.0                      | 1.0                | 1.0                       |
| Administrative/Support                     | 0.6               | 0.5                      | 0.5                | 0.5                       |
| <b>Total</b>                               | <b>6.3</b>        | <b>6.5</b>               | <b>6.5</b>         | <b>6.5</b>                |

The Department request is for \$534,320 and 6.5 FTE. **Staff recommends the Committee approve an appropriation of \$532,834 and 6.5 FTE calculated in accordance with Committee common policy.** A summary of staff's calculation is shown in the following table.

| Summary of Staff Calculation<br>Department of Human Services, (3) Food Distribution Program |                |            |               |                |            |                |
|---|----------------|------------|---------------|----------------|------------|----------------|
|   | Total          | FTE        | GF            | CF             | CFE        | FF             |
| FY 2006-07 Long Bill (S.B. 06-1385)   |                |            |               |                |            |                |
| Personal Services   | 447,757        | 6.5        | 42,003        | 193,397        | 312        | 212,045        |
| Operating Expenses  | 76,750         | 0.0        | 7,200         | 33,150         | 54         | 36,347         |
| FY 2006-07 Salary Survey  | 10,619         | 0.0        | 531           | 4,460          | 319        | 5,309          |
| Base Reduction (0.5 Percent)  | (2,292)        | 0.0        | (213)         | (989)          | (3)        | (1,087)        |
| <b>TOTAL Recommendation</b>   | <b>532,834</b> | <b>6.5</b> | <b>49,522</b> | <b>230,017</b> | <b>682</b> | <b>252,614</b> |

**(4) Low-Income Telephone Assistance Program.** This program provides financial assistance to low-income households to maintain basic telephone service. This line item funds the administrative costs associated with the program. Pursuant to Section 40-3.4-105, C.R.S., eligibility is determined by the Department of Human Services for those individuals receiving assistance through the Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, or low income, disabled individuals who qualify for supplemental security income. The program is funded through a telephone surcharge assessed on telephone customers statewide. As a utility, the Public Utilities Commission (Department of Regulatory Agencies) oversees the uniform charge to each business and individual line (government and eligible individuals are exempt). The General Assembly appropriates from the fund for the direct and indirect costs of administering the program in the Department of Human Services. Staffing for this program is summarized in the table below.

| Food Distribution Program Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2006-07 Request | FY 2006-07 Recommendation |
|--|-------------------|--------------------------|--------------------|---------------------------|
| Administrative/Support                     | 0.9               | 0.9                      | 0.9                | 0.9                       |
| Total                                      | 0.9               | 0.9                      | 0.9                | 0.9                       |

The Department request is for \$60,811 cash funds (Low-income Telephone Assistance Fund) and 0.9 FTE. This represents a continuation level appropriation, plus salary survey. **Staff recommends the Committee approve the Department's request.** This recommendation is not in accordance with Committee common policy; staff did not apply the base reduction due to the small number of FTE.

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

The department requests a continuation appropriation of \$4,128, including \$2,064 General Fund. **Staff recommends that the Committee approve the Department's request.**

**(6) Electronic Benefits Transfer Service.** House Bill 95-1144 authorized the Department to implement an electronic benefits transfer system (EBTS) to deliver Food Stamp, Works Program, Old Age Pension, Aid to the Needy Disabled, Aid to the Blind, Child Welfare, Child Care, and Low Income Energy Assistance benefits. The EBTS replaces the paper-based system of checks and Food Stamp coupons. In July 1996, the Department contracted with Citibank to operate the system. The contract was re-bid in 2003 with Citibank Electronic Financial Services again the winner. In January 2004 JP Morgan Electronic Financial Services purchased Citibank's EFS division. EBTS has been in operation statewide since February 1998. The staffing history of this program is summarized in the table below.

| Electronic Benefits Transfer - Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2006-07 Request | FY 2006-07 Recommendation |
|---|-------------------|--------------------------|--------------------|---------------------------|
| General Professional                            | 2.0               | 2.0                      | 2.0                | 2.0                       |
| Accounting/Technician                           | 1.5               | 1.6                      | 1.6                | 1.6                       |
| Administrative/Support                          | 1.2               | 1.4                      | 1.4                | 1.4                       |
| Total   | 4.7               | 5.0                      | 5.0                | 5.0                       |

The Department requests an appropriation of \$3,190,089, including \$826,506 General Fund, and 5.0 FTE. **Staff recommends the Committee approve an appropriation of \$3,188,582 and 5.0 FTE,**

calculated in accordance with Committee common policy. Staff's calculation is summarized in the following table.

| <b>Summary of Staff Calculation<br/>Department of Human Services, Special Purpose Welfare Programs,<br/>Electronic Benefits Transfer Service</b> |                  |            |                |                |                |                  |
|--|------------------|------------|----------------|----------------|----------------|------------------|
|  | <b>TOTAL</b>     | <b>FTE</b> | <b>GF</b>      | <b>CF</b>      | <b>CFE</b>     | <b>FF</b>        |
| FY 2006-07 Long Bill<br>(S.B. 06-1385)   | 3,182,491        | 5.0        | 822,707        | 253,696        | 634,993        | 1,471,095        |
| FY 2006-07 Salary Survey   | 7,598            | 0.0        | 3,799          | 0              | 0              | 3,799            |
| Base Reduction (0.5 Percent)   | (1,507)          | 0.0        | (625)          | 0              | (247)          | (635)            |
| <b>TOTAL Recommendation</b>  | <b>3,188,582</b> | <b>5.0</b> | <b>825,881</b> | <b>253,696</b> | <b>634,746</b> | <b>1,474,259</b> |

**(7) Refugee Assistance.** The Colorado Refugee Services Program is a federally funded program that helps refugees become self-sufficient and adjust to living in the United States. A staffing history for this program is provided in the following table.

| <b>Refuge Assistance<br/>Staffing Summary</b> | <b>FY 2005-06<br/>Actual</b> | <b>FY 2006-07<br/>Appropriation</b> | <b>FY 2006-07<br/>Request</b> | <b>FY 2006-07<br/>Recommendation</b> |
|---|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| General Professional                          | 1.9                          | 8.0                                 | 8.0                           | 8.0                                  |
| IT Professional                               | 0.0                          | 1.0                                 | 1.0                           | 1.0                                  |
| Administrative/Support                        | 0.0                          | 1.0                                 | 1.0                           | 1.0                                  |
| <b>Total</b>                                  | <b>1.9</b>                   | <b>10.0</b>                         | <b>10.0</b>                   | <b>10.0</b>                          |

The Department requests \$3,662,982 federal funds (\$3,205,850 federal refugee resettlement funds and \$457,132 TANF) and 10.0 FTE. The Department has reverted significant amounts of funding and FTE authority in the last two fiscal years. **Staff recommends an appropriation of \$3,658,034 and 10.0 FTE, calculated in accordance with Committee common policy.** Staff calculations are summarized in the following table.

| <b>Summary of Staff Calculation<br/>Department of Human Services, Refugee Assistance</b> |                          |            |
|--|--------------------------|------------|
|  | <b>Federal<br/>Funds</b> | <b>FTE</b> |
| FY 2006-07 Long Bill<br>(S.B. 06-1385)   |                          |            |
| Personal Services  | 1,232,412                | 10.0       |
| Operating Expenses   | 2,424,613                | 0.0        |
| Salary Survey  | 7,171                    |            |

| Summary of Staff Calculation<br>Department of Human Services, Refugee Assistance |                  |             |
|--|------------------|-------------|
|  | Federal Funds    | FTE         |
| 0.5 Base reduction<br>(applied to PS only)                                       | (6,162)          | 0.0         |
| <b>TOTAL Recommendation</b>  | <b>3,658,034</b> | <b>10.0</b> |

**(8) Systematic Alien Verification for Eligibility.** This line was added in H.B. 04-1322, the FY 2003-04 supplemental appropriation for the Department of Human Services, so that the funding and staffing for the SAVE program could be separated from the Refugee Assistance Program. This line item supports the state's interface with the federal alien verification database, which serves all programs for which citizenship or legal residence is a requirement.

The Department requests an appropriation of \$49,912, including \$10,646 General Fund, \$28,620 cash funds exempt, and \$10,646 federal funds and 1.0 FTE. This represents a continuation level of funding; the Department did not allocate any salary survey funds to this line. **Staff recommends the Committee approve the Department's request.** Staff calculation is not in accordance with Committee common policy; no base reduction was applied due to the small number of FTE.

#### **(D) CHILD SUPPORT ENFORCEMENT**

**Automated Child Support Enforcement System.** This computer system is used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads and track collection efforts. In the FY 1998-99 Long Bill, the ACSES line item was combined with the "State Directory of New Hires" line item. Thus, this line item also includes funding for contractor services associated with establishing and operating the State Directory of New Hires; this Directory includes data reported by employers regarding each newly hired employee. The data is then compared to the database of parents with outstanding child support obligations. This line item also includes funding for the contractor-operated Family Support Registry. Staff levels for this program are summarized in the following table.

| Automated Child Support Enforcement System Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2007-08 Request | FY 2007-08 Recommendation |
|---|-------------------|--------------------------|--------------------|---------------------------|
| General Professional  | 10.1              | 11.9                     | 11.9               | 11.9                      |
| IT Professional/Technician                                  | 21.0              | 21.0                     | 21.0               | 21.0                      |
| Administrative/Support                                      | 5.0               | 5.0                      | 5.0                | 5.0                       |
| <b>Total</b>  | <b>36.1</b>       | <b>37.9</b>              | <b>37.9</b>        | <b>37.9</b>               |

The Department requests \$11,502,217 and 37.9 FTE for FY 2007-08. **Staff recommends the Committee approve an appropriation of \$11,494,336 and 37.9 FTE.** Staff's calculation is

summarized in the following table. Staff's calculation is not in accordance with Committee common policy. Of \$9,162,002 appropriated for personal services, \$6,679,993 is used for multi-year contractual services. Staff did not apply the 0.5% base reduction to the funding for these multi-year contracts.

| <b>Summary of Staff Calculation<br/>Department of Human Services, Child Support Enforcement,<br/>Automated Child Support Enforcement System</b> |                   |             |                  |                |                |                  |
|---|-------------------|-------------|------------------|----------------|----------------|------------------|
|   | <b>TOTAL</b>      | <b>FTE</b>  | <b>GF</b>        | <b>CF</b>      | <b>CFE</b>     | <b>FF</b>        |
| FY 2006-07 Long Bill<br>(S.B. 06-1385)  | 11,444,928        | 37.9        | 3,746,266        | 145,010        | 281,489        | 7,272,163        |
| FY 2006-07 Salary Survey  | 62,253            | 0.0         | 21,166           | 0              | 0              | 41,087           |
| 0.5 Base reduction (applied<br>to PS, non-contract only)  | (12,845)          | 0.0         | (4,325)          | 0              | 0              | (8,520)          |
| <b>TOTAL Recommendation</b>   | <b>11,494,336</b> | <b>37.9</b> | <b>3,763,107</b> | <b>145,010</b> | <b>281,489</b> | <b>7,304,730</b> |

**Child Support Enforcement.** In the FY 1998-99 Long Bill, several administrative line items were consolidated, including: Interstate Processing, Child Support Enforcement Commission, the Paternity Establishment Program, and the Evaluation Unit. This consolidated line item provides funds for staff and operating expenses associated with the following:

1. Performance evaluation of the state's child support enforcement program, as required by federal law; and
2. Provision of technical assistance to county departments of social services.

It also manages the In-Hospital Paternity Establishment Program, which provides unmarried parents the opportunity to acknowledge paternity at the time of birth of a child. Federal law requires states to establish procedures for a simple civil process for voluntarily acknowledging paternity, including an in-hospital program. This program includes: providing training to hospital medical records staff semi-annually; providing training to local vital records staff, hospital administrators, and pre-natal clinics; providing outreach and technical assistance to hospital personnel and the general public; interfacing with pregnancy prevention and father's advocacy groups; and interfacing with middle school, high school, and alternative school staff.

Child support enforcement efforts do cross state lines. About 35 percent of the state caseload involves interstate coordination. Operating and travel expenses associated with the Child Support Enforcement Commission. Finally, the 17-member Commission reviews child support guidelines and general child support issues. The Commission makes recommendations to the Governor and the General Assembly every four years. Staffing levels for this program are summarized in the table below.



| Child Support Enforcement Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2007-08 Request | FY 2007-08 Recommendation |
|--|-------------------|--------------------------|--------------------|---------------------------|
| General Professional                       | 16.3              | 18.5                     | 18.5               | 18.5                      |
| Administrative/Support                     | 5.2               | 6.0                      | 6.0                | 6.0                       |
| <b>Total</b>                               | <b>21.5</b>       | <b>24.5</b>              | <b>24.5</b>        | <b>24.5</b>               |

The Department requests an appropriation of \$2,031,798, including \$690,811 General Fund, and 24.5 FTE for FY 2007-08. **Staff recommends the Committee approve an appropriation of \$2,027,077 and 24.5 FTE, calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table.

| Summary of Staff Calculation<br>Department of Human Services, Child Support Enforcement |                  |             |                |          |          |                  |
|---|------------------|-------------|----------------|----------|----------|------------------|
|   | TOTAL            | FTE         | GF             | CF       | CFE      | FF               |
| FY 2006-07 Long Bill (S.B. 06-1385)   | 2,000,166        | 37.9        | 680,056        | 0        | 0        | 1,320,110        |
| FY 2006-07 Salary Survey  | 34,415           | 0.0         | 11,701         | 0        | 0        | 22,714           |
| 0.5 Base reduction (applied to PS, non-contract only)                                   | (7,504)          | 0.0         | (2,551)        | 0        | 0        | (4,953)          |
| <b>TOTAL Recommendation</b>   | <b>2,027,077</b> | <b>37.9</b> | <b>689,206</b> | <b>0</b> | <b>0</b> | <b>1,337,871</b> |

### (E) DISABILITY DETERMINATION SERVICES

**Program Costs.** Disability Determination Services conducts medical disability determinations for the Social Security Administration for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs. Funding for the program is 100.0 percent federal funds (Titles II and XVI of the Social Security Act). Staffing patterns for this program are summarized below.

| Child Support Enforcement Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2007-08 Request | FY 2007-08 Recommendation |
|--|-------------------|--------------------------|--------------------|---------------------------|
| Accounting / Budget                        | 2.0               | 2.0                      | 2.0                | 2.0                       |
| Administrative / Clerical                  | 13.7              | 11.0                     | 11.0               | 11.0                      |
| Materials Handler                          | 2.0               | 2.0                      | 2.0                | 2.0                       |
| Data Entry / Technician                    | 14.6              | 17.0                     | 17.0               | 17.0                      |
| General Professional                       | 89.6              | 99.5                     | 99.5               | 99.5                      |
| Management                                 | 1.0               | 1.0                      | 1.0                | 1.0                       |
| Professional Trainee                       | 2.0               | 2.0                      | 2.0                | 2.0                       |

| Child Support Enforcement Staffing Summary | FY 2005-06 Actual | FY 2006-07 Appropriation | FY 2007-08 Request | FY 2007-08 Recommendation |
|--|-------------------|--------------------------|--------------------|---------------------------|
| DI #17<br>Transfer of FTE from OITS        | n.a.              | n.a.                     | 6.0                | 6.0                       |
| <b>Total</b>                               | <b>124.9</b>      | <b>134.5</b>             | <b>140.5</b>       | <b>140.5</b>              |

**Decision item #17 (Transfer of FTE from OITS).** This decision item transfers 6.0 FTE currently in the Office of Information Technology Services but dedicated to support of Disability Determination Services, to this unit. This decision item is discussed in greater detail in the Personal Services line for the Office of Information Technology Services. **Staff has previously recommended the Committee approve decision item #17.**

The Department requests an appropriation of \$16,878,250 federal funds and 140.5 FTE. **Staff recommends the Committee approve an appropriation of \$16,829,817 and 140.5 FTE, calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table.

| Summary of Staff Calculation<br>Department of Human Services, Disability Determination Services |                   |              |
|---|-------------------|--------------|
|   | Federal Funds     | FTE          |
| FY 2006-07 Long Bill (S.B. 06-1385)   | 16,263,740        | 134.5        |
| FY 2006-07 Salary Survey  | 198,622           | 0.0          |
| DI #17<br>Transfer of FTE from OITS   | 430,847           | 6.0          |
| 0.5 Base reduction (applied to PS, non-contract only)   | (63,392)          | 0.0          |
| <b>TOTAL Recommendation</b>   | <b>16,829,817</b> | <b>140.5</b> |

**(10) ADULT ASSISTANCE PROGRAMS**

Adult Assistance Programs are responsible for the administration of numerous assistance programs that focus on the elderly population. Programs determine medical disability for Colorado residents who apply for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. Included in its responsibilities is processing disability cases for Medicaid. The division also: (1) supervises the Aid to the Needy Disabled / State Only (AND-SO) program, which provides cash assistance to disabled individuals awaiting SSI eligibility determination and those individuals who meet state eligibility requirements but not federal requirements, and supervises the Aid to the Blind / Supplemental Security Income / Colorado Supplement Program; (2) supervises Adult Protective Services programs (APS), which intervene on behalf of at-risk adults to correct or alleviate situations of abuse, neglect, or exploitation; (3) supervises and funds the provision of services to older Coloradans throughout the state through the auspices of 16 Area Agencies on Aging (AAA); and (4) supervises the county administered Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older.

**(A) Administration.** This line item funds personal services and operating expenditures for oversight and support of the Old Age Pension program, other adult assistance programs and community services for the elderly. S.B. 06-219, which moved various responsibilities between the Department and the Department of Health Care Policy and Financing, added 1.0 FTE and the corresponding personal services appropriation to this line. The Department requests an appropriation of \$547,474 and 6.0 FTE, including \$96,227 General Fund. Cash funds exempt are from various sources and federal funds are from federal indirect cost allocation recoveries.

| <b>Staffing Summary</b> | <b>FY 2005-06<br/>Actual</b> | <b>FY 2006-07<br/>Appropriation</b> | <b>FY 2007-08<br/>Request</b> | <b>FY 2007-08<br/>Recommendation</b> |
|-------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| General Professional    | 1.4                          | 3.0                                 | 3.0                           | 3.0                                  |
| Staff Support           | 0.9                          | 1.0                                 | 1.0                           | 1.0                                  |
| Management              | 2.0                          | 2.0                                 | 2.0                           | 2.0                                  |
| <b>Total</b>            | <b>4.3</b>                   | <b>6.0</b>                          | <b>6.0</b>                    | <b>6.0</b>                           |

**Staff recommends an appropriation of \$545,908 and 6.0 FTE, calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table.

| <b>Summary of Personal Services Recommendation<br/>(10) Adult Assistance Programs, (A) Administration</b> |              |            |           |            |           |
|---|--------------|------------|-----------|------------|-----------|
|   | <b>Total</b> | <b>FTE</b> | <b>GF</b> | <b>CFE</b> | <b>FF</b> |
| FY 2006-07 Long Bill<br>(S.B. 06-1385)  |              |            |           |            |           |
| Personal Services   | 446,237      | 5.0        | 37,540    | 94,773     | 313,924   |
| Operating Expenses  | 33,571       | 0.0        | 0         | 0          | 33,571    |

| <b>Summary of Personal Services Recommendation<br/>(10) Adult Assistance Programs, (A) Administration</b> |                |            |               |               |                |
|---|----------------|------------|---------------|---------------|----------------|
|   | <b>Total</b>   | <b>FTE</b> | <b>GF</b>     | <b>CFE</b>    | <b>FF</b>      |
| S.B. 06-219 Reorganization  | 58,047         | 1.0        | 58,047        | 0             | 0              |
| FY 2006-07 Salary Survey  | 10,628         | 0.0        | 831           | 2,262         | 7,535          |
| Base Reduction (0.5 Percent)  | (2,575)        | 0.0        | (482)         | (485)         | (1,607)        |
| <b>TOTAL Recommendation</b>   | <b>545,908</b> | <b>6.0</b> | <b>95,936</b> | <b>96,550</b> | <b>353,423</b> |

**(B) Old Age Pension Program**

This program, authorized by the State Constitution, provides cash assistance, up to a maximum of \$648 per person per month (as of January 2007) to eligible individuals age 60 and older. This program also provides reimbursements for burial expenses of OAP recipients.

The OAP program has several types of administrative costs: (1) state administration for the personal services and operating costs of the state staff administering the program; (2) county administration for county staff who interact with clients and determine eligibility; (3) CBMS costs for programming and implementation of OAP-related parts of this system; and (4) EBTS costs for expenses related to providing electronic benefits to OAP recipients. There is also an OAP State Medical Program funded and administered by the Department of Health Care Policy and Financing.

Revenue for the OAP program is generated from an 85 percent share of state sales tax, license fees, liquor and excise taxes, and 100 percent of inheritance and incorporation taxes; revenues that are not utilized for the OAP Program "spill over" into the General Fund. As a result, greater expenditures in the OAP Program, mean less revenue in the General Fund to be used for other purposes. As the earmarked revenues are "continuously appropriated" by the State Constitution, the General Assembly does not directly control program expenditures; the Long Bill simply reflects anticipated program expenditures for informational purposes, because the level of these expenditures can have an impact on the revenue available to the General Fund.

The State Board of Human Services is authorized to determine the maximum grant standard for the OAP program. It may grant a cost of living increase, using the federal Supplemental Security Income inflation factor or another measure of the Board's choosing.

**Cash Assistance Programs.** This line item represents anticipated payments from the Old Age Pension to eligible beneficiaries. As payments are continuously appropriated, this appropriation is included for informational purposes. The department requests an appropriation of \$75,961,869. This includes a non-prioritized decision item to apply the community provider rate increase to these funds.

**Decision item #NP-1 (Community Provider Rate Increase).** In its FY 2007-08 budget request, the Department included the OAP cash assistance programs under the community provider rate increase. Historically, the increase has been estimated using other methods; for FY 2006-07, the calculation

was based on estimates of caseload and cost-of-living increases. As previously noted, the State Board of Human Services may use methods of their own choosing. In response to staff inquiry, the Department indicated that the Board understood that the Joint Budget Committee common policy decision for the community provider rate increase might be different than the rate increase assumed by OSPB, and that the requested increase was intended to be based on the Committee's action.

Staff is uncomfortable with this method of forecasting the likely level of expenditure. As previously noted, funds for this line are continuously appropriated and the amount is shown for informational purposes because it affects General Fund revenues. The actual spending level will be determined by the number of recipients and the size of the average grant. The average grant size will be, in turn, at least somewhat a function of the maximum grant size. The maximum grant was increased, effective January 2007, from \$624 to \$648, some 3.8%. However, the recipient of a \$300 grant in 2006, with no other changes in their situation, would now receive a \$324 grant, an 8% increase. Year-over-year expenditures and the annual increase for the last few fiscal years are shown in the following table.

| OAP Cash Assistance |                    |               |              |
|---------------------|--------------------|---------------|--------------|
|                     | Actual Expenditure | Increase (\$) | Increase (%) |
| FY 2003-04          | 59,448,840         |               |              |
| FY 2004-05          | 67,077,079         | 7,628,239     | 12.83%       |
| FY 2005-06          | 69,951,930         | 2,874,851     | 4.29%        |
| FY 2006-07 (est)    | 74,472,421         | 4,520,491     | 6.46%        |
| FY 2007-08 (req)    | 75,961,869         | 1,489,448     | 2.00%        |

The Department's estimated increase of 2% is less than half of the smallest percentage increase from the previous three years. **Staff recommends the Committee approve, for informational purposes, an appropriation of \$77,451,318 cash funds based on an increase of 4% over the previous fiscal year's estimated expenditure.**

**Refunds.** This line item provides an offset to the cash assistance program expenditures through the refunds of overpayments or payments made to ineligible clients. The source of funds is cash funds exempt and the request is for \$588,362. This represents a continuation of the FY 2006-07 appropriation. **Staff recommends the Committee approve the department's request.**

**Burial Reimbursements.** This line item funds reimbursements of burial expenses for eligible Old Age Pension beneficiaries. The Department requests a continuation appropriation of \$918,364 cash funds for FY 2006-07. **Staff recommends that the Committee approve the department's request.**

**State Administration.**

| Staffing Summary     | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation |
|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| General Professional | 10.6                 | 12.0                        | 12.0                  | 12.0                         |
| Staff Support        | 1.0                  | 2.0                         | 2.0                   | 2.0                          |
| <b>TOTAL</b>         | 11.6                 | 14.0                        | 14.0                  | 14.0                         |

This appropriation funds the administrative related activities incurred by the state for the Old Age Pension program and the Old Age Pension Health Care program. The department requests an appropriation of \$1,074,937 cash funds and 14.0 FTE. The Department's request includes a continuation level of \$196,004 for operating expenses. **Staff recommends an appropriation of \$1,072,357 cash funds and 14.0 FTE, calculated in accordance with Committee common policy decisions.** Staff's calculation is summarized in the following table.

| Summary of State Administration Recommendation<br>Department of Human Services, Old Age Pension Program |                  |             |
|---|------------------|-------------|
|   | Cash Funds       | FTE         |
| FY 2006-07 Long Bill (H.B. 06-1385)   |                  |             |
| Personal Services   | 859,980          | 14.0        |
| Operating Expenses  | 196,004          | n.a.        |
| Salary Survey   | 20,673           | n.a.        |
| 0.5% Base Reduction (applied to PS only)  | (4,300)          | n.a.        |
| <b>Staff Recommendation</b>   | <b>1,072,357</b> | <b>14.0</b> |

**County Administration.** OAP county administration appropriation funds any county administration related to the Old Age Pension. This money is not included in the County Administration section of the Long Bill, and is included for informational purposes as the funds are continuously appropriated. The Department requests an appropriation of \$2,462,595 cash funds (Old Age Pension). **Staff recommends the Committee approve the Department's request, which matches the appropriation calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table.

| Summary of County Administration Recommendation<br>Department of Human Services, Old Age Pension Program |                  |
|--|------------------|
|  | Cash Funds       |
| FY 2006-07 Long Bill (H.B. 06-1385)  | 2,361,993        |
| 2% provider rate increase  | 47,240           |
| Annualize previously approved 1331 supplemental<br>H.B. 06S-1023 implementation costs                    | 53,362           |
| <b>Staff Recommendation</b>  | <b>2,462,595</b> |

### **(C) Other Grant Programs**

**Aid to the Needy Disabled State Supplemental Grant Program.** This program provides a state supplement to individuals receiving Supplemental Security Income (SSI) payments, up to a maximum of \$623 per month (as of January 2007). The federal SSI Program is an entitlement program that provides financial assistance to persons with a disability that precludes them from securing or retaining employment for at least 12 months. The state program is funded through 80 percent General Fund and 20 percent county funds. In recent years, the Department has anticipated that it will receive refunds associated with this program of approximately 6.5 percent of total expenditures. These refunds are used to offset the costs of the program. Colorado's maintenance of effort (MOE) agreement with the Social Security Administration requires that the state either:

- (1) Maintain the same level of support for the Colorado supplement programs (Aid to the Needy Disabled Colorado Supplement, Aid to the Blind Colorado Supplement, Old Age Pension, Home Care Allowance and Adult Foster Care) from calendar year to calendar year (the "expenditure test"); or
- (2) Pass on the annual federal cost-of-living adjustment (COLA) to recipients.

Since 1991, the state has been bound by the expenditure test. In calendar years 2003, 2004, and 2005, the State fell short of the required expenditure level. Colorado did meet the expenditure test in 2006; in doing so, the State also set a new level of \$26,882,089 which must be met in future years.

Staff recommendation for this line will be provided later in this section.

**Aid to the Blind State Supplemental Grant Program.** This program provides supplemental income to individuals who are legally blind and unable to secure or retain employment. This state program is funded through 80 percent General Fund and 20 percent county funds. Staff recommendation for this line will be provided later in this section.

**Aid to the Needy Disabled State-only Grant Program.** The AND-SO program was established in 1953 to provide income assistance to individuals who were too disabled to work for six months or more. In 1979, the program from an entitlement to a benefit subject to available appropriations. In 1983, the responsibility for eligibility determination was shifted from the state to the counties and, in 1996, statutory language was added to require treatment for disabilities associated with drug and alcohol abuse and to limit the amount of time that such disabled persons could receive assistance.

Individuals with a primary diagnosis of alcohol or drug abuse can be approved for the AND-SO program if they agree to participate in treatment for their addiction and submit to random testing to insure they have remained free of alcohol and/or controlled substances. Individuals with a primary diagnosis of alcohol or drug abuse are only allowed to be on AND-SO a maximum of 12 cumulative

months in their lifetime. If the individual tests positive for alcohol or drugs twice in any three-month period, they are removed from the program.

This program provides assistance to persons with a disabling condition, lasting six months or longer, who are awaiting SSI determination. If an individual is found to be eligible for SSI, the Social Security Administration will reimburse the state for all AND-SO payments made to the person while waiting for SSI eligibility determination. These reimbursements are referred to as interim assistance reimbursements (IARs) and are used to offset the state and county costs of this program.

More than half of AND-SO recipients eventually qualify for SSI. The remainder of AND-SO recipients generally have a disability that is expected to last six months or less (which is less than the anticipated 12-month duration required under SSI) or have a disability resulting from alcohol or drug abuse (a disabling condition that does not qualify individuals for SSI assistance).

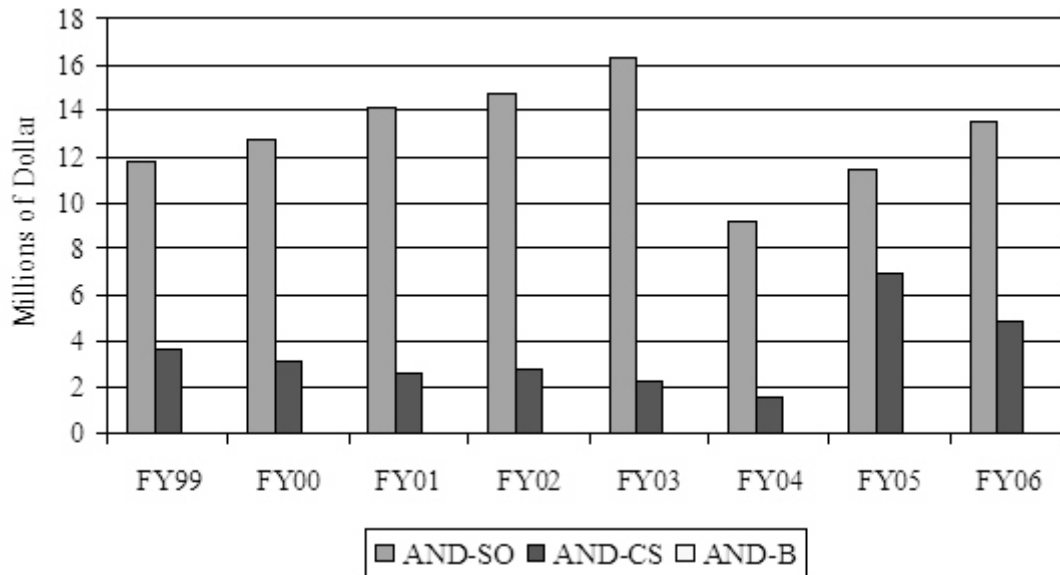
Staff recommendation for this line will be presented later in this section.

***Budget Amendment #5 (AND-SO Budget Adjustment).*** The Department is currently projecting that due to increased caseload and increased average payment, expenditures will exceed the amount requested in the initial budget by \$640,000. If the AND-SO increase is not approved, the Department will reduce the maximum grant amount from \$230 per month to \$210 per month in order to stay within the appropriation. This increase is offset by budget amendment #15, which proposes a decrease in the appropriation for the AND-CS program. Staff will consider these two amendments jointly.

***Budget Amendment #15 (AND-CS Program Budget Reduction).*** The Department is currently projecting expenditures that will be substantially lower than the figures originally submitted in their budget for FY 2007-08. In this budget amendment the Department proposes lowering their appropriation by \$1,161,699, including \$929,359 General Fund. As previously mentioned, this decrease is somewhat offset by budget amendment #5, which requests an increase in the AND-SO program. However, the Department proposes an alternative approach that may reduce the need for supplemental requests and budget amendments in the future.

The Department proposes that the three separate AND budget lines be combined, in order to provide the Department with greater flexibility in managing its budget. Expenditures for the three AND programs, for the last several fiscal years, is shown in the following chart. Staff notes first that the Aid for the Needy Disabled - Blind (AND-B) program expenditures are so low when compared to the other two programs that they do not show on this scale. In most years, spending on the AND-CS and AND-SO programs move in opposite directions; that is, spending on one increases while spending on the other decreases.





Much of this inverse relationship is probably a result of the relationship between the programs that was described previously. If applicants move more quickly from AND-CS to SSI (and possibly AND-SO), it seems reasonable for expenditures for AND-CS to decrease and for AND-SO to increase. The reverse would be true if applicants moved more slowly from the temporary program. The Department's suggestion that combining the funding into a single line, which would allow these movements in different directions to at least partially offset each other in many years, seems to be reasonable.

There is a precedent for combining multiple related payments into a single line item. There are multiple groups within Colorado's Old Age Pension program, but only a single line for OAP cash assistance payments in the Long Bill. **Staff recommends the Committee combine the AND-CS, AND-B, and AND-SO lines into a single Long Bill line "Aid to the Needy Disabled Programs".**

The budget amendment also requests changes in Long Bill letter note language to indicate that some of the funding sources – refunds and certain federal payments – are estimated figures. This would allow the Department, in the case where refunds or federal payments exceeded the estimate, to make use of those funds in place of General Fund. **Staff recommends the Committee approve the Department's request to indicate estimated amounts appropriately in the letter note(s) for the new Aid to the Needy Disabled Programs line.**

**Aid to the Needy Disabled Programs.** The Department requests a continuation level appropriation for each of the three lines currently in the Long Bill, for a total of \$17,950,194, including \$12,126,877 General Fund and \$5,823,317 cash funds exempt. **Staff recommends the Committee approve an appropriation of \$17,950,194 for the combined Aid to the Needy Disabled lines.**

**Burial Reimbursements.** This program provides assistance, up to a maximum of \$1,000, to help defray the costs of burial expenses for Aid to the Needy Disabled/Aid to the Blind recipients; the maximum is \$1,500 for children receiving supplemental security income payments. This is an optional state program. However, if not funded by the State, counties would pay these costs. The Department requests a continuation level of funding. **Staff recommends the Committee approve the Department's request for a continuation level of \$508,000.**

**Home Care Allowance.** S.B. 06-219 transferred responsibility for funding of this program to the Department of Human Services from the Department of Health Care Policy and Financing. The Department requests a continuation level appropriation of \$10,880,411 (\$10,336,390 General Fund and \$544,021 cash funds exempt from local funds). **Staff recommends the Committee approve the Department's request for continuation funding.**

**Adult Foster Care.** Responsibility for the funding of this program was transferred from the Department of Health Care Policy and Financing to the Department of Human Services by S.B. 06-219. The Department requests a continuation of FY 2006-07's appropriation of \$157,469 (\$149,596 General Fund and \$7,873 cash funds exempt from local funds). **Staff recommends the Committee approve the Department's request.**

**(D) Community Services for the Elderly**

This section encompasses programs funded by the federal Older Americans Act and state-only resources for senior services. Responsibilities include developing a state plan for aging services, overseeing federal grants and providing assistance and funding to 16 local area agencies on aging and local service providers to provide services to seniors age 60 years and older.

**Administration.** This line item funds salary, state contributions to PERA, Medicare taxes, and contractual services related to the state administration of old age programs. A staffing summary for this line is provided in the table below.

| Staffing Summary     | FY 2005-06<br>Actual | FY 2006-07<br>Appropriation | FY 2007-08<br>Request | FY 2007-08<br>Recommendation |
|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| General Professional | 4.9                  | 5.8                         | 5.8                   | 5.8                          |
| Staff Support        | 1.3                  | 1.2                         | 1.2                   | 1.2                          |
| TOTAL                | 6.2                  | 7.0                         | 7.0                   | 7.0                          |

The Department requests an appropriation of \$641,633 (including \$170,666 General Fund) and 7.0 FTE for this line item. The request includes a continuation level of funding for the operating expenses aspect of the line. **Staff recommends an appropriation of \$639,997 and 7.0 FTE, calculated in accordance with Committee common policy.** Staff calculations are summarized in the following table.

| <b>Staff Recommendation - Adult Assistance Programs, Community Services for the Elderly, Administration</b> | <b>Total</b>   | <b>General Fund</b> | <b>Federal Funds</b> |
|---|----------------|---------------------|----------------------|
| H.B. 06-1385 Appropriation  | \$0            |                     |                      |
| Personal Services (estimate)  | 526,683        | 140,097             | 386,586              |
| Operating Expenses (estimate)   | 104,927        | 27,904              | 77,023               |
| Salary Survey   | 11,076         | 2,946               | 8,130                |
| Base reduction (0.5 percent)  | (2,689)        | (715)               | (1,974)              |
| <b>Total FY 2006-07 Recommendation</b>  | <b>639,997</b> | <b>170,232</b>      | <b>469,765</b>       |

**Colorado Commission on Aging.** This line item funds an administrative position for the Commission, which meets quarterly. The position assists the Commission with special projects, in addition to regular administrative duties. It includes salary, the state's contribution to PERA, Medicare taxes, and general operating expenses. The department requests \$77,005, including \$19,808 General Fund and 1.0 FTE for this line item. **Staff recommends the Committee approve the Department's request.** This represents a continuation of the FY 2005-06 appropriation plus salary survey. The recommendation is not calculated pursuant to Committee common policy given the small level of FTE and the lack of turnover in the position.

**Senior Community Services Employment.** This program promotes useful part-time employment in community services activities for unemployed, low-income persons age 55 or older. Program participants are provided training and counseling services to move them from subsidized to unsubsidized jobs. This line item is fully funded with federal grants. The department requests an appropriation of \$861,146 and 0.5 FTE. **Staff recommends the Committee approve the Department's request.** This represents a continuation of the FY 2005-06 appropriation plus salary survey. The recommendation is not calculated pursuant to Committee common policy given the small number of FTE and the lack of turnover in the position.

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

- Supportive services and senior centers - Functions include case management, client representation, shopping assistance, transportation, chore services, personal care services, adult day care, health screening, legal services, and an ombudsman;
- Nutrition services such as congregate meals, nutrition screening and education;

- In-home services for persons above the eligibility thresholds for Medicaid, Home Care Allowance and Adult Foster Care (homemaker services, personal care services, home repair services, visiting services); and,
- Disease prevention and health promotion services (e.g., health risk assessments, programs regarding physical fitness, education regarding diagnosis, prevention and treatment of age-related diseases and chronic disabling conditions)

In general, services are available to individuals age 60 and over, regardless of income or assets. While the federal government does not allow a means test, it does require that priority be given to those with the greatest social and economic need, with particular attention to minority individuals and those who are frail, homebound, or otherwise isolated. Provider agencies often request donations or fees on a sliding scale for services such as transportation and congregate meals.

***Budget Amendment #19 (Older Americans Act Programs Budget Correction).*** The federal Older Americans Act provides funds to states to be used on a variety of programs benefitting older Americans. Federal funds are drawn down as a generous (17:1) match to state dollars. The federal government made somewhat more funds available than had been anticipated. In order to draw down an additional \$680,000 in federal funds, the Department requires spending authority for \$40,000 in state money. The Department proposed that the source for state funds be interest earned on and retained by the Older Coloradans Cash Fund.

The Older Coloradans Cash Fund was created pursuant to Section 26-11-205.5 (5), C.R.S. However, Section 26-11-205.5 (2), C.R.S., requires that moneys from this fund shall be distributed to the State's Area Agencies on Aging and that the moneys shall be "allocated as a whole" rather than to the individual programs funded by the Area Agencies. State funds used as a match for Older Americans Act dollars acquire modest restrictions on how they must be allocated. This precludes, under current statute, the use of any moneys from the Older Coloradans Cash Fund as the state matching funds.

With the exception of an appropriation (made improperly, in staff's opinion) in FY 2004-05, none of the accumulated interest in the Older Coloradan's Cash Fund has been spent. Staff believes that using a portion of that accumulated interest to draw down unexpected federal funds at the very generous rate provided by the Older Americans Act provides a benefit to the Area Agencies and their clients that far outweighs the loss of spending flexibility on the much smaller amount of state funds. The Joint Budget Committee has previously agreed to carry a bill that would (a) amend statute to allow accumulated interest to be used for this purpose and (b) appropriate \$40,000 of accumulated interest for the current fiscal year.

**Staff recommends that the Committee approve budget amendment #19, with the following changes.** Staff recommends that the added appropriation be cash funds exempt representing accumulated interest from previous years, rather than cash funds. If the JBC bill becomes law in time, staff recommends including the added appropriation in this year's Long Bill. If the JBC bill

does not become law in time, staff recommends that the bill's appropriations clause be modified in committee to appropriate money for FY 2007-08 as well as for FY 2006-07.

The Department requests an appropriation of \$14,141,987 which represents a continuation of last year's Long Bill funding plus the amounts from budget amendment #19. **Staff recommends that the Committee approve an appropriation of \$14,141,987, with a funding split as shown in the following table.** For the cash funds exempt, \$40,000 shall be accumulated interest from the Older Coloradans Cash Fund and the remainder shall be local funds.

| Staff Recommendation - Adult Assistance Programs, Senior Community Service Employment | Total             | General Fund   | Cash Funds | Cash Funds Exempt | Federal Funds     |
|---|-------------------|----------------|------------|-------------------|-------------------|
| H.B. 06-1345 Appropriation  | \$13,421,987      | \$489,694      | \$0        | \$3,126,763       | \$9,805,530       |
| Budget Amendment #19  | 720,000           | 0              | 0          | 40,000            | 680,000           |
| <b>Total</b>  | <b>14,141,987</b> | <b>489,694</b> | <b>0</b>   | <b>3,166,763</b>  | <b>10,485,530</b> |

**National Family Caregiver Support Program.** In February 2001, the federal government provided \$113 million in grants to states to help family members provide care for the elderly at home. The NFCSP is the largest new program under the Older Americans Act since nutritional programs started in 1972. The department has worked closely with the Area Agencies on Aging to develop a statewide comprehensive system that is responsive to a diverse group of caregivers. The program provides:

1. Information to caregivers about available services;
2. Assistance gaining access to services;
3. Individual counseling, organization of support groups and caregiver training to assist the caregivers in making decisions and solving problems relating to their caregiver roles;
4. Respite care to enable caregivers to be temporarily relieved from their care-giving responsibilities; and,
5. Supplemental services, on a limited basis to complement the care provided by caregivers.

These funds are intended for grandparents (60 years and older) caring for non-disabled children, elderly parents of disabled or developmentally disabled children, and family members and friends caring for older people. States are encouraged to give priority to elderly parents of disabled children and low-income older individuals. The state is not currently subject to a MOE requirement for the portion of OAA funds related to the NFCSP, but the Department believes this program may be incorporated into the MOE in future years.

The Department requests a continuation funding level of \$1,420,414 General Fund. **Staff recommends the Committee approve the Department's request.**

**State Ombudsman Program.** The state contracts with the Legal Center for Persons with Disabilities and Older Persons to serve as the State Ombudsman for Colorado. Staffing for this program includes one State Long-Term Care Ombudsman, a part-time assistant and a part-time legal developer. There are also 17 paid local ombudsmen and 90 volunteer ombudsmen. The Legal Center provides services to Area Agencies on Aging and their local ombudsmen staff with training and technical services associated with local program administration. The Legal Center also monitors local programs for efficiency and effectiveness and provides reports of data and information to the Department. The Department requests a continuation of the FY 2006-07 appropriation (\$222,031, including \$62,798 *net* General Fund). **Staff recommends the Committee approve the Department's request.**

**State Funding for Senior Services.** This line was created to reflect state funding for senior services above and beyond the state match required for Older Americans Act programs. The General Assembly included a footnote associated with this line to indicate that the funds would be administered through the Area Agencies on Aging, but that the funds could be used with more flexibility than is afforded under OAA programs. The state funding for senior services allows more than 25,000 Older Coloradans to receive transportation, nutrition services, in-home assistance and other miscellaneous services.

The Department requests an appropriation of \$5,000,000. This represents a continuation level of funding, plus \$1,000,000 due to H.B. 06-1018. This total is made up of \$2.0 million General Fund and \$3.0 million cash funds. **Staff recommends the Committee approve the Department's request.**

**Area Agencies on Aging Administration.** This line item provides funding for the 16 Area Agencies on Aging (AAAs) to develop and administer area plans on aging for their respective regions. The Department requests a continuation of the FY 2006-07 appropriation, which is \$981,915 federal funds; this amount reflects the level of federal funding anticipated in FY 2007-08. **Staff recommends the Committee approve the department's request.**

## FOOTNOTES

Staff recommends continuing the following footnotes:

- 46 Department of Human Services, County Administration, County Share of Offsetting Revenues** -- It is the intent of the General Assembly that, pursuant to section 26-13-108, C.R.S., the Department utilize recoveries to offset the costs of providing public assistance. This appropriation represents an estimate of the county share of such recoveries and, if the amount of the county share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to disburse an amount in excess of this appropriation to reflect the actual county share of such recoveries.
- 47 Department of Human Services, County Administration, County Incentive Payments; Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- It is the intent of the General Assembly that, pursuant to section 26-13-108 and 26-13-112.5 (2), C.R.S., the Department distribute child support incentive payments to counties. This appropriation represents an estimate of one-half of the State share of recoveries of amounts of support for public assistance recipients, as described in section 26-13-108, C.R.S. If the amount of one-half of the State share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to distribute an amount in excess of this appropriation to reflect one-half of the actual State share of such recoveries.
- 55 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- Pursuant to sections 26-2-714 (7) and 26-2-714 (9), C.R.S., under certain conditions, a county may transfer federal Temporary Assistance for Needy Families (TANF) funds within its Colorado Works Program Block Grant to the federal child care development fund or to programs funded by Title XX of the federal Social Security Act. One of the conditions specified is that the amount a county transfers must be specified by the Department of Human Services as being available for transfer within the limitation imposed by federal law. It is the intent of the General Assembly that the Department allow individual counties to transfer a greater percent of federal TANF funds than the state is allowed under federal law as long as: (a) Each county has had an opportunity to transfer an amount up to the federal maximum allowed; and, (b) the total amount transferred statewide does not exceed the federal maximum.
- Comment: Several Colorado counties took advantage of the flexibility offered by this footnote.
- 56 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- It is the intent of the General Assembly that the appropriation of local funds for Colorado works program county block grants may be decreased by a maximum of \$100,000 to reduce one or more small counties' fiscal year 2006-07 targeted or actual spending level, pursuant to section 26-2-714 (8), C.R.S.

Comment: Section 26-2-714 (8) (b) requires that a maximum mitigation amount for small counties be specified in the Long Bill. This footnote satisfies that requirement.

Staff recommends continuing the following footnotes, as amended:

- 82 Department of Human Services, Totals --** The General Assembly requests that the Executive Director of the Department submit annually, on or before November 1, a report to the Joint Budget Committee concerning the amount of federal Temporary Assistance for Needy Families (TANF) funds available in the Long-term Works Reserve Fund. The requested report should include the following: (a) The amount of TANF funds expended, by Long Bill line item, for ~~FY 2005-06~~ FY 2006-07, AND THE AMOUNT OF TANF FUNDS REQUESTED, BY LONG BILL ITEM, FOR FY 2007-08; (b) the amount of federal TANF funds transferred by each individual county, for FY 2005-06, including details regarding the program area to which each county transferred such funds; (c) the amount of any prior year appropriations of federal TANF funds that have been rolled forward to the current state fiscal year; (d) estimated expenditures of federal TANF funds for the current year and immediately following state fiscal year; (e) the total amount of TANF funds available to Colorado for state fiscal years ~~FY 2005-06, FY 2006-07, and FY 2007-08~~, FY 2006-07, FY 2007-08 AND FY 2008-09, including funds rolled forward from previous state fiscal years; (f) the amount of federal TANF funds that remain available in each county's Works Program Reserve Account as of July 1 of the current state fiscal year; ~~and~~ (g) A DEMONSTRATION THAT THE TOTAL AMOUNT OF FEDERAL TANF FUNDS REQUESTED IN ITS ANNUAL BUDGET REQUEST FOR STATE FISCAL YEAR 2008-09 DOES NOT EXCEED AN AMOUNT ANTICIPATED TO BE AVAILABLE TO THE STATE, AND (H) a demonstration that the information provided in the report is consistent with related financial information reported to the federal government.

Comment: As amended, this footnote replaces footnote 83, which will no longer be needed.

Staff recommends eliminating the following footnotes:

- 54a Department of Human Services, Office of Self Sufficiency, Colorado Works Program --** It is the intent of the General Assembly that no State services will be provided for persons who are in the United States illegally or are otherwise ineligible under federal law to receive those benefits.

Comment: The need for this footnote has been superceded by H.B. 06S-1023.

- 83 Department of Human Services, Totals --** The General Assembly requests that the Department submit to the Joint Budget Committee, on or before November 1, 2006, a summary, by Long Bill line item, of federal Temporary Assistance for Needy Families



(TANF) funds requested in its annual budget request for state fiscal year 2007-08. The General Assembly further requests that the Department include information demonstrating that the total amount of federal TANF funds requested in its annual budget request for state fiscal year 2007-08 does not exceed the amount anticipated to be available to the State.

Comment: The information requested in this footnote has been incorporated into amended footnote 82 shown above.

Staff recommends adding the following footnotes:

**N DEPARTMENT OF HUMAN SERVICES, OFFICE OF INFORMATION TECHNOLOGY SERVICES, COLORADO BENEFITS MANAGEMENT – THE GENERAL ASSEMBLY REQUESTS THAT THE DEPARTMENT SUBMIT TO THE JOINT BUDGET COMMITTEE, ON OR BEFORE JUNE 1, 2007 AND AGAIN ON OR BEFORE NOVEMBER 1, 2007, A SUMMARY OF CHANGE REQUEST ACTIVITY RELATED TO THE COLORADO BENEFITS MANAGEMENT SYSTEM. THIS SUMMARY SHOULD INCLUDE THE NUMBER OF REQUESTS COMPLETED, THE NUMBER IN PROGRESS, AND THE NUMBER THAT HAVE BEEN SUBMITTED BUT NOT YET STARTED. CHANGE REQUESTS REQUIRING THE EXPENDITURE OF MORE THAN FIFTY THOUSAND DOLLARS (\$50,000) SHOULD BE DESCRIBED IN DETAIL.**

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Michael Cain, Joint Budget Committee Staff

**SUBJECT:** Staff Come-back, Governor's Office Figure Setting

**DATE:** March 14, 2007

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Staff's presentation of late supplementals for FY 2006-07 and budget amendments for FY 2007-08 was not entirely clear as to which changes should be applied to which lines in the budget for the Governor's Office. A clarifying summary is given in the following table.

| Supplemental/Amendment                        | Line Item   | Amount      |
|---|---|-------------|
| FY 2006-07<br>Reduction in the Office of CBMS | Office of CBMS,<br>Program Costs  | (\$100,550) |
| FY 2007-08<br>Reduction in the Office of CBMS | Office of CBMS,<br>Program Costs  | (\$191,262) |
| FY 2006-07<br>CBMS RFP                        | Office of Information Technology,<br>Colorado Benefits Management System - RFP<br>(New Line Item) | \$512,400   |

**Staff recommends the Committee approve applying the changes to the specified line items.**

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Michael Cain, Joint Budget Committee Staff

**SUBJECT:** Staff Come-back, Department of Human Services Figure Setting

**DATE:** March 13, 2007

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This memorandum presents corrections to staff's figure-setting for the Department of Human Services.

**Department of Human Services**  
**(1) Executive Director's Office**  
**Line Item: CBMS Emergency Processing Unit**

Staff inadvertently excluded this line item from earlier figure-setting presentations.

The CBMS Emergency Processing Unit (EPU) was originally created in response to the preliminary injunction issued by the court hearing the CBMS lawsuit. The unit was intended to handle emergency social services problems caused by the CBMS system. The Department was subsequently released from that injunctive requirement. However, the Department is involved in settlement negotiations with the plaintiffs in that lawsuit. One of the terms on which agreement has been reached by the two sides is the continued operation of the EPU. The Department originally submitted a 1331 supplemental request for FY 2006-07 to fund the continuing operation. The Committee partially approved the Department's request, and created this new line item within the Executive Director's Office.. The Department subsequently submitted another supplemental which requested a change in the funding split for this appropriation and requested that the costs be spread across the affected program lines rather than put in its own line. The Committee approved the change in funding split but retained the line item.

***Budget Amendment #1-D (CBMS Emergency Processing Unit).*** This budget amendment for FY 2007-08 requests continued funding for the EPU, transfer of the appropriation into lines associated with the individual programs, and permission to convert the current five contractors to 4.0 FTE. Approved funding for the EPU for FY 2006-07 is \$266,640 including \$113,322 General Fund. The Department's proposed funding level and split for FY 2007-08 are shown in the following table.

| Fiscal Year | Total Amount | GF       | CF       | CFE | FF        |
|-------------|--------------|----------|----------|-----|-----------|
| 2007-08     | \$213,822    | \$73,768 | \$17,106 | \$0 | \$122,948 |

Cash funds are Old Age Pension Fund

Federal funds are \$49,179 TANF and \$73,769 Food Stamps

**Staff recommends the Committee retain the current line in the EDO section, rather than distributing expenses across program-specific lines.** Staff believes that, since the EPU is required as a condition in the potential settlement of the CBMS lawsuit, it is appropriate to continue tracking the appropriation for the EPU as a separate item. This decision should be revisited at a future time if the settlement mandate for the EPU lapses.

**Staff recommends the Committee approve the Department's request for 4.0 FTE.** The EPU will operate for an unknown period of time. It seems likely, though, that the EPU will operate for a long enough period that the use of contract workers would run into problems with turnover and training. These workers are required to recognize potentially complex problems and coordinate their successful resolution, so training needs may be significant. Staff believes it is more appropriate that an ongoing unit of this type use full-time state employees. The staffing level of 4.0 FTE is consistent with recommendations made by staff during the analysis of the original 1331 supplemental request.

**Staff recommends the Committee approve an appropriation of \$211,661 calculated in accordance with Committee common policy.** Salary levels for the classified employees requested by the Department are consistent with recommendations made by staff during the analysis of the original 1331 supplemental, as are the requested levels for operating expenses. Staff's recommendation for funding split is based on the Department's calculations, and is shown in the following table.

| Fiscal Year | Total Amount | GF       | CF       | CFE | FF        |
|-------------|--------------|----------|----------|-----|-----------|
| 2007-08     | \$211,661    | \$73,023 | \$16,933 | \$0 | \$121,705 |

Cash funds are Old Age Pension Fund.

Federal funds are \$48,682 TANF and \$73,023 Food Stamps.

## Department of Human Services

### (4) County Administration

#### Line Item: County Reserve Accounts

Staff inadvertently omitted budget amendment #9 from calculations for this line item.

***Budget Amendment #9 (Adjustment to County Reserve Accounts).*** Pursuant to Section 26-2-714 (5) (a), C.R.S., counties are authorized to maintain a County Reserve Account of unspent Works Program county block grant funds. The Department requests an increase in spending authority of \$16,068,277 federal funds (TANF) for the county reserve accounts. This request is

not for new dollars; it is an adjustment of spending authority for funds that were appropriated in prior years. This is an annual request made by the Department. Pursuant to statute [Section 26-2-714 (5) (a), C.R.S.], at the end of each fiscal year, a county may retain the balance of the county block grant remaining in the county's reserve account. In order to comply with statute, the County Reserves balance must be recalculated at the end of each fiscal year to accurately reflect the correct spending authority. The current year appropriation is then adjusted to reflect the new spending authority amount through a supplemental request. The Committee has previously approved a supplemental request for FY 2006-07 for an increase in this amount. This budget amendment increases the line item for FY 2007-08 by the same amount in order to reflect the most recent knowledge regarding the account balances.

Including budget amendment #9, the Department requests a total of \$51,539,912 federal funds (TANF) for this line. **Staff recommends the Committee approve the Department's request.**

**Department of Human Services  
 (7) Office of Self Sufficiency  
 (A) Administration  
 Line Item: Personal Services**

Staff's funding split for a portion of the calculation of this line item was incorrect. In addition, there was an error in the option 8 calculation. **Staff recommends an appropriation of \$1,605,384 (\$611,889 General Fund) and 22.0 FTE calculated in accordance with Committee common policy.** Staff's corrected calculation is summarized in the following table. Correcting the funding split decreases the General Fund amount by \$13,343 and increases federal funds by the same amount. Correcting the option 8 calculation increases the total by \$500.

| <b>Staff Summary - (7) Office of Self Sufficiency<br/>(A) Administration</b> | <b>Total</b>     | <b>General Fund</b> | <b>Federal Funds</b> | <b>FTE</b>  |
|--|------------------|---------------------|----------------------|-------------|
| Previous year Long Bill appropriation<br>(H.B. 06-1385)                      | \$1,540,166      | \$564,434           | \$975,732            | 19.0        |
| FY 2006-07 Salary Survey   | 27,774           | 27,774              | 0                    | 0.0         |
| FY 2006-07 DI #16<br>Removal of one-time funding                             | (99,930)         | (49,965)            | (49,965)             | 0.0         |
| Base Reduction (0.5 Percent)   | (7,340)          | (2,711)             | (4,629)              | 0.0         |
| Decision Item #13<br>Additional Food Stamp FTE                               | 144,714          | 72,357              | 72,357               | 3.0         |
| <b>Total Personal Services Recommendation</b>                                | <b>1,605,384</b> | <b>611,889</b>      | <b>993,495</b>       | <b>22.0</b> |

**Department of Human Services**

**(7) Office of Self Sufficiency  
 (C) Special Purpose Welfare Programs  
 Line Item: Food Distribution Programs**

Staff's calculation for this line item contained several small errors which resulted in an incorrect funding split. The Department request is for \$534,320 and 6.5 FTE. **Staff recommends \$532,833 and 6.5 FTE calculated in accordance with Committee common policy.** A summary of staff's corrected calculation is shown in the following table. The General Fund share of the total is reduced by \$6,736.

| Summary of Staff Calculation<br>Department of Human Services, (3) Food Distribution Program |                |            |               |                |            |                |
|---|----------------|------------|---------------|----------------|------------|----------------|
|   | Total          | FTE        | GF            | CF             | CFE        | FF             |
| FY 2006-07 Long Bill<br>(S.B. 06-1385)  |                |            |               |                |            |                |
| Personal Services   | 447,757        | 6.5        | 42,470        | 193,523        | 0          | 211,764        |
| Operating Expenses  | 76,750         | 0.0        | 0             | 31,856         | 0          | 44,894         |
| FY 2006-07 Salary Survey  | 10,619         | 0.0        | 531           | 4,460          | 319        | 5,309          |
| Base Reduction (0.5 Percent)  | (2,293)        | 0.0        | (215)         | (990)          | (3)        | (1,085)        |
| <b>TOTAL Recommendation</b>   | <b>532,833</b> | <b>6.5</b> | <b>42,786</b> | <b>228,849</b> | <b>316</b> | <b>260,882</b> |

**Department of Human Services  
 (7) Office of Self Sufficiency  
 (E) Disability Determination Services  
 Line Item: Program Costs**

Staff's calculation for this line item inappropriately applied the 0.5% base reduction to a large block of contract medical services, and excluded the 2% medical inflation factor approved by the Committee as a matter of common policy for certain object codes. Staff has recalculated this line correctly. The Department requests \$16,878,250 and 140.5 FTE, which does not include any medical inflation factor. **Staff recommends the Committee approve an appropriation of \$16,962,577 and 140.5 FTE, calculated in accordance with Committee common policy.**

| Summary of Staff Calculation<br>Department of Human Services, Disability Determination Services |               |       |
|---|---------------|-------|
|   | Federal Funds | FTE   |
| FY 2006-07 Long Bill<br>(S.B. 06-1385)  | 16,263,740    | 134.5 |

| Summary of Staff Calculation<br>Department of Human Services, Disability Determination<br>Services |                   |              |
|--|-------------------|--------------|
|  | Federal<br>Funds  | FTE          |
| FY 2006-07 Salary Survey   | 198,622           | 0.0          |
| DI #17   |                   |              |
| Transfer of FTE from OITS  | 430,847           | 6.0          |
| 0.5 Base reduction (applied to PS,<br>excluding medical services contract)                         | (38,399)          | 0.0          |
| 2% Medical inflation   | 107,767           | 0.0          |
| <b>TOTAL Recommendation</b>  | <b>16,962,577</b> | <b>140.5</b> |

**Department of Human Services**

**(10) Adult Assistance Programs**

**(C) Other Grant Programs**

**Line Item: Aid to the Needy Disabled Programs**

Staff's recommendation for this new line, consolidating the three Aid to the Needy Disabled lines from the previous year, failed to include the effects of Committee-approved budget amendments #5 and #15. Staff's corrected recommendation is summarized in the table below. The budget amendments, taken together, reduce total spending by \$521,699 and General Fund spending by \$705,406. **Staff recommends the Committee approve the revised appropriation of \$17,428,495 (\$11,421,471 General Fund).**

| Aid to the Needy Disabled Programs<br>Staff Corrected Recommendation Calculation |                            |                        |                         |                           |
|--|----------------------------|------------------------|-------------------------|---------------------------|
| Fund Source  | Previous<br>Recommendation | Budget<br>Amendment #5 | Budget<br>Amendment #15 | Revised<br>Recommendation |
| General Fund   | 12,126,877                 | 223,953                | (929,359)               | 11,421,471                |
| Cash Funds Exempt  | 5,823,317                  | 416,047                | (232,340)               | 6,007,024                 |
| Total  | 17,950,194                 | 640,000                | (1,161,699)             | 17,428,495                |

**Department of Human Services**

**(10) Adult Assistance Programs**

**(D) Community Services for the Elderly**

**Line Item: Older Americans Act Programs**

A previously approved supplemental request for FY 2006-07 changed the funding split for this

line. Staff failed to reflect the continuing reasons for that change into the FY 2007-08 budget request.

The crux of this matter is a set of changes that were made over time to the funding level and letter note associated with the cash funds exempt funding of the Older Americans Act Programs line item in the Department of Human Services, Adult Assistance Division. An amendment to the 2004 Long Bill added the following letter note:

<sup>f</sup>Of this amount, \$3,039,710(L) shall be from local funds and is shown for informational purposes, and \$87,053 shall be from interest earnings on the Older Coloradans Fund pursuant to Section 26-11-205.5 (5), C.R.S.

In the 2005 and 2006 Long Bills, the cash funds exempt entry was changed to \$3,126,763(L) and the corresponding letter note read as follows:

<sup>c</sup>These amounts, shown for informational purposes only, shall be from local funds.

This larger amount of local funds was simply not available, creating an \$87,053 "hole" in the budget for this line. The hole was amplified by the effect on federal matching funds. The Department submitted a supplemental request which would have closed this hole by appropriating \$87,053 from accumulated interest in the Older Coloradans Cash Fund. Staff determined that such an appropriation was not allowed under current statute. Because of the very generous federal match for these state dollars, staff recommended and the Committee approved appropriating \$87,053 in General Fund instead.

The staff recommendation for this line for FY 2007-08 did not incorporate this change. The JBC is carrying a bill which would allow appropriations of the accumulated interest in the Older Coloradans Cash Fund to this line. That bill appropriates \$40,000 of accumulated interest for FY 2006-07 in order to maximize the amount of federal funds which can be obtained. **Staff recommends continuing the FY 2006-07 funding level and funding split in FY 2007-08**, as shown in the following table. This change increases the General Fund amount by \$87,053 when compared to staff's previous recommendation.

| Fiscal Year | Total Amount | GF        | CF  | CFE         | FF           |
|-------------|--------------|-----------|-----|-------------|--------------|
| 2007-08     | \$14,141,987 | \$576,747 | \$0 | \$3,079,710 | \$10,485,530 |

Cash funds exempt are \$3,039,710 local funds and \$40,000 accumulated interest from the Older Coloradans Cash Fund.