

**DEPARTMENT OF HUMAN SERVICES  
(Executive Director's Office, Office of Operations, County Administration,  
Self Sufficiency, Adult Assistance)  
FY 2011-12 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Thursday, December 2, 2010  
1:30 pm – 5:00 pm**

**1:30-2:10 INTRODUCTION AND OPENING COMMENTS**

**2:10-2:30 DEPARTMENT OVERVIEW AND EXECUTIVE DIRECTOR'S OFFICE**

1. Please identify your department's three most effective programs and your department's three least effective programs, and explain why you identified them as such. How do your most effective programs further the department's goals? What recommendations would you make to increase the effectiveness of the three least effective programs?

**Response:**

**Three Most Effective Programs:**

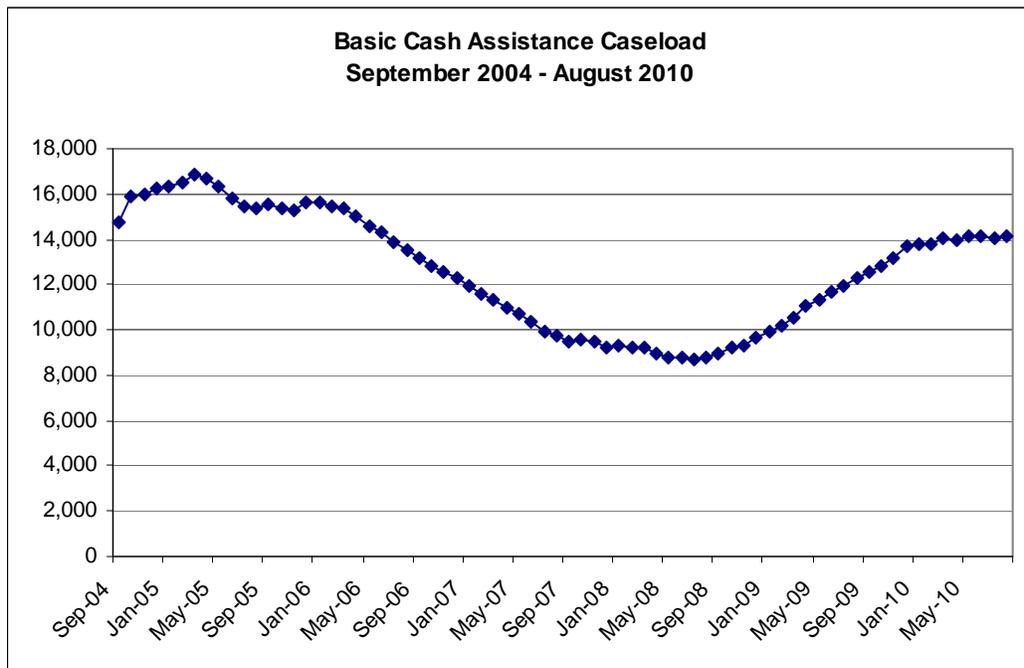
**The Department believes some of the basic safety net programs are the most effective programs at this time. With the current downturn in the economy and the increase in the number of individuals applying for basic safety net services, these programs are assisting individuals and families through this difficult period. The Department has identified the three programs below as the most effective in serving individuals during the current economic downturn.**

- **Temporary Assistance for Needy Families (TANF) – Basic Cash Assistance**
- **Food Assistance Payments**
- **Child Support Enforcement**

**The three most effective programs further the Department's goals in the following ways:**

- **Temporary Assistance for Needy Families (TANF) Basic Cash Assistance - Colorado's Basic Cash Assistance program has provided a key safety net to families in response to increased need during the economic downturn. From an all-time low in July 2008 of 8,733 cases, caseload grew at a rate of about 2.5% per month to 14,115 in August 2010. As general unemployment rose, so did the Colorado Works caseload. Additionally,**

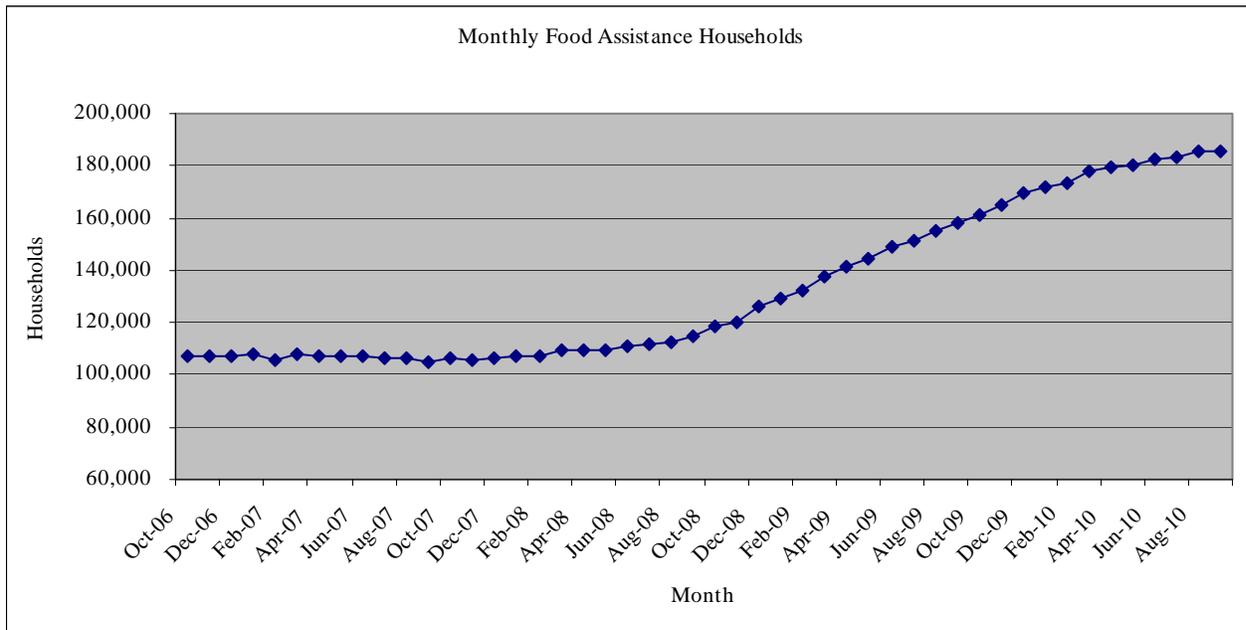
prior to January 2009, there had not been an inflationary increase for over 20 years in the amount of cash assistance a family could receive. Legislative direction provided through SB 08-177 assigned responsibility to the Board of Human Services to determine the level of Basic Cash Assistance, required a 20% increase, and encouraged the Board to implement a 30% increase. For a family of three, this resulted in an increase from \$356 per month to \$462. While still providing cash assistance at a level less than 35% of the Federal Poverty Level, the increase has assisted families to meet basic financial needs for essentials of daily living (housing, transportation, clothes, etc.). With the economic downturn, an increasing number of families have had to rely on TANF support due to loss of jobs, housing, and other essentials. Together, the State and counties have been able to respond to the demands of rapid caseload growth, to provide a much needed increase in assistance, and to manage the program within a static amount of federal funds.



In addition to the provision of basic cash assistance, Colorado’s TANF program provides a wide array of supportive services to eligible low income families through contracts or agreements negotiated at either the state or county level with public and nonprofit agencies. Hundreds of such contracts and agreements are implemented annually through the 64 county departments. At the state level during this past fiscal year, about 75 contracts or agreements were negotiated and monitored for projects for such efforts as: promoting the responsible emotional and financial involvement of over 1,000 fathers of at-risk children; supporting the

addition of 16 new sites for the summer nutrition program – thereby helping to increase the statewide number served by thousands of low income children; helping to stabilize 1,636 families at risk of homelessness or foreclosure through short-term financial assistance, and assisting 877 families to be re-housed in their communities; working with nearly 1,300 employers to serve over 1,700 individuals through subsidized employment, 47% of whom had been receiving Unemployment Insurance – with many resulting in full time ongoing jobs; and helping thousands of low income families throughout the state through over 40 competitively awarded contracts with nonprofit and public agencies statewide under the Statewide Strategic Use Fund to assist families attain self-sufficiency through such services as preventing unintended pregnancies, job skills training, family stabilization, literacy, improving child care quality, transportation, mental health, positive youth development, substance abuse, and more.

- **Food Assistance Payments** - The Food Assistance Program is a central component of CDHS policy to alleviate hunger and poverty. Qualified households that meet required income tests are entitled to a monthly benefit amount that is redeemed at authorized retailers. Benefits assist in stabilizing household circumstances for the working poor, for the elderly and disabled, and for those recently laid off from work or experiencing a reduction in work hours or pay. The program is supported by a work program for individuals who are able to work and a nutrition education program to increase knowledge of healthy food choices and to provide information on stretching food dollars.



- **Child Support Enforcement** - The Child Support Enforcement program supports the Department's goals by emphasizing personal responsibility and promoting self-sufficiency. Of the \$313 million child support collected in Colorado last year, over 90% went to children and families. Child support income represents approximately 40% of the income of low-income single parents that receive it. Through the efforts of CSE and in collaboration with the 55 birthing hospitals statewide and the Colorado Department of Public Health and Environment paternity was established for 16,490 children last year, or over 97% of those who were born out-of-wedlock. The CSE program is an important part of the State's safety net for families of all incomes, and particularly those of lower incomes.

**Three Least Effective Programs:**

The Department has identified the three programs below as the “least effective” at this point in time. It should be noted that these programs can be very effective at achieving program level goals, but the Department believes in each of these cases there should at least be a discussion of how to more effectively serve the respective clientele. Overall, the Department considered which programs could better serve their respective clients by a program either run or administered by a private entity or community based organization and identified the three programs below.

- **Trinidad State Nursing Home**
- **Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting**
- **Aid to the Needy Disabled – State Only Grant Program**

Information on specifically why the Department identified these three programs as “least effective” and what recommendations the Department has regarding these programs are listed below.

**Trinidad State Nursing Home**

- **Reasoning:** The Trinidad State Nursing Home has struggled to be an effective program under state operations in recent years. This facility is the only State Nursing Home that directly competes with over 200 non-state owned nursing homes in the private market. The continued funding of Trinidad via the Enterprise Fund limits the ability of the State Veterans Nursing Homes to enhance their facilities and veteran programming. In addition to the annual operating losses, the Trinidad State Nursing Home physical plant is over 50 years old and in need of repair. Significant renovations are needed to bring the building to current health care standards. Due to losses for the last 10 years there has been no ability to replace needed items throughout the home. Much of the equipment is 30+ years old and has reached the end of its useful life.

- **Recommendations:** The Trinidad State Nursing Home is expected to be divested to a private operator by February 1, 2011, which will ensure continued quality care to the residents and continued employment for staff.

**Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting**

- **Reasoning:** The Department believes some of the individuals currently residing in the three Regional Centers may be better served in community based placements. State operated Regional Centers provide Medicaid Home and Community Based Services (HCBS) waiver Residential Habilitation in group homes and services in Intermediate Care Facilities for people with Mental Retardation (ICF/MR). The ICFs/MR serve "the hardest to serve" persons with developmental disabilities and those individuals with complex medical, psychological and behavioral needs who may also be a safety risk to themselves or others. As with other institutions such as state operated nursing facilities, operating a Regional Center is intensive in terms of funding and personnel. In order to provide for the health and safety of individuals in residence and to meet the regulatory requirements for institutional certification and licensing, Regional Centers need to maintain high staffing levels, the current level of funding (\$24,474,507 Net General Fund) and FTE (929.1).
- **Recommendations:** Over the last decade, the HCBS community providers have increased their capacity to provide Residential Habilitation for individuals with more complex needs. With this increase in capacity, there has been a resultant decrease in the need for the provision of Residential Habilitation at the Regional Centers. The increased capacity of community providers has resulted in a shift in the Regional Center service model from Residential Habilitation to ICF/MR short-term stabilization and specialized treatment.

Service delivery in the community is an efficient means to meet the needs of many of the current Regional Center residents, and one that supports the Department's policy position for community inclusion for individuals with developmental disabilities. Expansion of the community provider base allows for the transition of Regional Center residents to more appropriate and less costly residential services in the community. The cost of delivering Residential Habilitation services in community HCBS-DD group homes is less than at the Regional Centers because community group homes do not include the costs of institutional levels of services.

Even with increased community capacity to serve individuals formerly served in the Regional Centers, there remains a service gap for a percentage of individuals who, because of co-occurring mental illness and developmental disabilities or developmental disabilities and a history of sex offenses, require short-term stabilization and specialized treatment in a secure setting. Due to the highly specialized treatment needs of these individuals, they cannot presently be successfully managed in the community and so are referred to the Regional Center ICFs/MR for treatment. These individuals would also return to the community following treatment and stabilization. An estimated 43 percent, or 130, of the current Regional Center residents fit these categories.

By examining the possible closure/transfer of the RC operated HCBS-DD homes, the Department may realize a cost reduction, while concurrently increasing the independence of individuals receiving care 24 hours a day, seven days a week, and supporting business development in the private sector. The most cost effective measure to ensure continued adequate care is to consolidate services at one Regional Center with specialty treatment services. Additionally, the Department will need to increase technical assistance support for community providers to ensure health, safety and stability for community residents. A secure Regional Center treatment setting for specialty services and provider support increases community safety and reduces state liability risk while maintaining the overall objective of community placement for individuals with developmental disabilities and supporting cost avoidance for the state.

#### **Aid to the Needy Disabled – State Only**

- Reasoning: The Aid to the Needy Disabled-State Only Program was established in 1953 to provide “interim assistance” in the form of State cash assistance benefits to persons awaiting an eligibility decision for federally funded Supplemental Security Income (SSI) benefits. The current eligibility standards and benefit structure have moved away from the “interim assistance” intent, plus the monthly benefit amount currently provided is not adequate to meet the housing and medical needs of the recipients. The currently monthly benefit is \$200 and is scheduled to drop to \$140 in January 2011. It should be noted individuals in the program do qualify for Food Assistance, but in most cases do not qualify for Medicaid services. The Department believes it is reasonable to look at possible changes to the program structure to align with the original “interim assistance” intent of the program or to

consider if there are better ways to target the AND-SO funding to better serve this population.

- **Recommendations:** There are a number of actions that could be undertaken that would increase the effectiveness of the program and better align the program with the “interim assistance” form of the program.

*Aligning eligibility criteria.* One option to improve the cost effectiveness of the AND-SO program would be a statutory change to increase to 12 months, from the current six months, the total disability requirement for the recipient. This would move the State closer to using SSI criteria for AND-SO eligibility and may ultimately improve the percentage of AND-SO clients that get approved for SSI eligibility. As a result, the program would likely serve fewer individuals as almost 60% of the program recipients are in the program less than a year. Assuming constant funding levels, this option may allow the program to increase the grant amount to clients to a level that may make a larger impact on the financial needs of the clients. It would, however, take away flexibility to provide temporary assistance to those who need it for less than one year.

*Alternatives.* The Department believes a review of the possible alternatives to target the AND-SO funding is reasonable. It may be possible that another program or entity such as community-based housing organizations, community health organizations or even a voucher type program for specific services that could better target the funds to meet the needs of the AND-SO clients.

2. For the three most effective and the three least effective programs identified above, please provide the following information:
- a. A statement listing any other state, federal, or local agencies that administer similar or cooperating programs, and outline the interaction among such agencies for each program;

**Response:**

**Most Effective**

**Temporary Assistance for Needy Families (TANF) – Basic Cash Assistance - The county departments of human/social services administer Colorado Works locally. The program works closely with Medicaid, Child Support Enforcement, Child Welfare, Child Care, and Food Assistance. In most cases, a Colorado Works participant receiving basic cash assistance is eligible for all of those programs. Counties also partner with local agencies that provide specialized services such as mental health services, education and training programs, domestic violence assistance, housing, etc. At the state level, the program partners with others at CDHS, as well as HCPF, CDPHE, DOLA, and CDLE.**

**Food Assistance Payments - There are no other programs that provide a monthly government food benefit to qualified households. While no other programs provide a monthly cash benefit for food assistance there are many community-based resources, such as local food banks and faith-based entities providing emergency food resources.**

**Child Support Enforcement - CSE understands the importance of partnering with other agencies and programs to ensure success in the delivery of child support services. This involves working with other state CSE programs to address the thirty percent of the caseload where a parent lives in another state, and the foreign countries for the 400 cases with a parent who is a foreign national.**

**CSE has a wide-variety of other partnerships with agencies that can assist with the establishment and enforcement of child support. These include other Human Services programs such as TANF, Child Care, and Child Welfare; other State agencies such as Health Care Policy and Financing, Department of Corrections, Department of Revenue, Department of Labor and Employment, Department of Regulatory Agencies, and the Department of Natural Resources; numerous**

federal agencies; and entities such as financial institutions, insurance firms and hospitals. Increasingly, CSE is working with Fatherhood programs, employment programs, mediation programs, Mental Health and other programs that help non-custodial parents overcome barriers to self-sufficiency so they can provide consistent support to their children. The State and local CSE units also contract with private vendors with expertise in specific areas of the program to provide critical services; this includes payment processing (Family Support Registry), banking services, genetic testing, service of process, and operating the child support program for the county (El Paso and Teller). A very important partnership with CSE is employers as over 50% of all child support is received through income withholding orders.

### Least Effective

Trinidad State Nursing Home - Nursing Homes in Colorado are owned and operated by a variety of entities including, publicly held entities, privately held entities, for profit entities, non-profit entities, and counties.

Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting – Medicaid Home and Community Based Services (HCBS) waiver providers, approved by the Department, provide residential habilitation services for individuals with developmental disabilities in group homes and host homes in local communities throughout the state. Participants receive care and support in the activities of daily living on a 24 hour-a-day, seven day-a-week (24/7) basis. HCBS providers also deliver other services such as day programs, transportation and behavioral services in a manner similar to service delivery made through the Regional Centers. The Department assures the quality of service provision and participant choice through its program provider approval and monitoring processes, the Department of Public Health and Environment surveys and licenses group homes and the Department of Health Care Policy and Financing oversees the federal Centers for Medicare and Medicaid Quality Improvement Strategies to ensure benchmarks measuring the quality of service delivery are met. Community Centered Board agencies located throughout the state provide care coordination and case management, including individual care plan monitoring, to ensure the health and safety of each participant receiving HCBS services in the community.

Additionally, the implementation of SB 08-002, the Family Caregiver Act, expands the base for HCBS residential habilitation services. This Act authorizes payment to qualified family members, who work through an approved HCBS provider agency, for the care of their family member with a developmental disability and adds the family home as a place of service.

There are no other state, federal or local agencies that fill the service gap for the high needs individuals with co-occurring mental illness and developmental disabilities or those individuals with developmental disabilities and sexually offensive behaviors. Regional Centers are the specialty providers for these individuals, providing short term and intermittent services for episodic occurrences, along with technical assistance to community providers to ensure stability for individuals with developmental disabilities living in the community.

**Aid to the Needy Disabled – State Only Grant Program** – The AND-SO program is funded through a combination of state and local funds. The cash assistance paid to recipients of AND-SO is known as Interim Assistance, and is provided until the individual is approved for SSI. Once approved for SSI, the State is reimbursed for the assistance paid out to the recipient from the recipient’s first retroactive check for SSI. This reimbursement is known as Interim Assistance Reimbursement (IAR). The IAR payments are shared between the state and counties help offset the state and local costs of the program. The Department does not interact with any other state, federal, or local agencies around the services provided by AND-SO. However, there may be a few counties that have general assistance programs to provide assistance to these individuals.

- b. A statement of the statutory authority for these programs and a description of the need for these programs;

**Response:**

**Most Effective**

**Temporary Assistance for Needy Families (TANF)** – The Colorado Works program is authorized in 26-2-701 C.R.S. It is the state’s implementation of the Temporary Assistance for Needy Families (TANF) program, a federal block grant created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

TANF is the safety net for the state's lowest-wage workers and the unemployed with very little or no unemployment insurance. It provides temporary cash assistance to very low income families, coupled with work support, skills development and other assistance to reduce their dependency on public assistance programs, and enable them to become more self sufficient About three-quarters of the individuals receiving Basic Cash Assistance are children. In normal economic conditions, most participants receive basic cash assistance for about six months while they work with the Colorado Works program to improve their employability. They may complete a GED, gain certification in a new field, or cope with domestic abuse, or physical or mental health problems. The receipt of

cash assistance and supportive services from Colorado Works also may be important for some families to help children avoid foster care placement by supporting responsible caretaker adults.

**Food Assistance Payments** - The Food Assistance or SNAP Program is a federal entitlement program. Program Authority exists at 7 U.S.C. §§ 2011 *et seq.* and at Public Law 110-246, §§ 4001 *et seq.* The program is necessary to provide a basic level of food to qualified households.

**Child Support Enforcement** - The authority to administer the CSE Program comes from Title IV, Part D, of the Social Security Act. The Program's authority can be found in Title 45 of the Code of Federal Regulations; and Titles 14, 19, and 26 of the Colorado Revised Statutes.

The CSE program affects over 450,000 parents and children and is responsible for the establishment of paternity, establishment and enforcement of orders for financial and medical support, and the distribution of collections. While all TANF and some Child Care recipients are required to cooperate with CSE, any person in the state can apply for CSE services by paying a \$20 fee. This is the fastest growing portion of the CSE caseload and many of the applicants are working for low wages, are unemployed or otherwise need child support to meet basic family needs for food, clothing, and shelter.

Child support is an important income source for many single parent families, and is even more significant for families leaving welfare. Approximately 42% of poor children with at least one noncustodial parent whose families have left welfare receive child support. Studies have also found that fathers that pay child support are more involved with their children, providing more emotional support as well as financial support (Roberts, 2002).

*Reference: Roberts, P. (2002 November). Child support: An important but often overlooked issue for low-income clients. Retrieved from <http://www.policyarchive.org/handle/10207/bitstreams/13752.pdf>*

### **Least Effective**

**Trinidad State Nursing Home** - Authority for Nursing Facilities is located at 25-1.5-103 and 25-3-101, C.R.S. (2010). Long-term care facilities are needed in the community to provide twenty-four hour/seven day a week care for residents who can no longer be cared for safely in their homes.

**Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting – Authority: The Regional Centers are established as set forth in 27-10.5, 301, C.R.S (2010).**

Regional Centers serve "the hardest to serve" persons with developmental disabilities; those individuals with complex medical, psychological and behavioral needs who may also be a safety risk to themselves or others. As community capacity to serve these individuals has increased, the demand for Regional Center services has decreased, resulting in a relative decrease in census from 2,805 in 1968 to 300 today. In addition, as the average of the general population has increased, so has the average age of the individual served in the Regional Centers. Concurrently, the community and family supports for this older population has increased resulting in more individuals with developmental disabilities being served in community or home settings.

Even with increased community capacity to serve individuals formerly served in the Regional Centers, there remains a percentage of individuals who, because of mental health crises or a history of sex offenses, require short-term stabilization and specialized treatment in a secure setting in a Regional Center with return to the community following treatment and stabilization. An estimated 43 percent, or 130, of the current Regional Center residents fit that category. With closure of the Regional Centers, the Department would need to consolidate service and build capacity at one Regional Center for those who require specialized treatment and increase technical assistance support for community providers to ensure health, safety and stability for community residents. A secure Regional Center treatment setting for specialty services and provider support increases community safety and reduces state liability risk while maintaining the overall objective of community placement for individuals with developmental disabilities and while supporting cost avoidance for the state.

**Aid to the Needy Disabled – State Only Grant Program –Section 26-2-111 (4), C.R.S.** provides the statutory authority for this program. This program is vital to serving individuals with limited income and resources who are disabled and waiting to be determined eligible for supplemental security income through the social security administration.

- c. A description of the activities which are intended to accomplish each objective of the programs, as well as, quantified measures of effectiveness and efficiency of performance of such activities;

**Response:**

**Most Effective**

**Temporary Assistance for Needy Families (TANF)** – The four purposes of TANF/Colorado Works are to:

- 1) assist needy families so that children may be cared for in their own homes;
- 2) reduce the dependency of needy parents by promoting job preparation, work and marriage;
- 3) prevent out-of-wedlock pregnancies; and
- 4) encourage the formation and maintenance of two-parent families.

Colorado's TANF program, first established under SB 97-120, allows great flexibility in how individual counties implement these purposes.

The primary federal outcome measure is the "Work Participation Rate" – the number of eligible participants who are engaged in an allowed work activity for a minimum number of hours (32-40 hours). As a state, Colorado has met the requirement in each year of the TANF program.

**Food Assistance Payments** - County offices provide eligibility services to applicants including pre-screening, performing an eligibility interview, collecting required verification documents and processing cases to make a final determination of eligibility. State program staff measure and monitor the federally required effectiveness measures of the program on three levels – timely processing of applications in accordance with federal rule; payment accuracy; and correct denials. The State Quality Assurance Division reviews a random statewide sampling of cases and compiles a monthly summary report on each performance measure.

**Child Support Enforcement** - The CSE performance indicators assess the effectiveness and efficiency of the Program's ability to establish paternity and child support orders, and to enforce those orders. CSE's four key performance indicators and how Colorado compares nationally are:

- **Paternity Establishment Percentage (PEP):** ranked in top 15 nationally for seven years.
- **Percent of Cases with Orders:** ranked 9th nationally in 2009.
- **Percent of Current Support Paid:** improved from a national ranking of 33rd in 2003 to 24th in 2009.

- **Percent of Arrears Cases with a Payment: improved from a national ranking of 25th in 2003 to 6th in 2009.**

The Program utilizes both technical interfaces and manual processes to obtain and locate other necessary information; partners with hospitals and the Department of Vital Records to establish paternity; and establishes orders either through an administrative or judicial process. The Program then uses a blend of automated and manual enforcement remedies to promote the payment of support. Manual enforcement remedies range from calling the non-custodial parent when they miss a payment to filing a contempt action in court when all other remedies have failed and they have the resources to pay support. Automated enforcement remedies range from reporting someone's arrears balance to the Credit Bureaus to the threat of suspending their drivers, recreational or professional license for non-payment of support to the intercept of sources of income such as federal and state income tax refunds, Workers Compensation benefits and gambling winnings- all of which are accomplished through secure data exchanges between CSE and other Federal and State agencies.

**Least Effective**

**Trinidad State Nursing Home** - The 217 nursing facilities within the State of Colorado are surveyed through the Centers for Medicare and Medicaid Services to ensure quality for the residents residing in each home. Public Health is the agency that carries out the actual CMS survey for each of the homes.

**Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting –**

Individuals residing in Regional Centers live in either group homes providing HCBS-DD residential habilitation or in Intermediate Care Facilities for Mentally Retarded individuals (ICF/MR). The table, below, shows the distribution of HCBS-DD enrollees in group homes and ICF/MR residents by Regional Center.

Distribution of Regional Center Residents

<b>Regional Center</b>	<b>HCBS-DD Census</b>	<b>Number of HCBS Group Homes</b>	<b>ICF/MR Census</b>	<b>Number of ICF/MR Homes</b>	<b>Total Census</b>
Grand Junction	63	10	39	8	102
Wheat Ridge	-	-	124	19	124
Pueblo	74	11	-	-	74
Total All	137		163		300

Residents receive comprehensive care and active treatment to meet behavioral, medical, psychological, and social needs and to provide for their health and safety. Services are provided in accordance with best practices for de-escalation of crises and physical management while improving current safety measures for staff and residents. A primary activity is treatment directed to assisting individuals to return to their community when possible, and as soon as possible. This activity includes implementing individualized plans for each resident and coordinating with CCB case managers and community providers for stable transition back into the community.

From July 2007 through November 2010, 129 Regional Center residents have been transitioned to HCBS community providers. In FY 2010, the Department successfully completed the closure of the Grand Junction Regional Center Skilled Nursing Facility and transition of 29 individuals to community group homes.

Aid to the Needy Disabled – State Only Grant Program – There is an application and eligibility determination process, including documentation of a medical disability that has lasted or is expected to last 6 months or longer, undertaken at the county department of social/human services. One condition for eligibility is application for Supplemental Security Income (SSI) from Social Security Administration (SSA). Information is entered into the Colorado Benefits Management System (CBMS) and once approved, payment is made to the client. Applications must be processed within 60 days. Currently, about 90% of our applications are being processed in a timely manner.

- d. A ranking of the activities necessary to achieve the objectives of each program by priority of the activities; and

Response:

Most Effective

Temporary Assistance for Needy Families (TANF) – Establishment and implementation of eligibility policies consistent with state and federal law through: the promulgation of rules by the State Board of Human Services; training and technical assistance to counties; individual assessment and eligibility determination of applicants by counties within timely processing guidelines; development and monitoring of “individual responsibility contracts” between counties and participants; ongoing quality assurance reviews by counties and the state to assure accuracy and accountability.

Entering data into CBMS to assure proper and timely payments to participants; seeking approval and funding support for programming changes to implement new policies or procedures as required by federal or state law or regulations – or

to streamline processing time and reduce errors; ongoing training and technical assistance to county workers on CBMS.

Determination of statewide allocation formula for distribution of county block grants, including assignment of local “maintenance of effort;” allocation of funds to counties; reimbursement to counties for expenditures, and monitoring expenditures for fiscal compliance.

**Food Assistance Payments** - Each of the three Food Assistance performance measures is equally important. Emphasis is placed on program areas that need improvement in order to reach the desired outcome. For example, the federal expectation is that 95% of all Food Assistance applications are processed timely. The state and counties have performance improvement plans in place that outline action steps and deadlines for achieving this goal.

**Child Support Enforcement** – Although the establishment and enforcement of child support orders are the objectives of CSE, there are many activities involved in accomplishing those activities including intake assessments, locating non-custodial parents, document generation, court appearances, customer service, outreach and education, and payment processing. Wherever possible, CSE utilizes automation to make its work more efficient and effective. There are over 30 automated interfaces with other agencies that help with the collection of support, such as the department of revenue for the drivers license suspension, lottery intercept, and gambling intercept programs.

#### **Least Effective**

**Trinidad State Nursing Home** - The Centers for Medicare and Medicaid Services have made client rights and client choice a priority for all residents living in nursing homes through out the country.

**Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting** –

1. Provide comprehensive and active treatment for residents.
2. Maintain staffing and facilities to meet the health and safety needs of residents.
3. Build Department capacity for short term and/or periodic specialty services and technical assistance for community providers.
4. Work with the community and providers to build residential capacity in the community to ensure that appropriate facilities and staff are available for residents who transition.
5. Work with residents, their families, advocates and others in the community, Community Centered Board case managers and providers to ensure a smooth transition and stabilization in the community.

**Aid to the Needy Disabled – State Only Grant Program** – There is no priority of activities to rank. As discussed earlier, eligibility is determined and payment is made based on that eligibility.

- e. The level of effort required to accomplish each activity associated with these programs in terms of funds and personnel.

**Response:**

**Most Effective**

**Temporary Assistance for Needy Families (TANF)** – Colorado receives approximately \$150 million federal funds annually from the TANF block grant. The bulk of that (about \$135 million) is allocated in block grants to counties. Colorado must provide \$88.5 million as a “maintenance of effort\*,” with counties providing \$22.2 million of that amount. Although some counties must spend 70% or more of their county block grant on Basic Cash Assistance (BCA) payments to program participants, on a statewide basis slightly more than 42% of total spending was for this purpose in SFY 2010.

In addition to the actual cash payments, counties must spend staff resources on assessing the needs of participants, determining eligibility, developing an “Individual Responsibility Contract” with each participant, assuring that participants are involved in sufficient approved work activities to meet the federally required “work participation rate,” negotiating and monitoring contracts with local community agencies that provide services to BCA clients, etc.

\*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 federal TANF MOE is \$88.4 million annually. 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.

**Food Assistance Payments** - The total cost of the administration of the Food Assistance Program for federal fiscal year 2010, including both the State and County costs, is \$48 million, which provided \$691 million in federal benefits to 4.8 million individuals. It is also very important for the state to collaborate with

county departments and advocates to ensure the program reaches its required performance measures.

**Child Support Enforcement** – CSE utilizes a statewide staff of 705 state (70) and county workers (635) to manage and support 142,000 cases. Activities that utilize automation require the least funds and personnel time, as compared to those activities that require individualized assessments or activities. CSE partners with the Judicial Department, federal agencies, community organizations, and others to expand resources or to offer services the Program is unable to provide due to funding restrictions. CSE also utilizes federal grants on a regular basis to build partnerships and expand services. Total State program expenditures last year were \$13 million, with 66% of that covered by federal reimbursement.

#### **Least Effective**

**Trinidad State Nursing Home** - Operating a nursing home is intensive both in terms of funds and personnel. Staffing levels must meet resident acuity, which can change daily. Non-state owned nursing homes have the ability to flex staffing to a degree that the State Personnel System does not allow. Additionally, nursing homes require the ability to fund needed capital projects at a moments notice when something breaks down. These dollars are not available for the Trinidad State Nursing Home, which has not been brought up to date from its original 1955 building. Current capital needs for the building are estimated at \$8.3 million.

#### **Regional Centers for the Developmentally Disabled - Individuals Being Served In The Regional Centers That Could Be Placed In A Community Setting** –

As with nursing facilities, operating a Regional Center is intensive in terms of funding and personnel. In order to provide for the health and safety of individuals in residence and to meet the regulatory requirements for certification and licensing, Regional Centers need to maintain the current level of funding and FTE 927.1, .5 General Fund Physician, and 1.5 shared with the Mental Health Institutes for the Work Therapy program. The FY 2009-10 appropriation for Regional Centers is shown in the table on the next page.

**Regional Center Appropriation FY 2009-10\***

	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>MCF</b>	<b>MGF</b>	<b>NGF</b>
Regional Centers	\$48,949,014	\$0	\$2,060,389	\$46,888,625	\$46,888,625	\$23,444,312	\$23,444,312
General Fund Physician	\$86,089	\$86,089	\$0	\$0	\$0	\$0	\$86,089
Work Therapy**	\$467,116	\$0	\$467,116	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$49,502,219</b>	<b>\$86,089</b>	<b>\$2,527,505</b>	<b>\$46,888,625</b>	<b>\$46,888,625</b>	<b>\$23,444,312</b>	<b>\$23,530,401</b>

**\*Regional Center Long Bill Only**

**\*\*Shared spending authority with the Mental Health Institutes**

**The State Personnel System does not allow for flexibility to manage staffing and the related costs to the degree that exists for private community providers. Hiring freezes impact the ability to fill vacant positions in a timely manner resulting in issues related to increase overtime costs. The ability to address capitol needs similarly lacks flexibility. A more efficient means to meet the needs of many of the Regional Center residents, and one that supports the public policy position for community inclusion for individuals with developmental disabilities is to assist in building even greater community provider capacity and to transition Regional Center residents to services in the community. Because the costs in the community are generally lower than at the Regional Centers, the Department can realize a cost reduction, while concurrently increasing the independence of individuals receiving 24/7 care and supporting business development in the private sector. The service gap will remain for the high needs individuals with co-occurring mental illness and developmental disabilities or those individuals with developmental disabilities and sexually offensive behaviors resulting in a Department need for funds to develop the specialty treatment centers that will serve residents and provide technical assistance to the HCBS community providers.**

**Aid to the Needy Disabled – State Only Grant Program – The program is funded through a local share (20%), General Fund, and federal interim assistance reimbursements IARs. As mentioned earlier, the federal government reimburses cash assistance paid to recipients of AND-SO, or Interim Assistance, when the recipient is found eligible for SSI. This reimbursement helps offset the state and local costs of the program.**

3. Detail what could be accomplished by your Department if funding for the department is maintained at the fiscal year 2009-10 level.

**Response:**

The Department would continue to manage the existing caseloads in a timely and effective fashion whenever possible. As mentioned in earlier responses the caseload and need for services of key human service programs have been increasing as a result of the current economic downturn. In some of these cases the funding levels for fiscal year 2009-10 combined with the growing need of services may result in wait lists or delays in services being received. Below are some key statistic regarding wait lists and demand for services in key programs.

**Food Assistance:** Beginning in 2008 and mirroring a national trend, the Food Assistance Program in Colorado began to experience unprecedented growth in the number of households applying for and receiving benefits in response to the downturn in the economy. From March 2008 through December 2009, the rate of growth averaged at a 2% increase each month over the prior month. Over the past 12 months, the rate of growth continues, but has slowed to a continuous 1.5% growth in caseload over the prior month. The cumulative effect over a 30-month time period, beginning in March 2008, is that the State now serves over 76,000 additional households, representing 171,000 additional individuals, and a 70% increase in monthly caseload.

**Child Welfare:** Over the last three years the Department's data indicates the numbers of Referrals and Assessments that the counties perform have increased, by 2.43% for Referrals and 4.90% for Assessments. The data also depicts for that same three-year period the number of Out-of-Home (OOH) cases have decreased 7.27%. These data trends, along with an increased number of services provided in Core Services, show that more of the Child Welfare population is being served in the communities with in-home/up-front services rather than being placed in an OOH environment. Based on the changes in the caseload and child placements, it may be difficult for the State and counties to fully meet Child Welfare needs.

**Child Care:** Currently, there are 14 counties that have wait lists for child care services. The Department anticipates, the number of counties with wait list will increase throughout the year at the current funding levels, thus increasing both the number of children and cases on the wait list. As of November 2010, eight (8) Colorado counties have set their income eligibility criteria for child care services at the federal minimum, resulting in fewer families having access to the program. As of November 18, 2010, there are 5,205 children that are on the wait list.

**Developmental Disabilities:**

Projections for the next two years identify 3,050 individuals on the wait list for Medicaid Home and Community Based Services (HCBS) as well as 4,679 will need Family Support Services. Services would be addressed on an emergency basis when

positions become available due to turnover as new enrollment would not be an option.

**State Mental Health Institutes:**

The Colorado Mental Health Institute at Pueblo (CMHIP) continues to struggle to keep up with the requirements of the Zuniga Settlement Agreement and the demand for competency evaluations and restorations. From FY 2008-09 to FY 2009-10, the CMHIP experienced increases of 17.1% and 12.4% in competency exams and restorations respectively. The Department has had to hold bed capacity to 85% occupancy levels on the competency evaluation and restoration unit due to staffing shortages. As a result, the Department has exceeded the Zuniga Settlement Agreement waiting list requirements 43 times since June of 2009 (HSFI opening) and October 1, 2010. This equates to the Department missing the Zuniga timeframes for roughly 10% of the total number of competency evaluations and restorations in a given year. Inmates must continue to wait in county jails until they are admitted for these CMHIP services.

- 3a. How much does the Department spend, both in terms of personnel time and/or money, dealing with Colorado WINs or any other employee partnership group? Has the level of resources dedicated to this effort changed in the past five years?

**Response:**

The Department spends no funds working with Colorado WINS or any other employee partnership group. At the Department wide level there is a monthly meeting between the CDHS management group and the selected representatives of Colorado WINS that discusses Department wide partnership issues. At the employee level of the organization, again monthly “employee management committees (EMCs)” hold monthly meetings to discuss unit/facility partnership issues. Historically, the Department has held monthly unit/facility meetings with staff, so the creation of the EMC meetings at the employee level has not increased the time and effort dedicated to maintaining an employee partnership.

4. Of the total federal dollars that flow to the Department for state-supervised, county-administered programs, what percentage does the State retain for administrative purposes, by division?

**Response:**

The table on the following page outlines the breakdown of federal funding for FY 2010-11 between county allocations and amounts retained at the state level. Overall, the state retains 0% of the funds for two of the major grants, 4% of the funds for the Title IV-E grant, and about 10% of the TANF and CCDF grants.

**Breakdown of County and State Estimated Spending of Selected Federal Funds  
FY 2010-11**

	Federal Fund Source				
	Child Care Development Funds	Temporary Assistance for Needy Families Block Grant	Title IV-B	Title XX Social Services Block Grant	Title IV-E
<b>Allocations to Counties</b>					
Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements	\$ 3,473,633				
Early Childhood Councils	\$ 2,379,040				
School-readiness Quality Improvement	\$ 2,150,000				
Colorado Works Programs (Excludes County		\$ 135,897,685			
Child Welfare Training (to Counties)					\$ 3,021,417
DYC-Purchase of Contract Placement					\$ 2,494,443
Child Welfare Independent Living Programs					\$ 2,826,582
County Administration				\$ 1,969,370	
Child Welfare-Training				\$ 255,716	
Child Welfare Services and Family and Children's Programs		\$ 19,500,000	\$ 4,019,549	\$ 23,590,313	\$ 67,083,339
Child Welfare - Promoting Save and Stable Families Program			\$ 3,342,831		
Child Care Assistance Program	\$ 50,915,729			\$ 100,000	
<b>Total Funds Allocated to Counties</b>	<b>\$ 58,918,402</b>	<b>\$ 155,397,685</b>	<b>\$ 7,362,380</b>	<b>\$ 25,915,399</b>	<b>\$ 75,425,781</b>
<b>Percent of Total Federal Source Allocated to Counties</b>	<b>90.0%</b>	<b>89.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>96.0%</b>
<b>Funding Retained at the State Level</b>	<b>Child Care Development Funds</b>	<b>Temporary Assistance for Needy Families Block Grant</b>	<b>Title IV-B</b>	<b>Title XX Social Services Block Grant</b>	<b>Title IV-E</b>
Executive Director's Office	\$280,000	\$707,332			
Executive Director's Office-Administrative Review					\$769,666
Office of Information Technology	\$2,226,891	\$6,649,886			\$1,465,694
Office of Operations	\$400,000	\$4,000			
Child Welfare Administration					\$755,398
Child Care Licensing and Administration	\$3,402,011				\$150,000
Early Childhood Councils	\$100,000				
School-readiness Quality Improvement	\$79,305				
Office of Self Sufficiency-Electronic Benefits	\$35,575				
Colorado Works - Administration		\$1,568,274			
Colorado Works - County Training		\$588,968			
Colorado Works - Works Program Evaluation		\$350,007			
Colorado Works - Workforce Development Council		\$105,007			
Colorado Works - Program Maintenance Fund		\$100,000			
Colorado Works - Statewide Strategic Use Fund		\$4,000,000			
Low Income Energy Assistance Program		\$1,500,000			
Electronic Benefits Transfer Service		\$204,679			
Refugee Assistance		\$2,805,334			
Systematic Alien Verification for Eligibility		\$2,321			
<b>Total Funds Used For State Level Programs</b>	<b>\$6,523,782</b>	<b>\$18,585,808</b>	<b>-</b>	<b>-</b>	<b>\$3,140,758</b>
<b>Percent of Total Federal Source Used For State Level Programs</b>	<b>10.0%</b>	<b>10.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>4.0%</b>
<b>Grand Total of Federal Fund Source</b>	<b>\$65,442,184</b>	<b>\$173,983,493</b>	<b>\$7,362,380</b>	<b>\$25,915,399</b>	<b>\$78,566,539</b>

5. Over the last ten years, the budget for developmental disability services has grown much faster than other sections of the Human Services budget, but there are still waiting lists. How far behind are we in keeping up with the demand for developmental disability services?

**Response:**

**The Department will respond to this question at the hearing for People with Developmental Disabilities on December 16<sup>th</sup>.**

6. To what extent is spending for people with disabilities required by federal law (*e.g.*, by the Social Security Maintenance of Effort requirement, Medicaid, and federal Health Care Reform legislation (the Patient Protection and Affordable Care Act))?

**Response:**

**The Department will respond to this question at the hearing for People with Developmental Disabilities on December 16<sup>th</sup>.**

7. Will the federal match rate (FMAP) for Medicaid-funded Human Services programs be back to 50/50 state/federal for FY 2011-12? Do you anticipate additional adjustments for FY 2011-12 or future years?

**Response: Yes, the FMAP rate will go back to the 50/50 state/federal for FY 2011-12. HCPF is not aware of any additional FMAP adjustments for future years.**

8. What parts of the budget were affected by 2010 legislation that required changes to the Colorado Benefits Management System (CBMS)? Did the changes affect divisions other than the Office of Information Technology Services?

**Response:**

**SB 10-068 streamlines eligibility processes for Colorado Works applicants, recipients, and County Departments of Human/Social Services by matching some criteria with those of other programs such as Supplemental Nutrition Assistance Program (SNAP) and Medicaid. The bill will reduce redundant or unnecessary processes, and simplify unnecessarily complex calculations for eligibility and cash assistance.**

**HB 10-1022 requires implementation of an expanded categorical eligibility program for federal food assistance benefits to be paid for with Department of Defense funding. Programming and client correspondence changes are planned in addition to rule and policy changes.**

**HB 10-1146 - Based upon recommendations from legislative audit this bill streamlined the Home Care Allowance (HCA) program to serve seniors and disabled population not eligible to receive assistance under the Home and Community Based Services (HCBS).**

**HB 10-1384 - This is a budget reduction bill initiated by the JBC to align non-citizen eligibility for public benefits under the Old Age Pension (OAP) program with the federal requirements for public benefits programs.**

**2:30-3:15 COUNTY ADMINISTRATION AND OFFICE OF SELF SUFFICIENCY**

General

9. How many people are served by county departments of human services, excluding double-counts of people who get multiple types of benefits?

**Response:**

**The Department is continuing to work on this response and pull the requested data from respective DHS systems. This request will take the development of some custom reports to identify the counts of people who receive multiple benefits. The Department will follow up with a written response to the committee as soon as possible.**

**The monthly settlement of the accounting system with county departments provides some insight into the benefits paid. The number of cases below eliminate double counts of clients for the programs administered by the counties.**

**This number of cases below represents cases served by Food Assistance, Child Welfare, Child Care, Colorado Works, LEAP, OAP, AND, AB, and Refugees.**

<b>Food Assistance</b>	<b>160,430</b>
<b>Cash Benefits</b>	<b>35,503</b>
<b>Food &amp; Cash Benefits</b>	<b><u>27,420</u></b>
<b>TOTAL</b>	<b>223,353</b>

10. To what extent is annual funding for counties adjusted based on the count of people who need services (food assistance, child welfare, etc.)?

**Response:**

**Each year, the Department of Human Services prepares the annual allocations to counties which serves as a budgeting tool for the counties in determining the funding available for the major county administered programs which include: County**

**Administration (Food Assistance, including fraud investigations, Adult Assistance, and Adult Protection); the Child Care Assistance Program; the Child Welfare Program; and the Colorado Works Program. For each program area, the perceived need for services at the county level is one of the factors used to develop the annual allocation for each respective program.**

#### **County Administration**

**For County Administration, part of the allocation formula involves a process whereby each program's caseload is determined for each county and adjusted for the amount of time spent in each type of "action" (application, re-determination, etc.). The totals are then used as part of the apportionment of the appropriation.**

#### **Child Care Assistance Program County Allocation**

**For the Child Care Assistance Program, there are three factors that are entered in the allocation formula that provides funding for counties for child care payments and program administration. (1) prior year utilization / provider market rates, (2) child population from 0-12 years of age – census data, and (3) food assistance population from 0-11 years of age – prior year food assistance data. Each of these factors is weighted equally at the rate of 33.33% of the total allocation and as a percentage of the state total. During close-out, there is a redistribution of any surplus to over-expended counties. Transfer from Colorado Works TANF funds may cover the remaining deficits.**

#### **Child Welfare Services Block Allocation**

**The Child Welfare Services block allocation provides funding to County Departments of Social Services/Human Services to protect children from harm, to assist families in caring for and protecting their children, and to move those children who cannot remain in their own home to a permanent placement as quickly as possible. The block allocation also provides funding to counties for the administration of the Child Welfare program.**

**Counties may use funding without categorical restriction in order to provide the least restrictive, most appropriate service available to meet the child's need. To operate within the current capped allocation, counties are authorized to negotiate provider rates, services, and outcomes.**

**The Child Welfare Allocation Committee and the Department agreed that the Child Welfare Allocations during SFY 2007-08, 2008-09, 2009-10, and 2010-11 will be distributed by the same percentage of the allocation that the county received during SFY 2006-07.**

**A Subcommittee of the CWAC (Child Welfare Allocation Committee) was formed to evaluate whether outcomes could be added as a driver within the model and also to try and minimize the year-to-year funding fluctuations within the optimization model. In**

June 2010 the CWAC voted to use the model for FY 2011-12 applying the recommendations of the Sub-CWAC.

**Colorado Works County Block Grant Allocation**

The allocation formula for the Colorado Works County Block Grant takes into account demographic (county's share of the state's children in poverty, enrollees in Family Medicaid and CHP+, etc.) and expenditure (Basic Cash Assistance, State Diversion, etc.) data. Therefore, allocations to counties from the Block Grant are based on the perceived caseload in each county resulting from the demographic and expenditure factors used to evaluate the need for services.

It is important to note that funding for the county administered programs is often limited based on amounts available from the State and federal government. Total dollars available to the counties may remain unchanged from one year to the next. However, the amounts allocated may change based on allocation formulas.

11. Describe the processes you use to limit food assistance payment errors and stop food assistance fraud.

**Response:**

The State has several systems in place for monitoring Food Assistance payments with the goal of reducing errors and complying with federal requirements. Case files are reviewed by the county offices and the Quality Assurance (QA) Division monthly. Additionally, cases are reviewed during Management Evaluation Reviews performed by the State Food Assistance Policy staff as well as by the Legislative Audit Division annually. A strong corrective action process is in place should a county's error rate reach an unacceptable level. The State also meets with the ten large counties monthly to discuss trends and strategies for reducing payment errors.

Regarding the prevention of Food Assistance fraud, county offices have established fraud units that analyze and review data from various interfaces and reports; respond to potential fraud information received by the local or state offices as well as the general public; and perform the investigative work necessary to determine whether further legal action is required. Additionally, the State office has a Performance Improvement Committee that reviews, refines, and creates processes and procedures to alleviate fraud.

Decision Item #2 – Additional Funding for Food Assistance Administration

12. What was the total amount of funding for food assistance administration that came from the federal government under the American Recovery and Reinvestment Act and the Department of Defense spending bill? How much of the funding was passed on to the counties? How much was retained by the State and for what purposes?

**Response:**

**American Recovery and Reinvestment Act (ARRA) Funding**

- **Total ARRA received for 18 month time period (4/10-9/30/10) = \$2,446,293**
- **Total Amount Allocated to Counties = \$2,235,563 (91%)**
- **Total Allocated and spent by State = \$210,730 (9%) [indirect costs, .5% ARRA Oversight, automated system change to implement required ARRA changes, a contracted Food Assistance Policy staff person, and Electronic Benefits Transfer (EBT) shortfall\*]**

**Department of Defense (DoD) Funding**

- **Total DoD received for 20 month time period (2/10-9/30/11) = \$3,957,287**
- **Total Amount Allocated to Counties = \$2,243,895 (57%)**
- **Total Amount Allocated to State = \$1,713,392 (43%) [indirect costs, HB 10-1022 automated system implementation (estimated \$750,000), and Electronic Benefits Transfer shortfall\* (estimated \$960,000)]**

\* The state provides benefits to qualified households on a card similar to a credit card. The state pays a vendor to load the benefits electronically onto the card. A portion of the ARRA and DoD funds were used to pay increasing EBT costs, resulting from the substantial rise in Food Assistance cases.

**Please note, any funding not spent by a specific county was reallocated to counties with increased food assistance administration needs**

13. Did the crash of CBMS during the summer impact the timeliness of food assistance eligibility determination?

**Response:**

**Timeliness is not just a system slowness issue but it is also affected by the growth in caseload. Counties reported that case processing was delayed due to system slowness during the months of July and August 2010.**

14. If the State provides additional funding for food stamp administration, should some of this funding be used as incentives to counties to reward improved timeliness, in light of federal timeliness concerns and current legal problems in this area? Why or why not?

**Response:**

**The State will provide additional funding to the counties so they can hire staff and improve timely processing. Performance incentives are also actively being**

considered for counties who show improvement by creating efficiencies in their business flow processes. Fifteen counties are currently participating in a project with the Southern Institute to analyze their workflow and identify steps that can be eliminated. This twelve month project promotes task based focused operations that promote improved customer service.

Temporary Assistance to Needy Families

15. What is the status of federal reauthorization of TANF? What possible changes to the federal law are currently being discussed?

**Response:**

**Authorization for TANF expired September 30, 2010. A one-year extension of the current language has passed both the Senate and the House.**

**It is likely that Congressional consideration of a full TANF reauthorization will be delayed at least one year or longer.**

**Colorado has participated in the development of reauthorization recommendations through the National Association of State TANF Administrators (NASTA), an affiliate of the American Public Human Services Association. Those recommendations include:**

- **TANF should be reauthorized as soon as possible;**
- **States should receive increased funding (TANF funding to states has been static since 1997);**
- **States should have additional flexibility in such areas as the use of alternative performance measures to meet federal “work participation” standards;**
- **A continued emphasis should remain on preparing clients for work, moving clients into employment, and facilitation of access to work supports for low-income workers.**

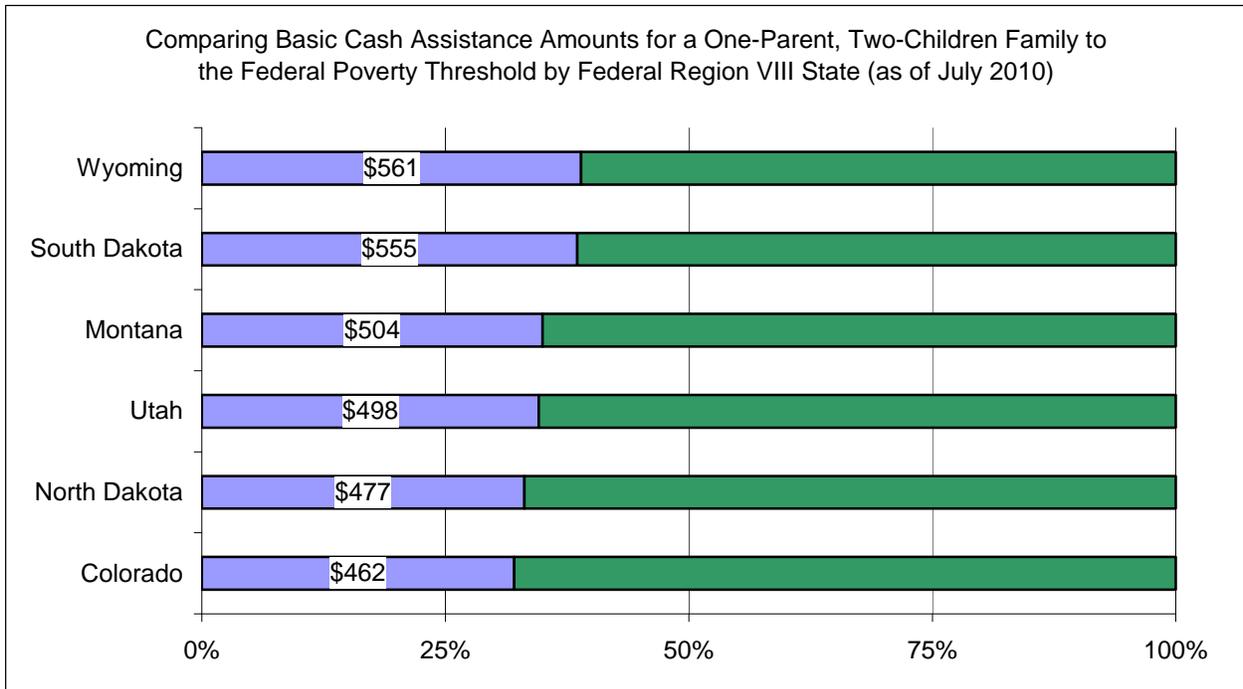
16. What is the history of the benefit level for basic cash assistance? Is it based on some basket of goods? Is it indexed to inflation?

**Response:**

**The benefit level for basic cash assistance is not based on a basket of goods, nor is it indexed to inflation.**

**In 1988, the amount of cash assistance provided for a one-parent family with two children under the Aid to Families with Dependent Children (AFDC) program was \$356. The amount did not change until January 2009 when the State Board of Human Services increased it by 30% to \$462, following the authorization and recommendation adopted through SB08-177. Had the cash assistance amount been indexed to inflation, it would have increased 80% between 1988 and 2009 to \$640.**

The current cash assistance grant is just under 35% of the Federal Poverty Guidelines, and as noted in the following chart, is the lowest among the states in Federal Region VIII. The Poverty Guidelines were loosely based on a basket of goods when they were developed in the 1960s. Unlike the basic cash assistance amount, the Poverty Guidelines are indexed for inflation. It is widely accepted that the criteria used to create the Guidelines are outdated, especially since it does not reflect modern expenses or needs such as child care, housing, or medical care.



The second chart provides the most recent Poverty Guidelines for families of various sizes.

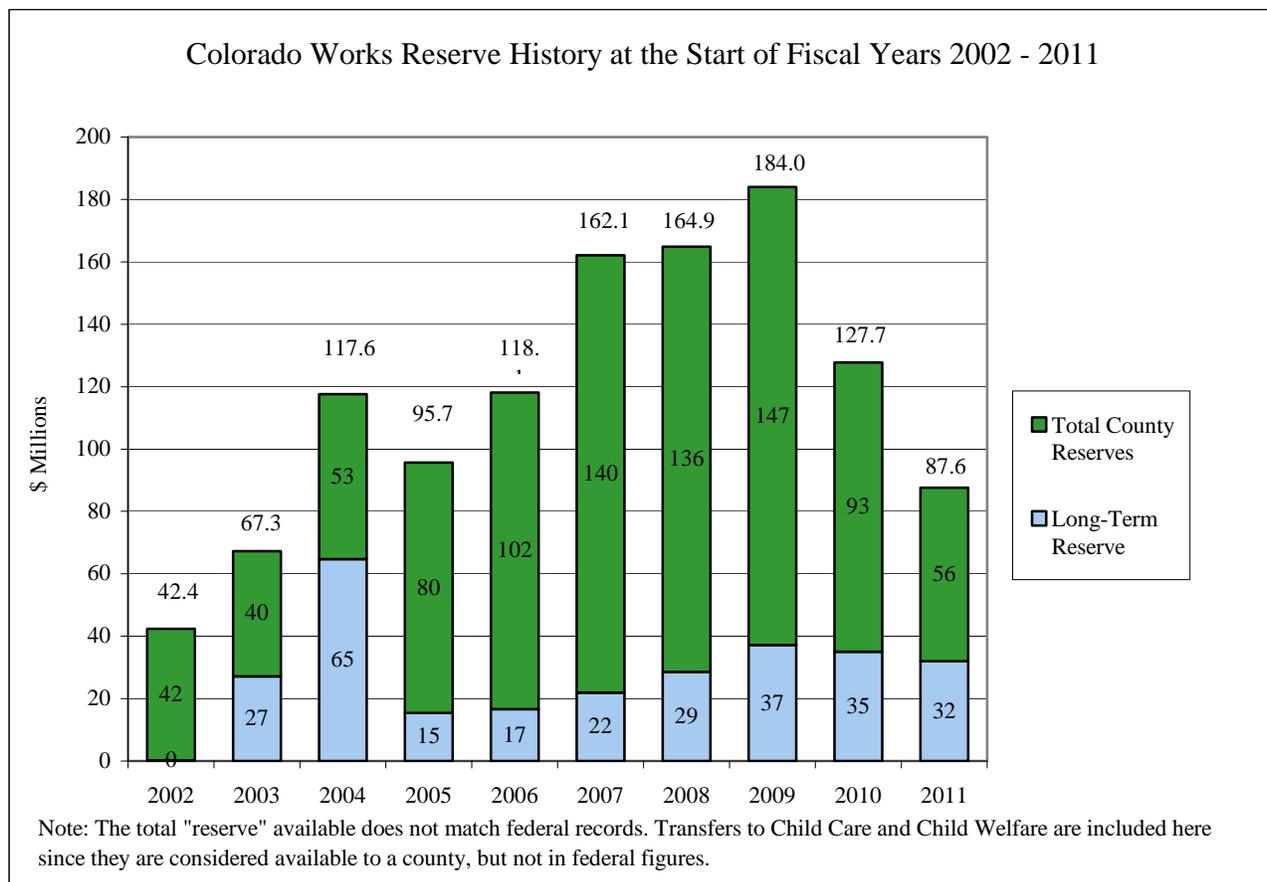
The 2010 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in family	Poverty guideline
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010

For families with more than 8 persons, add \$3,740 for each additional person.

17. [Background: S.B. 08-177 ratchets down the amount of reserves counties are allowed to retain as a share of their annual TANF allocations, among other adjustments to the program]. Does the Department believe changes to S.B. 08-177 are warranted? What factors should be considered when evaluating possible changes?

**Response:**

**The Department supports the provisions of S.B. 08-177, including the establishment of limiting the county reserve levels.**



**The Department recognizes that as the State looks to balance available TANF funding and the individual program needs, factors may be considered when evaluating possible changes to the County Reserve Caps:**

- **Legislative Direction in SB 08-177:** SB 08-177 required the Department, in collaboration with County Departments and persons who represent Colorado Works participants, to review the county reserve levels as of SFY 2011-12 and

make recommendations in advance of the 2012 legislative session for implementation on and after July 1, 2012. Should a proposal for change in the county reserve caps be considered in advance of this legislative directive?

- **Balance Between Meeting Current and Future Needs:** How much reserve is reasonable as a “safety net” for the future while addressing the current needs of low-income families working towards self-sufficiency?
- **Reserves and the Allocation Formula:** There are wide variations among counties in the amount of reserves they have, with several counties having no reserves at all. Should statutes be amended so that the amount of reserves held by individual counties is considered by the Works Allocation Committee in developing recommendations for the statewide allocation formula?
- **Transfers to Child Care and Child Welfare:** What consideration, if any, should be given to a county’s transfer of TANF funds to Child Care or Child Welfare?
- **Legislature’s Authority to Set Appropriate Level for Both State and County Reserves:** Since federal law requires all TANF funds to be appropriated through a state’s normal appropriation process, the amount of reserves held at either the county or state level is a legislative decision. What amount does the General Assembly want to retain in the state’s long term reserve to address potential statewide needs or future uncertainties – and what amount at the county level?
- **Comparison to Other States – Potential Future Funding Impact:** The federal government does not distinguish whether Colorado’s unspent TANF funds are in “county reserves” or the state’s “long term reserve.” If our state has a greater proportion of unspent funds than most states, could that affect future federal allocation decisions?

18. *[Background: There appears to be a structural imbalance of \$11.9 million between the annual TANF revenue received and appropriated, even if the temporary refinance of Child Welfare services is excluded. This will begin to be felt with a shortfall of \$4.9 million in FY 2012-13, as the TANF Long Term Reserve is projected to be spent-down mid-year].* How is the Department planning for this future shortfall? Where is it in the process?

**Response:**

**The Department is pro-actively looking at this issue and will work with the new administration on a solution for this as it is a FY 2012-13 budgetary issue.**

**3:15-3:30 BREAK**

**3:30-3:45 ADULT ASSISTANCE**

19. Why won't the federal government allow the Aid to the Needy Disabled-State Only program to count toward the SSI Maintenance of Effort?

**Response:**

**The Supplemental Security Income (SSI) program Maintenance of Effort (MOE) requires that any state that accepts Medicaid funding maintain a certain level of cash assistance spending on SSI-eligible recipients from year-to-year. Failure to do so can result in a loss of Medicaid matching funds for each quarter the state is out of compliance. Because Aid to the Needy Disabled - State Only (AND-SO) cash payments are made to recipients who are not eligible for SSI benefits, they do not count toward the SSI MOE. Only state supplemental payments made to SSI recipients count toward the MOE requirement. Therefore, none of the payments made through AND-SO program count toward the MOE.**

20. How does the need for funding for Community Services for the Elderly differ from current funding levels?

**Response:**

**In 2004, the Department conducted the "Strengths and Needs Assessment of Older Adults in the State of Colorado." Based on the survey responses, the assessment estimated the need that existed in six core service areas: congregate meals, home-delivered meals, transportation, homemaker, personal care, and legal assistance. Additionally, the assessment projected the need in 2012 based on population trends and funding levels. The assessment determined that if the Area Agencies on Aging (AAA) expanded service provision to meet all the need identified from the survey, the cost in 2004 was \$97 million. The cost to provide a similar level of services in 2012 was projected to be approximately \$162 million. In SFY 2011, total funding for the AAAs amounted to \$24.5 million – a gap of \$137.5 million.**

Question for Department of Health Care Policy and Financing –Old Age Pension

21. *[Background: The portions of H.B. 10-1384 (Noncitizen Eligibility for Old Age Pension) that involve considering an immigrant sponsor's income when determining eligibility for the Old Age Pension (OAP) cannot be implemented until January 1, 2014 due to the impact on Medicaid eligibility for an estimated 108 people and the limitations in the Patient Protection and Affordable Care Act on changes to Medicaid eligibility. As a result, \$14.8 million per year in OAP Cash Fund savings/General Fund revenue from this legislation have been delayed. Other OAP changes may also be precluded in the near-term by the intersection between Medicaid and the OAP eligibility.]* Given that the OAP is an entirely state funded program and requires no federal match, why can't we separate eligibility for OAP from eligibility for Medicaid? What statutory and information technology changes and federal approval (if any) would be required?

**Response (Provided by HCPF):**

**Per the Colorado Medicaid State Plan, any individual determined eligible to receive the Old Age Pension payment is eligible for Medicaid if all other eligibility requirements are met (particularly citizenship and length of time in the US). Federal regulations require eligibility for the pension payment as a prerequisite for Medicaid eligibility- that is, if the individual receives the pension payment, then they qualify for Medicaid. During the investigation into whether eligibility for the pension payment could be separated from Medicaid eligibility, some complex federal issues have been uncovered that require additional federal guidance before any state level action. The Department will submit its questions to CMS to determine whether additional federal approval is needed to implement sponsor deeming. Once the Department has received the requested federal guidance, it will report its findings to the Joint Budget Committee during its hearing on December 21, 2010. The Department anticipates that no additional statutory authority is needed for Medicaid sponsor deeming, and only CBMS changes would be required.**

**3:45-4:00 OFFICE OF OPERATIONS**

22. Could Human Services facility operations services (maintenance, housekeeping, etc.) be consolidated with maintenance services in other departments? Are there opportunities for related efficiencies and savings?

**Response:**

**The Department maintains 330 buildings with almost 4 million square feet of space, 82% of the square footage being 24-hour, seven-day a week operating facilities; the Department does share maintenance and facilities management services where it is geographically and operationally cost effective to do so. For example, the Department currently provides utility infrastructure and maintenance services for Department of Corrections facilities, 31 buildings and 433,002 square feet of space, located on the mental health campus in Pueblo. The services are provided under memorandum of understanding between the departments.**

**The Department continually seeks to identify efficiencies and savings. For example, the Department is currently implementing energy performance contracts to reduce utility commodity consumption and replace aging infrastructure.**

**The Department proposes an opportunity for savings by consolidating the purchasing of utility commodities (natural gas, coal, etc.) at the State level.**

23. Does any of the funding provided to the Department for the Office of Operations (facility management) support county facilities? Are there any opportunities for greater efficiency based on consolidating/sharing facility maintenance activities between the State and counties?

**Response:**

**The Department does not currently fund any county facility management services.**

**The majority of the Department's facilities are 24-hour direct-care facilities that require specialized on-site facilities support. In addition to complicated building systems, employees are required to undergo special training and background investigations. Given the unique requirements of the Department's facilities, the Department does not believe there are efficiencies to be gained from consolidating operations with counties.**

**The Department does provide services that have a positive impact on community services across several of our campuses.**

**Program supported on the Fort Logan campus includes;**

- **Baby Haven, ARTS (Alcohol/Drug Rehabilitation Treatment Services)**
- **University of Colorado/Health Sciences Addiction Research Centers**
- **University of Colorado Denver**
- **College of Nursing to expand the Sheridan Health Services with new lease space**
- **Beacon Center (licensed therapeutic residential child care facility, alcohol/drug abuse facility, assists youth at risk ranging from 12-18 years old)**
- **Father Ed Judy House (Catholic Charities provides a safe shelter for the women and children survivors of domestic violence.)**
- **Senior Options, (assisted living residence for seniors with mental illness)**
- **Riverside Soccer Association (has over 500 boys and girls who play under the Riverside umbrella)**
- **Arapahoe Library District.**

**The Pueblo campus includes;**

- **Pueblo Sheriff's work release program**
- **DOC Parole**

- **DOC Medical Administration**
- **DOC Internal Investigation program**
- **Pueblo Soccer Association serving over 1,200 girls and boys per year.**

**The Grand Junction campus includes;**

- **Colorado West Regional Mental Health (similar program to the Haven)**
- **Mesa County Sheriff has leased the Draper building for training purposes**

**ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED**

1. Please provide a table comparing the actual number of department FTEs in FY 2000-01 and the requested number of department FTEs in FY 2011-12, by division or program.

**Response:**

**The Department will provide the written response on the FTE question for the December 16<sup>th</sup> JBC hearing.**

2. Please provide a table comparing the actual number of FTEs in FY 2008-09 and FY 2009-10 to the appropriated level of FTE for each of those fiscal years, by division or program.

**Response:**

**The Department will provide the written response on the FTE question for the December 16<sup>th</sup> JBC hearing.**