DEPARTMENT OF HUMAN SERVICES
COUNTY ADMINISTRATION, DIVISION OF CHILD WELFARE, OFFICE OF EARLY CHILDHOOD
FY 2015-16 JOINT BUDGET COMMITTEE HEARING AGENDA

Thursday, December 11, 2014
1:30 – 5:00 pm

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

1:45-2:05 QUESTIONS COMMON TO ALL DEPARTMENTS

(The following questions require both a written and verbal response.)

1. **SMART Government Act:**
   a. **Please describe how the SMART Government Act is being integrated into the Department's existing processes (both in terms of service delivery and evaluating performance).**
   b. **How is the data that is gathered for the performance management system used?**
   c. **Please describe the value of the act in the Department.**

The Colorado Department of Human Services has fully integrated the SMART Government Act into its delivery of services to Coloradans as well as its evaluation of program performance. The SMART Government Act provides a framework for the Department's mission, vision, values and strategic priorities.

Through the strategic planning process the Department has defined six values to guide the service delivery and program administration. Of these six, three are directly linked to the goals of the SMART Government Act including transparency and accountability, effective management of resources, continuous learning. These values are as follows, with the three related to the SMART Government Act in italics:

- Make decisions with and act in the best interests of the people we serve because Colorado's success depends on their well-being.
- *Share information, seek input, and explain our actions because we value accountability and transparency.*
- *Manage our resources efficiently because we value responsible stewardship.*
- Promote a positive work environment, and support and develop employees, because their performance is essential to Colorado's success.
- Meaningfully engage our partners and the people we serve because we must work together to achieve the best outcomes.
- *Commit to continuous learning because Coloradans deserve effective solutions today and forward-looking innovation for tomorrow.*

The strategic plan contents are a reflection of the vision of the Department and a synthesis of the input received from staff, stakeholders and community partners, collected through a series of town hall and staff meetings, webinars and online surveys conducted throughout the summer. The Plan was made available to the Department's employees, including the certified employee organization, Colorado WINS. Since 2011, the Department has conducted a diverse statewide outreach effort.

In 2012, the Department reached out to all corners of the state and convened a series of 13 town hall meetings in Colorado Springs, Walsenburg, Granby, Cortez, Montrose, Gunnison, Salida, Leadville, Fort Collins, Greeley, Sterling, La Junta, Burlington and Denver.

In 2013, the Department convened town hall meetings in Silverthorne, Lamar, Burlington, Golden, Grand Junction and Pueblo. In total, 317 partners and stakeholders attended town hall meetings, and 143 employees participated in the webinars or attended meetings. In addition, 245 partners, stakeholders and employees provided written input to the strategic plan through an online survey.

In 2014, the Department continued its commitment to community and staff engagement by convening town hall meetings in the cities of Aurora, Cortez, Del Norte, Durango, Eagle, Fort Morgan, Montrose, Pagosa Springs, and Pueblo. Town hall meetings were also held on the Southern Ute and Ute Mountain Ute Indian Tribe reservations in Ignacio and Towaoc, Colorado. This was the first time Department leadership traveled to the reservations to include the Tribes in the development of the Department's strategic plan. State employees were invited to complete an online survey about the strategic plan or attend forums in Denver and Grand Junction. In total, nearly 1,000 individuals have participated in webinars or attended meetings in addition to partners, stakeholders and employees who provided written input through an online survey and questionnaires.

Through these town hall meetings and employee webinars, the Department's strategic plan continues to grow and evolve, incorporating the diversity of thought and insight provided by its work force and the stakeholders who both deliver and receive services.

The Department has developed its FY 2015-16 goals and strategies in alignment with its workforce and stakeholder as well as fully integrated the C-Stat performance management strategy to evaluate progress on its defined goals and improve program performance. C-Stat, which is consistent with the SMART Government Act, allows the Department to evaluate program effectiveness and determine performance areas in need of improvement and then improve those outcomes, helping to enhance the lives of the populations that DHS serves and to provide the best use of dollars spent. Through this effort the Department can determine what processes work and what processes need improvement. By measuring the impact of day-to-day efforts, DHS makes informed, collaborative decisions to align efforts and resources to affect positive change.

2. **Do you have infrastructure needs (roads, real property, information technology) beyond the current infrastructure request? If so, how do these needs fit in with the Department's overall infrastructure priorities that have been submitted to the Capital Development Committee or Joint Technology Committee? If infrastructure should be a higher priority for the Department, how should the Department's list of overall priorities be adjusted to account for it?**

The Department of Human Services is responsible for the maintenance, housekeeping, and upkeep of 285 owned, active and occupied buildings. These buildings include three Regional Centers, two Mental Health Institutes, five State Veterans Community Living Veterans Centers, 13 youth correctional facilities which total 3.8 million square feet of building space and 1,541 acres of land. These facilities are occupied 24 hours a day for 7 days a week by patients, clients, youth, and staff and are considered by our clients to be their homes. Some of the individuals that stay with us will go back home, some will transition into community living settings, and some will stay in the facility for a very long time. The proper maintenance of these facilities is critical to the care and quality of life for these individuals.

As a result of a diverse portfolio of physical assets, the most important infrastructure need that the Department has is the FY 2015-16 request for the three phase Master Planning Effort. This Master Planning effort will consider the current existing land and buildings, their locations and conditions, and analyze the current and future programmatic needs to deliver high quality human services to Coloradans. This will allow the Department to align future facility needs to programmatic needs, looking to the strategic plan to address what current building operational and programmatic needs will be throughout the State of Colorado. This will provide direction for long-term future facilities based upon department operational program needs, goals and objectives.

The Department's infrastructure needs can be explained in five discussion areas. These are; number of buildings, building occupancies, building age, geographic distance and condition. Because of limited capital funding over the last decade, there are ongoing issues at campuses and facilities throughout Colorado.

- The Department of Human Services is the 3rd largest property owner in the State of Colorado, lagging behind only the Department of Education and the Department of Corrections. The Department is responsible for the maintenance, housekeeping, and upkeep of 285 owned, active and occupied buildings; totaling 3,767,330 square feet of building space and 1,541 acres of land. (There are also 59 vacant buildings, sheds and ancillary buildings that we do not include in this count).
- Eighty percent of the agency square footage is "24/7" facilities. They are occupied 24 hours a day for 7 days a week by patients, clients, youth, and staff. These facilities include two mental health hospitals, three regional centers, forty group homes, twelve youth service centers, four community living centers. \
- The age of the buildings span from 126 years old to 4 years old with the average age of 59 years. The facility condition index (FCI), the Office of the State

Architect's (OSA) method to measure the condition of facilities across the state, for the department is 67, the standard for OSA is 85.

- The facilities and campuses are scattered from Grand Junction to metro Denver, out to Brighton and down to Pueblo. (map)
- In general, the condition of the aging buildings and supporting infrastructure is not good. Although the Department has addressed the problems by selectively repairing and replacing sections of individual utility lines, water lines, roadways, sanitary and sewer lines, electrical lines, and sidewalks within their three major campuses in Grand Junction, Pueblo and Denver the infrastructure is 50 to 100 years in age (depending on the location)and failing. The infrastructure in general is past its life expectancy and continues to deteriorate. Over the last five years the Department has had 44 emergency controlled maintenance projects. These projects cost the State of Colorado approximately $3 million dollars.

To maintain such an oversized building footprint adds additional cost to programs. These dollars could be reduced if the building numbers and sq. footage were reduced. For example, the Colorado Department of Human Services Campus at Grand Junction is a 46 acre campus with 26 buildings on site. Currently only three buildings provide living areas for residents with developmental disabilities The buildings are on average sixty two years old and operational costs are very high (approximately $1.4 million) in relation to the number of clients we serve. The operational expenditures to maintain the campus does not add benefit to the direct care or quality of life of those most vulnerable in our community.

Without additional funding to support a master planning effort, the Department will continue to drive the capital and maintenance request on the premise of what they have and what was needed in the past, not by what they currently need or needed to deliver high quality, efficient and effective human services. The Department should be driving facilities capital and controlled maintenance requests based upon our strategic plan, programmatic need, and the need of those we serve.

Information Technology

Similar to the physical infrastructure, the information technology infrastructure is also aging. Specifically the telephony, networking and video conferencing infrastructure is of widely varying ages and levels of maintenance. Most investments in these areas have been with one time money at varying intervals. There are at least 7 different telephone systems in use across the Department. Many are well past the end of their service life. As these systems fail, operational funds are used to restore service to 24/7 care facilities without enterprise planning. Likewise, the video conferencing equipment was purchased with one time funds without an ongoing maintenance budget. The Department conducts 200 video conferences per month with more than half being in direct support of our clients. The degrading condition of this equipment puts timely service delivery for clients at risk and may result in increased costs incurred by travel necessary to replace this service. Due to the age of the Department's buildings and that many of them were designed for entirely different purposes, they too have a high variance in the quality of the networking services. The majority does not have wireless networking and the wired network infrastructure does not meet the State's enterprise standard.

3. **Describe the Department's experience with the implementation of the new CORE accounting system.**
    a. **Was the training adequate?**
    b. **Has the transition gone smoothly?**
    c. **How has the implementation of CORE affected staff workload during the transition?**
    Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the Department is requesting additional funding for FY 2015-16 to address it.

a. Training prior to implementation was broadly effective but not specific to the Department. Much of the original training focused on how to navigate CORE but did not necessarily address how to incorporate CORE into our Department specific processes (or adapt our processes as necessary). Additionally, due to the vast amount of people that required training, some people were required to receive their training too far in advance of the implementation of the system. Just in time training could have potentially been more effective. In light of these items, the Department has chosen to supplement the pre-implementation training with Department specific training as well as repeat training for less frequent users of the system to refresh their knowledge and allow them to immediately put it to use in their day to day work environment.

b. As would be anticipated with any new system implementation, we have experienced both successes and challenges with the implementation of CORE. While some processes are taking longer than anticipated all processes are working. We continue to work with the CORE implementation team to improve any processes that we feel can be more efficient.

c. The transition to CORE was made for many reasons, such as modernizing our financial system, improving our internal controls, automating workflow processes, creating a paperless work environment, and enhancing our reporting capabilities. In order to recognize these benefits, more information is being input and stored within the system, more actions are required within the system, more levels of approval are required within the system, and many documents must be scanned into the system so that they can be attached to the corresponding records. The table that follows illustrates the impact of CORE on related tasks and activities based on the current implementation state of the system .The Department is committed to doing what it can to reduce the amount of time it is taking to for these tasks in CORE and will continue to work with the Office of Information Technology, Department of Personnel and Administration and the vendor to develop business efficiencies to reduce the overall impact of the system. As the Department learns more, it may request additional resources.

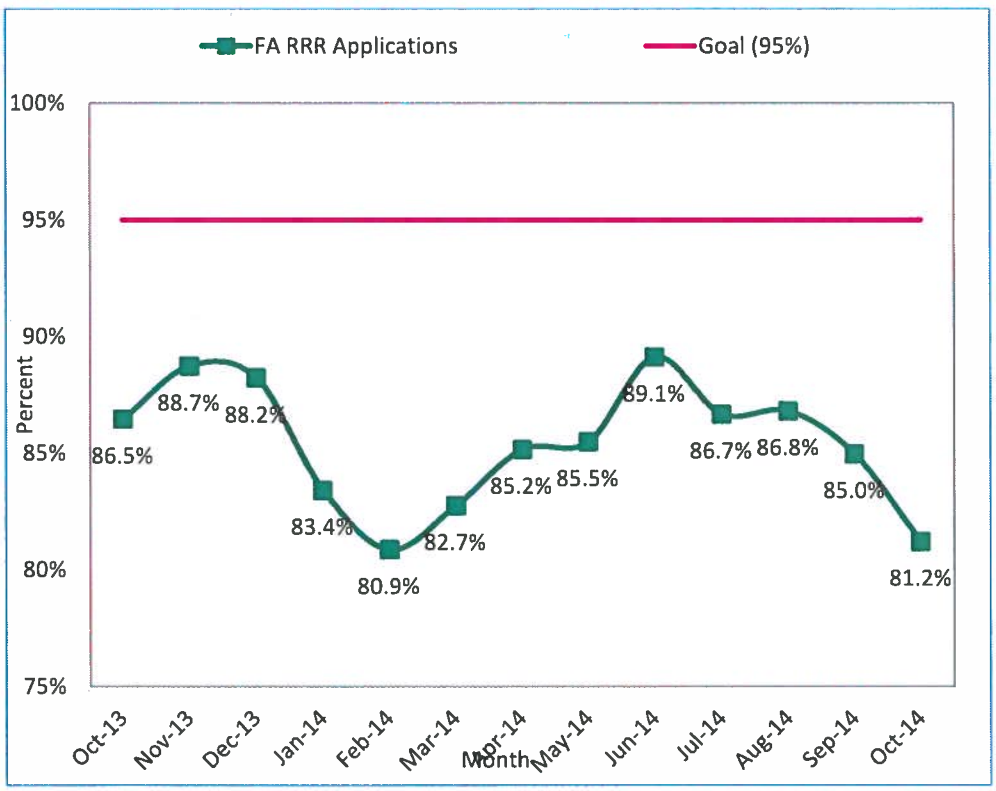
CORE Task/Activity	Approximate	Estimated Increase
GENERAL ACCOUNTING		
Vouchering	2.5x longer	375 hours
Cash Receipts	2.5x longer	80 hours
Internal Expense Transfers	1.5x longer	4 hours
Internal Transaction Initiators	1.5x longer	4 hours
Journal Vouchers	2.0x longer	150 hours
Revenue Documents	4.0x longer	24 hours
Accounts Receivable	2.0x longer	80 hours
Commercial Card Corrections	3.0x longer	48 hours
Procurement Card Transactions	4.0x longer	80 hours
GRANT MANAGEMENT		
Initial Grant Set-up	2.5x longer	2 hours
Correcting or Modifying Grants	3.5x longer	4 hours
CONTRACTS AND PROCUREMENT		
Entering Requisitions	3.0x longer	75 hours
Posting Solicitations	8.0x longer	96 hours
Making Awards	10.0x longer	120 hours
Creating a Purchase Order or Contract Document	3.0x longer	75 hours
WAREHOUSE AND INVENTORY		
Adding New Inventory Items	10.0x longer	4 hours
Stock Requisitions	2.0x longer	15 hours
Pick and Issue Actions	2.0x longer	15 hours
Confirm Issue Actions	2.0x longer	15 hours
PAYROLL		
Transfers in Kronos (because of CORE need)	1.25x longer	50 hours
Checking Kronos Errors due to CORE Process	2.0x longer	10 hours
Colorado Labor Allocation System Transfers	2.0x longer	30 hours
REPORTING		
Research	3.0x longer	80 hours
For Purposes of Auditing	3.0x longer	40 hours
For Purposes of Financial Reporting	3.0x longer	40 hours
TOTAL ADDITIONAL HOURS PER MONTH		1,516 hours

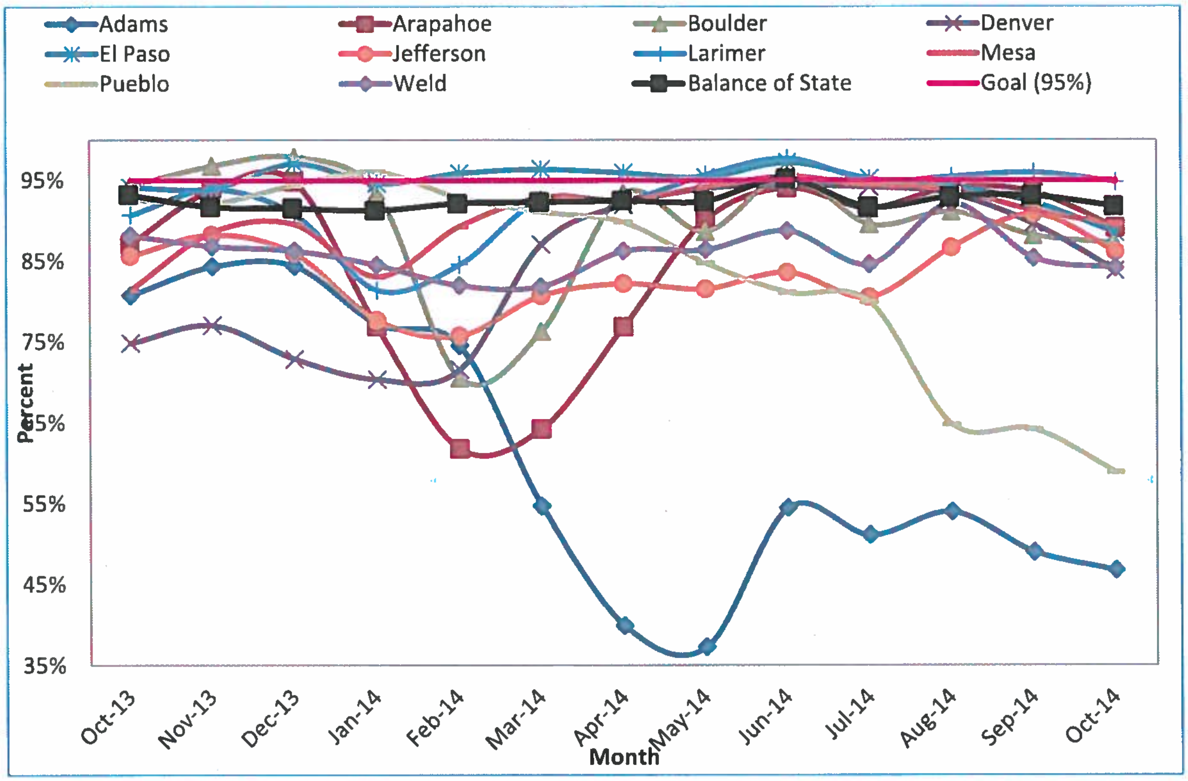
d. The Department recognizes that the implementation of such a substantial new system will drive additional short-term workload as employees adjust to new ways of doing business. Any long-term staffing changes resulting from CORE will not be known before the system reaches a steady operational state. At this time, the Executive Branch is not submitting any requests for FY 2015-16 to address the impact of CORE on normal departmental financial services operations.

2:05-2:30 COUNTY ADMINISTRATION

1. **Please provide an update on each county's progress in eliminating the redetermination backlog in the administration of the Supplementation Nutrition Assistance Program (SNAP). Are any of the counties currently out of timely processing compliance?**

   The chart below highlights county progress in eliminating the redetermination backlog in the Supplemental Nutrition Assistance Program (SNAP). Despite interventions including CBMS rebuilds, policy alignment, new county staff resources, and Business Process Reengineering (BPR), 42 counties (66%) did not meet the standard of processing 95% of all SNAP Redeterminations timely in October 2014. Statewide, 81.2% of all SNAP Redeterminations (RRRs) were processed timely in October. The data used to produce the chart below has recently been adjusted to align with the monthly report used to track timeliness measurements as set forth in the amended order of settlement.




Adams
Arapahoe
Boulder
Denver
El Paso
Jefferson
Larimer
Mesa
Pueblo
Weld
Balance of State
Goal (95%)
95%
85%
75%
65%
55%
45%
35%
Percent
Oct-13
Nov-13
Dec-13
Jan-14
Feb-14
Mar-14
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Month

2. **What are the causes of the ongoing caseload growth in SNAP; and is this caseload growth anticipated to be temporary or permanent? Have there been any changes to SNAP eligibility that impacts the caseload? Does the Department anticipate a reduction in caseload as the economy and personal income recover?**

The SNAP caseload continues to grow, but at a much slower rate than in recent years. Between 2009 and 2012, the caseload grew annually by double-digits. This explosive growth slowed in 2013 as the economy began to improve. The Department anticipates that caseload growth will continue to slow in the current year.

FFY	Colorado Caseload	% Growth	U.S. Caseload	% Growth
2008	106,171		12,700,000	
2009	158,115	48.9%	15,200,000	19.7%
2010	176,289	11.5%	18,618,436	22.5%
2011	200,064	13.5%	21,072,113	13.2%
2012	220,707	10.3%	22,329,713	6.0%
2013	231,488	4.9%	23,052,396	3.2%
2014	234,098	1.1%	22,699,550	-1.5%

Neither the Farm Bill nor state policy has changed SNAP eligibility. However, the implementation of the Affordable Care Act (ACA) and Colorado's concurrent policy change expanding Medicaid eligibility are likely to have increased the SNAP caseload. The Medicaid expansion makes SNAP and Medicaid eligibility virtually identical; therefore, new entrants into the benefits system seeking medical coverage may find that they're also eligible for food assistance and concurrently apply for SNAP. Between July and October 2014, 15% fewer people seeking medical benefits in Colorado applied only for Medicaid, while 23% more people applied for Medicaid and SNAP together during the same period.

As the economy recovers, many Coloradans have found employment, but may still qualify for SNAP benefits. In October 2014, Colorado's unemployment rate was at a six-year year low of 4.3%. Yet, more than half of jobless Coloradans have exhausted their Unemployment Insurance. Furthermore, as Colorado's population growth outpaces job growth, underemployment is above 12%, causing more than 20% of employed Coloradans to involuntarily work part time. Many jobless and underemployed Coloradans rely on programs like SNAP to make ends meet.

A four person household with two parents each working 30 hours a week at Colorado's minimum wage would continue to be eligible for SNAP assistance. A single adult working full time could earn as much as $14.90/hour and still meet the SNAP gross income test. According to the Bureau of Labor Statistics, service-producing industries, like hospitality and finance, comprise 87.6% of all employment in Colorado. Across these sectors, the median hourly wage is $11-14/hour, thereby qualifying many working Coloradans for SNAP.

2:30-3:30 DIVISION OF CHILD WELFARE

Child Welfare Audit

1. **Has the Department received a Child Welfare Performance Audit in the past? If so, when did this audit occur and what was its scope?**

   Below is a table identifying previous Child Welfare Performance Audits and the scope of each of those audits.

Child Welfare State Performance Audits

Title	Scope	Report Number	Release Date
Foster Care Financial Activities, Performance Audit, September 2007, Department of Human Services	This audit evaluated the Department's methods for ensuring that foster care funds are used effectively and reviews the costs of foster care provided through family foster homes, group homes, kinship care, and receiving homes.	1770	9-2007
Foster Care Services, Performance Audit, May 2007, Department of Human Services	The audit focused on how the Colorado Department of Human Services (Department) supervises the foster care services provided by county departments of human/social services and child placement agencies (CPAs) in the State.	1766	7-2007
Colorado Trails System, Performance Audit, November 2002, Department of Human Services	The purpose of the audit was to review selected system controls and procedures in place to ensure the integrity and accuracy of information and reports generated by the Trails system.	1456	12-2002
Foster Care Program, Performance Audit, June 2002, Department of Human Services	The audit focused on how the Colorado Department of Human Services (Department) supervises the foster care services provided by county departments of human/social services and child placement agencies (CPAs) in the State.	1420	8-2002
Subsidized Adoption Program, Division of Child Welfare Services, Performance Audit, March 2002, Department of Human Services	The audit evaluated all aspects of the Subsidized Adoption Program. The auditors reviewed overall program effectiveness, the timeliness of the adoption process, the appropriate payment of adoption subsidies, the impact of varying subsidy rates, and the negotiation of adoption subsidy types and amounts.	1386	6-2002
Residential Treatment Center, Rate Setting and Monitoring, Performance Audit, January 2002, Department of Human Services	The audit focused on the methods used by the Department of Human Services, including its Division of Child Welfare and Division of Youth Corrections, and the counties to set reimbursement rates for residential treatment centers. The audit also examined how various Department of Human Services entities and the counties monitor these residential treatment centers to ensure that adequate services are provided.	1406	2-2002
Central Registry of Child Protection, Performance Audit, November 2001, Department of Human Services	The purpose of the audit was to evaluate the administration of the Central Registry of Child Protection. Procedures included reviewing documentation, analyzing data, and interviewing staff at the Department of Human Services and county departments of human/social services.	1411	11-2001

In addition to these Child Welfare State Performance Audits, attached is a document the Department prepared for the audit that details all reviews of the Child Welfare system since 2007.

2. **Does the Department intend to seek legislation to continue the differential response program beyond July 1, 2015; and is it the intent to expand this program to all 64 counties?**

The Department believes it is in the State's best interest to expand DR statewide and shall include a recommendation to establish the pilot program throughout the State on a permanent basis through a controlled and cautious expansion process.

In accordance with Section 19-3-308.3 CRS (2014), on or before January 1, 2015 CDHS will submit a report to the Health and Human Services Committees of the House of Representatives and Senate concerning the administration of the pilot program since April 15, 2010.

To implement DR, a county department must adhere to a structure, rigorous implementation process. The process includes informational speakers, training, coaching, technical assistance, meetings, Trails education, and in-county reviews to ensure consistency of organizational processes and DR social work practices. Upon completion of these efforts, the Department conducts a site visit. Based on the outcome of the site visit and the county department's ability to sustain exemplary performance in existing intake practice, the Department's Executive Director formally invites the county to participate in the pilot program per Section 19-3-308.3 CRS. Should the pilot program become an accepted practice throughout the state, the Department will continue to ensure model fidelity through this structured implementation process.

In April 2014 Colorado State University – Social Work Research Center released the *Program evaluation of the Colorado Consortium on Differential Response: Final report* (Winokur, et al., 2014). The overall findings from the Differential Response Pilot Program were positive in regard to child safety, family well-being, family engagement, caseworker satisfaction, community buy-in, and cost neutrality. The researchers reported the most promising finding is the potential for long term child safety benefits and cost savings due to lower level of re-involvement, over time, for families that received a Family Assessment Response (FAR) from the county. (Winokur, et al., 2014).

To meet the intent to utilize practices that build positive relationships to facilitate sustainable change in the families, youth and children served through the child welfare system, the Department is in support of continuing the practice of DR.

3. **Please be prepared to answer question specific to the audit at the hearing, should they arise.**

   The Department is prepared to answer questions related to the audit and looks forward to implementing the auditor's recommendations. The auditor independently reviewed 79 different Child Welfare areas, programs, or practices. Of those 79 areas, 11 received recommendations. Of the recommendations the Department agreed or partially agreed to, 30% are completed.

Child Welfare Workload Study

1. **Please provide details on the Department/county's compliance with federal factors for child welfare staffing. Aside from the results of the workload study, are there other reasons why counties need more case worker FTE?**

   There are no federal factors for child welfare staffing.

   A Workload Study sanctioned by the Legislature was managed by the Office of the State Auditor. The study assessed child protection services in counties by looking at activities through a time study to determine gaps in the level of staffing. The result was a recommendation for 574 additional caseworker staff and 122 supervisor staff.

   The short-term solution is to hire 130 county staff which affords an opportunity to evaluate the workforce, now and into the future. It is a way to address current needs and look at the entire system to keep children safe. One way the Department is doing this is through medical oversight provided by OCYF Medical Director and team, the details of which can be found in FY 2015-16 budget request R7. In addition, the Department has encouraged counties to look at other staffing positions that may help improve the system, such as nurses, educational liaisons, and practice coaches.

2. **Are additional case worker FTE needed in every county? Please provide a breakdown of needed FTE increases in each county.**

   Unfortunately the Workload Study did not provide the information necessary to answer these questions. As a result, a Workload Study Workgroup, consisting of both county and Department staff, has been reviewing the Workload Study to develop formal recommendations of a caseworker to assessment/case ratio, as well as a supervisor to caseworker ratio.

   In addition, on Friday November 21, 2014, the Child Welfare Allocation Committee (CWAC), consisting of county commissioners and Department staff, also asked that counties be surveyed to determine county need for staff. Counties will be surveyed through either the Colorado Human Services Directors Association (CHSDA) or through Colorado Counties, Inc. (CCI).

Once the survey results have been collected, the Department will have a better understanding of the FTE increase needs in each county.

3. **How will the Department ensure that the allocation of the new funds is appropriate and that increased allocations correspond with each county's need for increased FTE? Will there need to be a statutory change to ensure this occurs?**

   The Department believes the allocation of new funds is appropriate and should correspond with each county's needs for increased FTE. Statutory change is required. The Department thinks it would be appropriate for the Joint Budget Committee (JBC) to establish statutory parameters for the CWAC to follow, thereby creating the needed guidance to meet the intent of this new funding.

4. **Please explain why there have been under-expenditures in the Child Welfare Services line item in the past; and why counties are not spending the full allocation.**

   Although Child Welfare Services had an under-expenditure of 2% in FY 2013-14, this has not been a consistent pattern over the last five fiscal years (see table below). Each fiscal year there are a number of variables that contribute to slight variations in spending. Examples include the penetration rates of children entering the child welfare system, increases/decreases to the number of out-of-home placements, and fluctuating numbers of new involvements. Counties are authorized to transfer TANF funds to cover over expenditures, and without those transfers, the over spending would be greater. Most recently, in FY 2012-13, the State reduced the number of days in out-of-home placement by 5.5%. Congregate care was 84% of the 5.5% reduction. Congregate care is four times more expensive than foster care.

5 year history of expenditures for Child Welfare Services

FY	Child Welfare Services	Percent (Under Spent)
2009-10	$353,575,261	3%
2010-11	$337,475,100	(1%)
2011-12	$334,835,846	(1%)
2012-13	$334,343,137	2%
2013-14	$338,029,998	(2%)

5. **How does the Department propose ensuring that counties actually hire additional case workers as opposed to funding other services that are allowed in the child welfare block?**

   As stated in question 3, the Department believes the allocation of new funds is appropriate and that statutory change is required. The Department thinks it would be appropriate for the Joint Budget Committee (JBC) to establish statutory parameters for the CWAC to follow, thereby creating the needed guidance to meet the intent of this new funding.

6. **Is the Department concerned that some counties may not have the resources to meet the 20 percent match? If so, why did the Department not request additional funds to cover the match for those counties?**

   Colorado is a strong local-control state, which includes Child Welfare, and has a state-supervised, county-administered system where services are provided at the local level. This Administration respects local administration of services and does not dictate how counties utilize their resources. Part of a local-control state is a strong commitment to federal, state, and county financial partnerships. Therefore, the Administration believes the 20% match is appropriate.

7. **How does the Department propose this increase in funding be tracked to ensure that it is utilized for evaluating ongoing county staffing levels and needs?**

   As stated in question 3, the Department believes the allocation of new funds is appropriate and that statutory change is required. The Department thinks it would be appropriate for the Joint Budget Committee (JBC) to establish statutory parameters for the CWAC to follow, thereby creating the needed guidance to meet the intent of this new funding.

   The Department requests the JBC to include in the statutory change:

   - Appropriation of additional moneys to reduce the caseload ratio of county social workers,
   - Authority for the CWAC to allocate the funding,
   - Requirements for the funding to be used only for staffing needs, and
   - A 20% percent local share match.

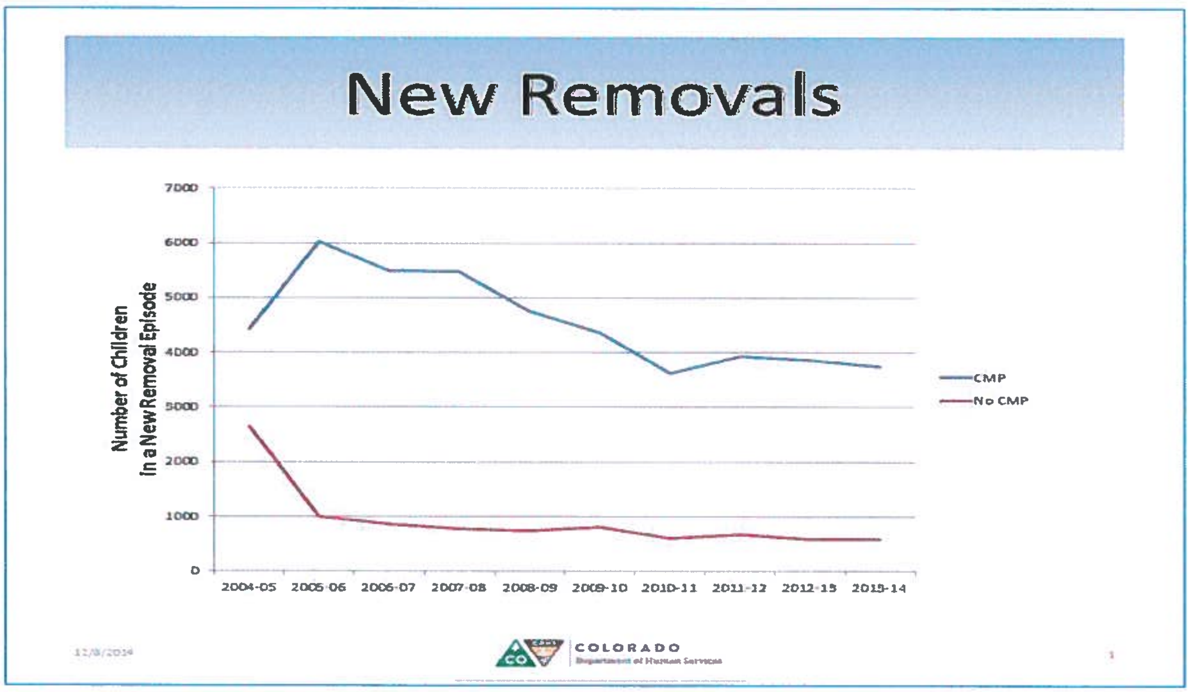
   Unfortunately the Workload Study did not identify each county's ongoing staffing levels and needs. As a result, the Department will budget to a standard caseload ratio. The ratio will determine the amount of funds a county needs to hire the appropriate amount of FTE. The appropriate staffing level will afford each caseworker the necessary time to work with children and families, document casework, and provide the necessary client services in order to increase the safety, permanency, and wellbeing of the children served in Child Welfare.

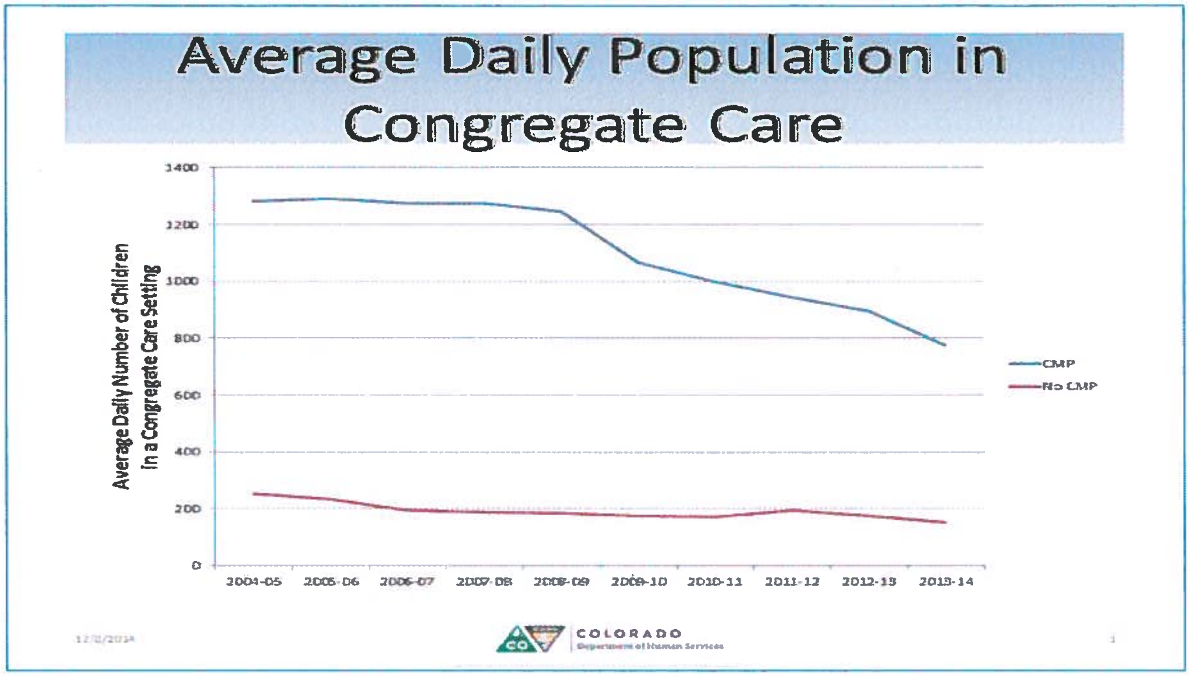
Collaborative Management Program

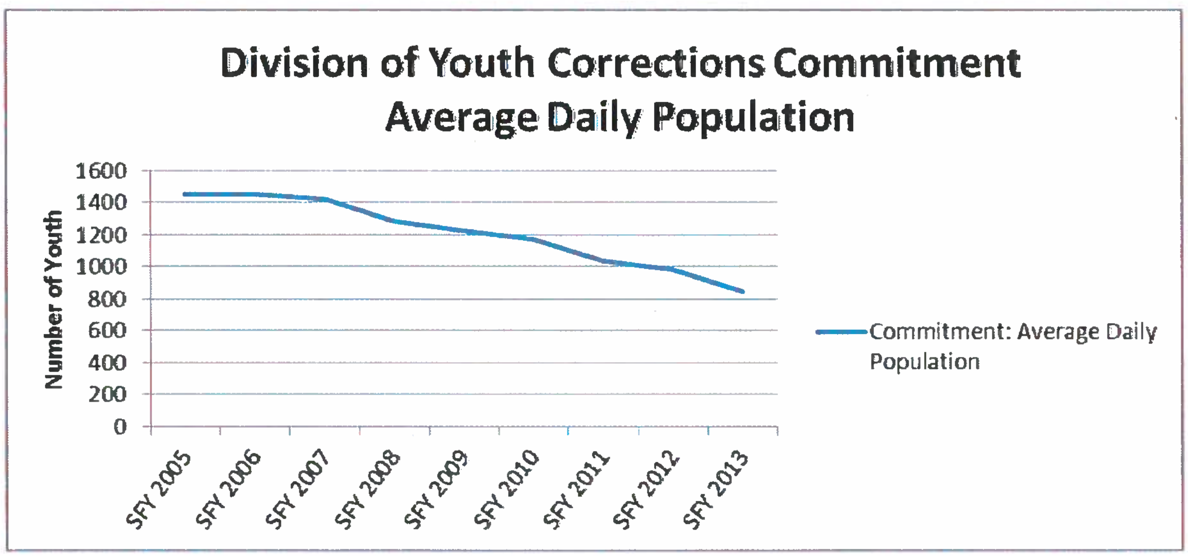
1. **Given the audit findings, why does the Department believe this program should continue? How does the Department intend to fix the problems with this program to ensure that it is successful in the future? Why does the Department believe that funding for this program should be increased prior to addressing the issues that are identified in the audit?**

   Over the past 10 years Colorado has experienced a reduction in the number of children in out of home placement, including congregate care, a reduction the number of children who enter and re-enter the Division of Youth Corrections, and an increase in the number of prevention and early intervention services to children and youth which helps to reduce the entry and re-entry of children into the child welfare system. This would not have been achieved without programs like the Collaborative Management Program (CMP).

   The data tables below show that during the time of CMP's existence and their work with the local human/social service, juvenile justice, educational, and health/mental health agencies, the CMP counties have seen a reduction in new removals, average days placed in congregate care, and average days of commitment from FY 2004-05 to FY 2013-14.







The Department has reviewed the audit findings and is working with county partners, including the CMP Steering Committee to complete all of the audit recommendations by July 2015.

The Department has a multi-pronged approach to improve accountability of the program:

- Ending the external evaluation and redirect funds to staff for oversight of the program,
- Revising the memorandum of understanding to more clearly reflect statutory requirements,
- Revamping the Allocation Incentive Formula,
- Reviewing and updating the rules, and
- Improving data collection to facilitate program evaluation.

2. **Is the Department seeking legislation to address the identified problems with the General Fund savings allocation? If so, whom does the Department believe will carry this legislation?**

The Department may be seeking legislation to address the identified problems. The Department supports legislative changes to remove rule making authority for General Fund savings in Title 24 and charge the Child Welfare Allocation Committee with determining management of child welfare savings in both 24 and 26.

The Department thinks that the Joint Budget Committee (JBC) would be an appropriate sponsor to carry this legislation.

3. **Is this program identified in Department's SMART Act Performance Plan? Are there goals and objectives specific to this program that are quantifiably measured? How does the Department manage this program within the context of the SMART Act; and has this program been identified as one that should be eliminated due to lack of performance?**

No, the CMP is not specifically identified in the Department's SMART Act Performance Plan. The legislation has authorized the Department to do an external evaluation of CMP. The CMP Year 5 Statewide Evaluation identified the following successes specific to CMP:

- Child and family re-involvement with the system decreased from 49% in FY 2011-12 to 30% in FY 2012-13, a 19% reduction.
- For children in out-of-home care, 81% had two or fewer placements. This is an improvement over the FY 2011-12 performance of 74%.
- Reduction in duplication and fragmentation was reported. Eighty-one percent (81%) of CMPs in FY 2013-14 used cross agency consents to share client information, up from 68% in FY 2011-12 and 72% in FY 2012-13.

To the contrary, this program has been identified as needing increased funding to continue to support the reduction of new removals, average days placed in congregate care, re-involvement with DYC and out-of-home placement moves.

4. Is the program effective in all 38 counties? Please identify the counties in which it is effective and those in which it is not.

Each county's CMP's effectiveness is measured and rewarded on a scale. There are four outcome areas in which counties are measured; child welfare, juvenile justice, education, and health/mental health. Through the incentive funds counties are weighted by the proportion of performance measures achieved and by the percentage of the child/youth population served in each county. The more outcomes each county achieves in the four areas, the higher the incentive funds distributed to the county. The majority of the counties reached their performance measures in all of the four outcome areas.

The CMP Year 5 Statewide Evaluation (November 2014) evaluated 32 collaborative programs; involving 35 counties and achieved the performance measures (as designated by an "X") in the outcome areas shown:

County	FY 2014-15 Collaborative Management Program Performance Measures Achieved by Outcome Area			
	Child Welfare	Juvenile Justice	Health/Mental Health	Education
Adams	X	X	X	X
Alamosa	X		X	X
Boulder	X	X	X	X
Chaffee	X	X	X	X
Conejos	X	X	X	X
Crowley/Otero	X	X	X	X
Denver	X	X	X	X
Douglas		X		X
Eagle	X	X	X	X
El Paso	X		X	X
Elbert	X	X	X	X
Fremont	X	X	X	X
Garfield	X	X		X
Grand	X	X	X	X
Gunnison/Hinsdale	X	X	X	X
Huerfano	X	X	X	X
Jefferson	X	X	X	X
Lake			X	
Larimer	X	X	X	X
Lincoln	X	X	X	X
Logan	X		X	X
Mesa	X	X	X	X
Moffat	X		X	
Montezuma/Dolores	X		X	X
Montrose	X	X	X	X

Morgan	X	X	X	X
Park	X	X	X	X
Pueblo	X	X	X	
Rio Grande	X		X	X
Routt	X	X	X	X
Teller	X	X		X
Weld	X	X	X	X

Two specific counties examples in which CMP has shown to be effective are in Pueblo and Larimer. Pueblo County is focusing on truancy and working with families on improving attendance and addressing barriers to overcome truancy. Pueblo has demonstrated a direct correlation between reduced truancy and reduced DYC detentions. Thirty-three percent (33%) of youth at risk of Truancy Court showed improved school attendance

In Larimer County a partnership program of the local school district, the public health department and human services uncovered a homeless family living in a tent. This family was located through a unique program that had the school district providing the health department with information on kids receiving free and reduced lunch during the week. The health department partnered with a local nonprofit to have nurses and local food vendors deliver weekend lunches to the kids in their homes. The staff found this family and brought in additional members of the Interagency Oversight Group to find the family housing and help the mother with additional public assistance and work support. Without this program, this family could have been reported to the Child Welfare system.

Tony Grampsas Youth Services Program

1. **Please provide the evaluation report on the overall program and on all programs receiving grant awards through it.**

   The FY 2013-14 evaluation of the Tony Grampsas Youth Services Program has recently been completed. The final copy is currently in the clearance process and will be available for release soon.

3:30-3:45 BREAK

3:45-4:45 OFFICE OF EARLY CHILDHOOD

Child Care Licensing

1. **Please provide addition information on the Micro Loan and Grants programs.**

   The Department is addressing the lack of available licensed child care to serve low income children with two new strategies: micro-grants and micro-loans.

   Micro-Grants
   The Department believes the tremendous existing network of family, friend, and neighbors (FFN) providing child care can be targeted to start and expand small, home-based businesses and increase licensed capacity, particularly in rural or under-served areas of the state. The Department is proposing a micro-grant program that would require FFN providers to pay a $96.50 fee to cover the cost of the licensing application and background checks. Once the application is approved, the provider would be eligible for micro-grants up to $3,000. The micro-grants would cover costs necessary to obtain the physical equipment and educational and developmental materials needed to provide a safe home-based child care program, such as cribs, car seats, cots, child-sized furniture and age-appropriate developmental materials. Additionally, the grantee would be eligible for State programs that provide technical assistance and quality incentives to help improve the quality ratings of these child care homes. The Department anticipates awarding100 grants, which could provide up to 600 new child care slots.

   Micro-Loans
   The Department's request for micro-loans is modeled after similar programs in other states. For example, Washington and Virginia both operate child care loan programs. The loans are intended to stimulate business development and increase child care capacity in remote or under-served areas of the state. The low-interest loans provide capital for basic start-up materials and supplies needed to establish a center-based child care business. Additionally, the borrower is eligible for State programs that provide technical assistance and quality incentives to help improve the quality ratings of these facilities. The loan repayment schedule is intended to make the program self-sustaining by the fifth year of operation. The Department anticipates the loan program could provide up to 240 child care slots annually.

   The difference between the micro-grant and micro-loan programs is that grants of up to $3,000 are targeted towards existing FFN providers to become licensed, accept Colorado Child Care Assistance Program (CCCAP) eligible children, and increase their home-based capacity. Loans of up to $10,000 are targeted towards individuals looking to establish or expand center-based child care businesses that will accept CCCAP-eligible children.

2. **How many communities in Colorado have insufficient opportunities for licensed child care facilities as compared with the need for services?**

   As shown in figure OEC1, the availability of licensed child care facilities varies substantially across the state. In 11 counties licensed capacity amounts to less than a third of the under-five population, while in nine counties the capacity to population ratio exceeds 62%.

3. **Please provide information from third party sources that explains why child care costs in Colorado are so high? Has there been an increase in regulations that has resulted in increased costs?**

   Decreases in Regulation
   As third-party research reveals, personnel costs are the single largest expense for the average child care provider. Colorado's adult to child ratio and group size regulations have not changed since 1991. No changes impacting minimum staff qualification standards, education and training, have occurred since 2010. In fact, since 2011, the Department has reduced the overall volume of child care regulations with the repeal of over 60 rules as part of the Governor's rule reduction review initiative.

   Review of Third-Party Research
   Several third-party organizations have recently investigated the cost of child care. These include:
   - *Child Care Affordability in Colorado (December. 2014)*—The Colorado Children's Campaign, the Colorado Women's Foundation, and Qualistar Colorado prepared this report, which investigates the factors driving cost of care and offers recommendations to improve affordability.
   - *Parents and the High Cost of Child Care: 2014 Report*—Child Care Aware provides an annual publication that investigates the cost of child care from a national perspective.

   These reports suggest that two primary factors related to the cost of child care are:
   - Quality Care is Not Cheap—Studies indicate that high quality child care is associated with academic and social benefits beyond high school (National Institutes of Health, Link Between Child Care and Academic Achievement and Behavior Persists into Adolescence, 2010), but many of the various elements necessary to establish high quality child care environments come at a financial cost. As such, reducing costs associated with quality may also reduce the positive impacts of quality early childhood environments.
   - Childcare is Labor Intensive—According to these reports, personnel costs are the largest expense for child care programs, despite relatively low compensation for child care workers. According to Child Care Aware, "*...child care is one of the lowest paying professions nationally. The average income for a full-time child care professional in 2013 was $21,490, a decrease of $131 from 2012 when adjusted for inflation. The average wage for full-time child care workers was $10.33 per*

hour in 2013 – below the federal poverty guidelines for a family of four and barely above the poverty guidelines for a family of three." In addition to wages, staff to child ratio and group size requirements also impact personnel costs by impacting the number of staff a facility needs, but Colorado's requirements are well within the national norms and have not changed since 1991 (see "How Colorado Compares to Other States" below). Additionally, changes to these ratios would impact quality. As Child Care Aware states, *"...young children require individualized attention and thrive best in small groups with consistent caregivers and low adult to child ratios."*

How Colorado Compares to Other States

Child Care Affordability in Colorado (December. 2014) **confirms that the Colorado does not meet a single one of the highest ratio standards set by the National Association for the Education of Young Children (NAEYC). Colorado also does not meet a single one of the more rigorous ratio standards recommended in the 3rd edition of *Caring for Our Children*. (*Caring for Our Children* is a collaborative publication of the American Academy of Pediatrics, The American Public Health Association,** the National Resource Center for Health and Safety in Child Care and Early Education at the University of Colorado, College of Nursing, and the Maternal and the Child Health Bureau in the Health Resources and Services Administration at the U.S. Department of Health and Human Services).

According to the Child Care Aware annual report, *We Can Do Better, 2013 Update*, Colorado compares to other states' ratio requirements as follows below:

- Infants 0-12 Months: 37 states have more stringent ratio requirements for infants. Colorado required one adult for every five infants. 10 states have the same ratio requirement as Colorado.
- 3 year olds: 18 states have more stringent ratio requirements. Colorado requires a ratio of one adult for every 10 children. 9 states have the same ratio requirement as Colorado.
- 4 year olds: 14 states have more stringent ratio requirements. Colorado requires one adult for every 12 children. 18 states have the same ratio requirement as Colorado.
- 5 year olds: 21 states have more stringent ratio requirements. Colorado requires a ratio of one adult for every 15 children. 11 states have the same ratio requirement as Colorado.

It is true that state **regulation related to** staff-to-child ratios, child safety, and **developmentally appropriate materials contribute to the costs experienced by the small and medium sized businesses that child care facilities are.**

Importance of High Quality Child Care

It is also true that decades of research confirm that ensuring access to enriching, safe and high quality child care are essential in order to achieve optimal child development, support working families and benefit society with a globally competitive work force today and for

the next generation.

Recommendations for Reducing the Cost of Care

In proposing solutions to the conundrum of assuring the highest quality safety and learning for our most vulnerable population without increasing on the parents paying the tuition that carries the child care industry, the state and national reports make specific recommendations:

- Incentivize businesses in making better workforce environments for their employees through on site care, investment in child care worker wage increase efforts, and through tax options; and
- Invest in shared services systems and other approaches that reduce expenses; and
- Layer, blend, and braid funds and eliminate barriers to these actions; and
- Expand access to and increase reimbursements rates in the Colorado Child Care Assistance Program; and Invest and expand other state and local child care initiatives such as the Colorado Pre-School Program and the Denver Pre-School Program.

4. Please provide an update on the status of increasing child care licensing specialists. What has the Department learned about licensed versus unlicensed facilities and community capacity in meeting child care needs that it did not know at the time of last year's hearing?

Upon receiving funding for the budget request the Department developed the implementation plan. Key activities are as follows.

- The Department conducted a Lean event on how case loads are assigned to child care inspectors in preparation for deploying new staff. The result was the identification of 24 distinct service zones throughout the state. As a result of this Lean event, each inspector/team now handles all licensing functions within a smaller zone, minimizing travel and duplication.
- July 2014 – the Department negotiated increased staffing levels for existing vendors that were keeping their existing service area (approximately 4.0 contract FTE).
- August 2014 – hired and orientated new State staff (3.0 FTE).
- September 2014– developed an RFP for contract staff to operate 6 newly identified service zones.
- October 2014 – received 5 proposals for new service zones.
- November/December 2014– negotiations with proposers for new service zones.
- January 2015 – vendors to begin side-by-side shadow training with existing state/contract licensing inspectors.

While the Department has not fully realized the benefit of the increase staffing, the efforts have provided additional information around unlicensed facilities and community capacity.

- There continues to be significant evidence that licensed facilities are safer.

- There are barriers to licensure in many areas including the inability of undocumented individuals to obtain a child care license.
- The revised service zones and related deployment will allow the Department to conduct inspections more efficiently than was originally anticipated in the request. Reduced travel time coupled with reduced time spent reviewing files as a result of the new Professional Development Registry will create greater efficiency for licensing inspections.
- The strong network of FFN is a resource that can help build additional licensed capacity, while at the same time improving safety and educational environment. To that end, the Department submitted a budget request to further develop FFN resources and capacity.

<u>**Colorado Child Care Assistance Program**</u>

1. **Please provide information on the over- and under-expenditures of counties in this program and the corresponding wait lists for counties in FY 2013-14. Has the Department considered adjusting the method through which funds are allocated to ensure that wait lists are minimized?**

   Yes, the Department is considering adjusting the method the Department and counties utilize to set CCCAP reimbursement allocations to the counties. The Department is working closely with Policy Advisory Committee (PAC). PAC is comprised of regional county representatives and leadership from each office of the Department, to make recommendations on policies to the Executive Director of CDHS. Through the PAC process, the Department will have a recommendation for a revised allocation formula by May 2015.

   Individual county spending of CCCAP allocations varies from year to year. Though some counties have spent more than their allocation in recent years, these counties have been made whole through surplus distribution at the end of each state fiscal year.

   Figures OEC2 and OEC3 below show the over- and under-expenditures by county for FY 2013-14, as well as wait list counts for two points in time: 8/25/2014 and 12/4/2014.

OEC2: Under and Over Spending FY 2013-14 and Wait Lists by County

County	Allocation, Expenditure, Difference			Waitlist Count 8/25/14		Waitlist Count 12/4/14	
	FY13-14 ORIGINAL* Allocation	SFY13-14 Expenditure	Difference Under / (Over) Spent SFY13-14**	Case (Family) Count	Child Count	Case (Family) Count	Child Count
Adams	$ 8,228,085	$ 6,491,932	$ 1,736,153	0	0	0	0
Alamosa	$ 418,963	$ 378,533	$ 40,430	0	0	0	0
Arapahoe	$ 8,788,284	$ 9,835,446	$ (1,047,163)	0	0	0	0
Archuleta	$ 154,890	$ 68,554	$ 86,336	0	0	0	0
Baca	$ 50,278	$ 16,107	$ 34,171	0	0	0	0
Bent	$ 79,490	$ 82,423	$ (2,933)	0	0	0	0
Boulder	$ 3,087,117	$ 4,060,584	$ (973,467)	0	0	0	0
Broomfield	$ 479,761	$ 311,218	$ 168,544	0	0	0	0
Chaffee	$ 133,529	$ 120,131	$ 13,398	0	0	0	0
Cheyenne	$ 18,869	$ 20,899	$ (2,030)	0	0	0	0
Clear Creek	$ 76,529	$ 61,373	$ 15,156	0	0	0	0
Conejos	$ 170,430	$ 19,752	$ 150,678	0	0	0	0
Costilla	$ 72,966	$ 60,550	$ 12,416	0	0	0	0
Crowley	$ 87,279	$ 59,025	$ 28,254	0	0	0	0
Custer	$ 63,806	$ 14,685	$ 49,121	0	0	0	0
Delta	$ 454,758	$ 321,198	$ 133,560	0	0	0	0
Denver	$ 12,943,087	$ 13,071,025	$ (127,938)	0	0	0	0
Dolores	$ 21,089	$ 11,782	$ 9,308	0	0	0	0
Douglas	$ 1,974,206	$ 1,347,825	$ 626,381	0	0	0	0
Eagle	$ 494,506	$ 510,315	$ (15,810)	12	15	15	18
Elbert	$ 186,577	$ 223,128	$ (36,552)	0	0	0	0
El Paso	$ 10,085,395	$ 8,615,420	$ 1,469,975	0	0	0	0
Fremont	$ 615,785	$ 530,242	$ 85,543	0	0	0	0
Garfield	$ 667,570	$ 374,332	$ 293,238	0	0	0	0
Gilpin	$ 63,088	$ 43,590	$ 19,498	0	0	0	0
Grand	$ 121,721	$ 145,076	$ (23,355)	0	0	0	0
Gunnison	$ 146,448	$ 133,025	$ 13,422	0	0	0	0
Hinsdale	$ 10,182	$ 16,092	$ (5,911)	0	0	0	0
Huerfano	$ 144,597	$ 128,971	$ 15,626	0	0	0	0
Jackson	$ 19,248	$ 1,439	$ 17,809	0	0	0	0
Jefferson	$ 5,532,183	$ 5,950,964	$ (418,781)	0	0	0	0
Kiowa	$ 24,290	$ 4,553	$ 19,737	0	0	0	0

OEC3: Under and Over Spending FY 2013-14 and Wait Lists by County

County	Allocation, Expenditure, Difference			Waitlist Count 8/25/14		Waitlist Count 12/4/14	
	FY13-14 ORIGINAL* Allocation	SFY13-14 Expenditure	Difference Under / (Over) Spent SFY13-14**	Case (Family) Count	Child Count	Case (Family) Count	Child Count
Kit Carson	$ 101,288	$ 51,395	$ 49,893	0	0	0	0
Lake	$ 214,721	$ 158,541	$ 56,180	0	0	0	0
La Plata	$ 506,971	$ 573,056	$ (66,085)	0	0	0	0
Larimer***	$ 3,611,647	$ 4,177,204	$ (565,557)	200	315	0	0
Las Animas	$ 299,840	$ 182,779	$ 117,061	0	0	0	0
Lincoln	$ 72,350	$ 17,466	$ 54,884	0	0	0	0
Logan	$ 328,413	$ 311,155	$ 17,257	0	0	0	0
Mesa	$ 2,187,810	$ 2,493,171	$ (305,361)	0	0	0	0
Mineral	$ 2,983	$ 938	$ 2,045	0	0	0	0
Moffat	$ 205,467	$ 107,006	$ 98,461	0	0	0	0
Montezuma	$ 465,302	$ 265,361	$ 199,941	0	0	0	0
Montrose	$ 842,365	$ 842,950	$ (585)	0	0	0	0
Morgan	$ 448,649	$ 212,015	$ 236,635	0	0	0	0
Otero	$ 509,723	$ 251,915	$ 257,809	0	0	0	0
Ouray	$ 40,832	$ 22,980	$ 17,851	0	0	0	0
Park	$ 115,757	$ 71,478	$ 44,279	0	0	0	0
Phillips	$ 51,992	$ 49,338	$ 2,654	0	0	0	0
Pitkin	$ 82,473	$ 46,731	$ 35,742	0	0	0	0
Prowers	$ 370,001	$ 355,995	$ 14,006	1	2	2	2
Pueblo	$ 3,905,229	$ 2,593,052	$ 1,312,177	0	0	0	0
Rio Blanco	$ 75,201	$ 26,072	$ 49,129	0	0	0	0
Rio Grande	$ 296,385	$ 180,211	$ 116,174	0	0	0	0
Routt	$ 161,568	$ 183,075	$ (21,507)	0	0	0	0
Saguache	$ 142,929	$ 16,461	$ 126,468	0	0	0	0
San Juan	$ 8,272	$ 2,968	$ 5,303	0	0	0	0
San Miguel	$ 57,738	$ 24,675	$ 33,064	0	0	0	0
Sedgwick	$ 31,370	$ 30,561	$ 809	0	0	0	0
Summit	$ 293,737	$ 531,692	$ (237,956)	0	0	0	0
Teller	$ 268,542	$ 232,713	$ 35,829	0	0	0	0
Washington	$ 47,744	$ 50,280	$ (2,536)	0	0	0	0
Weld	$ 4,179,437	$ 3,956,864	$ 222,573	0	0	0	0
Yuma	$ 114,377	$ 95,464	$ 18,913	0	0	0	0

** The allocation numbers provided here are for the ORIGINAL allocation for each county. Over the course of a year some counties alter their original allocations in a variety of manners. As such, the allocation numbers that appear in the final close out will not precisely match the allocation numbers above for all counties.*

*** This over/under spending figure is based off of the ORIGINAL allocation, and as such does not precisely match the close out for all counties.*

**** Larimer County was able to clear its waitlist due to additional dollars provided by HB14-1314.*

As shown above, with the exception of Larimer, few counties have maintained wait lists in the recent past (though because wait lists are in constant flux, a wait list of 0 in the table does indicate the county never maintained a wait list). As the exception, Larimer County experienced a growing wait list until funds from H.B. 14-1317 were made available and has since cleared its wait list. Prior to the passage of House Bill 14-1317, counties were not required to maintain wait lists. However, the rules that went into effect December 1st, 2014 now require counties to maintain wait lists.

2. **Please explain why there is no longer a TANF transfer to this program area? Can the Colorado Works program support the transfer now that the economy has shown some improvement? How many individuals have reached the 5-year limit, and is it expected that there will be some relief in this area?**

Counties have not needed to transfer Colorado Works funds to the childcare program because local demand has been met with available childcare funds during the last few years. The decision to transfer TANF funds to Childcare and/or Child Welfare is an individual county decision. Each year, counties determine whether or not to transfer TANF funds to other programs based on careful analysis of need in other programs versus anticipated TANF expenditures.

A small percentage of Colorado Works recipients do reach the 60-month time limit. Since 2006, when reliable time limit data became available, 4,724 Coloradans have exhausted their 60 months of TANF eligibility. Out of a total of 35,698 TANF cases during FY 2013-14, those affected by the 60-month time limit are as follows:

- 348 cases (0.97%) closed because they reached the 60 month limit.
- 936 cases (2.62%) have used more than 48 months (but fewer than 60 months).
- 268 cases (0.75%) have reached the 60 month limit, but continue to receive assistance due to a documented hardship.

Hardship extensions allow counties an extended period of time to engage with the family to help to stabilize them via employment or social security or other income. The federal government allows benefits extensions as long as they comprise no more than twenty percent of the total caseload. Colorado statute allows the State Board to set the hardship criteria and limits extensions to no longer than six months without reassessment. Reasons for hardship extensions vary, most commonly including domestic violence, disability, and behavioral health needs. County policies identify hardship extension reasons; families receiving a hardship extension are identified by the county department, on a case-by-case basis.

The Department's strategies to focus on meaningful employment for Coloradans combined with the improving Colorado economy and decreasing unemployment, result in long-term economic stability for families well before they reach their 60-month benefits limit. Outcomes to support economic stability include employment at a meaningful wage, attachment to Social Security Income, or receipt of Child Support.

3. **Has there been a reduction in federal funding resulting in less opportunity to transfer TANF funds to this program?**

No, the federal appropriation to Colorado's TANF program has remained stable. During

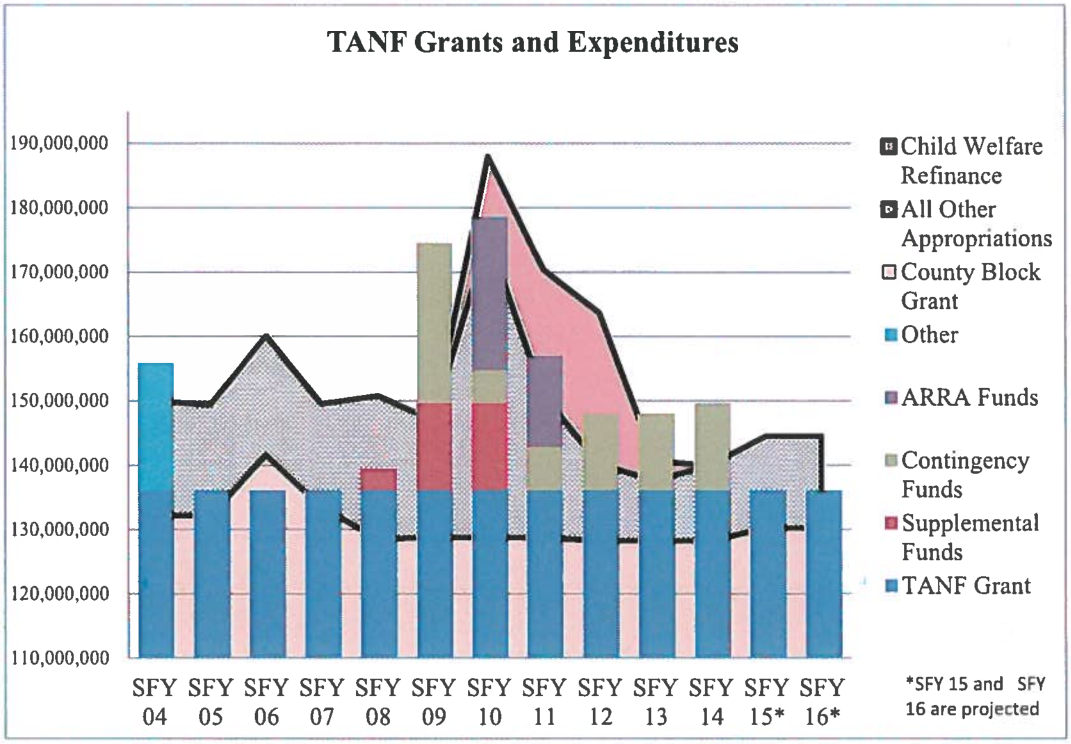
each of the last ten years, Colorado has received an annual $136.1 million State Family Assistant Grant from the Administration for Children and Families (ACF) to fund the state's TANF program. During the last seven years, Colorado has received additional, yet variable federal funds directed to the TANF program, including Supplemental, ARRA (Stimulus), and Contingency Funds. Transfers of TANF funds to the Childcare program are made in years the state overspends available Childcare funds. In recent years, available Childcare funds have been sufficient to cover expenditures.

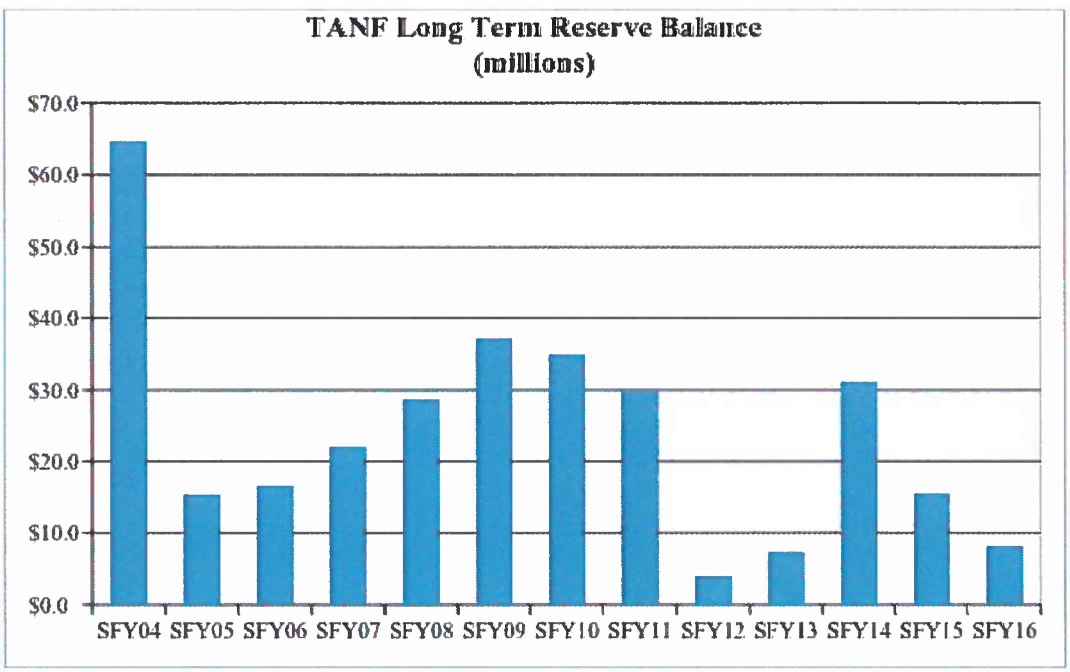
4. **How are TANF funds currently being used? Is the long-term reserve growing or has it stabilized?**

For FY 2014-15, Colorado's total TANF appropriations are $144.5 million to fund the County Block Grant ($130.2 million) and other obligations. The $14.3 million of other expenditures includes administration, automated systems, refugee services, the domestic abuse program, and the Workforce Development Council. To fund the state's TANF program, Colorado receives an annual $136.1 million State Family Assistant Grant (TANF grant) from the Administration for Children and Families (ACF), leaving an $8.4 million gap between funds received and funds obligated. In order to support the State's obligations in FY 2014-15, $8.4 million of the Long Term reserve has been accessed. The Long Term Reserve's projected ending balance is $15.5 million by the end of FY 2014-15.

The TANF appropriation has historically exceeded the allocated grant amount. In the last ten years, Colorado has relied on other funds, including the Long Term Reserve and ACF Contingency Funds, to meet obligations. In the last four years, the Department has received between $5 million and $13 million in Contingency Funds from ACF, and while continued receipt of these funds may extend the solvency of the Long Term Reserve, the Department budgets conservatively and does not assume Contingency Funds in projections. When made available by ACF, receipt of Contingency Funds depends both on Colorado's eligibility to receive funds as well as other states' eligibility, which affects the overall pot of funds to be divided among eligible states. If no Contingency Funds are received in FY 2014-2015 or FY 2015-2016, the Long Term Reserve will run out of funds by the end of FY 2016-17 at current levels of funding and appropriations.

The graph below presents the total TANF funds received (bars), comprised of the TANF grant and any Supplemental or Contingency Funds and the total appropriations (area graph) from 2004 through FY 2016 (projected). In FY 2014-15, the County Block Grant comprises more than 90% of the TANF appropriations.


TANF Grants and Expenditures
190,000,000
180,000,000
170,000,000
160,000,000
150,000,000
140,000,000
130,000,000
120,000,000
110,000,000
SFY 04 SFY 05 SFY 06 SFY 07 SFY 08 SFY 09 SFY 10 SFY 11 SFY 12 SFY 13 SFY 14 SFY 15* SFY 16*
Child Welfare Refinance
All Other Appropriations
County Block Grant
Other
ARRA Funds
Contingency Funds
Supplemental Funds
TANF Grant
*SFY 15 and SFY 16 are projected


TANF Long Term Reserve Balance (millions)
$70.0
$60.0
$50.0
$40.0
$30.0
$20.0
$10.0
$0.0
SFY04 SFY05 SFY06 SFY07 SFY08 SFY09 SFY10 SFY11 SFY12 SFY13 SFY14 SFY15 SFY16

Early Intervention (EI) Services

1. **Given the anticipated shortfall in early intervention services and case management funding, why has the Department not submitted a supplemental request to avoid a wait list?**

   Supplemental Requests are due to the JBC on January 2, 2015. There are no wait lists and the Department is committed to ensuring that all infants and toddlers who need early intervention (EI) services are identified and provided timely services.

   The Department recently established an Early Intervention Task Force that includes representation from the Community Centered Boards (CCBs). Its purpose is to examine potential short-term and long-term strategies to address the caseload growth.

2. **Please explain the Department's reasoning for requiring a Medicaid denial prior to CCBs being able to access state General Fund or federal Part C funds. Will this practice delay essential services for a critical time? Does the Department believe there is a better way to address ensuring maximum Medicaid utilization rates?**

   Families are not required to apply for Medicaid coverage in order for their child to receive EI services, and Part C of the Individuals with Disabilities Education Act (IDEA) prohibits the Department from requiring it. The process of accessing EI services is much like seeking medical care at a hospital emergency room: the individual's needs are met first and payment is sorted out later.

   Current Statute and Rules require that CCBs follow the funding hierarchy, but there is no requirement that they provide a Medicaid denial before accessing General Fund or federal Part C funds to pay for EI services. Federal regulations also require that the State ensures that federal Part C funds are used as the payor of last resort.

   These policies have not resulted in delays of services for children. In FY 2013-14, 96.75% of infants and toddlers eligible for EI services received timely services (within 28 calendar days), essentially unchanged over the past three years.

   The Department is committed to continuously finding new ways to ensure efficient and effective use of the funding hierarchy. Since 2008 extensive technical assistance, training and incentives have been provided to the CCBs.

   - In the past year, there have been eight Medicaid and CHP+ billing trainings for CCBs and providers that included specific technical assistance on Medicaid codes and billing methodology. This technical assistance has been offered to all 20 CCBs.
   - An EI Medicaid Billing Manual was developed and sent out to all 20 CCBs and made available on the EI Colorado website.
   - In FY 2013-14, CCBs received a Coordinated System of Payment Management Fee in addition to their regular management fee, as an incentive to move forward

with helping their providers become proficient in billing Medicaid. As a result, Medicaid utilization has increased slowly each year.

The Department, in collaboration with the EI Task Force, continues to investigate other ways to achieve maximum Medicaid utilization.

3. **If State General Fund or federal Part C funds are used to cover expenses while waiting for a Medicaid eligibility determination, will those sources be back-filled for a child's services once Medicaid eligibility has been approved? Is this similar to presumptive eligibility and is legislation necessary to accomplish this?**

   Yes, General Fund and federal Part C funds may be used as interim payments for EI services, pending reimbursement from Medicaid. Covered EI services may be back-filled once Medicaid pays.

   Requiring a Medicaid denial prior to payment of services is not the same as presumptive eligibility. Families are not required to apply for Medicaid coverage as a prerequisite to receive EI services and federal Part C regulation prohibits this practice. Therefore the Department does not think legislation is necessary.

4. **Explain why the Department has chosen to work to implement the process for requiring a Medicaid denial prior to accessibility to state General Fund and Part C federal funds. Did the Department consider other alternatives?**

   The Department does not require a Medicaid denial prior to accessing other EI funding sources.

   The process for the last three years is that CCBs are required to send exemption forms to the Department to explain why they did not use Medicaid to pay for a covered EI service that was already provided; however, this does not disrupt the flow of payment using General Fund or federal Part C funds to pay for a provided service. Since 2008 the Department has provided extensive technical assistance, training and incentives to the CCBs to support and encourage compliance with the funding hierarchy. As a result, Medicaid utilization has increased each year, and has seen a 19% increase in the first quarter of the current fiscal year, resulting in an overall utilization of 64%.

   Approximately 49% of children determined eligible for EI services are covered by Medicaid under income, disability, or Affordable Care Act eligibility criteria.

   The Department has taken steps over the last few years to gradually move CCBs toward better compliance with the requirement to follow the funding hierarchy, before implementing a new requirement that may result in financial impact. The Department is considering requiring a denial from Medicaid for payment of a delivered service prior to being reimbursed with General Fund and Federal Part C funds effective July 1, 2015. This is a common practice in other states that access Medicaid for EI services.

5. **Please explain why the contracts and allocations to each CCB were revised after the initial contracts were signed by CCBs for FY 2014-15.**

EI contracts for each fiscal year are drafted in the winter with stakeholder involvement. A draft is submitted to all CCBs in February with preliminary numbers for a 30-day review and feedback. Occasionally contracts are amended in the fall, following the first quarter of the fiscal year, when there is a change in available funds or in child count data that warrants an adjustment to the allocations.

The contract that went into effect on July 1, 2014 was based on data pulled for the period of July 1, 2013 through February 28, 2014. There was significant caseload growth for several CCBs between March and June 2014 (a change in child count data). In addition, Medicaid enrollment increased due to Medicaid expansion and the Affordable Care Act, which became effective January 2014 (another change in child count data). As a result, contracts were amended in October 2014 to adjust funding based on the most current data.

The October 2014 contract amendment is .01% less ($2,287) than the total funding amount in the original contract. This resulted in some CCBs receiving an increase and others a decrease in General Fund and federal Part C funds. This was due to an increase in the number of children whose services were covered by Medicaid or the Early Intervention Services Trust.

6. **Are the limited number of early intervention Medicaid providers in CCB regions as a result of insufficient Medicaid rates? How do Medicaid rates compare with standard rates in regions of the state that are experiencing a lack of providers? Is there a shortage of providers in specific regions, or is it just a shortage of Medicaid providers?**

Attached is Figure OEC4 showing the most commonly used EI services, three of which are Medicaid reimbursable. These four services account for 94% of all EI services. The figure shows the differences in provider rates who are paid directly by Medicaid, by Home Health Agencies, and by CCBs. The comparison of urban and rural CCBs demonstrates very little difference in the median rates.

Anecdotally, CCBs report shortages of Medicaid EI providers in many areas of the state especially rural and mountain areas. In some instances, providers are hesitant to accept Medicaid because Medicaid rates for EI services are lower than the individual rates paid by CCBs. Additional technical assistance is needed to dispel myths around the amount of paperwork required by Medicaid and the challenges of the Medicaid application process.

Providers in the rural areas are more likely to be generalists and deliver services (such as the Developmental Intervention service) that are not covered under Medicaid.

In the very rural and mountain areas of the state there are shortages of EI providers regardless of funding sources. The Department is collaborating with universities and community colleges to address the need for early childhood professional development. In addition, the Department conducts monthly meetings with the Fiscal Cohort Advisory Team (established in March 2013 and made up of 23 stakeholders from around the state, nine of whom represent CCBs). The primary focus of this group is to develop strategies to address EI provider capacity and shortages.

7. Please provide an annual comparison of early intervention services Medicaid providers for each CCB region for the past five years.

This information will require a comprehensive analysis by the Department and HCPF. It would require several weeks to perform.

8. What is the Department doing to address the lack of Medicaid providers in rural areas of the state?

The Department, in collaboration with HCPF, is addressing the need for additional Medicaid providers in the following ways:

- Encouraging existing providers who do not accept Medicaid to become Medicaid providers;
- Investigating the possibility of making Developmental Intervention, which is frequently provided in rural areas, a Medicaid-reimbursable service; working on strategies to simplify the Medicaid billing process by having an Early Intervention Code for services instead of using the numerous Common Procedure Treatment (CPT) codes; and,
- Establishment of a new division focused on provider relations signifying, in April 2014 at HCPF, that Department's commitment to provider recruitment and retention.

Additionally, HCPF implemented targeted rate increases on July 1, 2014, which they anticipate will have an impact on specialist enrollment into Medicaid.

In FY 2013-14, the Department allocated federal Part C funds to the CCBs to incentivize the utilization of Medicaid. A few of the CCBs used these funds to sponsor Medicaid enrollment and billing training sessions for their providers.

The Department is also partnering with universities and community colleges to increase the number of early childhood special educators and provide opportunities for practice in EI programs in rural areas of the state.

The provider shortage issue is a top priority of the Fiscal Cohort Advisory Team described in #6.

Part C Child Find

9. **What is the Department's position on moving supervision of Part C Child Find evaluation responsibilities/services to the DHS from the Department of Education?**

   Supervising Part C Child Find evaluation responsibilities align with the mission and goals of the Office of Early Childhood to create a coordinated system of early identification and intervention. Moving the supervision (assuming sufficient funding) would support the Department in meeting the federal requirement to maintain a single line of authority for all EI responsibilities and would streamline the process for families and the local EI programs. The Department works collaboratively with the Department of Education to ensure the needs of all young children are met.

3+ Initiative

10. **What is the Department's position on initiating a pilot program to transition children aging out of Part C services into Part B services through continued case management and familial support? How does the Department envision a program such as this being developed?**

    A pilot project like this would support the Department's strategic priority to prepare children for educational success throughout their lives. This initiative would be best served by a partnership between the Department, HCPF and CDE to discuss how such a program could best be designed and implemented.

    The Department's first priority, however, is to ensure that all infants and toddlers who are eligible for EI services receive them in a timely manner, and their families are supported to promote their children's development.

Provider Rate Increases:

1. **Is there information on how provider rates have impacted the availability of providers in specific areas in the state? (i.e. Have providers chosen not to contract with counties or CCBs due to provider rates? If so, where has this occurred?)**

   It is the policy of the Department to allocate appropriated provider rate increases directly to providers.

   The following programs are administered by counties; therefore, the Department passes the provider rate increase to the counties who then administer it with their contracted providers. This occurs in the following programs: county administration, child welfare and child care.

   The following programs pass the provider rate increase directly to providers and have done so for the rate increase approved for FY 2014-15, unless a contract had been recently awarded pursuant to bid beginning in FY 2014-15: youth corrections, early intervention, community mental health programs.

2. **Do all counties negotiate individual rates with providers, or are there some counties that collaborate to negotiate a regional rate?**

   Details related to the administration of the provider rate for county administered programs are provided below.

   a) **Child Welfare programs:** Forty-five (45) of the 64 counties submitted an approved Rate Negotiation Methodology to the Department. Of the 45 counties that reported they will negotiate rates, 17 of these counties indicated in their rate negotiation methodologies they would pass on the legislated rate increase to providers. Of the remaining 19 counties that do not negotiate rates, the rates are increased through the base rates in Trails.
   b) **Child Care programs: It is currently unknown how many counties** specifically passed the provider rate increase to providers. The provider rate increase is added to each counties overall CCCAP allocation and counties have discretion on how to use the funds As such, counties may use the funds to raise provider rates, serve additional clients, reduce over-expenditures, or any combination of options.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. **Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implement or has partially implemented the legislation on this list.**

The Department is on schedule to implement all legislation consistent with statutory deadlines with the exception of SB 14-012 as described below.

SB 14-012 Aid to the Needy Disabled pilot program has been partially implemented. The pilot was to run for two years, beginning October 1, 2014; however, due to procurement delays, which were in-part, related to CORE, and prolonged contract negotiations with a single vendor this program will begin assisting customers in January 2015. The Department is actively working with the vendor to determine if options exist to serve additional individuals i.e. hiring additional case workers.

2. **What is the turnover rate for staff in the department? Please provide a breakdown by office and/or division, and program.**

DPA provided a statewide response for departmental turnover. See the below table for a breakdown for the Department of Human Services. In FY 2013-14 the Department had an overall turnover rate of 15.9%.

Summary of Classified Staff Turnover for FY 2013-14 by Agency										
FY 2013-14 Separations By Agency				Separation Type			Employees in Quartile of Class Salary Range			
Agency	Separations	Total Employees	Turnover Rate	Voluntary	Involuntary	Retire	1st	2nd	3rd	4th
DEPARTMENT OF HUMAN SERVICES	190	1,489	12.8%	95	34	61	102	30	30	28
COLO. MENT HEALTH INST PUEBLO	215	1,216	17.7%	137	40	38	148	31	23	13
COLO. MENT HEALTH INST F LOGAN	48	299	16.1%	27	8	13	27	6	10	5
OBH-Community Behavioral Hlth	5	71	7.0%	4	0	1	4	1	0	0
GRAND JUNCTION REGIONAL CTR	55	335	16.4%	35	12	8	42	8	4	1
RIDGE REGIONAL CENTER	99	482	20.5%	68	22	9	62	24	4	9
PUEBLO REGIONAL CENTER	26	209	12.4%	15	10	1	25	0	1	0
DIV OF YOUTH CORRECTIONS	157	1,083	14.5%	105	32	20	115	16	12	14
STATE VET CENTER AT HOMELAKE	16	95	16.8%	8	3	5	12	2	0	2
VET NURSING HOME AT FLORENCE	36	176	20.5%	28	4	4	18	15	1	2
VET NURSING HOME AT RIFLE	28	121	23.1%	21	5	2	16	4	2	6
WALSENBURG VET NURSING HOME	0	1	0.0%	0	0	0	0	0	0	0
DIRECTOR OF STATE NURSING HOME	1	11	9.1%	0	0	1	0	0	1	0
FITZSIMMONS STATE NURSING HOME	63	316	19.9%	47	14	2	29	15	9	10
Department Total*	**939**	**5,904**	**15.9%**	**590**	**184**	**165**	**600**	**152**	**97**	**90**

*The "Total Employees" count may differ slightly between Department and Agency based reports. This is due to employees who are in multiple agencies within one department. In this scenario, the employee would be counted in each Agency's headcount, but only once in the Department's headcount.

3. **Please identify the following:**
   a. **The department's most effective program;**
   b. **The department's least effective program (in the context of management and budget);**
   c. **Please provide recommendations on what will make this program (2.b.) more effective based on the department's performance measures.**

Program Effectiveness
The Department uses its performance management approach, C-Stat to analyze program performance using the most currently available data. C-Stat allows Divisions within the Department to evaluate program effectiveness and determine performance areas in need of improvement and then improve those outcomes, helping to enhance the lives of the populations that DHS serves and to provide the best use of dollars spent. Through this effort the Department can determine what processes work and what processes need improvement. By measuring the impact of day-to-day efforts, CDHS makes informed, collaborative decisions to align efforts and resources to affect positive change.

Through C-Stat this effort the Department identified critical outcomes that must be achieved to deliver effective programs to Coloradans. Programs that achieve these critical outcomes are considered effective.

Most Effective
The Department's most effective program is the Disability Determination Services (DDS) program operated within the Office of Community Access and Independence which makes disability decisions for Social Security.

In summary, the Program has seen significant improvement in the following performance measures.

- Mean Number of Days to Process Initial Eligibility Decisions: Performance for this measure demonstrated a significant reduction in the mean number of days from 116 to 95 (i.e., 21 days). In calendar year 2013, DDS met or exceeded the 44 day goal on six occasions and did not experience the typical increase in processing time from November 2013 through January 2014. Given their enhanced performance and demonstrated process efficiencies, DDS was allocated additional resources by the Social Security Administration (SSA). Furthermore, the Interim Deputy Director of Line Operations, Steve Anton, and Supervisor, David Claiborne were recognized by SSA with awards for the increased efficiencies and maximization of resources.
- Examiner Processing Time: Data from June through September 2014. Additionally, DDS employees continue to work overtime and receive processing assistance from their Federal partners both in Denver as well as Baltimore.
- Percentage of Accurate Initial Eligibility Decisions: Due to small Federal Social Security Administration (SSA) quality assurance (QA) samples and high variability of Federal (SSA) performance on this measure, DDS began piloting the addition of real time quality

assurance activities in December 2013, and has implemented and reported on performance in the current quarter. The essence of the program is a more proactive QA strategy that includes:

- ✓ Targeted sampling, statistically based on error trends and body systems;
- ✓ Case reviews conducted during the adjudication process and integrated into the process flow;
- ✓ Policy analysts serving as in-line consultants and advisors ; and
- ✓ Interactive communication in which quality input is provided to examiners during case processing, through in-person or e-mail consults.

Least Effective Program

3b) The Department's least effective program is the quality assurance (QA) function that is conducted across all the Department's programs and has the potential to play a critical role in improving outcomes for the Coloradans we serve. The quality assurance function is the systematic monitoring and evaluation of practices or services and whether they were provided: 1) in compliance with Federal, State rules and regulations; 2) in a manner that the services were intended or designed; and 3) in a manner which afforded the client the best outcome. Employees across the Department conduct quality assurance efforts on programs that are administered by the Department itself, such as the Division of Youth Corrections and on programs that are administered by the counties, such as Colorado Works. Through the Department's performance management approach, C-Stat, and a variety of other forums, it has become evident that there is considerable variety in how quality assurance is conducted. How the results of that monitoring are analyzed, communicated, and utilized to improve practice, policy and program outcomes, which is quality improvement (QI), also varies widely. In addition to variety, there are some programs that have very limited to no quality assurance activities. Lastly, the QA and QI activities were often not aligned with improving performance in the key program measures, as tracked in C-Stat.

Due to the decentralization of QA and QI activities, counties have expressed concerns about the workload associated with multiple requests for case files for each of the five county-facing public assistance programs. Historically, each program has approached its monitoring slightly differently and not in a coordinated fashion across the department. Further, the feedback on the results or findings was different for each program and also not coordinated or compiled. Spread throughout the Department there are approximately 75 staff who have duties that are related to quality assurance and quality improvement. These staff often play multiple roles in the program and quality assurance is just one responsibility; therefore, it might not get the most rigorous or dedicated attention that it requires to be effective. Further, the analysis, aggregation and communication of the data or findings do not easily inform management decision making or action.

3c) Beginning in March 2014, the Department has begun a 4-phased project to consolidate any staff conducting quality assurance and quality improvement activities. Effective July 1, 2014, all staff who conducted case file reviews for the county-facing public assistance programs were shifted from the program divisions to the new Quality Assurance and Quality Improvement Division located in the Office of Performance and Strategic Outcomes. Phase 2

is currently in process and includes the following programs: 1) Division of Youth Corrections; 2) Division of Vocational Rehabilitation; 3) Administrative Review Division; and 4) Adult Protective Services.

Some of the advantages of this reorganization into a single, centralized unit are: 1) an independent structure that provides both internal and external accountability; 2) more consistent QA methods that are conducted on a routine basis, using standardized tools, that are reliable and valid across department programs; 3) more uniform quality of staff who are well-trained on the tools and monitored for inter-rater reliability; 4) a formal sampling methodology that is sufficient and reasonable; 5) coordinated QI efforts across department programs that facilitate learning best practices from one another. Most importantly, the Department believes that through establishing a high-functioning QA/QI Division that works in close collaboration with programs, CDHS services will improve and ultimately, outcomes will improve.

4. **How much capital outlay was expended using either operating funds or capital funds in FY 2013-14? Please break it down between the amount expended from operating and the amount expended from capital.**

   The Department expended $720,707 in Capital Outlay costs during FY 2013-14. All of the Capital Outlay costs were expended from operating funds.

5. **Does Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the department doing to resolve the outstanding high priority recommendations?**

   Yes, the Department has two recommendations categorized as "high priority" in the OSA's *Annual Report of Audit Recommendations Not Fully Implemented as of June 30, 2014* report.

   1. TANF – current implementation date of December 31, 2014
      This recommendation is related to improving the county monitoring process for Colorado's TANF Program, Colorado Works. To improve how the Department monitors how counties deliver the Colorado Works program, it has consolidated the quality assurance activities for Colorado Works and all five county-facing public assistance programs. On July 1, 2014, these responsibilities shifted from the Employment & Benefits Division (program) to the new Division of Quality Assurance and Quality Improvement located in the Office of Performance and Strategic Outcomes. The primary objective for this shift is to improve the case review process and how information generated from the case review process is leveraged to improve practice, policy and outcomes for Coloradan families.

2. CFMS – current implementation date of May 31, 2015
   This recommendation is related to resolving the unreconciled balance between the CFMS and COFRS systems and originally appeared on the Fiscal Year 2006 "Annual Report of Audit Recommendations." Since Fiscal Year 2013, the Department has created a reconciliation process between the two systems, formalized the procedures and documented the reconciliation process, assigned a staff member to complete the reconciliation on a monthly basis, and reconciled every month from Fiscal Year 2012 through Fiscal Year 2014. The Department will complete the reconciliations back through Fiscal Year 2010 by the target date of May 31, 2015.

COLORADO
Office of Children, Youth & Families
Division of Child Welfare

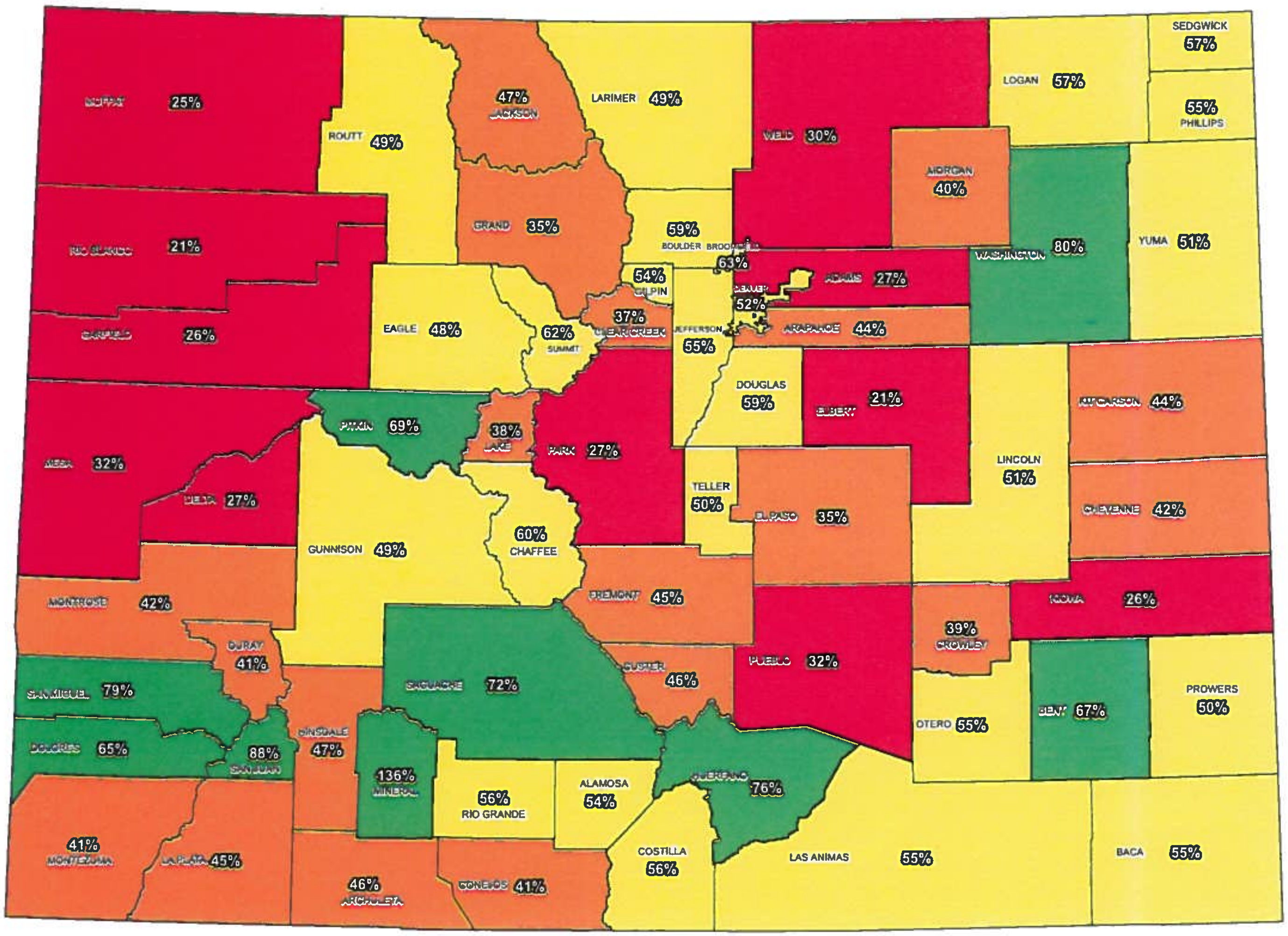
REVIEWS OF STATE CHILD WELFARE SYSTEM
2007 - PRESENT

Since 2007, 51 reports have been generated that provided 469 recommendations/findings related to system improvements/non-compliance. The reports are categorized into two areas: specific, limited, programmatic or topical focus; and, general, child welfare system improvement focus. The reports are listed below showing dates and number of recommendations/compliance areas:

- Reports with a more general, child welfare system improvement focus:
  - Governor's Child Welfare Action Committee Interim Report (2008) (13)
  - Policy Studies Inc./American Humane Association Organizational Assessment (2009) (9)
  - Policy Studies Inc./American Humane Association Structure and Capacity Report (2009) (5)
  - Governor's Action Committee 2nd Interim Report (2009) (9)
  - Governor's Action Committee Final Report (2010) (13)
  - Final Report of the Governor's Working Group on the Structure of Colorado's Human Services System and the Centralized Call Center for Child Abuse and Neglect Referrals (2010) (19)
- Reports with a specific, limited, programmatic or topical focus:
  - Foster Care Services Performance Audit (2007) (16)
  - Foster Care Financial Audit (2007) (15)
  - Child Maltreatment Fatality Report (2008) (39)
  - Foster Care and Permanency Task Force Report (2008) (16)
  - Child and Family Services Review (2009) (28)
  - Child Protection Ombudsman (CPO) Annual Report (2012)
  - CPO Investigation Report: County Practice #1-2.9.12 (2012)(6)
  - CPO Investigation Report: County Practice #2-1.15.12 (2012)(4)
  - CPO Investigation Report: County Practice #3-1.23.12 (2012)(3)
  - CPO Investigation Regarding CDHS Fatality Report 4.24.2013(2013)(12)
  - CPO Annual Report (2013)
  - CPO Annual Report (2014)(58)
  - Child Fatality Review Team (CFRT) Report (Logan)(2012)(2)
  - CFRT Report (Adams) (2012) (2)
  - CFRT Report (Mesa) (2013) (2)
  - CFRT Report (Adams) (2013) (4)
- Reports with a specific, limited, programmatic or topical focus (Continued):
  - CFRT Report (Eagle) (2013) (1)
  - CFRT Report (Denver) (2013) (1)
  - CFRT Report (El Paso) (2013) (2)
  - CFRT Report (El Paso) (2013) (16)
  - CFRT Report (Denver) (2013) (8)
  - CFRT Report (Larimer) (2013) (5)
  - CFRT Report (Larimer) (2013) (7)
  - CFRT Report (Arapahoe) (2013) (5)
  - CFRT Report (Montrose and Mesa) (2013) (9)
  - Child Maltreatment Fatality Review Report 2012 (April 2013)(7)
  - Child Welfare Abuse and Neglect Reporting Hotline Consultation (2013)
  - Child Welfare System Replacement Alternative Analysis (2014)(1)
  - CFRT Report (Denver) (2014) (11)
  - CFRT Report (Denver) (2014) (8)
  - CFRT Report (Boulder) (2014) (6)
  - CFRT Report (Archuleta) (2014) (14)
  - CFRT Report (Morgan) (2014) (6)
  - CFRT Report (Arapahoe) (2014) (7)
  - CFRT Report (Adams) (2014) (3)
  - CFRT Report (Denver) (2014) (3)
  - CFRT Report (Denver) (2014) (9)
  - CFRT Report (Denver) (2014) (9)
  - CFRT Report (Larimer) (2014) (4)
  - CFRT Report (Denver) (2014) (10)
  - CFRT Report (Phillips) (2014) (20)
  - CFRT Report (Fremont) (2014) (5)
  - CFRT Report (Otero) (2014) (15)
  - 2013 Child Maltreatment Fatality Review Report (2)
  - Colorado Child Welfare County Workload Study (2014)

Common areas of focus for system improvement across the reports were: accountability, clarity and consistency, decision making and practice, relationship, and preparation and support. There were 11 over-arching themes that included: organizational system improvement, state oversight, data, cross system/co-occurring issues, communication and information sharing, policy and regulations, resources, practice, training, workload, and cultural responsiveness.

OEC1: Colorado Counties and Total Licensed Care Capacity for Children Under 5 (November 2014)



LEGEND

County (64)

Licensed Capacity: Pop Under 5 (%)

- 20.85% - 32.12% (11)
- 32.13% - 46.88% (19)
- 46.88% - 62.52% (25)
- 62.53% - 136.36% (9)

0 10 20 40 60 80 Miles

1:3,450,000 1 inch = 54.45 miles

N

Data Sources:
Licensed Capacity (CDHS, November 20, 2014)
Population Under 5 (US Census Bureau, ACS 2013)
Counties (US Census Bureau, ACS 2013)
Coordinate System: NAD83
UTM Zone 13N
12/8/2014 QT

COLORADO Office of Early Childhood Department of Human Services

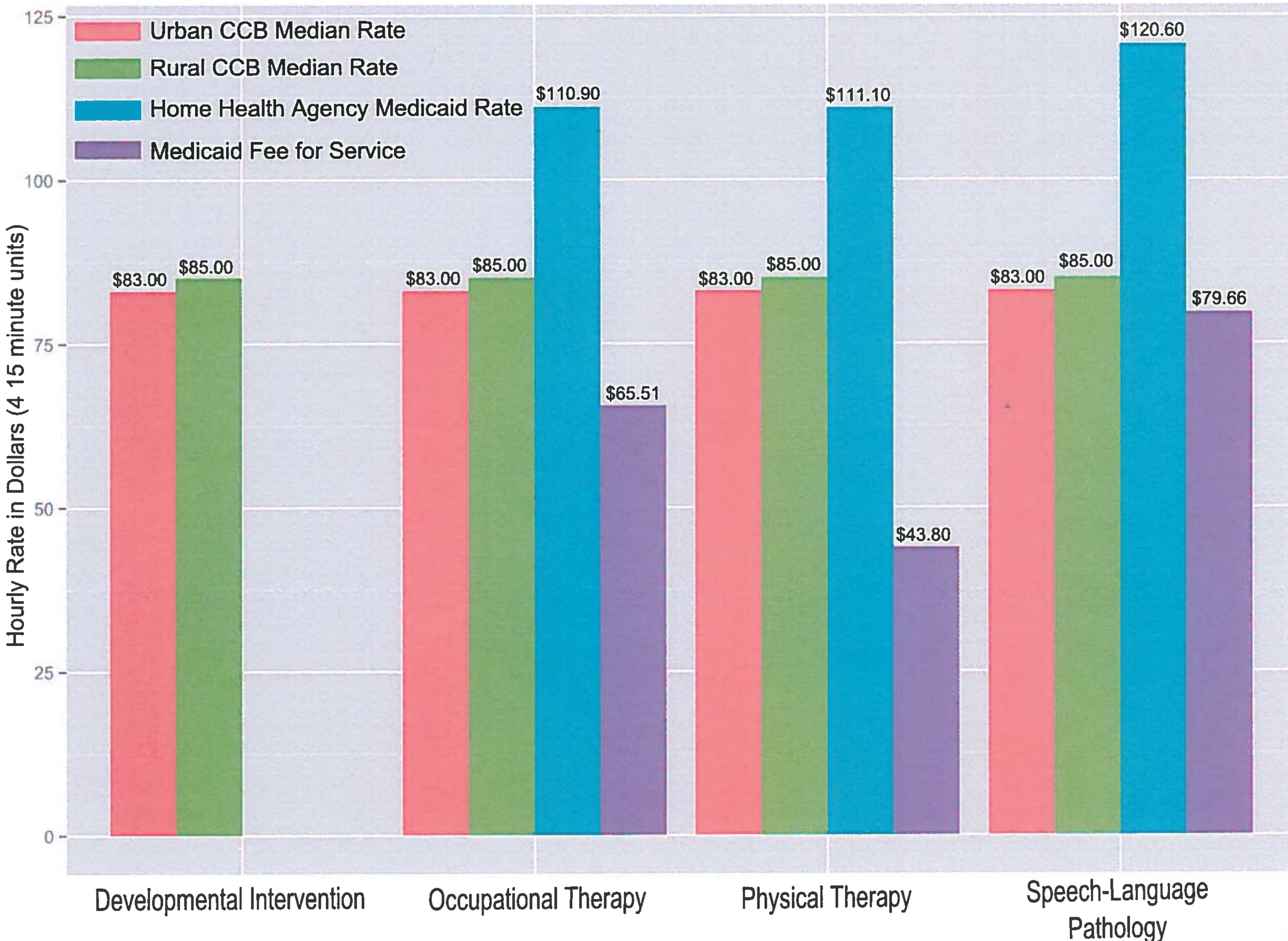
Licensed Capacity for Children Under 5 Population State Profile (November 2014)

	Colorado (State-Level)
# Centers	1267
# Homes	2575
# Centers + Homes	3842
# Licensed Capacity	148749
# Under 5 Population	303033
Total % Capacity to Under 5 Population	**49.09%**

Data Notes: Centers = Day Care Center; Homes = Day Care Home, Day Care Home 3, Large Day Care Home, Experienced Child Care Provider, Infant/ Toddler Home.
Licensed Capacity data, for purposes of this study, are the total number of all age ranges licensed to facilities defined by service types as described above for Centers and Homes.

OEC 4: Comparison of Current CCB EI Rates to Home Health Agency and Medicaid Rate Estimations

Data: EI Billing Transactions for 4 most common EI services (94% of all services, n = 98,589) funded by State fund and Part C, paid by CCBs.
Medicaid rate based on possible CPT code combinations. Home Health Agency rates based on current revenue codes.
Source: DDDWeb.
Date: Jan 2013 - Apr 2014.



Notes:

- **Rates are set individually** by each CCB. CCB-set rates for each service type vary significantly within and between CCBs.

- **Urban CCBs** include: RMHS, Dev. Pathways, North Metro, Imagine!, DDRC, TRE.

- **Developmental Intervention** is not a covered benefit under Home Health Agencies or Medicaid. Therefore no estimated rates are available for comparison. Developmental Intevention accountsfor 20.1% of the top 4 EI services (n = 19822), and 21.0% of the cost of the 4 most common EI services ($4,525,611)

COLORADO
Office of Early Childhood
Department of Human Services

COLORADO
Department of Human Services

FY 2015-16
Joint Budget Committee Hearing:

County Administration, Office of Early Childhood and Division of Child Welfare

Colorado Department of Human Services
December 11, 2014

Mission, Vision and Values

Mission

Collaborating with our partners, our mission is to design and deliver high quality human services and health care that improve the safety, independence, and well-being of the people of Colorado.

Vision

The people of Colorado are safe, healthy and are prepared to achieve their greatest aspirations.

Values

The Colorado Department of Human Services will:

- Make decisions with and act in the best interests of the people we serve because Colorado's success depends on their well-being.
- Share information, seek input, and explain our actions because we value accountability and transparency.
- Manage our resources efficiently because we value responsible stewardship.
- Promote a positive work environment, and support and develop employees, because their performance is essential to Colorado's success.
- Meaningfully engage our partners and the people we serve because we must work together to achieve the best outcomes.
- Commit to continuous learning because Coloradans deserve effective solutions today and forward-looking innovation for tomorrow.

CDHS COLORADO Department of Human Services

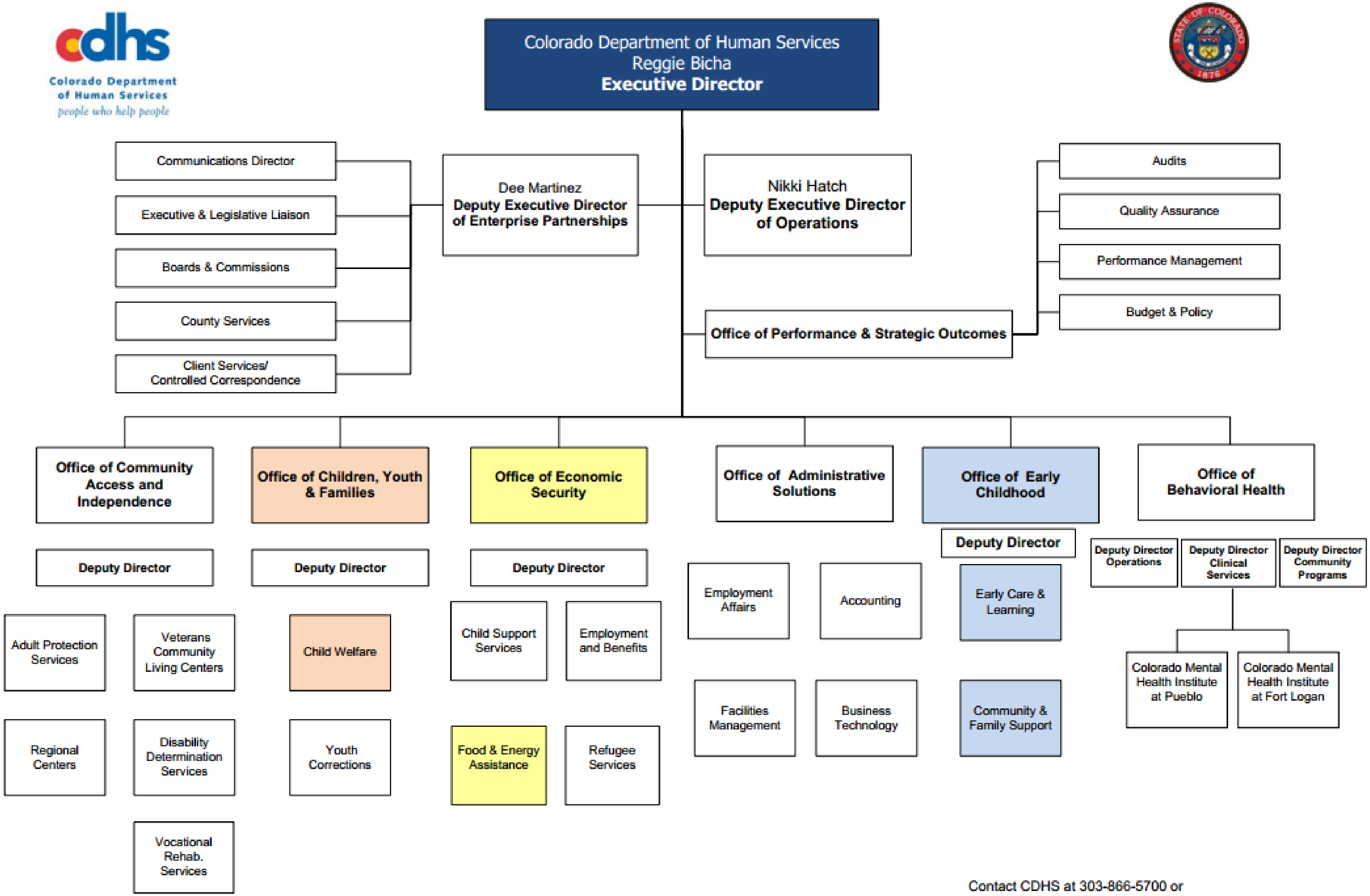
DHS at a Glance

- Direct Services
  - ✓ 3 Regional Centers
  - ✓ 2 Mental Health Institutes
  - ✓ 10 Youth Correctional Facilities
  - ✓ 5 Veterans Community Living Centers
  - ✓ Vocational Rehabilitation
  - ✓ Disability Determination
  - ✓ Veterans Cemetery
  - ✓ Regulatory Oversight

- Community Programs
  - ✓ County Programs
  - ✓ Community Mental Health Centers
  - ✓ Community Centered Boards
  - ✓ Independent Living Centers
  - ✓ Refugee Services
  - ✓ Domestic Violence
  - ✓ Early Childhood Councils

FY 2014-15 Appropriated Budget
$1.9 billion total funds
(41% General Fund, cash funds, reappropriated funds, 33% Federal Funds)
5,182 employees

COLORADO
Department of Human Services



Contact CDHS at 303-866-5700 or online at www.colorado.gov/cdhs

Updated: November 2014

SMART Government Act (Question 1)

- Strategic Planning
  - Statewide outreach effort - nearly 1,000 stakeholders, clients, constituents, partners and employees, including Colorado WINS
  - 11 cities and 2 Tribal townhall style meetings throughout Colorado
  - Employee feedback - focus groups, webinars and written responses
  - Posted drafts of plan on website for public feedback
- Strategic Alignment
  - Alignment of budget and legislative requests with performance outcomes
- Performance Management
  - Office of Performance and Strategic Outcomes
- Transparency
  - C-Stat reports
  - County-facing reports
  - County Performance Center - http://www.cdhsdatamatters.org/

Strategic Priorities

CDHS strives for every Coloradan to have the opportunity to:

Thrive in the community of their choice

- To expand community living options for all people served by the Department.
- To ensure child safety through improved prevention, access and permanency.

Achieve economic security through meaningful work

- To achieve economic security for more Coloradans through employment and education.

Prepare for educational success throughout their lives

- To improve kindergarten readiness through quality early care and learning options for all Coloradans.
- To return youth committed to the Division of Youth Corrections (DYC) to the community better prepared to succeed through education received while in the custody of the Department.

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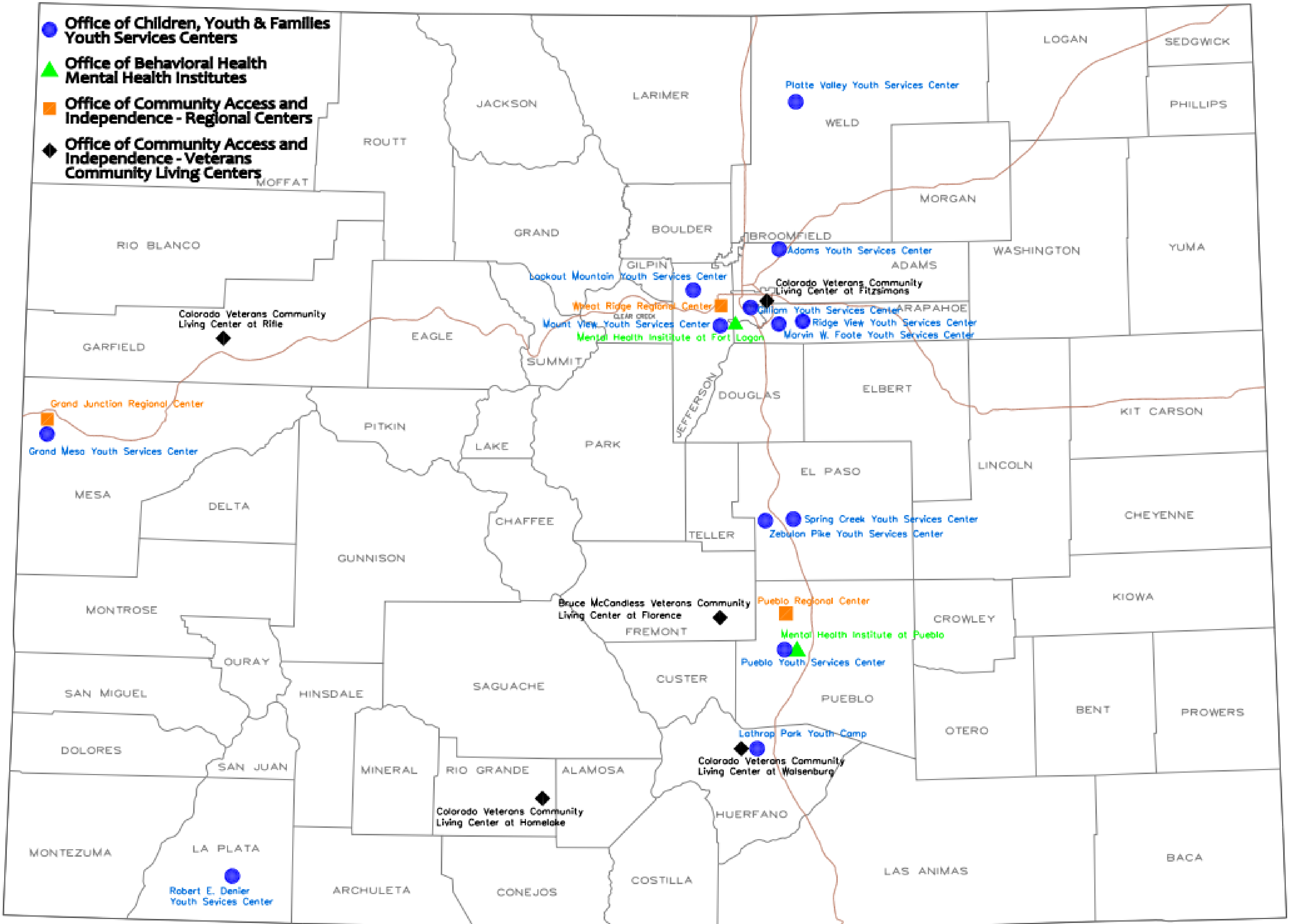
Common Questions



Colorado Department of Human Services Sites

Rev. 12/5/

Infrastructure Challenges (Question 2)

- Buildings 4 to 126 years old, with an average age of 59
- Last 5 years: 44 emergency controlled maintenance projects, cost of $3 million
  - Grand Junction Campus
    - Facility operating expenses: $1.4 million
    - $500,000 per year in utilities
- Proposed: Master Plan to align programmatic needs with facility and infrastructure capacity

DHS Master Planning (Question 2)

- FY 2015-16 request for $1.45M
- 3 phase master planning effort to align future facility needs to programmatic needs
  - 1st phase: Ft. Logan Campus, Denver metro rental space
  - 2nd phase: Pueblo campus
  - 3rd phase: Balance of facilities
- Planning to include:
  - Existing land and buildings
  - Aligns with programmatic planning throughout the Department

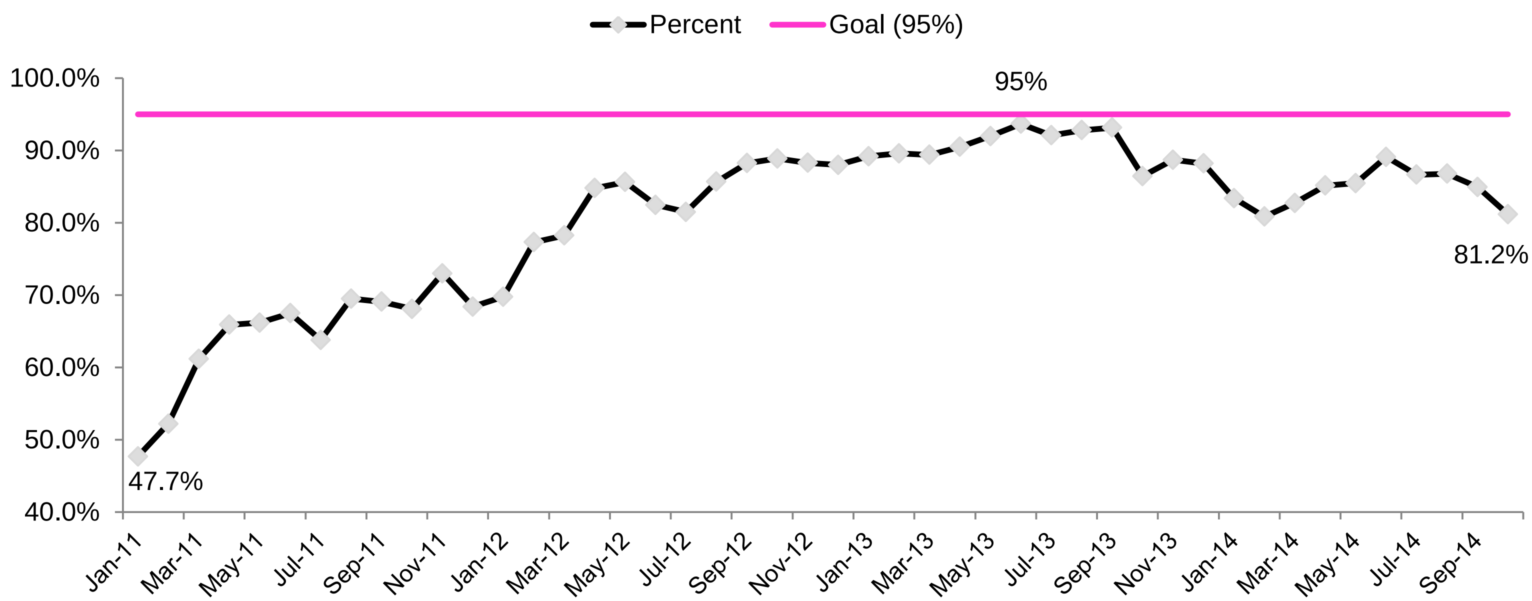
CORE Implementation (Question 3)

- Successfully implemented on time - July 2014
- More challenging implementation for DHS, given size and complexity of programs and funding streams
- Training developed specific to DHS
- Transition was smooth given the size of CORE
- Business processes are still evolving
- Ongoing partnership between OIT, DPA, and the Governor's Office to improve efficiencies

County Administration

Food Assistance Backlog (Question 1)

- Timeliness of Food Assistance Redetermination
  - January 2011-October 2014



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INSERT GRAPH FROM Q 2

Caseload table insert from Q2

Food Assistance – Caseload (Question 2)

- Causes of increased Food Assistance caseload
  - Implementation of Affordable Care Act
  - Medicaid Expansion
  - Economy
  - Loss of Unemployment Insurance

- SNAP Eligibility
  - Many Coloradans eligible, including low income working individuals and families, for example
    - Family of 4 with 2 parents working 30 hours/week at minimum wage
    - Single adult working full time earning up to $14.90/hour

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Office of Children, Youth and Families

Child Welfare System Reviews (Question 1)

- Since 2001, 7 performance audits have been conducted by the Office of State Auditor on child welfare
- 51 reports since 2007 produced 469 recommendations and findings
  - Governor Ritter's Child Welfare Action Committee (2008-10)
  - Federal Child and Family Services Review (2009)
  - Policy Studies/American Humane Association (2009)
  - Child Welfare Ombudsman
  - Child Fatality Review Team
- Nearly all of the recommendations over the past four years have been fulfilled or are well underway.

Keeping Kids Safe and Families Healthy

Governor Hickenlooper's Child Welfare Plan "Keeping Kids Safe and Families Healthy" was announced in February 2012

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Keeping Kids Safe and Families Healthy 2.0

Focusing on Prevention

Budget

- ✓ Create new prevention programs for families with young children "screened out"
  - ✓ SafeCare
  - ✓ Community Response
  - ✓ Nurse Family Partnership
- ✓ Core Services funding to counties to support safety services for children at home

Legislative

- ✓ Expand mandatory reporting
- ✓ IV-E Waiver implementation and funding

Consistent Decision Making

Budget

- ✓ Establish a statewide child abuse reporting hotline
- • Create a public awareness campaign on reporting child maltreatment
- ✓ Establish new competencies and training for child abuse hotline and screening & assessment staff
- ✓ Create new training for mandatory reporters
- ✓ Require consistent screening rules/practices for all counties (RED Teams)

Legislative

- ✓ Public release of child identifying information in fatality reports
- ✓ Amend statewide referral and screening authority

Investing in the Work Force

Budget

- ✓ Fund new mobile technologies (tablets, laptops, smartphones) for caseworkers
- ✓ Transparency through public facing website

Budget/Policy/Legislative

- ✓ Workload/caseload audit

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HB 13-1271 Child Abuse Reporting Hotline & Child Welfare Rules

Phone number goes live January 1, 2015

Benefits of Differential Response (Question 2)

- CDHS supports the continuation of Differential Response
- Greater fidelity across the State
- Increased performance expectations
- Family-oriented services
- Pilot successful and is appropriate to practice statewide with structured implementation and process
  - April 2014 Colorado State University – Social Work Research Center released the *Program evaluation of the Colorado Consortium on Differential Response: Final Report*
- A final report on the pilot will be submitted to the HHS Committees by January 1, 2015

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2014 Child Welfare Audit (Question 3)

Reaffirms the work already underway as a part of the Governor's Child Welfare Plan

- ✓Scope included 79 child welfare areas
- ✓Recommendations in 11 areas
  - 47 subparts
- ✓23% completed as of Audit release on November 12
- ✓30% completed as of December 9

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Child Welfare Workload Study

- Requested as part of Governor's Child Welfare Plan 2.0

- Legislature appropriated $500,000 in 2013
  - Directed the funds to the Office of the State Auditor
  - Office of the State Auditor contracted with a private vendor

- Findings released August 2014
  - 574 caseworkers
  - 122 supervisors
  - Caseworkers spend 30% of time on documentation

Child Welfare Workload Study

(Questions 1, 2, 3, 5, 6, and 7)

- No federal factors but the State should fund the Workload study
- 130 new caseworker positions is a reasonable pace, which counties can manage to implement in one year, including the county match
  - State and County partnership to determine county specific needs
- We recommend a statutory change to provide parameters for this allocation.
- OCYF Medical Director request
  - Provide expertise for medical, behavioral and dental health of children in the child welfare system and youth corrections

Child Welfare Expenditures (Question 4)

5 year history of expenditures for Child Welfare Services and Family and Children's Programs Combined (aka: Core Services)

- Variables affecting child welfare expenditures:
  - ✓Placements
  - ✓Staffing
  - ✓Significant practice changes in the system

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Collaborative Management Program

- HB 04-1451 established the Collaborative Management Program
- "The development of a more uniform system of collaborative management…"
- Serve "…children and families who would benefit from integrated multi-agency services"
- 6 counties in FY 2005-06, today 38 counties participate
- Currently funded from divorce fees
- Started external evaluation of the program in 2009

Collaborative Management Outcomes (Question 3)

- Decreased child and family re-involvement with the system
- 49% in FY 2011-12 to 30% in FY 2013, a 19% reduction

- Fewer out-of-home placements
  - 81% had two or fewer placements, an improvement over the FY2011-12 performance of 74%.

- Reduction in duplication and fragmentation
  - Eighty-one percent (81%) of CMPs in FY 2013-14 used cross agency consents to share client information, up from 68% in FY 2011-12 and 72% in FY 2012-13.

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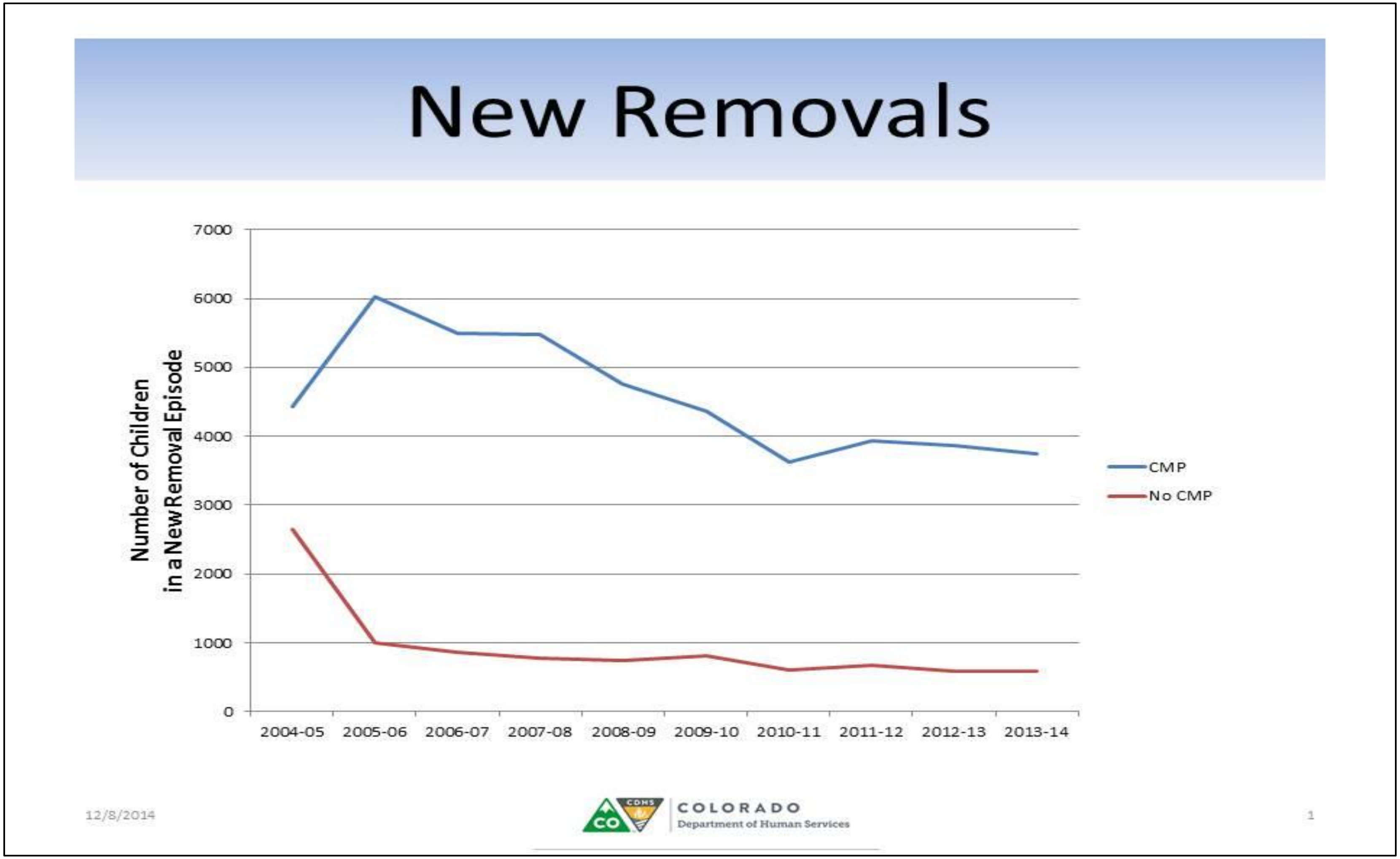
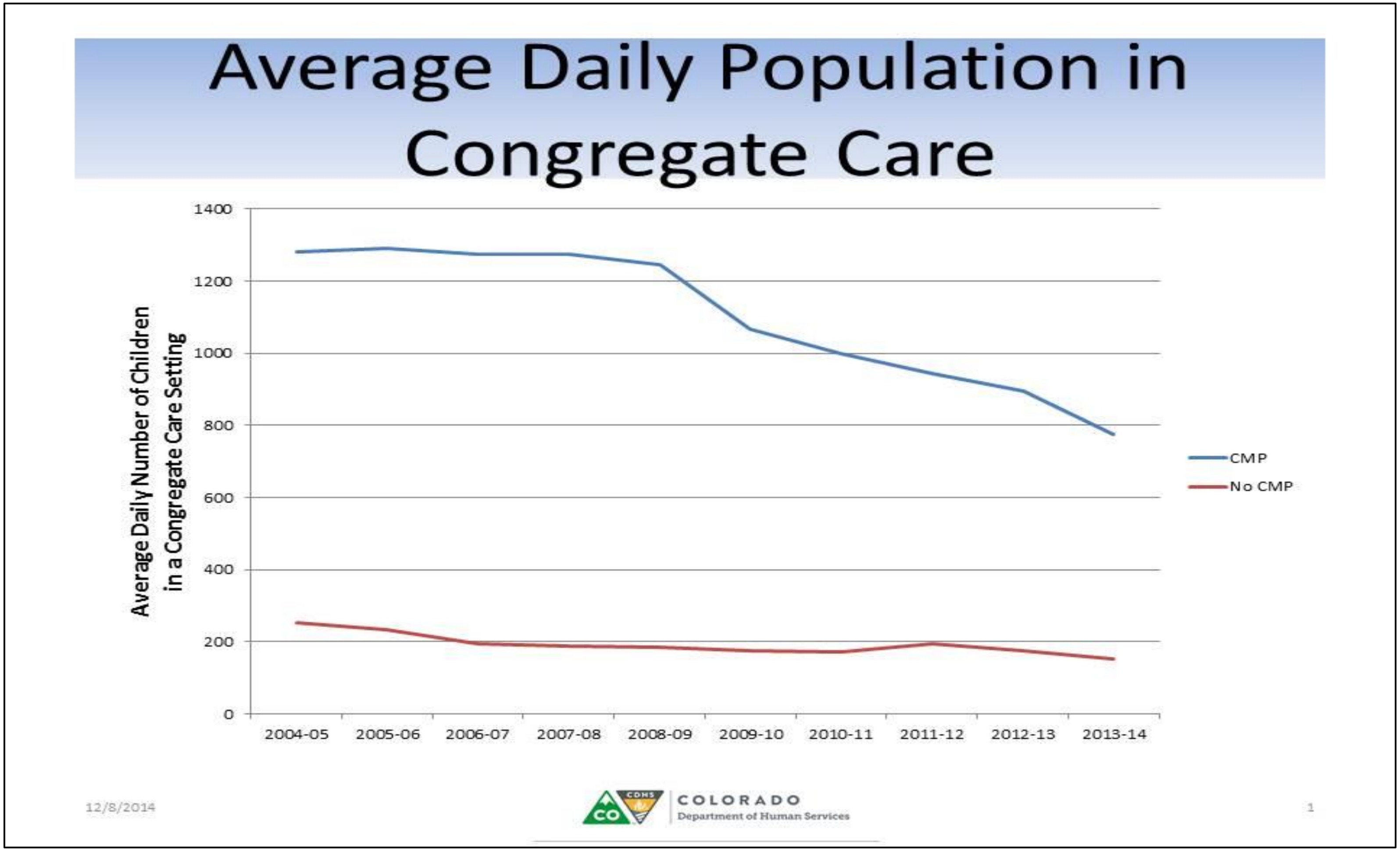
Child Welfare Removals (Question 1)



Congregate Care (Question 1)



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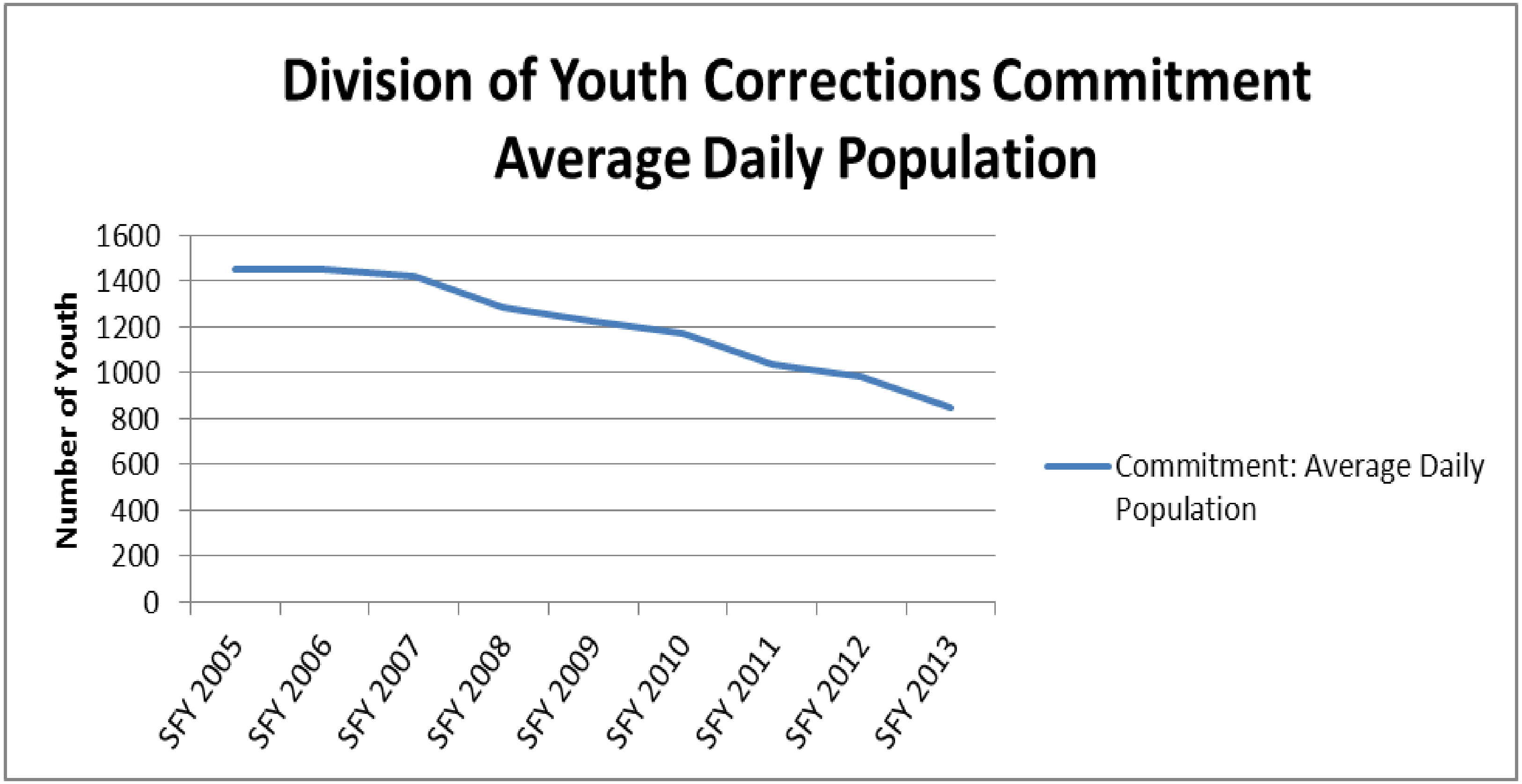
DYC Commitments (Question 1)



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Collaborative Management Audit Findings (Questions 1 and 2)

Audit Themes

- Departmental Oversight
- Financial Incentives
  - General Fund Savings
- Performance Measures
- Data Integrity

Department Plan

- New approaches will be implemented by July 1, 2014
- Department requesting statutory clarification between Title 24 and 26

Collaborative Management Effectiveness (Question 4)

- Measured based on four outcome areas:
  1. Child Welfare
  2. Juvenile Justice
  3. Education
  4. Health/Mental Health

- Performance measures are proposed by the local Interagency Oversight Group and approved by CDHS.
  - Not currently included in SMART Government Act Performance Plan

- 5 year statewide evaluation of 32 collaborative programs (35 counties)
  - 21 collaboratives met the measures in 4 outcome areas
  - 8 collaboratives met the measures in 3 outcome areas

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Tony Grampsas Youth Services

(Question 1)

- FY 2013-14 total appropriation $5.1 million
  - $4.7 million in grantee awards
  - $404,000 for administration and evaluation
- 56 grantees in 43 counties serving 53,400 individuals
- Pre and Post surveys of youth risks and protective factors: School engagement
  - Resilience
  - School performance
  - Perceived social support
  - Attitudes toward and use of alcohol, tobacco, and other drugs
  - Attitudes toward delinquency
- All measures resulted in positive change

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Office of Early Childhood

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The Early Childhood System

Access

Quality

Safety

More children from low income families in high quality care

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Access:
Micro Loans and Micro Grants (Question 1)

	Micro Loans	Micro Grants
Who is eligible?	Licensed child care providers	Friend, Family Neighbor care providers
Fee for Program	N/A	$96.50 for licensing application and background check
Loan/Grant maximum	$10,000	$3,000
Use of funds	basic start-up materials and supplies needed to establish a center-based child care business	Physical, educational, and developmental materials including cribs, car seats, cots, child-sized furniture and age-appropriate developmental materials
Other benefits	Access to State program providing technical assistance and quality initiatives to providers	
New child care slots created	240	600

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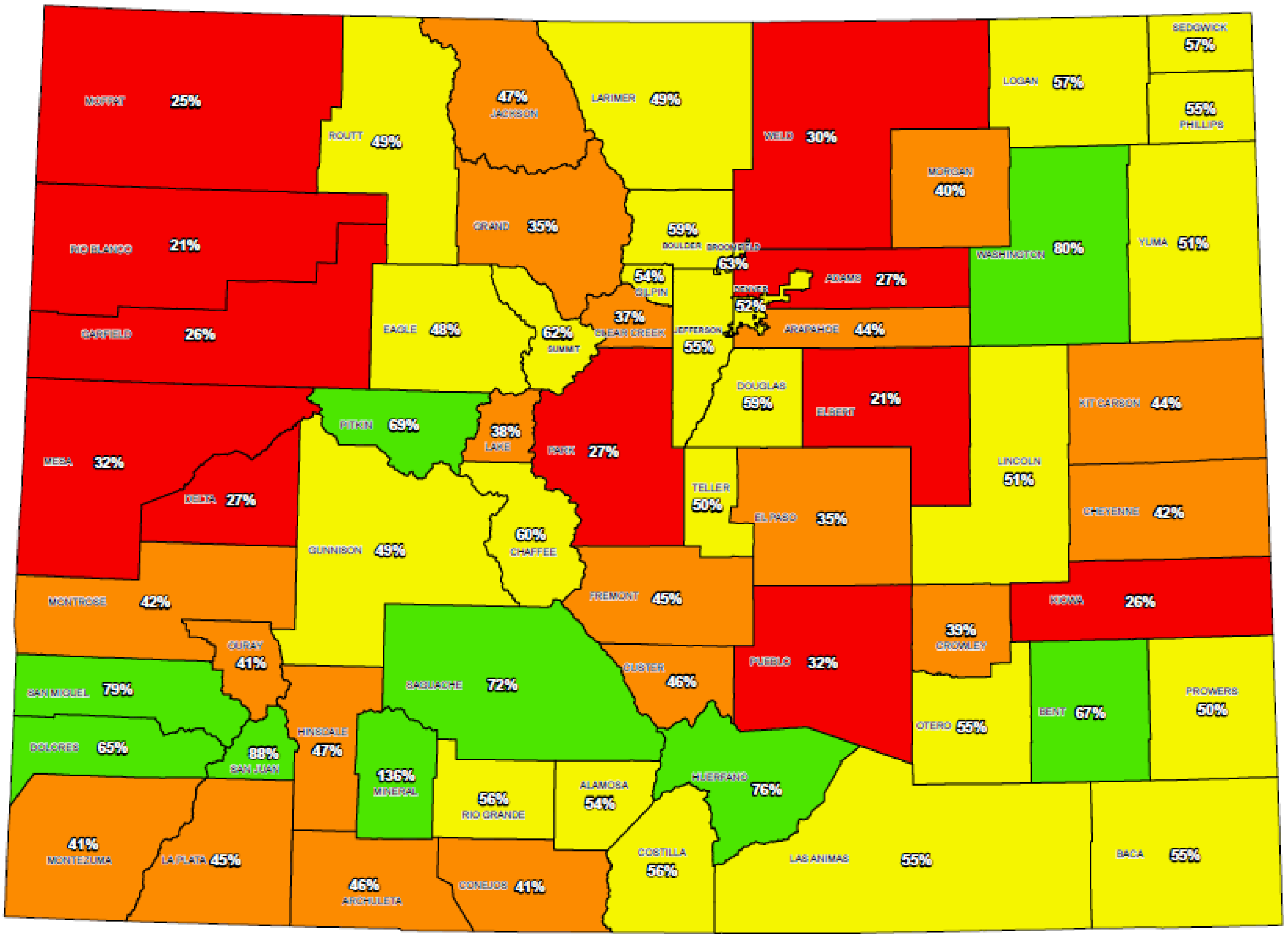
Colorado Child Care Facilities (Question 2)



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Child Care – Third Party Sources

(Question 3)

- Studies
  - *Child Care Affordability in Colorado (December 2014)* Colorado Children's Campaign, the Colorado Women's Foundation, and Qualistar Colorado
  - *Parents and the High Cost of Child Care: 2014 Report*

- Two primary cost drivers
  - Quality Care costs more
  - Industry is labor intensive

- Colorado's Regulations
  - No changes affecting minimum staff qualifications have occurred since 2010
  - Reduction of 60 child care rules since 2011

Safety (Question 4)

- Increased quality of care and increased safety

Industry Standards	Colorado Today	Colorado 2015 and Beyond
• 1:50 Licensing staff to child care centers • 2 visits, including 1 unannounced annually	• 1:145 Licensing staff to child care centers • No fewer than 1 inspection every 3 years	• 1:100 licensing staff to child care centers • No fewer than 1 inspection every 18 months

Licensing Specialists (Question 4)

- The appropriation allowed for 17 additional inspectors
  - 3 State FTE
  - 14 contracted inspectors

Date	Activity
July 2014	CDHS Lean Event that identified efficiencies in case assignment and deployment Negotiated increased staffing levels for existing vendors within existing service area (approximately 4.0 contract FTE).
August 2014	Hired new State staff (3.0 FTE).
September 2014	Developed an RFP for contract staff to operate 6 newly identified service zones
October 2014	Received 5 proposals for new service zones.
November-December 2014	Negotiations with proposers for new service zones.
January 2015	Vendors to begin side-by-side shadow training with existing state/contract licensing inspectors

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Licensing Specialists (Question 4)

- What have we learned?
  - Identified further evidence that licensed facilities are safer than unlicensed facilities
  - Barriers to licensing include inability of undocumented individuals to obtain an license
  - Revised service zones and redeployment result in more efficient licensing efforts
  - Colorado Friend, Family, Neighbor care network is strong

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Colorado Child Care Assistance Program Expenditures and Waiting Lists (Question 1, 2 and 3)

- County expenditures
  - Vary from year to year
  - Overspent counties have been made whole the last three fiscal years through surplus distribution

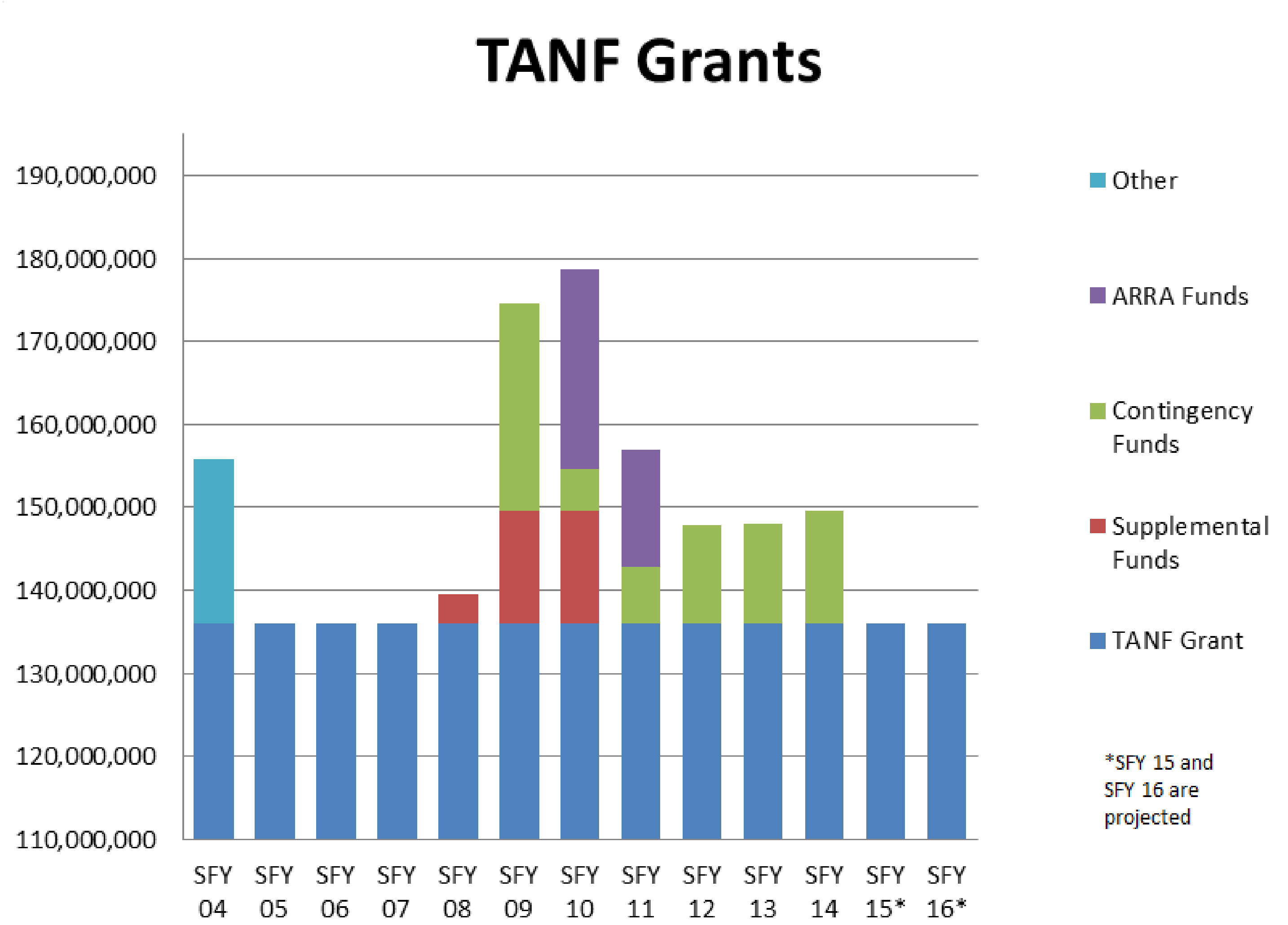
- There has been no need for a TANF transfer due to underspending in CCCAP.
  - Lack of TANF transfers is unrelated to the financial status of the Colorado Works program

- Changes to allocation methodology
  - Collaboration with Policy Advisory Committee
  - Recommendations by May 2015

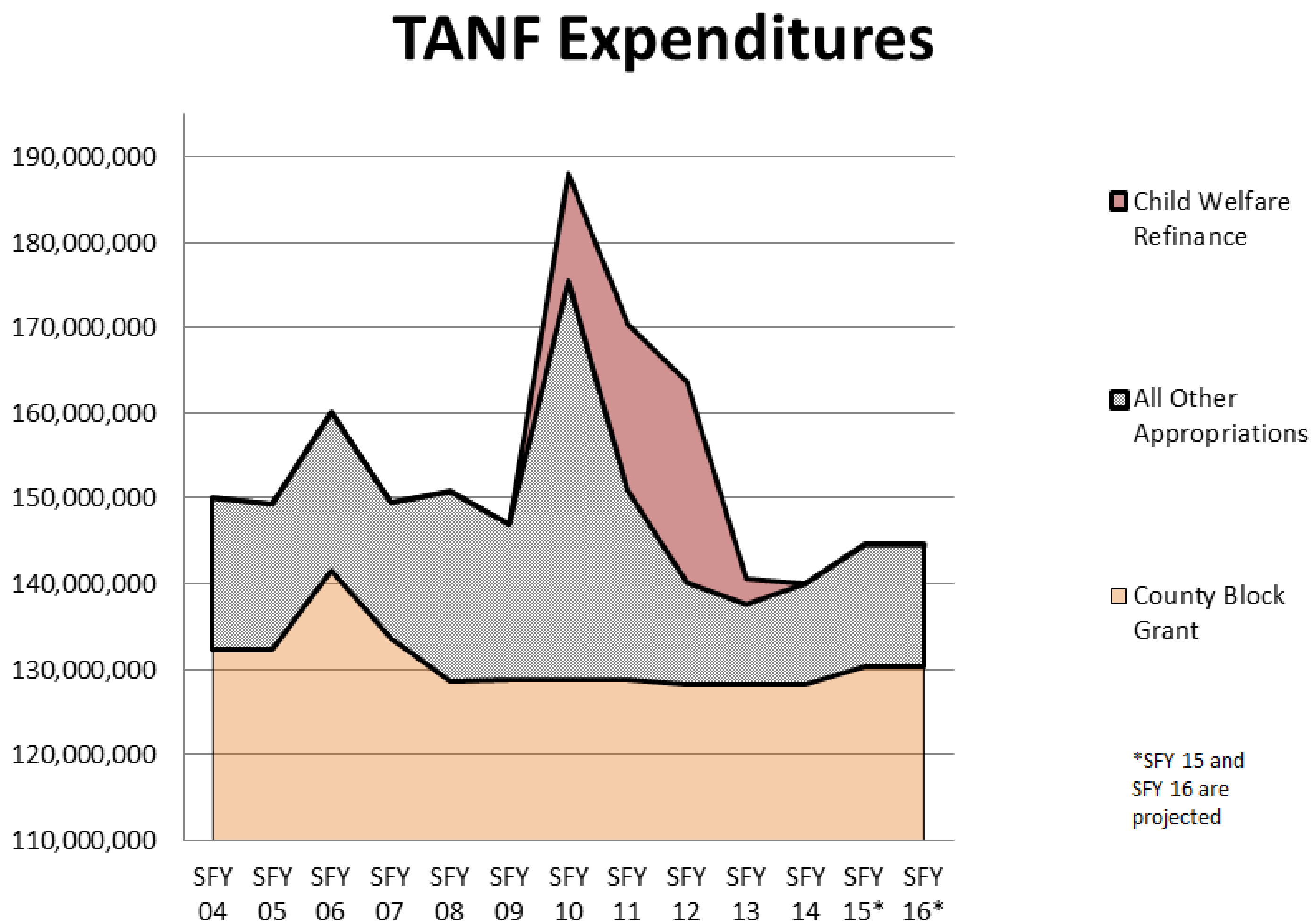
TANF 60 Month Limit (Question 2)

- Since 2006, 4,724 Coloradans have exhausted their 60 months of eligibility
- For FY13-14, out of 35,698 TANF cases, those affected by the 60 month time limit:
  - 348 cases (0.97%) closed because they reached the 60 month limit.
  - 936 cases (2.62%) have used more than 48 months (but fewer than 60 months).
  - 268 cases (0.75%) have reached the 60 month limit, but continue to receive assistance due to a documented hardship.
- Hardship exemptions
- The 60 month time limit is a federally imposed limitation and we do not expect federal relief in this area

TANF Revenues (Questions 2, 3 and 4)



TANF Appropriations (Question 2, 3 and 4)



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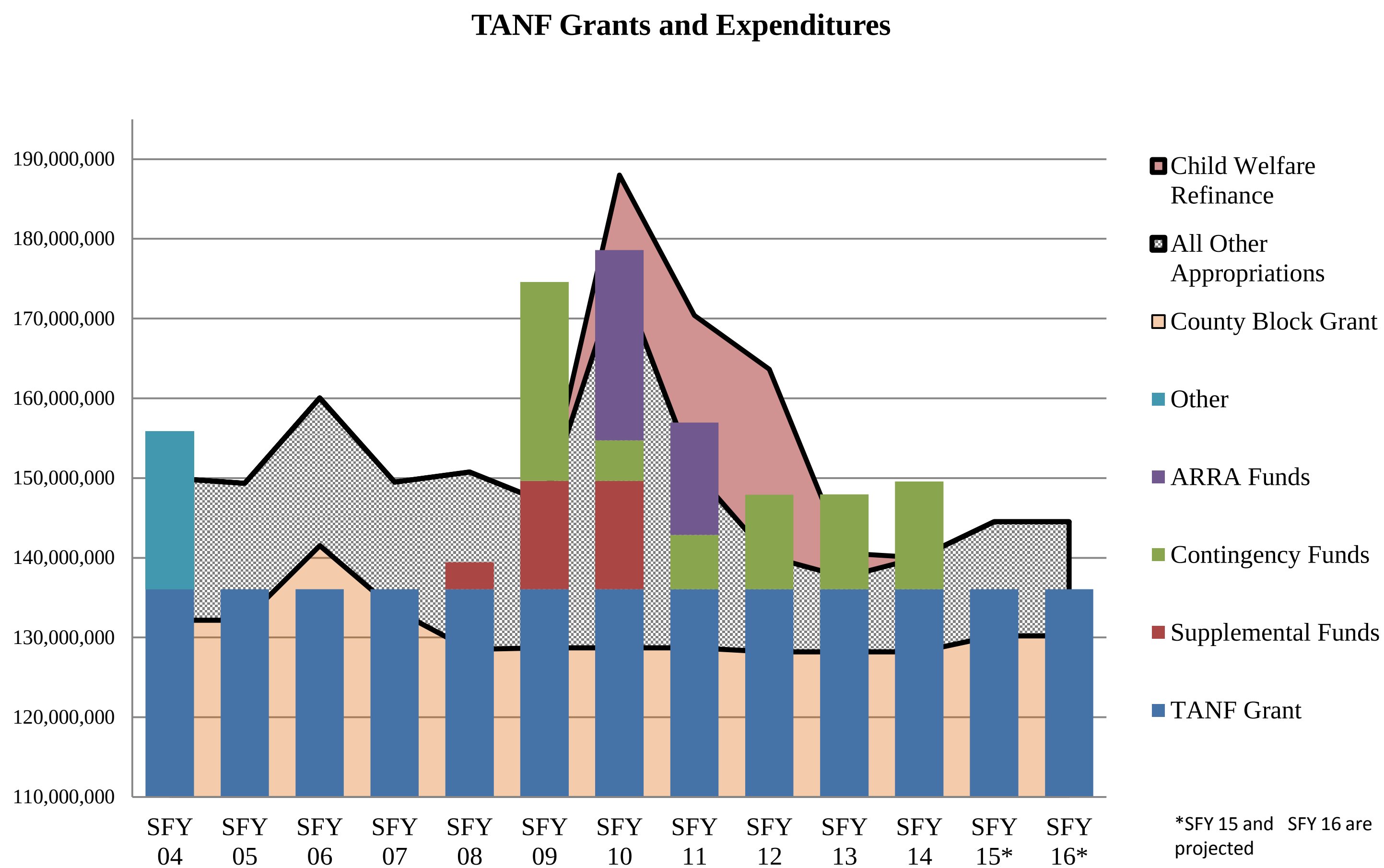
TANF Appropriations (Question 2, 3 and 4)



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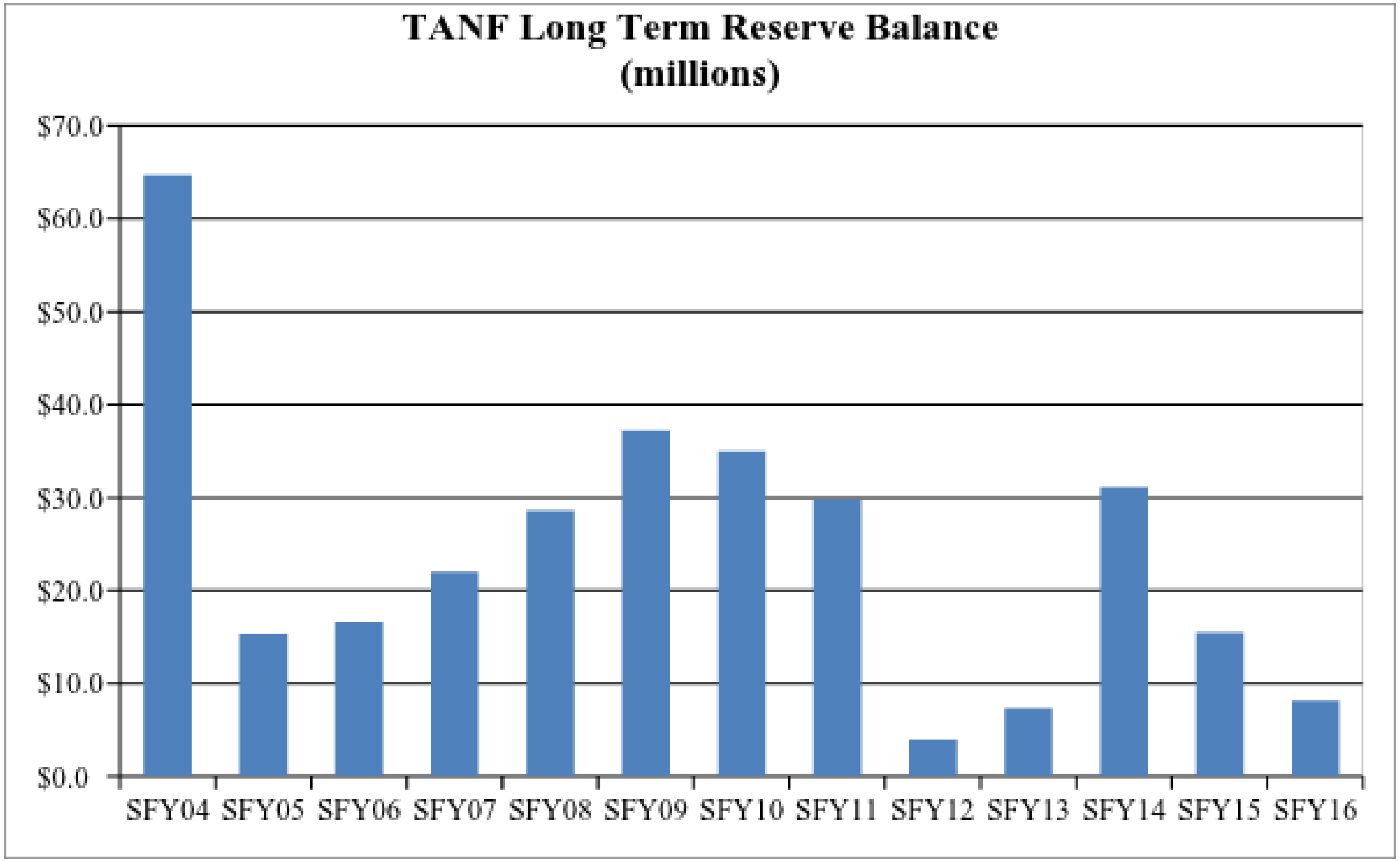
State TANF Long Term Reserve Concerns (Question 4)



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Early Intervention

- Program for children ages birth to 3 with developmental and or physical delays

- Exhibit developmental delay
  - 12 CCR 2509-10, 7.901, a twenty-five percent (25%) delay or greater in one (1) or more of the five (5) domains of development (adaptive, cognitive, communication, physical, or social or emotional) when compared with chronological age or the equivalence of one and a half (1.5) stand deviations or more below the mean in one (1) or more developmental domains: or
  - Established condition that has a high likelihood of resulting in a developmental delay, such as Down Syndrome or Autism Spectrum Disorder

- Services include: occupational therapy, speech therapy, physical therapy, service coordination

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Early Intervention Caseload (Question 1)

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Early Intervention and Medicaid

(Questions 1, 2, 3 and 4)

- Supplemental requests due January 2, 2015
- Medicaid application or funding denial is **not required** prior to receiving services
- Statutorily-required funding hierarchy for Early Intervention maximizes all available funding sources to address caseload growth
  - Funding hierarchy requires Medicaid funding be used prior to Part C funds
  - Medicaid does backfill expenses of state General Fund or federal Part C funds
- 49% of EI eligible children are covered by Medicaid
- No delay in services due to policy changes

CCB Contract Revisions (Question 5)

- EI contracts for each fiscal year are drafted in the winter with stakeholder involvement
- Contracts are amended based on updated caseload data

Date	Activity
February 2014	Draft contracts provided to CCBs with preliminary numbers for a 30-day review and feedback. Data is based no 7/1/2013-2/28/2014
March-June 2014	Significant caseload growth
July 2014	Contract Effective
October 2014	Contracts amended to reflect changes in caseload

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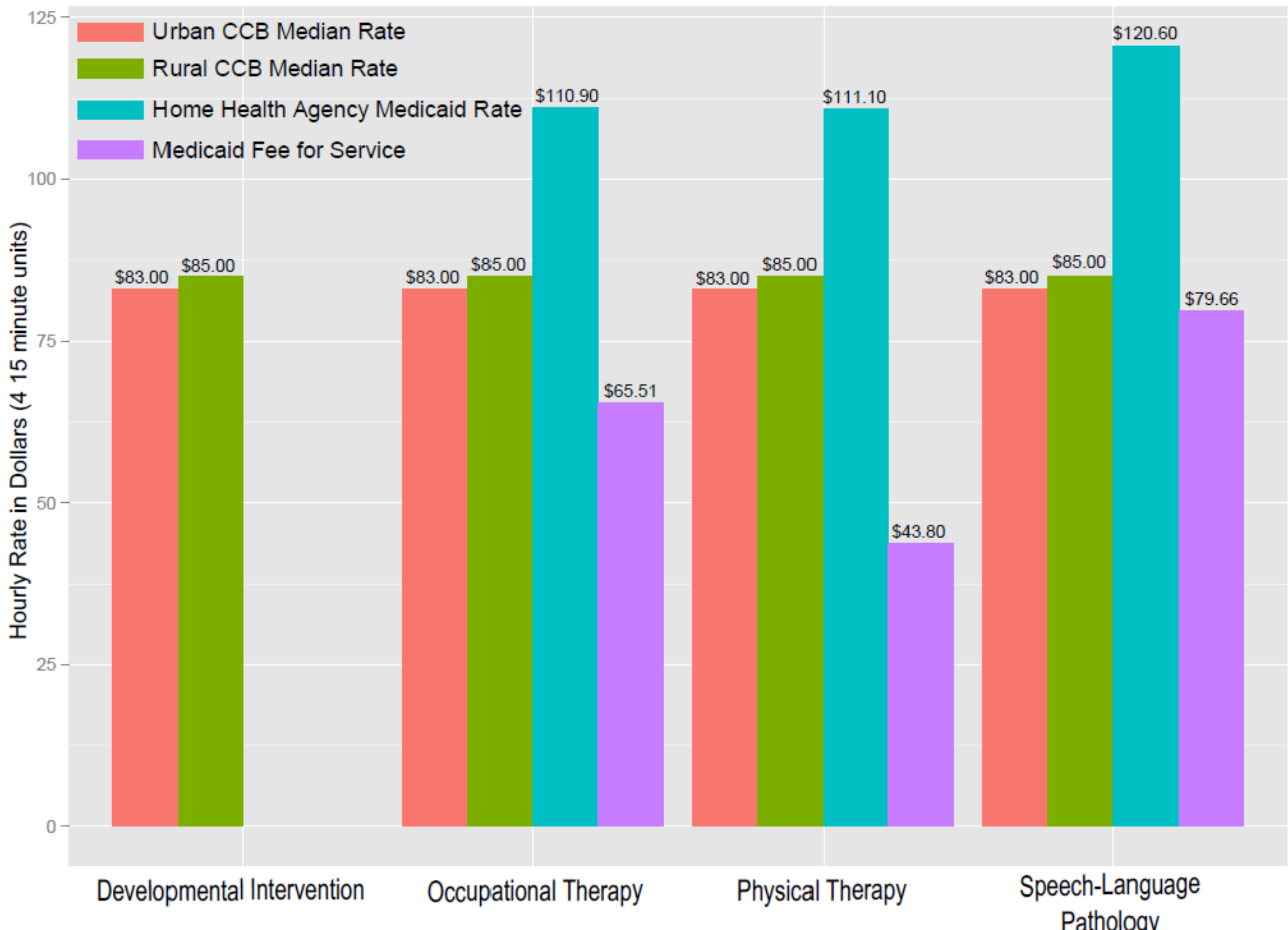
Early Intervention Medicaid Providers

(Questions 6, 7 and 8)



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Early Intervention Medicaid Providers

(Question 8)

- Collaboration with HCPF
  - Encouraging existing providers to become Medicaid providers
  - Developmental Intervention as a Medicaid-reimbursable service
  - Strategies to simplify the Medicaid billing process
  - Establishment of a new division focused on provider relations at HCPF
  - HCPF implemented targeted rate increases on July 1, 2014
  - Allocation of federal Part C funds to CCBs to incentivize the utilization of Medicaid
- Partnering with universities and community colleges to increase early childhood special educators

Part C Child Find (Question 9)

- Supervising Part C Child Find evaluation responsibilities align with the mission and goals of the Office of Early Childhood.
- Moving the supervision (assuming sufficient funding) would support the Department in meeting the federal requirement to maintain a single line of authority for all EI responsibilities.
- The Department currently works collaboratively with the Department of Education to ensure the needs of all young children are met.

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3+ Pilot Initiative (Question 10)

- Prepare children for educational success throughout their lives.
  - Establishing a pilot program to improve transitions of children aging out of Part C services into Part B services would be advantageous
  - Department currently measures timely transitions in C-Stat
  - Any successful pilot should be a partnership between CDHS, HCPF and CDE
- Our priority is to ensure sufficient funding for all Part C services

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Provider Rate Increases (Questions 1 and 2)

- We are not aware of any providers who have chosen not to contract with Counties or CCBs due to provider rates

- Most large population Counties negotiate rates with providers

- Smaller Counties have less negotiating power with providers and are less likely to negotiate an individual rate

- We are not aware of any Counties that negotiate a regional rate

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Department of Human Services

Reggie Bicha
Executive Director
Reggie.Bicha@state.co.us
303-866-3475

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DEPARTMENT OF HUMAN SERVICES
COUNTY ADMINISTRATION, DIVISION OF CHILD WELFARE, OFFICE OF EARLY CHILDHOOD
FY 2015-16 JOINT BUDGET COMMITTEE HEARING AGENDA

Thursday, December 11, 2014
1:30 – 5:00 pm

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

1:45-2:05 QUESTIONS COMMON TO ALL DEPARTMENTS

(The following questions require both a written and verbal response.)

1. SMART Government Act:
    a. Please describe how the SMART Government Act is being integrated into the Department's existing processes (both in terms of service delivery and evaluating performance).
    b. How is the data that is gathered for the performance management system used?
    c. Please describe the value of the act in the Department.

2. Do you have infrastructure needs (roads, real property, information technology) beyond the current infrastructure request? If so, how do these needs fit in with the Department's overall infrastructure priorities that have been submitted to the Capital Development Committee or Joint Technology Committee? If infrastructure should be a higher priority for the Department, how should the Department's list of overall priorities be adjusted to account for it?

3. Describe the Department's experience with the implementation of the new CORE accounting system.
    a. Was the training adequate?
    b. Has the transition gone smoothly?
    c. How has the implementation of CORE affected staff workload during the transition?
    d. Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the Department is requesting additional funding for FY 2015-16 to address it.

2:05-2:30 COUNTY ADMINISTRATION

1. Please provide an update on each county's progress in eliminating the redetermination backlog in the administration of the Supplementation Nutrition Assistance Program

(SNAP). Are any of the counties currently out of timely processing compliance?

2. What are the causes of the ongoing caseload growth in SNAP; and is this caseload growth anticipated to be temporary or permanent? Have there been any changes to SNAP eligibility that impacts the caseload? Does the Department anticipate a reduction in caseload as the economy and personal income recover?

2:30-3:30 DIVISION OF CHILD WELFARE

Child Welfare Audit

1. Has the Department received a Child Welfare Performance Audit in the past? If so, when did this audit occur and what was its scope?

2. Does the Department intend to seek legislation to continue the differential response program beyond July 1, 2015; and is it the intent to expand this program to all 64 counties?

3. Please be prepared to answer question specific to the audit at the hearing, should they arise.

Child Welfare Workload Study

1. Please provide details on the Department/county's compliance with federal factors for child welfare staffing. Aside from the results of the workload study, are there other reasons why counties need more case worker FTE?

2. Are additional case worker FTE needed in every county? Please provide a breakdown of needed FTE increases in each county.

3. How will the Department ensure that the allocation of the new funds is appropriate and that increased allocations correspond with each county's need for increased FTE? Will there need to be a statutory change to ensure this occurs?

4. Please explain why there have been under-expenditures in the Child Welfare Services line item in the past; and why counties are not spending the full allocation.

5. How does the Department propose ensuring that counties actually hire additional case workers as opposed to funding other services that are allowed in the child welfare block?

6. Is the Department concerned that some counties may not have the resources to meet the 20 percent match? If so, why did the Department not request additional funds to cover the match for those counties?

7. How does the Department propose this increase in funding be tracked to ensure that it is

utilized for evaluating ongoing county staffing levels and needs?

Collaborative Management Program

1. Given the audit findings, why does the Department believe this program should continue? How does the Department intend to fix the problems with this program to ensure that it is successful in the future? Why does the Department believe that funding for this program should be increased prior to addressing the issues that are identified in the audit?

2. Is the Department seeking legislation to address the identified problems with the General Fund savings allocation? If so, whom does the Department believe will carry this legislation?

3. Is this program identified in Department's SMART Act Performance Plan? Are there goals and objectives specific to this program that are quantifiably measured? How does the Department manage this program within the context of the SMART Act; and has this program been identified as one that should be eliminated due to lack of performance?

4. Is the program effective in all 38 counties? Please identify the counties in which it is effective and those in which it is not.

Tony Grampsas Youth Services Program

1. Please provide the evaluation report on the overall program and on all programs receiving grant awards through it.

3:30-3:45 BREAK

3:45-4:45 OFFICE OF EARLY CHILDHOOD

Child Care Licensing

1. Please provide addition information on the Micro Loan and Grants programs.

2. How many communities in Colorado have insufficient opportunities for licensed child care facilities as compared with the need for services?

3. Please provide information from third party sources that explains why child care costs in Colorado are so high? Has there been an increase in regulations that has resulted in increased costs?

4. Please provide an update on the status of increasing child care licensing specialists. What has the Department learned about licensed versus unlicensed facilities and community capacity in meeting child care needs that it did not know at the time of last year's hearing?

Colorado Child Care Assistance Program

1. Please provide information on the over- and under-expenditures of counties in this program and the corresponding waitlists for counties in FY 2013-14. Has the Department considered adjusting the method through which funds are allocated to ensure that waitlists are minimized?

2. Please explain why there is no longer a TANF transfer to this program area? Can the Colorado Works program support the transfer now that the economy has shown some improvement? How many individuals have reached the 5-year limit, and is it expected that there will be some relief in this area?

3. Has there been a reduction in federal funding resulting in less opportunity to transfer TANF funds to this program?

4. How are TANF funds currently being used? Is the long-term reserve growing or has it stabilized?

Early Intervention Services

1. Given the anticipated shortfall in early intervention services and case management funding, why has the Department not submitted a supplemental request to avoid a waitlist?

2. Please explain the Department's reasoning for requiring a Medicaid denial prior to CCBs being able to access state General Fund or federal Part C funds. Will this practice delay essential services for a critical time? Does the Department believe there is a better way to address ensuring maximum Medicaid utilization rates?

3. If state General Fund or federal Part C funds are used to cover expenses while waiting for a Medicaid eligibility determination, will those sources be back-filled for a child's services once Medicaid eligibility has been approved? Is this similar to presumptive eligibility and is legislation necessary to accomplish this?

4. Explain why the Department has chosen to work to implement the process for requiring a Medicaid denial prior to accessibility to state General Fund and Part C federal funds. Did the Department consider other alternatives?

5. Please explain why the contracts and allocations to each CCB were revised after the initial contracts were signed by CCBs for FY 2014-15.

6. Are the limited number of early intervention Medicaid providers in CCB regions as a result of insufficient Medicaid rates? How do Medicaid rates compare with standard rates in regions of the state that are experiencing a lack of providers? Is there a shortage of providers in specific regions, or is it just a shortage of Medicaid providers?

7. Please provide an annual comparison of early intervention services Medicaid providers for each CCB region for the past five years.

8. What is the Department doing to address the lack of Medicaid providers in rural areas of the state?

Part C Child Find

1. What is the Department's position on moving supervision of Part C Child Find evaluation responsibilities/services to the DHS from the Department of Education?

3+ Initiative

1. What is the Department's position on initiating a pilot program to transition children aging out of Part C services into Part B services through continued case management and familial support? How does the Department envision a program such as this being developed?

4:45-5:00 PROVIDER RATE INCREASES

Provider Rate Increases:

1. Is there information on how provider rates have impacted the availability of providers in specific areas in the state? (i.e. Have providers chosen not to contract with counties or CCBs due to provider rates? If so, where has this occurred?)

2. Do all counties negotiate individual rates with providers, or are there some counties that collaborate to negotiate a regional rate?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implement or has partially implemented the legislation on this list.

2. What is the turnover rate for staff in the department? Please provide a breakdown by office and/or division, and program.

3. Please identify the following:
    a. The department's most effective program;
    b. The department's least effective program (in the context of management and budget);
    c. Please provide recommendations on what will make this program (2.b.) more effective based on the department's performance measures.

4. How much capital outlay was expended using either operating funds or capital funds in FY 2013-14? Please break it down between the amount expended from operating and the amount expended from capital.

5. Does Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the department doing to resolve the outstanding high priority recommendations?
http://www.leg.state.co.us/OSA/coauditor1.nsf/All/1FE335CE3162803F87257D7E00550568/$FILE/1422S%20-%20ANNUAL%20REPORT%20OF%20AUDIT%20RECOMMENDATIONS%20NOT%20FULLY%20IMPLEMENTED%20AS%20OF%20JUNE%2030,%202014.pdf