

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2008-09  
AND FY 2007-08**

**DEPARTMENT OF HUMAN SERVICES**

**(Executive Director's Office, Information Technology Services,  
County Administration, Self Sufficiency, Adult Assistance)**

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

**Prepared By:  
Michael Cain, JBC Staff  
January 27, 2009**

For Further Information Contact:

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

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**TABLE OF CONTENTS**

	<b>Narrative Page</b>	<b>Numbers Page</b>
<b>FY 2008-09</b>		
<b>Prioritized Supplementals in Department-Assigned Order</b>		
Supplemental #11 - CBMS Federal Reallocation for FY 2006-07 and FY 2007-08	1	24
Supplemental #15 - Adjustment to Workforce Development Council Appropriation	4	25
Supplemental #20 - State Funding for Senior Services	5	25
Supplemental #30 - Delay Implementation of S.B. 08-7 Assistance to Inmates	7	26
Supplemental #30a - Hiring Freeze Savings	10	26
 <b>Supplementals Affecting FY 2008-09 Colorado Benefits Management System Appropriation</b>		
JBC Staff Initiated Supplemental - Correction to HCPF Appropriation	11	N.A.
Previously Approved Interim Supplemental - CBMS New Vendor Transition	13	28
Supplemental #12 - CBMS Federal Reallocation for FY 2008-09	14	24

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Non-prioritized Supplementals**

Previously Approved Interim Supplemental - Food Stamp COLA Sanction	21	29
Previously Approved Interim Supplemental - Food Stamp Settlement	21	29
Statewide Common Policy Supplemental Requests	22	N.A.
Totals for All FY 2008-09 Supplementals	N.A.	29

**FY 2007-08 Supplemental Requests**

Previously Approved Interim Supplemental - CBMS Federal Reallocation for FY 2005-06	22	31
Totals for All FY 2007-08 Supplementals	N.A.	31

**Other Balancing Options**

Reduce County Tax Base Relief	23	N.A.
Refinancing of State Funding for Senior Services	23	N.A.

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Prioritized Supplementals**

**Supplemental Request, Department Priority #11  
 CBMS Federal Reallocation for FY 2006-07 and FY 2007-08**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$4,702,859</u>	<u>\$4,702,859</u>
General Fund	0	0
Cash Funds	3,728,466	3,728,466
Reappropriated Funds	974,393	974,393
Federal Funds	0	0
<i>Medicaid Cash Funds</i>	<i>974,393</i>	<i>974,393</i>
<i>Net General Fund</i>	<i>0</i>	<i>0</i>

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department believe that the request reflects new information that results in the need for a substantial change in spending authority.	

**Department Request:** The Department requests additional spending authority of \$4,702,859 for the Colorado Benefits Management System line item. The request includes \$3,728,466 cash funds (Health Care Supplemental Appropriations and Overexpenditures account created in the Tobacco Litigation Settlement Cash Fund by H.B. 07-1359 and extended by S.B. 08-127, hereafter "tobacco funds") and \$974,393 reappropriated funds (Medicaid federal funds transferred from the Department of Health Care Policy and Financing. These funds will be used to "true up" the allocation of CBMS expenses to various federal agencies that occurred in FY 2006-07 and FY 2007-08. \$158,947 of the tobacco funds will be used to lift a FY 2008-09 General Fund restriction on the CBMS line item caused by the overexpenditure of tobacco funds for similar purposes in FY 2007-08.

**Staff Analysis:** Almost all of the operating expenses associated with the Colorado Benefits Management System (CBMS) are allocated to various state and federal funding sources based on a formula. The original formula (known as the CBMS calculator) was a part of the state's agreement with the federal funding agencies. The formula was correct while CBMS was under development,

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

but not once the system became operational. Standard federal practice when a new system becomes operational is to continue the use of the old formula for a period of time, and to establish a new allocation formula based on statistical observations. Each year's exact allocation can be determined only after the year is completed.

This supplemental request covers the true-up expenses for FY 2006-07 and FY 2007-08. The following table summarizes the differences between the expenses that were allocated to the three federal funding sources, and the allocation that should have been used. A positive number represents an overpayment by the agency, and a negative number an underpayment. This choice of sign is used so that the total reflects the change in state dollars that need to be expended. The collection of additional Food Stamp dollars can be handled within the Department. The request, therefore, addresses only the state funds required and the transfer of Medicaid federal funds from the Department of Health Care Policy and Financing.

<b>Variance in Federal Funding, by Source</b>			
<b>Funding Source</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Total</b>
TANF (Colorado Works)	\$2,822,296	\$4,100,264	\$6,922,560
Food Stamp	(1,133,363)	(1,245,285)	(2,378,648)
Medicaid Federal Funds	(196,315)	(778,078)	(974,393)
<b>Total (State Funds Required)</b>	<b>\$1,492,618</b>	<b>\$2,076,901</b>	<b>\$3,569,519</b>

As previously mentioned, the true-up expenses for FY 2004-05 and FY 2005-06 have been approved at an earlier time. The FY 2004-05 expenses were included in the normal supplemental process during the 2008 session, and the FY 2005-06 expenses were approved in an interim supplemental, described in more detail later in this packet. The Department made in error in calculating the cost of the FY 2004-05 and FY 2005-06 true-ups, which was discovered when the expenses were posted to the state's accounting system in June 2008. As a result of that error, the Department overspent its appropriation of tobacco funds by \$158,947. Following standard procedure, the State Controller imposed a restriction in that amount on the Department's FY 2008-09 General Fund appropriation for the CBMS line item. The Department's request includes \$158,947 in tobacco funds to compensate for the General Fund restriction.

House Bill 07-1359 directed \$24.4 million of tobacco settlement moneys into a newly created Supplemental Appropriations and Overexpenditures account. Of this amount, at least \$18.2 million was to be available for overexpenditures and supplemental expenses incurred by CBMS. The lifetime of the special account was extended by S.B. 08-127 to April 15, 2009. At the time the

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

account was created, two types of CBMS-related expenditures were being anticipated: federal Food Stamp sanctions associated with problems during the early operation of CBMS, and the true-up of past years' funding allocations. The General Assembly has previously approved the true-up for FY 2004-05, and the Joint Budget Committee has approved an interim supplemental request for they FY 2005-06 true-up.

The Overexpenditures account was initially funded with \$24.4 million. Interest earned by the account does not accrue to the account, so there has been no growth. Of that initial amount, up to \$6.2 million was to be available for transfer to the Children's Basic Health Plan Trust Fund. Any funds not transferred were to be available for CBMS supplemental expenses and overexpenditures. The commitments that have already been made using these tobacco funds, and potential commitments that the Committee will as part of this supplemental packet, are shown in the following table. The fund balance is sufficient to cover all of the supplemental requests included in this packet.

Commitments Made From the Overexpenditures Account	Expense	Balance
<b>Previously Approved</b>		
Beginning Balance		\$24,400,000
Children's Basic Health Trust Fund FY 2007-08	1,239,129	23,160,871
CBMS Refinance FY 2004-05	1,172,530	21,988,341
Freeze Flag Food Stamp Sanction	380,860	21,607,481
CBMS Refinance FY 2005-06	989,947	20,617,534
FY 2004-05 Food Stamp Sanction	10,082,040	10,535,494
<b>Potential</b>		
Refinance FY 2006-07 and FY 2007-08 (Supplemental #11, this packet)	3,728,466	6,807,028
Refinance FY 2008-09 (Supplemental #12, this packet)	2,803,573	4,003,455
Refinance Remaining Vendor Transition Expenses	909,721	3,093,734

If the TANF overexpenditures are not reimbursed, federal funding for CBMS expenses will be disallowed by *all* federal participants until the \$6,922,560 in TANF funds has been recovered. CBMS expenditures must conform to a specific financing formula applying to both federal and state

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

moneys; a reduction of \$6.9 million in TANF funding will result in a reduction of \$21.7 million in total spending authority. This represents approximately 93 percent of the current CBMS appropriation, and would almost certainly result in a situation where CBMS operation would be suspended. This would leave both the State and the counties in a position of being unable to fulfill the requirements of an assortment of state and federal statutes regarding public assistance.

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

**Supplemental Request, Department Priority #15  
 Adjustment to Workforce Development Council Appropriation**

	Request	Recommendation
Total	<u>\$16,169</u>	<u>\$16,169</u>
General Funds	0	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	16,169	16,169

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
Staff and the Department believe that this request reflects new information.	

**Department Request:** The Department requests \$16,169 in addition federal funds spending authority (Temporary Assistance for Needy Families (TANF) Block Grant) for FY 2008-09, and the same increase in spending authority for FY 2009-10, in order to increase the TANF contribution to the Workforce Development Council budget. The amount the Department is required to contribute is determined by formula by the Office of State Planning and Budgeting (OSPB). That Office has updated the amounts required from the various funding sources.

**Staff Analysis:** The Department submits a supplemental request for this item each year after OSPB calculates new allocation values for the Workforce Development Council. Federal statute both specifies the allocation formula and requires the State to make a contribution from its TANF block

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

grant. If the request is not approved, the State will be out of compliance with the federal statute and will risk the imposition of federal sanctions on the Colorado Works program.

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

**Supplemental Request, Department Priority #20  
 State Funding for Senior Services**

	Request	Recommendation
Total	(\$2,000,000)	(\$2,000,000)
General Funds	(2,000,000)	0
Cash Funds	0	(2,000,000)
Reappropriated Funds	0	0
Federal Funds	0	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
Staff and the Department believe that this request reflects an unforeseen contingency.	

**Department Request:** The Department requests a reduction of \$2.0 million General Fund in the Office of Adult Assistance, State Funding for Senior Services line item.

**Staff Analysis:** The State Funding for Senior Services line item funds the Older Coloradans program, which provides moneys for grants for community-based services to persons aged sixty or older to assist those who wish to continue living in their own homes and communities, but require assistance to do so. The services include, but are not limited to, nutrition, transportation, in-home assistance such as housekeeping, abuse prevention, and legal services. The funds are administered by the 16 Area Agencies on Aging created under the provisions of the Older Americans Act of 1965.

Many of the programs funded through the Area Agencies on Aging also receive moneys from the Older American Act Programs line item. The current appropriation for that line is \$14.1 million, including \$576,000 General Fund, \$3.1 million cash funds (almost all local funds) and \$10.5 million



**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

federal funds. Because of the federal funds, moneys appropriated in this line come with "strings attached." The federal government requires that specific minimum portions of the Older American Act funds and state matching funds be spent in specific service categories; for example, a specified minimum percentage must be spent on nutrition assistance. Section 26-11-205.5 (2), C.R.S., requires that Older Coloradans moneys (with the exception of accumulated interest) not be subject to such restrictions. This provides the Area Agencies with some additional flexibility in meeting their local needs.

The current appropriation for State Funding for Senior Services consists of \$2.0 million General Fund and \$8.0 million cash funds. The cash funds are a diversion of transfers from the Old Age Pension Fund to the General Fund into the Older Coloradans Cash fund. The diversion is required by Section 39-26-123 (3) (a) (III) (D), C.R.S. For fiscal year 2005-06, the total appropriation for this line was \$1.0 million General Fund and \$2.0 million cash funds. The required annual cash funds appropriation has been increased by special bill in each of the last three sessions to the current level. Allocations of both Older Coloradans funds and Older Americans funds are distributed to the individual Area Agencies using a single formula determined in accordance with the federal Older Americans Act.

Two million dollars is a 20 percent reduction in the Older Coloradans funding. The Department estimates that this reduction will be applied only to direct services and will result in a 29 percent reduction in spending on those services. However, when the Older Americans Act funds are also considered, the reduction is 8.3 percent of the total appropriation for the two line items. In addition to the total funding cut, the Area Agencies would also experience a decrease in their overall flexibility for allocating moneys to different service categories because a larger fraction of their total funding would be subject to the federal restrictions. There is a separate appropriation of \$1.4 million federal funds for Area Agencies on Aging administration, which would not be reduced under the Department's proposal.

Eliminating the \$2.0 million General Fund appropriation reduces General Fund spending and can be done within current statute. An alternative, which would require a statutory change, would be to decrease the cash funds appropriation instead. Because the cash funds are a diversion from the transfer of Old Age Pension Fund moneys to the General Fund, a decrease in the cash funds appropriation would result in a corresponding increase in General Fund revenues. The net effect is the same in both cases: a \$2.0 million decrease in the General Fund shortfall for FY 2008-09. Closing the shortfall by an increase in revenue would, however, increase the base for the FY 2009-10 General Fund six percent limit.

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

The following information regarding increased federal funding is speculative in nature. A recent draft of the U.S. House version of the American Recovery and Reinvestment Act of 2009 included \$200.0 million in funds for senior nutrition programs, with half of that money not available until October 1, 2009. Assuming no other changes in the rules, Colorado would have to put up state matching funds to draw down the State's share of any additional federal funding. The match for Older Americans Act funds is quite generous; one dollar in state money is typically required to draw down 17 federal dollars. Accumulated interest in the Older Coloradans Cash Fund can be used for the state match under current statute. The State Controller's Office indicates that the fund currently contains slightly more than \$350,000 in accumulated interest which could be used for matching purposes.

**Staff Recommendation:** Staff recommends the Committee implement a \$2.0 million reduction in the appropriation for the State Funding for Senior Services, but do it through a reduction in cash funds instead of General Fund. Staff recommends that this be implemented as a two-step process. First, staff recommends the Committee eliminate the General Fund appropriation for the State Funding for Senior Services line item in order to immediately close the State's overall General Fund shortfall without the need for additional legislation. Second, staff recommends the Committee sponsor a bill to reduce the statutory cash fund appropriation from \$8.0 million to \$6.0 million and restore the \$2.0 million General Fund appropriation.

**Supplemental Request, Department Priority #30  
 Delay Implementation of S.B. 08-7 Assistance to Inmates**

	<b>Request</b>	<b>Recommendation</b>
Total	(\$279,000)	(\$281,000)
General Funds	(279,000)	(280,000)
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	(1,000)

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
---	------------

Staff and the Department believe that this request reflects new information.

**Department Request:** The Department requests that the implementation of the Inmate Assistance Demonstration Grant Program be delayed. This program was created by S.B. 08-7, which appropriated \$279,000 General Fund for implementation. The Department states that a statutory change may be necessary in order to implement the delay.

**Staff Analysis:** Senate Bill 08-7 (Windels/Stafford) created the Assistance Demonstration Grant Program. This program is intended to provide grants to counties, or groups of counties, that would allow grantees to conduct two-year demonstration programs that assist inmates in county jails in accessing public assistance in the forms of health care, housing and employment benefits upon their release. The bill required the Department to issue a request for proposals by August 15, 2008, for demonstration programs that would commence January 1, 2009. The bill appropriated \$279,000 from the General Fund to the Department of Human Services for implementation. The bill also appropriated \$2,000 (\$1,000 General Fund and \$1,000 federal funds) to the Department of Health Care Policy and Financing.

The Department issued an RFP which was subsequently cancelled. The Department states that they had a poor response to the initial RFP, and would have needed to reissue the RFP in any case. The Department did not reissue the RFP because of the Governor's order to freeze grant moneys that had not yet been committed. The Department proposes that they not reissue the RFP at all, and that the \$279,000 appropriation be eliminated now rather than reverting at the end of the fiscal year. This would delay the program indefinitely, until such time as a new appropriation was made.

The relevant portion of current statute is Section 17-26-138 (4), C.R.S., which reads in part as follows:

(4) (a) There is hereby created in the department of human services the inmate assistance demonstration grant program, referred to in this subsection (4) as the "demonstration program", to provide grants to counties or groups of counties designed to assist inmates in county jails in accessing health care, housing, and employment benefits.

(b) On or before August 15, 2008, the department of human services shall develop

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

and issue a request for proposals to conduct two-year demonstration programs commencing January 1, 2009...

(c) On or before October 1, 2008, a county or group of counties may submit a response to the request for proposals...

(d) On or before November 15, 2008, the department of human services shall award grants to counties or groups of counties...

The most recent Legislative Council Staff Fiscal Note for S.B. 08-7 is dated January 21, 2008, and is for a significantly larger program than was finally passed. Neither that fiscal note nor any of the JBC staff analyses prepared for Appropriations Committees included a cost-benefit analysis identifying any consequences for not implementing county-level pilot programs. In the Department's supplemental request, the only consequence identified is that no pilot programs will occur. Based on those sources, staff believes that delaying the implementation will not incur additional quantifiable state expenses in the future.

The appropriation was made as part of S.B. 08-7. The appropriations clause can be modified in the supplemental bill for the Department of Human Services. The program and its schedule would continue to exist in statute, even though there would no longer be any funding. Any statutory change eliminating the program, or modifying the schedule, would be substantive, and would not be allowed in a supplemental bill. The Department has already failed to meet its statutory deadlines, but has informed staff that if they were to reissue the RFP immediately, they believe they would be able to award grants before the end of the fiscal year. Staff believes that if the General Assembly is to act on this matter, it is more appropriate to remove the program entirely rather than simply remove the appropriation.

**Staff Recommendation:** Staff recommends the Committee approve the Department's request. Staff recommends the Committee sponsor a bill which repeals Section 17-26-138, C.R.S., and strikes the complete appropriations clause in S.B. 08-7. This will remove funding from the Department of Health Care Policy and Financing as well as from the Department of Human Services. The HCPF reduction is not shown in the numbers pages in this packet, but is included in the HCPF packet.

---

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplemental Request, Department Priority #30a  
 Hiring Freeze Savings**

	<b>Previously Approved</b>	<b>Current Staff Recommendation</b>
Total	(\$513,964)	(\$513,964)
FTE	<u>0.0</u>	<u>6.0</u>
General Fund	(209,746)	(209,746)
Cash Funds	(3,995)	(3,995)
Reappropriated Funds	(36,984)	(36,984)
Federal Funds	(263,239)	(263,239)
<i>Medicaid Cash Funds</i>	(28,762)	(28,762)
<i>Net General Fund</i>	(224,127)	(224,127)

**Department Request:** For divisions and portions of divisions covered in this supplemental packet, the Department requests a one-time reduction of \$513,964, including \$224,127 net General Fund, for savings from implementing the state-wide hiring freeze ordered by the Governor. The request did not include any reductions in FTE to correspond with the dollar savings.

**Staff Analysis:** The Department implemented the Governor's hiring freeze in October 2008. The Department has identified savings in four line items included in this packet (additional savings will be covered in other supplemental packets). The per-line-item details are shown in the numbers pages. In all four cases, FTE are appropriated in the ITEM & SUBTOTAL column of the Long Bill, rather than being attributed to the specific funding sources. Staff has been instructed to reduce FTE in an amount corresponding to the spending reduction. Staff has estimated that the savings stated by the Department correspond to 6.0 FTE, allocated between the four line items as shown in the numbers pages.

**Staff Recommendation:** Staff recommends that the Committee reduce the four appropriations in which hiring freeze savings have occurred, using the dollar and FTE figures shown in the detailed numbers pages.

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplementals Affecting FY 2008-09 Colorado Benefits Management System  
 Appropriation**

**JBC Staff Initiated Supplemental  
 Correction to HCPF Appropriation**

	Request	Recommendation
Total	N/A	(\$84,393)
General Funds	N/A	119,008
Cash Funds	N/A	436,479
Reappropriated Funds	N/A	(438,720)
Federal Funds	N/A	(201,160)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>YES</b>
Staff and the Department agree that this request corrects a technical error in the appropriation.	

**Department Request:** This is a staff-initiated supplemental request. In their November 1, 2008 budget requests, the Departments of Health Care Policies and Financing and Human Services pointed out inconsistencies in the FY 2008-09 Long Bill. In addition to the inconsistencies identified by the departments, staff was aware of other technical errors in the appropriation. Correcting these problems results in a net reduction of \$84,393 in the HCPF appropriation. The total includes an increase of \$119,008 General Fund, offset by larger decreases in cash, reappropriated, and federal funds.

**Staff Analysis:** The Department of Human Services (CDHS) implements a number of Medicaid-funded programs. Since all federal Medicaid funding is received by the Department of Health Care Policy and Financing (HCPF), large transfers of funds occur between the two departments. For FY 2008-09, the total transfers shown in the Long Bill exceed \$400.0 million. These transfers are identified in letter notes for reappropriated funds in the Human Services section of the Long Bill. The HCPF portion of the Long Bill includes the so-called "Division 6", where the initial appropriation of the Medicaid spending authority and matching state dollars is shown. One of the

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

challenges faced by the JBC staff each year is to reconcile the HCPF appropriation and the Human Services letter notes during the rush to finish the figure-setting process.

As a part of their November 1, 2008 budget requests, the departments included a letter pointing out that the letter notes and appropriations for FY 2008-09 did not match for line items associated with the CDHS Executive Director's Office and Office of Information Technology. JBC staff have confirmed with CDHS that the letter note amounts accurately reflect the amount of Medicaid funding the department believes it will "earn" during the fiscal year. This indicates that the staff errors occurred in the HCPF Division 6 appropriation. That appropriation is too large, by a net value of \$84,393, and also includes incorrect funding splits. A summary of the necessary adjustments to the affected lines in HCPF's Division 6 are shown in the following table.

<b>Line Item</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
(A) Executive Director's Office - Medicaid Funding	(46,918)	136,705	0	0	(183,623)
Colorado Benefits Management System	(37,475)	(17,556)	0	(2,241)	(17,678)
Other Office of Information Technology Services line items	0	(141)	0	0	141
<b>Total</b>	<b>(84,393)</b>	<b>119,008</b>	<b>0</b>	<b>(2,241)</b>	<b>(201,160)</b>

In addition to these errors, staff has identified cash funds which were incorrectly characterized as reappropriated funds in some of these same lines in the HCPF appropriation. The improperly characterized funds are \$435,861 from the Children's Basic Health Trust Fund and \$618 from the Health Care Expansion Fund. The necessary changes are summarized in the next table.

<b>Line Item</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Colorado Benefits Management System	0	0	433,601	(433,601)	0
CBMS SAS-70 Audit	0	0	2,878	(2,878)	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>436,479</b>	<b>(436,479)</b>	<b>0</b>

**Staff Recommendation:** Staff recommends that the Committee approve these technical corrections to the FY 2008-09 Long Bill.

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Previously Approved Interim Supplemental  
 CBMS New Vendor Transition**

	<b>Previously Approved</b>	<b>Current Staff Recommendation</b>
Total	<u>\$2,500,000</u>	<u>\$2,500,000</u>
General Fund	392,375	392,375
Cash Funds	200,625	200,625
Reappropriated Funds	867,750	867,750
Federal Funds	1,039,250	1,039,250

**Description of Supplemental:** The Committee previously approved a request from the Departments of Human Services (CDHS) and Health Care Planning and Financing (HCPF) for an additional \$2.5 million (including \$798,887 net General Fund) in order to pay Deloitte Consulting LLP for transition costs as Deloitte assumes responsibility for maintenance and operations support of the Colorado Benefits Management System. The costs associated with the transition to a new vendor were not known during the 2008 legislative session, so were not included in figure setting for the FY 2008-09 CBMS appropriation. The transition funds were handled as an interim supplemental because they needed to be available when the new contract was signed early in November 2008. If the request had not been approved, current CBMS contractual obligations (including both transition and maintenance) and the monthly payment of CBMS payroll, benefits, and operating expenses would have resulted in the Department of Human Services exhausting the FY 2008-09 appropriation for the CBMS line item by January 2009. The detailed funding approved for this supplemental was in accordance with the standard "CBMS Calculator" formula, as shown in the following table.

<b>Funding Source</b>	<b>Amount</b>
<b>Department of Human Services</b>	<b><u>\$2,500,000</u></b>
General Fund	392,375
Cash Funds - Old Age Pension Fund	200,625
Reappropriated Funds - from HCPF	867,750
Federal Funds - TANF Block Grant	713,750
Federal Funds - Food Stamp Funds	325,500
<b>Department of Health Care Policy and Financing</b>	<b><u>\$867,750</u></b>



**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Funding Source	Amount
General Fund	406,512
Cash Funds - Children's Basic Health Trust Fund	47,425
Reappropriated Funds - Old Age Pension Fund from CDHS	4,488
Federal Funds - Medicaid	409,325

**Supplemental Request, Department Priority #12  
 CBMS Federal Reallocation for FY 2008-09**

	Request	Recommendation
Total CDHS	<u>\$0</u>	<u>\$0</u>
General Fund	0	(392,375)
Cash Funds	1,163,453	1,535,433
Reappropriated Funds	933,301	916,947
Federal Funds	(2,096,754)	(2,060,005)
<i>Medicaid Cash Funds</i>	<i>933,301</i>	<i>916,947</i>
<i>Net General Fund</i>	<i>0</i>	<i>(798,887)</i>
Total HCPF	<u>\$933,301</u>	<u>\$916,947</u>
General fund	0	(406,512)
Cash Funds	218,619	635,793
Reappropriated Funds	0	(14,495)
Federal Funds	714,682	702,161

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	

Staff and the Department believe that the request reflects new information that results in the need for a substantial change in spending authority.

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Department Request:** The Department requests refinancing of several appropriations that provide funding for the Colorado Benefits Management System, and the corresponding changes in the Department of Health Care Policy and Financing. The request is for an increase of \$1,163,453 cash funds (Health Care Supplemental Appropriations and Overexpenditures account created in the Tobacco Litigation Settlement Cash Fund by H.B. 07-1359 and extended by S.B. 08-127, hereafter "tobacco funds"), an increase of \$933,301 reappropriated funds (transferred from the Department of Health Care Policy and Finance, and a net reduction of \$2,096,754 federal funds (a decrease in Temporary Assistance for Needy Families Block Grant funds and an increase in federal Food Stamp dollars). This refinancing will correct the allocation of CBMS expenses to the various funding sources for the FY 2008-09 budget.

**Staff Analysis:** This request is another in a series of mandatory changes in the funding allocation used for CBMS expenses. The original allocation formula (known as the CBMS calculator) was a part of the state's agreement with the federal funding agencies. The formula was correct while CBMS was under development, but not once the system became operational. Standard federal practice when a new system becomes operational is to continue the use of the old formula for a period of time, and to establish a new formula based on statistical observations of system usage. Once a new formula has been negotiated and approved, the federal shares of past fiscal year expenditures must be trued up.

There are seven current appropriations for CBMS: two line items in the FY 2008-09 Long Bill, four special bills, and a previously approved interim supplemental request (hereafter, the "vendor transition" supplemental). The vendor transition supplemental request is not yet enacted in statute, but the Joint Budget Committee is obligated to include that request as part of the Department's supplemental bill during the 2009 session. The vendor transition supplemental covers \$2.5 million in expenses associated with the transition to a new CBMS support vendor. The transition is the result of a reprocurement of the support contract, which the federal agencies providing a substantial portion of CBMS funding require be done from time to time.

The seven individual appropriations are detailed in the table below. The reappropriated funds are all transferred from the Department of Health Care Policy and Financing; the detailed financing of the funding will be considered later. The Department proposes to refinance all seven appropriations. Staff believes that there are difficulties with refinancing some of the special bills, so recommends that only the Long Bill appropriations and the vendor transition supplemental appropriation be refinanced at this time. Two specific difficulties with the special bills are:

1. Senate Bill 08-160 includes a requirement that funding from gifts, grants and donations must reach the level shown in the appropriation clause in order to become effective. Changing the

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

appropriation would change that requirement, or at least change the portion of state funding that was to be provided with gifts and grants, and may be substantive law not allowed in a supplemental bill.

2. Senate Bill 08-160 and S.B. 08-161 use sources for the state funding allocation outside of those normally used in the CBMS calculator. Use of these special sources was intentional, and supplemental changes to the funding sources would change the legislative intent.

<b>Appropriation source</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Medicaid GF</b>	<b>Net GF</b>
FY 2008-09 Long Bill Appropriations							
CBMS	\$22,857,178	\$3,587,435	\$1,834,289	\$7,933,727	\$9,501,727	\$3,716,692	\$7,304,127
CBMS SAS-70 Audit	149,000	23,386	11,957	51,718	61,939	24,228	47,614
S.B. 08-6	271,080	42,546	21,754	94,092	112,688	44,079	86,625
S.B. 08-160	91,806	0	21,776	31,866	38,164	0	0
S.B. 08-161	16,000	0	3,791	5,554	6,655	0	0
H.B. 08-1046	76,081	11,941	6,106	26,408	31,626	12,371	24,312
Vendor Transition Supplemental	2,500,000	392,375	200,625	867,750	1,039,250	406,512	798,887
<b>Total</b>	<b>\$25,961,145</b>	<b>\$4,057,683</b>	<b>\$2,100,298</b>	<b>\$9,011,115</b>	<b>\$10,792,049</b>	<b>\$4,203,882</b>	<b>\$8,261,565</b>

It will eventually be necessary to reallocate the federal shares of even the special bills. Staff believes that this can be more easily done as a single supplemental change after the fiscal year is complete. An additional supplemental action will be necessary in any case, as the allocation proposed by the Department in this request is not based on a full year of usage statistics, hence is not acceptable to the federal agencies as the final answer. Based on results from prior years, the allocation proposed by the Department is much closer to the eventual final allocation than the amounts in the current appropriations.

The reallocation of expenses using preliminary random moment sampling statistics requires an increase in the total state share and a decrease in the total federal share. The Department proposes to use cash funds from the Supplemental Appropriations and Overexpenditures account in the Tobacco Litigation Settlement Cash Fund to pay for the increased state share. Staff has recalculated

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

the request with the special bills excluded, which results in the funding changes summarized in the following table.

Funding Source	Change
<b>Human Services</b>	<b>(916,947)</b>
Tobacco	2,118,478
OAP	(975,420)
TANF	(3,816,722)
Food Stamp	1,756,717
<b>Health Care Policy and Financing</b>	<b>916,947</b>
Tobacco	685,095
CBH+	(459,214)
OAP RF	(11,095)
Federal	702,161

Prior requests for allocation corrections have been for years that have been completed. The Joint Budget Committee and General Assembly actions on those made adjustments to correct federal funding, but did not attempt to true-up the state funding sources. A true-up of the state funding would have required repayment to the Old Age Pension Fund. At the time those requests were considered, General Fund revenue estimates were that revenue would support the full six percent General Fund appropriation increase. Under those conditions, repayment of the Old Age Pension Fund with tobacco funds would have resulted in an increased transfer for capital construction and roads. Staff's prior recommendations, approved by the Committee, suggested that this was not an appropriate use of the tobacco funds, and that such repayment was not required under current statute. The current General Fund revenue forecasts do not support the full six percent increase for FY 2008-09. In this situation, repayment of the Old Age Pension Fund results in a larger transfer from that fund to the General Fund without causing the increased transfer for roads and capital. Staff believes that the effective transfer of tobacco funds to the General Fund is allowed under current statute so long as it is handled as part of a *necessary supplemental adjustment* to CBMS expenditures.

Staff therefore believes that the state moneys originally in the vendor transition supplemental that were not refinanced by the above action can also be refinanced with tobacco funds. This additional refinancing is shown in the following table.

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Funding Source	Change
<b>Human Services</b>	<b>\$0</b>
Tobacco	497,394
General Fund	(392,375)
OAP	(105,019)
<b>Health Care Policy and Financing</b>	<b>\$0</b>
Tobacco	412,327
General Fund	(406,512)
OAP RF	(3,400)
CBH+	(2,415)

Combining these two refinancing actions results in the totals shown in the next table.

Total Refinancing	
Funding Source	Change
<b>Human Services</b>	<b>(916,947)</b>
Tobacco	2,615,872
General Fund	(392,375)
OAP	(1,080,439)
TANF	(3,816,722)
Food Stamp	1,756,717
<b>Health Care Policy and Financing</b>	<b>916,947</b>
Tobacco	1,097,422
General Fund	(406,512)
CBH+	(461,629)
OAP RF	(14,495)
Federal	702,161

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

In the current fiscal situation, there are three benefits from this refinancing. First, the General Fund appropriation is directly decreased by \$798,887. Second, the OAP appropriation is decreased by \$109,934, which should result in an increase by that amount to General Fund revenue. Finally, the appropriation from the Children's Basic Health Trust Fund is decreased by \$461,629.

House Bill 07-1359 directed \$24.4 million of tobacco settlement moneys into a that account. Of that initial amount, up to \$6.2 million was to be available for transfer to the Children's Basic Health Plan Trust Fund. Any funds not transferred were to be available for CBMS supplemental expenses and overexpenditures. At the time the account was created, two types of CBMS-related expenditures were being anticipated: federal Food Stamp sanctions associated with problems during the early operation of CBMS, and the true-up of past years' funding allocations. However, the language appears to be broad enough to allow supplemental expenditures for other reasons.

The General Assembly, or the Joint Budget Committee acting on supplemental requests, have approved several expenditures from the account, shown in the following table. The expenditures in the "Previously Approved" section include all actions taken prior to this supplemental presentation. The "Potential" section include items discussed in this packet. The current fund balance is adequate to cover all of the expenditures in both categories.

<b>Commitments Made From the Overexpenditures Account</b>	<b>Expense</b>	<b>Balance</b>
<b>Previously Approved</b>		
Beginning Balance		\$24,400,000
Children's Basic Health Trust Fund FY 2007-08	1,239,129	23,160,871
CBMS Refinance FY 2004-05	1,172,530	21,988,341
Freeze Flag Food Stamp Sanction	380,860	21,607,481
CBMS Refinance FY 2005-06	989,947	20,617,534
FY 2004-05 Food Stamp Sanction	10,082,040	10,535,494
<b>Potential</b>		
Refinance FY 2006-07 and FY 2007-08 (Supplemental #11, this packet)	3,728,466	6,807,028
Refinance FY 2008-09 (Supplemental #12, this packet)	2,803,573	4,003,455

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

Commitments Made From the Overexpenditures Account	Expense	Balance
Refinance Remaining Vendor Transition Expenses	909,721	3,093,734

At the present time, there are no direct consequences if this supplemental request is not approved. The federal agencies will not require repayment until the year has been completed and full-year statistics can be used to determine the proper allocation between the State and the federal partners. There are, however, a number of indirect consequences which the Committee may wish to consider.

1. The overexpenditures account is scheduled to expire on April 15, 2009. At that time, any funds remaining would be allocated among the programs normally funded from the Tobacco Litigation Settlement Cash Fund. The Joint Budget Committee has voted to draft a bill to extend the lifetime of the account, but there is always the possibility that the bill will fail, in which case the moneys would not be available at the time the final reallocation is done.
2. The reallocation to state funding sources will result in a reduction of \$986,515 in the amount paid from the Old Age Pension Fund. This reduction in OAP expenses should result in a corresponding increase in the transfer from the OAP Fund to the General Fund, increasing General Fund revenues.
3. The reallocation to state funding sources will result in a reduction of \$459,214 in the share paid from the Children's Basic Health Trust Fund in the HCPF line items.

When the vendor transition supplemental was initially considered, staff's presentation noted that the General Fund portions of that could be financed using tobacco funds instead.

**Staff Recommendation:** Staff recommends the Committee approve a **modified version** of the Department's request. Staff recommends that the Committee take action to refinance the CBMS line item in the FY 2008-09 Long Bill, the CBMS SAS-70 line item in the FY 2008-09 Long Bill, and the vendor transition interim supplemental request. Staff recommends that the Committee refinance not only the federal portions of the funding, but the allocation between state funding sources as summarized in the "Total Refinancing" table shown above.

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Non-Prioritized Supplementals**

**Previously Approved Interim Supplemental  
 Food Stamp COLA Sanction**

	<b>Previously Approved</b>	<b>Current Staff Recommendation</b>
Total	<u>\$380,860</u>	<u>\$380,860</u>
General Fund	0	0
Cash Funds	380,860	380,860
Reappropriated Funds	0	0
Federal Funds	0	0

**Description of Supplemental:** The Committee approved an additional \$380,860 in cash funds spending authority for FY 2008-09 in order to pay a sanction imposed by the federal government with regard to with the Food Stamp program. The sanction was the result of the State improperly applying an estimated cost of living increase to the payments made to Food Stamp recipients during the period when the Freeze Flag was applied to certain cases handled by the Colorado Benefits Management System (CBMS). The Committee approved the use of cash funds from the Health Care Supplemental Appropriations and Overexpenditures account created in the Tobacco Litigation Settlement Cash Fund by H.B. 07-1359 and extended by S.B. 08-127.

**Previously Approved Interim Supplemental  
 Food Stamp Settlement**

	<b>Previously Approved</b>	<b>Current Staff Recommendation</b>
Total	<u>\$10,082,040</u>	<u>\$10,082,040</u>
General Fund	0	0
Cash Funds	10,082,040	10,082,040
Reappropriated Funds	0	0
Federal Funds	0	0



**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Description of Supplemental:** The Committee approved an additional \$10,082,040 in cash funds spending authority for FY 2008-09 in order to pay a sanction imposed by the federal government with regard to with the Food Stamp program. The sanction was the result of programming errors and data entry errors that occurred during the initial year of CBMS operation. The Committee approved the use of cash funds from the Health Care Supplemental Appropriations and Overexpenditures account created in the Tobacco Litigation Settlement Cash Fund by H.B. 07-1359 and extended by S.B. 08-127.

**Statewide Common Policy Supplemental Requests**

**Staff Recommendation:** Neither the Department nor OSPB has submitted statewide supplemental requests, but these requests may be received in the near future. If requests are submitted, they will be presented to the Committee by the Common Policy analysts. **Staff requests permission to include the corresponding appropriations in the Department's supplemental bill if the Committee approves a common policy supplemental.** If the staff believes there is a reason to deviate from the common policy, staff will appear before the Committee at a later time to present the relevant analysis.

**Previously Approved Interim Supplemental for FY 2007-08  
 CBMS Federal Reallocation for FY 2005-06**

	Previously Approved	Current Staff Recommendation
Total	<u>\$1,616,656</u>	<u>\$1,616,656</u>
General Fund	0	0
Cash Funds	0	0
Cash Funds Exempt	1,616,656	1,616,656
Federal Funds	0	0

**Description of Supplemental:** The Committee approved a request from the Departments of Health Care Planning and Financing and Human Services for an additional \$1,616,656 in cash funds exempt

**DEPARTMENT OF HUMAN SERVICES  
 FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

spending authority for FY 2007-08 in order to repay excess contributions made by some federal agencies for the continuing operations of the Colorado Benefits Management System (CBMS) in FY 2005-06. Of this amount, \$659,296 was a transfer of federal funds from the Department of Health Care Policy and Financing (HCPF) and the remaining \$957,360 would be from the Health Care Supplemental Appropriations and Overexpenditures account created in the Tobacco Litigation Settlement Cash Fund by H.B. 07-1359 and extended by S.B. 08-127.

**Other Balancing Options**

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

**Numbering does not indicate priority.**

<b>Options with <i>Appropriations</i> Impacts</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1  <b>Reduce County Tax Base Relief</b>  The County Tax Base Relief line item funds assistance to counties who have high public assistance costs relative to the size of their property tax base. This line replaced the older County Contingency line in order to provide more effective allocation of the funding. In the event the appropriation is smaller than the total amount "earned" by the counties, the new allocation formula favors those counties with the most severe problems. The FY 2008-09 appropriation is \$6,069,321 General Fund. Through December, \$3.8 million has been spent. The Department estimates that the total expenditure for FY 2008-09 will be \$5.5 million, allowing a reduction of \$500,000 General Fund without reducing county funding.						

<b>Options with <i>Revenue</i> Impacts</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1  <b>Refinancing of State Funding for Senior Services</b>  The Department's prioritized supplemental request #20 proposed to eliminate the \$2.0 million General Fund portion of the appropriation for the State Funding For Senior Services line item. Staff recommended an alternative to modify statute and take that reduction from the cash funds portion of the appropriation. Staff's recommendation replaced the Department's General Fund expenditure reduction with a General Fund revenue increase of the same size. The same refinancing could be applied to the remaining \$6.0 million cash fund appropriation for this line. Because the cash funds are from the Old Age Pension Fund, reductions in the						

**DEPARTMENT OF HUMAN SERVICES  
FY 2008-09 AND FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

<b>Options with <i>Revenue Impacts</i></b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<p>appropriation will result in a corresponding increase in the transfer from the Old Age Pension Fund to the General Fund. This change would not help close the gap in General Fund expenditures that is necessary, but does increase the base used for calculating the FY 2009-10 six percent increase.</p>						

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF HUMAN SERVICES</b>					
<b>Executive Director - Karen L. Beye</b>					
<b>Supplemental #11 - CBMS Federal Reallocation for FY 2006-07 and FY 2007-08</b>					
<i>(2) Office of Information Technology Services</i>					
CBMS Federal Reallocation	<u>3,180,791</u>	<u>0</u>	<u>4,702,859</u>	<u>4,702,859</u>	<u>4,702,859</u>
General Fund	(158,947)	0	0	0	0
Cash Funds	0	0	3,728,466	3,728,466	3,728,466
Reappropriated Funds	194,686	0	974,393	974,393	974,393
Federal Funds	3,145,052	0	0	0	0
<i>Medicaid Cash Funds</i>	<i>194,686</i>	<i>0</i>	<i>974,393</i>	<i>974,393</i>	<i>974,393</i>
<i>Net General Fund</i>	<i>(158,947)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Supplemental #12 - CBMS Federal Reallocation for FY 2008-09</b>					
<i>(2) Office of Information Technology Services</i>					
Colorado Benefits Management System	<u>24,646,499</u>	<u>23,312,145</u>	<u>0</u>	<u>0</u>	<u>23,312,145</u>
General Fund	3,878,767	3,641,922	0	(392,375)	3,249,547
Cash Funds	1,951,276	1,887,716	1,156,776	1,528,756	3,416,472
Reappropriated Funds	8,521,201	8,091,647	927,944	911,590	9,003,237
Federal Funds	10,295,255	9,690,860	(2,084,720)	(2,047,971)	7,642,889
<i>Medicaid Cash Funds</i>	<i>8,548,494</i>	<i>8,091,647</i>	<i>927,944</i>	<i>911,590</i>	<i>9,003,237</i>
<i>Net General Fund</i>	<i>7,745,560</i>	<i>7,390,532</i>	<i>0</i>	<i>(798,887)</i>	<i>6,591,645</i>
CBMS SAS-70 Audit	<u>144,750</u>	<u>149,000</u>	<u>0</u>	<u>0</u>	<u>149,000</u>
General Fund	22,719	23,386	0	0	23,386

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Cash Funds	11,616	11,957	6,677	6,677	18,634
Reappropriated Funds	50,242	51,718	5,357	5,357	57,075
Federal Funds	60,173	61,939	(12,034)	(12,034)	49,905
<i>Medicaid Cash Funds</i>	<i>50,242</i>	<i>51,718</i>	<i>5,357</i>	<i>5,357</i>	<i>57,075</i>
<i>Net General Fund</i>	<i>45,471</i>	<i>47,614</i>	<i>0</i>	<i>0</i>	<i>47,614</i>
<b>Total for Supplemental #12</b>	<u>24,791,249</u>	<u>23,461,145</u>	<u>0</u>	<u>0</u>	<u>23,461,145</u>
General Fund	3,901,486	3,665,308	0	(392,375)	3,272,933
Cash Funds	1,962,892	1,899,673	1,163,453	1,535,433	3,435,106
Reappropriated Funds	8,571,443	8,143,365	933,301	916,947	9,060,312
Federal Funds	10,355,428	9,752,799	(2,096,754)	(2,060,005)	7,692,794
<i>Medicaid Cash Funds</i>	<i>8,598,736</i>	<i>8,143,365</i>	<i>933,301</i>	<i>916,947</i>	<i>9,060,312</i>
<i>Net General Fund</i>	<i>7,791,031</i>	<i>7,438,146</i>	<i>0</i>	<i>(798,887)</i>	<i>6,639,259</i>
<b>Supplemental #15 - Adjustment to Workforce Development Council Appropriation</b>					
<i>(7) Office of Self Sufficiency</i>					
<i>(B) Colorado Works Program</i>					
Workforce Development Council	<u>88,838</u>	<u>88,838</u>	<u>16,169</u>	<u>16,169</u>	<u>105,007</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	88,838	88,838	16,169	16,169	105,007
<b>Supplemental #20 - State Funding for Senior Services</b>					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(10) Adult Assistance Programs</i>					
<i>(D) Community Services for the Elderly</i>					
State Funding for Senior Services	<u>7,000,000</u>	<u>10,000,000</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>8,000,000</u>
General Fund	2,000,000	2,000,000	(2,000,000)	0	2,000,000
Cash Funds	5,000,000	8,000,000	0	(2,000,000)	6,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<hr/>					
<b>Supplemental #30 - Delay Implementation of S.B. 08-7 Assistance to Inmates</b>					
<i>(7) Office of Self Sufficiency</i>					
<i>(A) Administration</i>					
S.B. 08-7 DEMONSTRATION PROGRAM	<u>0</u>	<u>279,000</u>	<u>(279,000)</u>	<u>(279,000)</u>	<u>0</u>
General Fund	0	279,000	(279,000)	(279,000)	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<hr/>					
<b>Supplemental #30a - Hiring Freeze Savings</b>					
<i>(1) Executive Director's Office</i>					
<i>(B) Special Purpose</i>					
Office of Performance Improvement	4,600,868	4,997,731	(199,740)	(199,740)	4,797,991
FTE	<u>65.2</u>	<u>74.1</u>	<u>0.0</u>	<u>(3.0)</u>	<u>71.1</u>
General Fund	1,680,324	1,834,005	(79,896)	(79,896)	1,754,109
Cash Funds	171,125	231,126	(3,995)	(3,995)	227,131

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Reappropriated Funds	730,765	740,052	(31,958)	(31,958)	708,094
Federal Funds	2,018,654	2,192,548	(83,891)	(83,891)	2,108,657
<i>Medicaid Cash Funds</i>	<i>642,044</i>	<i>694,587</i>	<i>(28,762)</i>	<i>(28,762)</i>	<i>665,825</i>
<i>Net General Fund</i>	<i>2,001,346</i>	<i>2,181,299</i>	<i>(94,277)</i>	<i>(94,277)</i>	<i>2,087,022</i>
<i>(7) Office of Self Sufficiency</i>					
<i>(A) Administration</i>					
Personal Services	1,459,112	1,647,548	(172,942)	(172,942)	1,474,606
FTE	<u>18.3</u>	<u>22.0</u>	<u>0.0</u>	<u>(2.3)</u>	<u>19.7</u>
General Fund	626,958	663,988	(86,471)	(86,471)	577,517
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	832,154	983,560	(86,471)	(86,471)	897,089
<i>(7) Office of Self Sufficiency</i>					
<i>(D) Child Support Enforcement</i>					
Automated Child Support Enforcement System	11,168,819	11,455,066	(112,884)	(112,884)	11,342,182
FTE	<u>32.6</u>	<u>39.9</u>	<u>0.0</u>	<u>(0.4)</u>	<u>39.5</u>
General Fund	3,779,603	3,749,754	(38,381)	(38,381)	3,711,373
Cash Funds	83,381	426,499	0	0	426,499
Reappropriated Funds	74,872	0	0	0	0
Federal Funds	7,230,963	7,278,813	(74,503)	(74,503)	7,204,310
<i>(10) Adult Assistance Programs</i>					
<i>(A) Administration</i>					
FTE	<u>5.6</u>	<u>6.0</u>	<u>0.0</u>	<u>(0.3)</u>	<u>5.7</u>

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
General Fund	95,936	99,636	(4,998)	(4,998)	94,638
Cash Funds	0	0	0	0	0
Reappropriated Funds	89,681	100,217	(5,026)	(5,026)	95,191
Federal Funds	359,505	365,573	(18,374)	(18,374)	347,199
<b>Total for Supplemental #30a</b>	17,773,921	18,665,771	(513,964)	(513,964)	18,151,807
FTE	<u>121.7</u>	<u>142.0</u>	<u>0.0</u>	<u>(6.0)</u>	<u>136.0</u>
General Fund	6,182,821	6,347,383	(209,746)	(209,746)	6,137,637
Cash Funds	254,506	657,625	(3,995)	(3,995)	653,630
Reappropriated Funds	895,318	840,269	(36,984)	(36,984)	803,285
Federal Funds	10,441,276	10,820,494	(263,239)	(263,239)	10,557,255
<i>Medicaid Cash Funds</i>	<i>642,044</i>	<i>694,587</i>	<i>(28,762)</i>	<i>(28,762)</i>	<i>665,825</i>
<i>Net General Fund</i>	<i>2,001,346</i>	<i>2,181,299</i>	<i>(94,277)</i>	<i>(94,277)</i>	<i>2,087,022</i>
<b>Previously Approved Interim Supplemental - CBMS New Vendor Transition</b>					
<i>(2) Office of Information Technology Services</i>					
Colorado Benefits Management System	<u>N.A.</u>	<u>N.A.</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
General Fund	N.A.	N.A.	392,375	392,375	392,375
Cash Funds	N.A.	N.A.	200,625	200,625	200,625
Reappropriated Funds	N.A.	N.A.	867,750	867,750	867,750
Federal Funds	N.A.	N.A.	1,039,250	1,039,250	1,039,250
<i>Medicaid Cash Funds</i>	<i>N.A.</i>	<i>N.A.</i>	<i>867,750</i>	<i>867,750</i>	<i>867,750</i>
<i>Net General Fund</i>	<i>N.A.</i>	<i>N.A.</i>	<i>798,887</i>	<i>798,887</i>	<i>798,887</i>



	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Previously Approved Interim Supplemental - Food Stamp COLA Sanction</b>					
<i>(7) Office of Self Sufficiency</i>					
<i>(A) Administration</i>					
FOOD STAMP COLA SANCTION	<u>N.A.</u>	<u>N.A.</u>	<u>380,860</u>	<u>380,860</u>	<u>380,860</u>
General Fund	N.A.	N.A.	0	0	0
Cash Funds	N.A.	N.A.	380,860	380,860	380,860
Reappropriated Funds	N.A.	N.A.	0	0	0
Federal Funds	N.A.	N.A.	0	0	0
<b>Previously Approved Interim Supplemental - Food Stamp Settlement</b>					
<i>(7) Office of Self Sufficiency</i>					
<i>(A) Administration</i>					
FOOD STAMP SETTLEMENT	<u>N.A.</u>	<u>N.A.</u>	<u>10,082,040</u>	<u>10,082,040</u>	<u>380,860</u>
General Fund	N.A.	N.A.	0	0	0
Cash Funds	N.A.	N.A.	10,082,040	10,082,040	380,860
Reappropriated Funds	N.A.	N.A.	0	0	0
Federal Funds	N.A.	N.A.	0	0	0
<b>Totals Including Pending Items</b>					
Department of Human Services					
Totals for EDO/ITS/CA/SS/AA	488,989,609	521,171,654	14,888,964	14,888,964	536,060,618
FTE	<u>516.4</u>	<u>543.6</u>	<u>0.0</u>	<u>(6.0)</u>	<u>537.6</u>
General Fund	100,819,710	110,140,420	(2,096,371)	(488,746)	109,651,674
Cash Funds	84,049,670	95,124,745	15,551,449	13,916,752	109,041,497

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Reappropriated Funds	83,038,805	77,949,008	2,738,460	2,716,749	80,665,757
Federal Funds	221,081,424	237,957,481	(1,304,574)	(1,255,791)	236,701,690
<i>Medicaid Cash Funds</i>	<i>16,196,952</i>	<i>21,551,464</i>	<i>2,746,682</i>	<i>1,857,221</i>	<i>23,408,685</i>
<i>Net General Fund</i>	<i>109,542,250</i>	<i>119,995,689</i>	<i>(2,190,648)</i>	<i>(1,381,910)</i>	<i>118,613,779</i>

Key:

N.A. = Not Applicable or Not Available

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

**DEPARTMENT OF HUMAN SERVICES**  
**Executive Director - Karen L. Beye**

**Previously Approved Interim Supplemental - CBMS Federal Reallocation for FY 2005-06**

*(2) Office of Information Technology Services*

CBMS Federal Reallocation	<u>N.A.</u>	<u>1,564,135</u>	<u>1,616,656</u>	<u>1,616,656</u>	<u>3,180,791</u>
General Fund	N.A.	0	0	0	0
Cash Funds	N.A.	0	0	0	0
Reappropriated Funds	N.A.	1,564,135	1,616,656	1,616,656	3,180,791
Federal Funds	N.A.	0	0	0	0
<i>Medicaid Cash Funds</i>	N.A.	<i>359,018</i>	<i>659,296</i>	<i>659,296</i>	<i>1,018,314</i>
<i>Net General Fund</i>	N.A.	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

**Totals Including Pending Items**

Department of Human Services					
Totals for EDO/ITS/CA/SS/AA	<u>N.A.</u>	<u>1,564,135</u>	<u>1,616,656</u>	<u>1,616,656</u>	<u>3,180,791</u>
General Fund	N.A.	0	0	0	0
Cash Funds	N.A.	0	0	0	0
Reappropriated Funds	N.A.	1,564,135	1,616,656	1,616,656	3,180,791
Federal Funds	N.A.	0	0	0	0
<i>Medicaid Cash Funds</i>	N.A.	<i>359,018</i>	<i>659,296</i>	<i>659,296</i>	<i>1,018,314</i>
<i>Net General Fund</i>	N.A.	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Key:

N.A. = Not Applicable or Not Available