COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE

SUPPLEMENTAL REQUESTS FOR FY 2009-10

DEPARTMENT OF HUMAN SERVICES

(Executive Director's Office, County Administration, Child Welfare, Child Care, Self-Sufficiency, Adult Assistance, Youth Corrections)

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

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DEPARTMENT OF HUMAN SERVICES
(Executive Director's Office, County Administration, Child Welfare, Child Care, Self-Sufficiency, Adult Assistance, Youth Corrections)
FY 2009-10 SUPPLEMENTAL RECOMMENDATIONS
JBC WORKING DOCUMENT - SUBJECT TO CHANGE

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Prioritized Supplementals

Supplemental Request, Department Priority August #4
Eliminate Functional Family Therapy Program

	Request	Recommendation
Total	($3,281,941)	($3,281,941)
FTE	(0.5)	(0.5)
General Fund	(2,632,599)	(2,632,599)
Cash Funds	(649,342)	(649,342)

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

Department Request: The Department request is to eliminate the Functional Family Therapy program funding, added through FY 2009-10 Decision Item #4, in the Department of Child Welfare. The original request for this initiative, for $3,281,941, including $2,632,599 net General Fund, was to support four pilot programs and 0.5 FTE through the Division of Child Welfare. It identified functional family therapy as a well-documented, evidence-based program targeted at high risk, serious offenders ages 11-17, *i.e.*, youth who might be placed in youth corrections, as well as child welfare programs. The programs were expected to serve approximately 480 youth per year and provide 8-12 sessions on average to each family (up to 30 sessions depending on the family's needs). The request estimated that funding the initiative would provide $3.1 million per year in cost avoidance in the Divisions of Child Welfare and Youth Corrections.

The request to eliminate the program notes that, as a result, counties will have fewer alternatives in placing at risk or delinquent youth in restrictive out-of-home placements. However, the elimination will have minimal negative effects to the Department and counties, as the program has not been fully implemented.

Staff Analysis and Recommendation: Staff recommends the request to eliminate this additional funding. While staff agrees the program would be beneficial, staff does not believe funding this new program is a critical need. Given the current revenue shortfall, staff believes eliminating the funding is appropriate.

Supplemental Request, Department Priority August #5
Reduction to the Child Welfare Services Block

	Request	Recommendation
Total	($8,413,972)	($8,413,972)
General Fund	(2,527,611)	(2,527,611)
Cash Funds	(779,396)	(779,396)
Reappropriated Funds	(4,238,722)	(4,238,722)
Federal Funds	(868,243)	(868,243)
Medicaid Funds	*(4,238,722)*	*(4,238,722)*
*Net General Fund**	*(4,646,972)*	*(4,646,972)*

*Reflects the sum of General Fund appropriated directly to the Department of Human Services and General Fund appropriated in the Department of Health Care Policy and Financing and transferred to Human Services as Medicaid reappropriated funds.

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

Department Request: The Department requests a budget reduction totaling $8,413,972 , including $4,646,972 net General Fund, from the Child Welfare Services line item for FY 2009-10. This is the line item used to fund capped allocations to counties for child welfare services. The Child Welfare Block is used to fund county staffing related to child welfare services (caseworkers who investigate of allegations of abuse and neglect and arrange for services and placement), out-of-home placements, subsidized adoption payments to families for children with special needs, and other case services.

The consequences of reducing the child welfare services block will be for counties to provide less services or to use more county only funds to provide mandated services. The Department notes that this could impact the Department's ability to meet its objectives of child safety, permanency, and child and family well-being.

Staff Analysis and Recommendation: Staff recommends the requested reduction. The request represents a reduction of 2.4 percent total funds and 2.6 percent net General Fund in the FY 2009-10 child welfare block. While this will have an impact on counties, the scale should be manageable in the context of overall county child welfare budgets. Several points should be particularly noted:

<u>Level of Cut/Medicaid Adjustment</u>: The cut incorporates two components:

- a proportionate reduction to all fund sources in the line item ($4.2 million or 1.3 percent). This reduction returns the appropriation to the FY 2008-09 level;
- an additional $4.0 million (1.1 percent) reduction to the Medicaid portion of the line item.

Of this latter reduction, half ($2.0 million or 0.6 percent) represents a "real" reduction, corresponding to the portion of this funding that originates as General Fund in the Department of Health Care Policy and Financing. However, the second half, $2.0 million that originates as federal funds in the Department of Health Care Policy and Financing, would likely never have been drawn down by counties, based on recent expenditure history.

Based on the statutory transfer authority between the Departments of Human Services and Health Care Policy and Financing, when Medicaid child welfare appropriations are not fully expended, the General Fund portion is transferred back to the Department of Human Services for non-Medicaid child welfare expenditures.

Thus the second component of the reduction incorporates an effort to clean-up/true-up the relationship between the appropriation and recent-year expenditures. *Assuming that the $2.0 million in federal funds would never have been drawn down, the cut totals $4.2 million + $2.0 million=$6.2 million, or about 1.8 percent of the line item.*

<u>County Expenditures and Outcomes</u>: As discussed during the staff budget briefing:

- Counties have legal responsibility to respond to credible allegations of abuse and to provide appropriate services for abused and neglected children in their custody, regardless of the level of state funding. To some extent, county expenditures are dictated by the size the population needing services and court orders regarding services. However, counties do have considerable control over the interventions they provide and the associated costs.

- Total county expenditures have consistently exceeded child welfare appropriations, with counties making up the difference using their federal Temporary Assistance to Needy Families (TANF) block grant allocations and, in some cases, county tax revenue. However, the expenditure pattern is not consistent. Even among the state's largest ten counties, many have operated within or below their allocations.

- There is considerable variation in county outcomes. There is little demonstrable relationship between the level of funding provided to counties and outcomes. Counties with similar levels of poverty and similar outcomes spend substantially different amounts on services. Thus, while the proposal will have a negative impact on available funding, it will not *necessarily* have a negative impact on outcomes, depending upon how the cuts are managed at the county level.

County reserves: Many counties have TANF and county social services reserves which can be tapped for FY 2009-10 to help address reductions in state funding--although the scale of reserves compared to any individual county's usual child welfare expenditure level varies considerably. In FY 2008-09, those counties with child welfare shortfalls generally covered the shortfalls with TANF transfer funds ($15.0 million), although $1.0 million in county tax revenue was also used. The table below compares reserves of both county social services funds and TANF funds (includes amounts transferred into child welfare and child care reserves) and FY 2008-09 child welfare expenditures. Child welfare services comprise the largest single share of county tax revenue expenditures and state General Fund expenditures for county-administered social services programs.

	County Social Services Fund Balance		**County TANF Reserve Balance***	**Child Welfare County Expenditures FY 2008-09**		**Reserves to Expenditure**
	Reserve Balance	Date of Balance	TANF Balance as of 6/30/09	Total Expenditures (all fund sources)	Deficit**	Ratio TANF + county reserves to child welfare expenditures
Adams	$14,069,248	Proj. 12/31/09	$6,692,194	$32,217,687	$0	0.64
Arapahoe	8,618,046	Proj. 12/31/09	9,119,212	29,449,093	0	0.60
Boulder	3,611,786	6/30/09	4,152,776	18,937,500	(2,788,891)	0.41
Denver	2,390,060	8/30 for 12/31/09	22,306,680	73,128,321	(7,766,303)	0.34
El Paso	9,168,276	Proj CY 10	14,230,153	40,536,465	0	0.58
Jefferson	7,372,203	Proj CY 10	4,424,121	31,179,370	(1,452,605)	0.38
Larimer	8,172,407	6/30/09	5,295,356	17,899,871	(808,893)	0.75
Mesa	983,631	6/30/09	3,205,393	13,121,964	(962,120)	0.32

Pueblo	3,957,897	6/30/09	4,506,189	15,159,069	0	0.56
Weld	1,004,267	Proj 6/30/09	1,646,737	20,878,587	(2,505,378)	0.13
Other Counties	Not available for all		16,661,431	61,475,930	(278,883)	N.A.
Total	N.A.		**$92,240,242**	**$353,983,857**	**($16,563,073)**	**N.A.**

*Includes TANF funds transferred to child care and child welfare and the impact of S.B. 08-177 reserve caps.

**$1.0 million was covered using county tax revenue; the balance of $15.6 was TANF transfer funds.

Supplemental Request, Department Priority August #6
Division of Child Care FTE General Fund Reduction

	Request	Recommendation
Total	($146,105)	
FTE	(3.3)	
General Fund	(146,105)	

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

Department Request: The Department requests that four vacant positions (corresponding to 3.3 FTE in FY 2009-10 and 3.5 FTE in FY 2010-11) be eliminated from the Division of Child Care. These include 1.5 General Professional III licensing specialist positions, one General Professional II rural licensing specialist position, and one General Professional III administrative position that serves as the Division's contact point for the Division's website and licensing appeals.

The request notes that, as a result: (1) remaining licensing specialists will need to absorb the additional caseloads; and (2) the administration position will be absorbed by another administrative FTE, which may impact the timeliness of appeals processing.

Staff Analysis: Pursuant to Article 6 of Title 26, C.R.S., the Department of Human Services is responsible for licensing child care facilities. Licensing is one of the Division of Child Care's major functions, and the majority of the division's staffing is devoted to staff who license child care facilities. Most of the costs associated with licensing child care facilities are borne by the General Fund: fees covered about 14.3 percent of overall costs associated with licensing and monitoring facilities for FY 2009-10.[1]

Overall staffing for the Division of Child Care is as follows:

- 42.5 FTE and 74 percent of the total funding (59 percent of the General Fund) relate to licensing all child care facilities and monitoring less-than-24-hour child care facilities;

- 10.0 FTE and 14 percent of the total funding (31 percent of the General Fund) relate to monitoring 24-hour child care facilities (staff functionally located within the Division of Child Welfare); and

- 13.0 FTE and 12 percent of the total funding (10 percent of the General Fund) relate to general administration of the Division (the Division Director, staff that administer the Child Care Assistance Program and child care grants program, staff that provide training and technical assistance to providers and county staff, and staff that ensure compliance with federal laws and regulations).

Scale of Cut: The proposed reduction reflects a cut of about 8.2 percent to the child care licensing staff (3.5/42.5 FTE). As discussed during the Division's hearing, caseloads for Colorado licensing staff are substantially higher than the national standards, even prior to the proposed reduction. A 2009 report by the National Association of Child Care Resource and Referral Agencies ranked Colorado a respectable 22nd among the states for oversight of child care centers. It scored very well for the online accessibility of inspection reports and quite well related to percent of homes licensed. However, this was offset by very poor scores on licensing staffing ratios (licensing caseload of 140:1 rather than 50:1) and its inability to monitor centers four times per year. In Colorado, licensing centers may be visited as little every two years, although centers that are new or have a history of problems are visited more frequently.

Actual salaries for positions vacated: The Department request reflects cutting positions and associated funding at the same level a new position would be funded. Staff believes this might be appropriate if these positions were filled and "bumping rights" were in effect. However, given that the positions are vacated and not being refilled, the JBC could, at its discretion, cut funding at the

[1]Fees range from $24 per year for a family child care home to $792 for an initial license for a residential child care facility.

level at which the position was last filled. Based on FY 2008-09 actual information, the average General Professional III position had a salary of $58,392 in FY 2008-09, while the average General Professional II position had a salary of $47,191.

Staff Recommendation: Staff recommends that the Committee approve the requested cut of FTE, in light of the budget shortfall. However, the staff recommendation is to reduce funding for the positions at the average rate at which these classes of positions were funded in FY 2008-09, rather than at the entry-level rate reflected in the Department's request. As the positions being eliminated are to be vacated based on retirements and attrition, it is reasonable to expect that those leaving the positions will be drawing salaries consistent with the average for the Division, rather than at new hire rates.

Supplemental August #6 - Child Care FTE Reduction - Recommendation

		FY 2009-10			Annual Cost Full Year (FY 2010-11)	
	Annual salary	Months Working/Paid*	FTE	Amount	FTE	Amount
DIVISION OF CHILD CARE LICENSING AND ADMINISTRATION						
Personal Services						
General Professional II	$47,192	12	(1.0)	(47,192)	(1.0)	(47,192)
General Professional III*	$58,392	10	(0.8)	(28,875)	(1.0)	(58,392)
General Professional III	$58,392	12	(0.5)	(29,196)	(0.5)	(29,196)
General Professional III	$58,392	12	(1.0)	(58,392)	(1.0)	(58,392)
PERA (10.15%)				(16,611)		(19,606)
Medicare (1.45%)				(2,373)		(2,801)
Subtotal - Personal Services			**(3.3)**	**(182,639)**	**(3.5)**	**(215,579)**
Operating Expenses						
Supplies @ $500/FTE				(1,650)		(1,750)
Telephone @ $450/FTE				(1,485)		(1,575)
Subtotal - Operating Expense				**(3,135)**		**(3,325)**
Total - August Supplemental #6- GF			**(3.3)**	**($185,774)**	**(3.5)**	**($218,904)**

*The FY 2009-10 reduction for this position is based on ten months of salary less $19,785 retirement payout.

Supplemental Request, Department Priority August #7
Reduce General Fund in Promoting Responsible Fatherhood Grant

	Request	Recommendation
Total	($150,000)	($150,000)
General Fund	(150,000)	(150,000)

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

Department Request: The Department requests a reduction in the General Fund appropriated to match Colorado's federal Promoting Responsible Fatherhood grant. This multi-year $10.0 million federal grant is for the period FFY 2006-07 through FFY 2010-11. The grant requires a 10.0 percent match to draw down $2.0 million federal funds per year. Thus far, the State has used General Fund to provide the match. However, it has also counted "value added" donations of air time for commercials and online advertising as additional match. For the two remaining years of the grant (FY 2009-10 and FY 2010-11), Colorado proposes to use $150,000 in these value added donations in lieu of $150,000 of the General Fund match. Because the in-kind donation will substitute for the General Fund, there should be no impact on receipt of the full federal grant.

Additional Information on the Program: Colorado and Washington D.C. were the only entities to receive this federal grant. The Department uses most of the funds to sub-contract with community and faith-based organizations to strengthen and increase the involvement and parenting skills of fathers of at-risk children through community based direct services. The state uses a portion of the funding for administration, technical assistance and training for providers, a public awareness campaign, and a web-based information clearinghouse on fatherhood programs (www.coloradodads.org).

Staff Recommendation: Staff recommends that the Committee approve the requested reduction. As indicated, the cut will not negatively affect the federal funds to be received as in-kind donations will ensure adequate match for the federal funds.

Supplemental Request, Department Priority August #8
General Fund Reduction in Automated Child Support Enforcement System

	Request	Recommendation
Total	($400,000)	($400,000)
General Fund	(136,000)	(136,000)
Federal Funds	(264,000)	(264,000)

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

Department Request: The Department requests a reduction to funding for the Automated Child Support Enforcement System (ASCES). This is the automated system used to support all required case handling activities for the 142,000 child support cases in Colorado. The Family Support Registry is the major component of the ASCES line item. It was re-procured in FY 2004-05 and FY 2005-06, at which point the contract was broken into three components. The combined cost of the three new contracts which became effective July 1, 2007, were approximately $400,000 less than the previous single contract. In FY 2007-08 and FY 2008-09, the extra funding was used to help modernize the system. The Department now proposes to eliminate the extra funding and seek alternative funding for any future year modernization. The funding reflects the standard 66 percent federal; 34 percent General Fund match for child support enforcement activities.

Staff Recommendation: Staff recommends the requested reduction. As reflected in the request, absorbing this cut in the $11.6 million line item is feasible based on current contracts.

Additional Background: Components of the ASCES line item include $7.1 million for the Family Support Registry (7.9 FTE costs + contractual costs), plus a variety of other information technology staff and contracts. The Family Support Registry is the entity responsible for receipt and disbursement of virtually all child support in the state ($367 million in child support disbursements in CY 2007). The Department has multiple other contracts associated with the state disbursement of child support funds (*e.g.*, for payment processing) and a contract with PSI for the state directory of new hires (a registry of new hires in which all employers are required to participate for purposes of determining withholding of employee wages to meet child support obligations). These various systems support the child support enforcement programs operated by the 64 counties.

Supplemental Request, Department Priority August #11
Eliminated the Enhanced Mental Health Pilot Services for Detained Youth Program

	Request	Recommendation
Total - General Fund	($580,385)	($580,385)

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

Department Request: The Department proposes to eliminate the Mental Health Pilot Services for Detained Youth program ("Turnabout Program"), effective October 1, 2009. This program is a collaborative effort jointly administered by the Division of Behavioral Health and the Division of Youth Corrections. The program was designed to meet the mental health and substance use treatment needs of detained youth who are not Medicaid eligible at pilot sites in Jefferson County and Mesa County. The Jefferson Center for Mental Health and Colorado West Regional Mental Health Center provide detention center-based and community outpatient based services including assessments, group and individual therapy, substance use disorder treatment, case management, transition services, Functional Family Therapy, Multi-Systemic Therapy and similar services for this population.

Youth who are admitted to the Turnabout Program are typically referred by Division of Youth Corrections while they are in a detention center. The designated community mental health center provides mental health assessments and treatment while the youth are in the detention center and outpatient treatment upon discharge from the center.

The Community Based Management Pilot Programs for Persons with Mental Illness Who are Involved in the Criminal Justice System Report (2008) , conducted by an independent contractor, found that there is no significant difference in recidivism for youth who receive these services from those who receive traditional mental health services. The Department also finds it difficult to gauge the long-term impact of this program. Based on this, the Department has questioned the program's efficacy and concluded that funding should be eliminated.

Additional Information on Turnabout and the Consultant's Report: Staff reviewed the report cited in the request, which was completed by the Triwest Group, October 2008. The study analyzed outcomes for youth in the program during FY 2006-07 and FY 2007-08. The following information is drawn from the study.

Program History and Description: The program was started in FY 1998-99, when few resources were available to address the needs of high-risk youth without Medicaid coverage. The program was eliminated in FY 2002-03 due to the state budget constraints at the time and reinstated in FY

2005-06. The goals included improving public safety by reducing recidivism, improving mental health outcomes, and providing appropriate treatment services.

Recent Year Program Participation: In FY 2007-08, the program received 913 referrals, including 238 for the Colorado West program and 675 for the Jefferson Center program; 93 percent of these were from the detention center and the balance from youth diverted from detention under S.B. 91-94. Of these youth, 165 (18.0 percent) were enrolled in community services; the remaining 748 (82.0 percent) were served solely while in detention. Reasons youth were not served in the community after release from detention included refusal to participate (33.1 percent), Medicaid eligible (30.2 percent), and residence outside the catchment areas (12.9 percent), among other reasons.

Outcome Results: To determine the impacts of the program, the study compared youth participating in the program with youth not participating in the program due to: (1) residence outside the catchment area; or (2) refusal to participate. The study noted that this was not an ideal comparison, but that this represented the best available. The two groups did not differ significantly from a demographic perspective, criminal history, or offense type. However, those in the Turnabout group had somewhat higher average problem severity scores, and those in the comparison group had had more detention admissions.

Key findings that were statistically significant included the following:
- The average length of stay in detention for youth in the Turnabout program was less than the comparison group (12.5 days versus 16.5 days).
- Turnabout youth showed improvement in their overall problem severity scores on the CCAR assessment of mental health and alcohol and drug abuse issues, compared to the comparison group.
- Turnabout youth were <u>more</u> likely to have some level of additional DYC system penetration (re-detention or commitment) than youth in the comparison group (40.9 percent in Turnabout versus 60.6 percent in comparison). However, while they were more likely to be re-detained, they were less likely to be re-committed (13.9 percent in Turnabout versus 21.2 percent for comparison).
- There was no statistically significant difference in the likelihood of a new filing after release from detention for youth in the Turnabout program versus the comparison groups.

The report concluded that *the program did appear to have some positive short-term results, but whether it was meeting longer term goals relating to preventing recidivism was not conclusively demonstrated. Due to lack of information on the nature, type, and intensity of services youth* *have received through the Turnabout program--including basic information on the length of time services were provided--it was difficult to assess the role of these factors on outcomes.*

Staff recommendation: Staff recommends the proposed elimination of the program. Staff is concerned by the fact that the Department's oversight/contractual direction for the program was apparently so limited that it did not collect useable information on the services actually being provided by the community mental health centers. Given this, the program's utility as a "pilot" was apparently minimal. In light of the state's budget crisis, staff agrees there is not sufficient rationale for continuing the program.

Staff also notes that the Division does maintain ongoing relationships with local community mental health centers for services to youth in detention. Mental health staff come to detention facilities several times per week to help address any acute mental health problems that arise. The Division covers the associated costs for youth who are not Medicaid eligible, while the Behavioral Health Organizations cover costs for Medicaid-eligible youth. While services are more limited than in the pilot program and do not extend to youth after they leave secure detention, this more limited set of services will continue to be extended to youth in detention.

Supplemental Request, Department Priority August #18
Old Age Pension Cost of Living and Other Adjustments

	Request	Recommendation
Total - Cash Funds	($6,127,916)	($6,127,916)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made (the state revenue shortfall).	

Department Request: The Department requests that the Old Age Pension (OAP) Cash Assistance Programs line item be reduced by $6,2127,916 for FY 2009-10, to reflect total estimated expenditures of $89,863,948. The reduction includes two components: (1) a reduction to reflect the expectation that there will <u>not</u> be a 2.0 percent cost of living for the program effective January 1, 2010 (reverses FY 2009-10 Decision Item #21); and (2) a correction to the original estimate of OAP expenditures for FY 2009-10, based on a technical correction to the projection methodology. A reduction in cash fund expenditures for the Old Age Pension Program will allow additional revenue to flow into the General Fund.

The table below reflects the two components of the reduction. The cost-of-living change reflects the expectation that the State Board of Human Services will keep adjustments for the OAP program in alignment with federal decisions related to the Supplemental Security Income (SSI) program (as has occurred in the past). Federal authorities have determined that the SSI program will not receive a cost of living adjustment January 2010. The same is therefore anticipated for the OAP program.

Components of Supplemental #18 - OAP Cash Funds	
Reverse FY 2009-10 Decision Item #21 (OAP cost of living adjustment)	($1,801,722)
Technical correction to projection	(4,326,194)
Total reduction	($6,127,916)

Staff Recommendation: Staff recommends the request. Staff notes that this Long Bill line item is strictly informational in nature. The State Board of Human Services has the authority, pursuant to Article XXIV of the Colorado Constitution, to establish benefit levels for the OAP program. Further, expenditures are governed by the size of the benefit and the number and financial needs of program participants, rather than the appropriation.

Nonetheless, given the scale of change to projected expenditures, it is reasonable to reflect the revised amount in the supplemental bill. Staff has confirmed that the State Board has not awarded an increase effective January 1, 2010. Further, as indicated in the request, reduced expenditures for the OAP program will allow additional moneys to flow to the General Fund, because 85 percent of most sales and excise tax revenue is first made available to the OAP Cash Fund, pursuant to the Colorado Constitution. Only after OAP expenses have been covered does excess money in the Cash Fund flow to the General Fund.

The Old Age Pension program is expected to serve 23,943 individuals ages 60 and over in FY 2009-10. Funding is structured to bring beneficiaries incomes up to $699 per month; the average monthly award is $313. The current award level reflects a 5.8 percent increase provided effective January 1, 2009.

DEPARTMENT OF HUMAN SERVICES
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Supplemental Request, Department Priority August #19
Youth Corrections Reduction in Boulder IMPACT

	Request	Recommendation
Total - General Fund	($271,421)	($271,421)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made (the state revenue shortfall).	

Department Request: The Managed Care pilot appropriation supports the Boulder County Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) project, via a managed care agreement between the Division of Youth Corrections and boulder County for handling delinquent youth. The current line item appropriation is for $1,390,441. The Department proposes a 20 percent cut to the General Fund appropriation ($271,421).

The IMPACT project is a community based effort to integrate formerly categorical funding streams in Boulder for social services, mental health, and the Division of Youth Corrections and to focus on accountability and outcomes. The IMPACT mission is to perform gate keeping, assessment, concurrent utilization review, and quality assurance reviews for delinquent youth who are in or at risk of placement. The agreement between Youth Corrections and the project caps the dollars that can be used for detained and committed youth in Boulder County.

The request indicates that the reduction will be achieved by delaying a new hire in the District Attorney's office intended for the new juvenile drug court, reducing some treatment services, and applying other funding available in the contract by using community-based programming in lieu of commitment.

Staff Analysis and Recommendation: Staff recommends the requested cut. As indicated in the request, Boulder IMPACT is able to manage the proposed reduction.

Background on IMPACT: The IMPACT program, created in FY 1997-98, serves as an umbrella for a wide range of Boulder county programs designed to assist at-risk youth involved in child welfare, youth corrections, and mental health systems. IMPACT draws on a variety of sources including the DYC contract, county general funds, the Mental Health Center of Boulder and Broomfield Counties, H.B. 04-1451 collaborative management funding, federal Juvenile Justice and Delinquency Prevention grants, federal Substance Abuse and Mental Health Administration grants, S.B. 91-94 dollars, and contributions from school districts. Data provided by the program in 2008 reflected total financial contributions of almost $18 million from these various sources to serve youth in multiple systems.

The original IMPACT agreement with Youth Corrections, created in the late 1990s, provided Boulder with the funds associated with their youth corrections contract placements and fixed their maximum use of state facility beds at the level in place at that time. The Boulder agreement with DYC specifies that if its use of state commitment beds exceeds its cap, it will reimburse the State for the related costs. Associated with this, up to $300,000 of the DYC IMPACT contract dollars are set in a reinvestment fund to create new programs or manage payments if commitments exceed commitment bed caps. Boulder has never actually exceeded its cap on the use of state facility beds. It currently serves about 30 youth with criminal justice involvement through the IMPACT program, using contract placements and various other services (treatment, electronic monitoring, etc.). Information provided by the program to staff in 2008 indicated that, since the program's inception, it had been able to reduce use of detention beds by 25 percent and use of contract commitment beds by over 40 percent, as well as reducing use of hospitalization.

<u>DYC Program Cut</u>: In response to staff questions, the Department reported that, accommodate the 20 percent reduction in the DYC IMPACT contract, the IMPACT executive committee looked at its funding streams and programs. To balance the budget adjustment, a 0.75 parole officer was laid off from IMPACT but placed in an open position in the 20th Judicial District. Even with the reduction, IMPACT maintains 2.0 FTE to oversee 30 committed and paroled youth in Boulder county (a caseload of 1:14). The remainder will be managed by reallocation of the $300,000 reinvestment set-aside (described above), reduction of H.B. 04-1451 programs and associated reallocation of some of the funding to the DYC contract services, reduction of some administrative costs, elimination of some funding to a local residential program for some underused transitional services, and movement of some other services into the S.B. 91-94 funding stream.

Supplemental Request, Department Priority August #20
Youth Corrections Increase State Capacity to 120 Percent at State Commitment Facilities

	Request	Recommendation
Total	($3,895,450)	$554,772

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	Request	Recommendation
General Fund	(3,729,204)	554,772
Reappropriated Funds	(166,246)	0
Federal Funds	0	0
Medicaid Cash Funds	*(82,123)*	*0*
Net General Fund	*(3,812,327)*	*544,772*

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

Department Request: The request proposes an increase in usage of state commitment facilities to 120 percent for FY 2009-10 for a reduction of $3,895,450 total funds. The current number of state facility beds for committed youth is 434.5. This proposal will decrease the number of dollars paid to their party contractors for private treatment beds for the Division's committed population. After considering increased cost for custody related expenses for the additional average daily population in state operated facilities, General Fund savings would still save a total of $3,812,327 net General Fund. The request notes that this could continue annually, but *the proposal is only for FY 2009-10*. The impact on facilities operation and safety is mitigated if the increase in capacity can be kept to one year only.

The proposal decreases dollars paid to third party contractors by $4,440,222 but increases medical, food, clothing and other custody related expenses at state facilities by $544,722 in FY 2009-10. The calculations are based on state facilities operating at 110 percent of capacity in July and August 2009 and at 120 percent of capacity for the balance of the year. The request notes that the Department was scheduled to reduce populations down to 100 percent of capacity effective July 1, 2009, but it delayed doing this, based on the June 2009 revenue projection and thus operated at 110 percent capacity for two months (July and August).

Department calculations are based on increasing capacity from 434.5 average daily population (ADP) (100 percent capacity) to 478.0 for two months and 521.4 for 10 months--an increase in state capacity of 79.7 ADP on average for the year and 87.0 ADP when at 120 percent capacity. The increased costs in state-operated facilities are based on $4,445 in medical costs per increased average daily placement in state facilities and $2,386 in operating costs (food and clothing) per increased average daily placement in state facilities.

Staff Analysis and Recommendation: Staff recommends adjustments to enable the DYC facilities to operate at 120 percent of capacity, consistent with the request. However, because questions remain about the size of the population to be served in the contract facilities during FY 2009-10, **the staff recommendation would be to:**

- **Delay any modification to the appropriation for contract placements** until after the Department submits the February supplemental for average daily population promised by its budget "placeholder".

Using this approach, the Committee would authorize an increase of $544,722 General Fund associated with this supplemental in the first Human Services supplemental bill (corresponding to an increase of $190,283 for operating expenses (food and clothing) and $354,489 for medical expenses) in DYC facilities. The Committee would hold off on the corresponding reduction that provides $4,357,099 net General Fund savings in the Purchase of Contract Placements line item, pending updated caseload information.

- Alternatively, based on the calculations provided below (January Supplemental #1 - Youth Corrections Placeholder), the Committee could choose to modify the contract placements amount to reflect all approved contract placement adjustments *and* an adjustment, based on the staff calculation, that incorporates revised population projections from Legislative Council Staff (LCS). *Incorporating current LCS population projections results $3.1 million less in General Fund savings for purchase of contract placements than the reduction incorporated in the Department's request for purchase of contract placements adjustments.*

Supplemental Request, Department Priority August #21 - MODIFIED by January Supplemental #5
Reclassification of Licensing Category of Ridge View Youth Services Center

	Request	Recommendation
Total	$0	$0
General Fund	(1,160,845)	(412,083)
Reappropriated Funds	412,083	412,083
Federal Funds	748,762	0
Medicaid Cash Funds	*412,083*	*412,083*

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	Request	Recommendation
Net General Fund	*(954,803)*	*(208,041)*

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made (the state revenue shortfall).	

Department Request: The original Department request, submitted in August, was to create a new licensing category to recognize the community-based nature of the Ridge View Youth Service Center (RVYSC) This change will allow youth to be eligible for federal Title IV-E funding and will allow the State to bill for federal reimbursement of residential expenses for youth placed at the Ridge View facility, as well as associated administrative costs. In addition, the change will allow the State to bill Medicaid for youth's off-site specialty medical care, rather than covering these costs entirely with General Fund. The net impact of the change is a $0 change in total appropriated dollars but net General Fund savings of $954,803.

A January 2010 submission (Supplemental #5) modified the request solely by changing the line item to which the proposed Medicaid adjustment would be applied. The original request made all changes in the Purchase of Contract Placements line item. The January submission instead applied the Medicaid portion of the adjustment to the Division's Medical Services line item.

Staff Recommendation: Staff recommends adjustments associated with refinance the Ridge View Youth Services Center and recommends the adjustment for medical costs in the present supplemental bill (the Medicaid adjustment). However, staff also recommends that the Committee **delay any modification to the appropriation for contract placements** (the Title IV-E component of the request) until after the Department submits the February supplemental for average daily population promised by its budget "placeholder".

With respect to the Title IV-E adjustment, staff notes:

(1) Figures in this supplemental are based on an average daily population (ADP) for Ridge View of 405; however, as of the November 2009 population report, the year-to-date ADP for Ridge View was 363.5, and the population for the months of November was 340.9.

(2) The estimate of the share of population eligible for Title IV-E in the request is rough, and no actual information is yet available. Staff anticipates that such information will be available within the next month. Staff is concerned about over-estimating Title IV-E amounts, given the recent history in the Department of under-earning Title IV-E department-wide. Staff also notes that the estimate for Title IV-E revenue assumed the Department would start earning the revenue in October; however, implementation was actually in November. This, too, could contribute to under-earning.

With respect to the Medicaid adjustment, staff recommends proceeding at the present time because: (1) the adjustment is to the Medical Services line item rather than contract placements; and (2) the estimate in the request is based on actual medical billings for Ridge View youth in FY 2008-09, when ADP for Ridge View was 344.5 (closer to present figures). All Ridge View youth medical expense will be eligible for Medicaid reimbursement effective January 1 (reimbursements to be received for five months in FY 2009-10, due to Medicaid cash accounting adjustment), because all Ridge View youth will be counted as "family of 1".

Ultimately, staff does not expect the final fund split adjustment to be substantially different from that requested. Thus, *if the Committee chooses to make other contract placements appropriations adjustments in the first round of Human Services supplemental adjustments, staff would recommend including the funds split adjustment in the amounts requested. However, if the Committee agrees to delay all changes to contract placements, the fund split changes should also be delayed.*

Supplemental Request, Department Priority August #22
Rate Reduction in Cost of Living Adjustment for Contract Services

	Request	Recommendation
Total - General Fund	($691,102)	($133,119)

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

Department Request: The Division of Youth Corrections proposes a 2.0 percent across-the-board provider rate decrease as a temporary decrease to the base for contractors providing client services. This provides savings of $691,102 General Fund for FY 2009-10. The adjustment is effective October 1, 2009. This includes a reduction to the Purchase of Contract Placements line item, as well as adjustments to personal services, medical services, and educational program line items from which are also used, in part, for contractual services.

Staff Recommendation: Staff recommends a 2.0 percent across-the-board reduction, as requested. However, consistent with recommendations above, **staff is recommending that the dollar adjustment to the purchase of contract placements line item (which comprises the largest share of the reduction) be delayed so that it can be aligned with the an adjustment to the Division's ADP**. In the event that the Committee wishes to proceed with adjustments to the contract of placements line item in the first round of supplementals for FY 2009-10, staff has incorporated the fiscal impact of the change into an overall estimate for the contract placements line item that is included below (described under January Supplemental #1). The adjustment, as calculated by staff, would be somewhat greater than the reduction requested by the Department. This is because the Legislative Council Staff December 2009 ADP estimate drives higher total contract placement costs to which the 2.0 percent reduction is applied.

While staff recommends the contract placements adjustment be delayed, **staff recommends that the Committee proceed with the requested reductions to other line items for contract services, consistent with the request**.

Supplemental Request, Department Priority August #23 - MODIFIED by January Supplemental #5
Reduction in Client Management Positions

	Request	Recommendation
Total - General Fund	($428,160)	($428,160)
FTE	(6.4)	(6.4)

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

Department Request: The Division of Youth Corrections proposes to re-align its caseload for its client management system, and in so doing, reduce 6.4 FTE and $428,160 General Fund in FY 2009-10. This proposal would take effect on October 1st, when these positions are vacant. The Division's goal would be to avoid layoffs with this proposal. For FY 2010-11, the reduction would annualize to 9.6 FTE and $642,240 General Fund. At present, the Division applies a ratio of 1 client manager to 20 youth in both the residential and community parole programs. It proposes to change to a ratio of 1:25 for youth in residential placement and 1:18 for youth on parole. This adjustment is designed to support best practice in transition and parole serves, as well as to save both FTE and General Fund.

The August proposal was modified by a January Supplemental #5. The sole change was to correct the line items to which the proposed adjustments would be applied from the personal services and operating expenses line items for institutional programs to the line items for community programs, where the client manager positions are budgeted.

Staff Recommendation: Staff recommends the reduction. As indicated, the proposal seems designed to support best practice, in addition to saving General Fund.

Staff notes that the request is based on the December 2008 Legislative Council Staff ADP projection, rather than the current December 2009 projection. Using the 2009 projection would drive an ADP reduction of 1.0 less than the Department's requested reduction on an annualized basis (a reduction of 8.6, rather than 9.6 FTE), based on an increase in the projected commitment ADP from 1,175 to 1,232 and a decrease in the projected parole ADP from 460 to 437. Nonetheless, in the absence of any revised request from the Department, and recognizing that the request reflects what the Department considered feasible without any layoffs, staff has applied the proposed reduction for FY 2009-10. **However, for FY 2010-11 staff may consider a further adjustment, depending upon further updates to the caseload information.**

Client Mangers
Basis for Department Request and Staff Recommendation for FY 2009-10

	Projected ADP <u>December 2008</u> LCS Projection	Caseload per Client Manager	Resulting FTE
Commitments	1,175	25	47.0
Parole	460	18	25.6
Calculated Need			72.6
Current FTE			<u>82.2</u>
Reduction Calculated, 2009 LCS Projection			-9.6

Client Managers
Calculation Based on December 2009 Legislative Council Staff Projection
For Consideration for FY 2010-11

	Projected ADP December 2009 LCS Projection	Caseload per Client Manager	Resulting FTE
Commitments	1,232	25	49.3
Parole	437	18	24.3
Calculated Need			73.6
Current FTE			<u>82.2</u>
Reduction Calculated, 2009 LCS Projection			-8.6

Supplemental August #23 DYC Client Manager Reduction

		FY 2009-10 Requested and Recommended			FY 2010-11 REQUEST - Recommendation PENDING	
	Annual salary	Months Working/Paid*	FTE	Amount	FTE	Amount
<u>Personal Services</u>						

Supplemental August #23 DYC Client Manager Reduction						
		FY 2009-10 Requested and Recommended			**FY 2010-11 REQUEST - Recommendation PENDING**	
	Annual salary	Months Working/Paid*	FTE	Amount	FTE	Amount
Youth Services Counselor*	$59,308	8	(5.7)	(379,571)	(9.6)	(569,357)
PERA (10.15%)				(38,526)		(57,790)
Medicare (1.45%)				(5,504)		(8,256)
Subtotal - Personal Services			**(5.7)**	**(423,601)**	**(9.6)**	**(635,402)**
Operating Expenses						
Supplies @ $712.5/FTE				(4,085)		(6,840)
Total - August Supplemental #6- GF			**(5.7)**	**($427,686)**	**(9.6)**	**($642,242)**

*The request did not specify the youth services counselor classification (e.g., I, II, III). The reduction amount was based on the salaries of individuals known to be leaving their positions during FY 2009-10.

Supplemental Request, Department Priority December #1[2]
Refinance $3,000,000 of Child Welfare Services with TANF

	Request	Recommendation
Total	$0	$0
General Fund	(3,000,000)	(3,000,000)
Federal Funds	3,000,000	3,000,000

[2] Numbers reflect the order of items on the Department's schedules; no priority numbers were assigned in December.

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

Department Request: The Department proposes to refinance $3,000,000 of the Child Welfare Services line item with Temporary Assistance to Needy Families (TANF) federal block grant funds. The Child Welfare Services appropriation provides capped allocations to counties for provision of child welfare services. The Department has requested the same adjustment for FY 2010-11. The proposal provides net General Fund savings with no change to the total funding available for Child Welfare Services in FY 2009-10.

Staff Recommendation: Staff recommends the request. *However, staff emphasizes that if this adjustment is continued into FY 2011-12/ FY 2012-13 and future years, other TANF uses will likely need to be reduced.*

<u>Additional Background</u>: For FY 2009-10, the Department requested and the General Assembly approved an adjustment to refinance $9.5 million General Fund in the Division of Child Welfare with TANF dollars. The new request is to increase this adjustment by an additional $3.0 million. While this is clearly feasible for FY 2010-11, the Department is projecting a TANF end-of-year reserve balance of negative $17,897,205 for FY 2011-12. This suggests that TANF funding for some activities will need to be restricted by FY 2011-12. Even if the TANF child welfare refinance is maintained in FY 2011-12, the Department has generally described these refinances as temporary, *i.e.*, the implication is that beginning in FY 2012-13, the State will need to replace the TANF funding with General Fund or take a significant further reduction to child welfare funding.

- The combination of the further loss of ARRA enhanced match in FY 2011-12 and the possible loss of TANF funding between FY 2011-12 and FY 2012-13, means that within the next two years Colorado will likely need to provide $14.5 million in additional General Fund to maintain funding at current levels or will need to take additional cuts to Child Welfare Services.

- In response to staff questions, the Department has indicated that there is a potential for even greater refinancing with TANF in the Division of Child Welfare. The Department was able to claim $19.5 million in FY 2008-09 as TANF "maintenance of effort" for the

Division of Child Welfare. This means that *up to an additional $7.0 million in the Division of Child Welfare could potentially be refinanced with TANF. However, given the limitations on TANF funding, this would only increase the impending "cliff effect*".

Supplemental Request, Department Priority December #2[3]
Reduce General Fund in County Tax Base Relief Line Item

	Request	Recommendation
Total - General Fund	($2,826,327)	($3,543,018)

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

Department Request: The Department proposes to reduce the County Tax Base Relief appropriation by $2,826,327 (approximately half) for FY 2009-10. The Department's FY 2010-11 budget request reflects eliminating this line item altogether. County Tax Base Relief is intended to aid counties that either have high costs (due to demographic factors that drive high caseloads and associated funding allocations) and/or those with a relatively low tax base. The request notes that the line item is funded with 100 percent General Fund and has been reduced in prior years during periods of statewide financial crisis.

Staff Analysis: The following information provides additional background on the program and how the funding is distributed.

<u>Additional Background</u>: The current county tax base relief formula was established through H.B. 08-1250 (Pommer/Johnson). A prior program, the County Contingency Fund, was established in 1973. It was modified to ensure that the program targeted the most needy counties (a reduction from 41 counties receiving contingency in FY 2007-08 to 23 counties in FY 2008-09), consistent with the recommendations of a 2007 taskforce. Pursuant to H.B. 08-1250, a former $11.2 million General Fund appropriation for County Contingency was eliminated and

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[3] Numbers reflect the order of items on the Department's schedules; no priority numbers were assigned in December.

redistributed, with $6.2 million placed in the new County Tax Base Relief Fund and the balance in other county administration line items. The appropriation for FY 2008-09 was reduced to $5.8 million through supplemental action due to state revenue constraints.

The base for calculation of eligibility is all mandated public assistance programs that have a county share and that appear in the Long Bill, pursuant to Section 26-1-126 (1.5), C.R.S. The calculation is based on the county share required under statute and Long Bill appropriations and excludes any additional county expenditures associated with insufficient state or federal funding. A formula based on three fixed mill levy thresholds – 3.0 mills, 2.5 mills, and 2.0 mills – is used to calculate eligibility. The county revenue that could be earned at each of these thresholds is compared to the required county expenditure level.

Funding Distribution for FY 2008-09: The table below reflects the results of the tax base relief calculation for FY 2008-09, by tier, and the final distribution of funding by county. As shown,

- FY 2008-09 distributions to Denver and Pueblo comprised more than half of total funding.

- For nine counties (shaded in the table), including eight smaller counties plus Pueblo, funding provided covered 24.9 percent to 43.8 percent of the county's social services funding obligation. All of these counties qualified for support under "Tier I".

County Tax Base Relief FY 2008-09 Distribution

County	County Share of Social Services Expenditures	Property Taxes Generated at 3.0 Mils	County Tax Base Relief per Formula - Tier I	County Tax Base Relief per Formula - Tier II	County Tax Base Relief per Formula - Tier III	Final Distribution *	Distribution as percentage of County Share of expenditures
Adams	$10,463,580	$13,581,593	$0	$0	$352,296	$312,083	3.0%
Alamosa	873,208	384,470	366,554	32,039	16,020	367,286	42.1%
Bent	255,072	164,530	67,907	13,711	6,855	78,374	30.7%
Conejos	353,305	144,240	156,799	12,020	6,010	154,872	43.8%
Costilla	278,408	339,360	0	0	13,042	11,553	4.1%
Crowley	193,981	104,950	66,773	8,746	4,373	70,772	36.5%
Denver	29,499,531	31,981,882	0	1,423,981	1,332,578	2,441,907	8.3%

County Tax Base Relief FY 2008-09 Distribution							
County	**County Share of Social Services Expenditures**	**Property Taxes Generated at 3.0 Mils**	**County Tax Base Relief per Formula - Tier I**	**County Tax Base Relief per Formula - Tier II**	**County Tax Base Relief per Formula - Tier III**	**Final Distribution ***	**Distribution as percentage of County Share of expenditures**
Fremont	1,264,052	1,288,581	0	95,117	53,691	131,822	10.4%
Huerfano	279,109	342,352	0	0	12,719	11,267	4.0%
Kiowa	100,896	99,412	1,113	8,284	4,142	11,994	11.9%
Lake	213,973	281,508	0	0	6,575	5,825	2.7%
Lincoln	301,405	210,435	68,228	17,536	8,768	83,742	27.8%
Logan	699,827	607,543	69,213	50,629	25,314	128,587	18.4%
Mesa	3,946,138	5,335,306	0	0	97,317	86,208	2.2%
Morgan	991,891	1,136,408	0	22,442	47,350	61,826	6.2%
Otero	643,217	344,408	224,107	28,701	14,350	236,662	36.8%
Prowers	534,463	374,969	119,620	31,247	15,624	147,487	27.6%
Pueblo	4,863,650	3,649,111	910,904	304,093	152,046	1,211,000	24.9%
Rio Grande	449,768	513,581	0	10,892	21,399	28,605	6.4%
Saguache	249,762	171,870	58,419	14,322	7,161	70,782	28.3%
TOTAL	**$114,852,002**	**$255,181,845**	**$2,109,636**	**$2,073,760**	**$2,197,632**	**$5,652,654**	**4.9%**

* Total distribution equals total of Tiers I, II and III calculations per the formula ($6,381,027), pro-rated to 88.6 percent ($5,652,654) based on the final FY 2008-09 appropriation.

Staff notes that the Department has also provided staff with some information indicating that some counties have considerable fund balances in their county social services funds, suggesting that they may be able to use these funds to help address shortfalls. Staff believes the availability of such funds should be taken into account. However, due to remaining questions about the fund balances and the limited information available when staff was reviewing the supplemental data, staff intends to address this issue in further detail related to the FY 2010-11 request by the Governor's office to entirely eliminate the county tax base relief appropriation.

Staff recommendation: Staff recommends that the Committee reduce overall funding for the program for FY 2009-10 to the level required to fund solely Tier I counties. This drives a

reduction of $3,543,018, based on the FY 2008-09 funding distribution. This is $716,691 more than the reduction requested by the Department, and leaves an appropriation of $2,109,636 in the line item. At this point, the Department has not distributed any of the County Tax Base Relief appropriation for FY 2009-10, so the General Assembly may set the funding at whatever level it considers appropriate.

The Joint Budget Committee has voted to draft a bill to ensure that any funding authorized for this program is limited to those counties that qualify under Tier 1. *Staff would recommend that this bill be included in the supplemental budget package*, making the relationship between the recommended funding level and the planned distribution clear (even though the bill would not carry the appropriations change).

Additional recommendation on the proposed bill: Staff currently believes the most effective way to focus funding on Tier I is to specify in statute that for FY 2009-10, FY 2010-11, and (if the JBC wishes) FY 2011-12, that *counties will only be qualified for funding under Tier 1*.

In the past, the Department has distributed the funding for tax base relief monthly. Staff had been under the impression that the current statute and formula did not effectively ensure that Tier I was funded before the other tiers. In response to staff questions, the Department clarified that it does implement the formula in a hierarchy to benefit Tier I counties first, and second Tier II counties. However, "because this computation varies every month depending on the gap between income (assessed property valuations) and expenses (social services costs), different counties qualify at different levels each month creating decreased or even negative funding from one month to the next for some counties." Because assessed need shifts over the course of the year, it appears that the only way to ensure that funding is limited to Tier I is either to wait until the end of the year to distribute the funding (which imposes a hardship on counties) or, as suggested above, to modify statute to limit funding to Tier I counties.

Supplemental Request, Department Priority January #1
Placeholder for Youth Corrections Average Daily Population

The Department submitted a placeholder for caseload adjustments for the youth corrections population and has indicated its intent to submit the request February 15, 2010. No data or projection was included in the placeholder. However, in the event that the Committee wished to adjust the Purchase of Contract Placements appropriation for the Division of Youth Corrections in the current supplemental, instead of in a Long Bill add-on supplemental, staff has included an analysis and recommendation on the funding that would be required for this line item taking into account the December 2009 Legislative Council Staff (LCS) projection for youth corrections average daily population, as well as other youth corrections adjustments submitted in August that interact with this figure, such as rate reductions.

December 2009 Population Projections: The December 2009 Legislative Council Staff projection for FY 2009-10 is for an average daily population for the commitment population of 1,232, or 57.0 ADP higher than the December 2008 Legislative Council Staff Projection used for the FY 2009-10 Long Bill. The December 2009 projection for the Division of Criminal Justice is also 1,232 for FY 2009-10. **Based on JBC staff calculations, funding to the December 2009 LCS population projection drives $3.1 million in additional General Fund costs.** The details of this calculation are included in an attachment.

The table below reflects the staff recommendation for the Purchase of Contract Placements line item based on current information, if the JBC wishes to include an adjustment in the first supplemental bill or simply to record a number as a placeholder for purchase of contract placements for later action. As shown, the Department's request is for a reduction of $5.7 million in General Fund for this line item; the staff recommendation would be for a reduction of $2.6 million--a difference of $3.1 million

DYC Purchase of Contract Placements Line Item

	Request		**Recommendation if Wish to Proceed in First Supplemental Bill**	
	Total	Net GF	Total	Net GF
FY 2009-10 Long Bill	$42,463,536	$41,695,809	$42,463,536	$41,695,809
Adjustment for 120 percent capacity in state facilities	(4,440,222)	(4,357,099)	(4,443,792)	(4,360,558)
Adjustment for Ridge View Licensing (not caseload adjusted)	0	(748,762)	0	(748,762)
Provider Rate Adjustment	(557,983)	(557,983)	(618,042)	(606,881)
LCS Projection - Committed (+57 ADP)	**pending**	**pending**	**3,183,055**	**3,123,506**
Total	**$37,465,331**	**$36,031,965**	**$40,584,757**	**$39,103,114**
Change from FY 2009-10 Long Bill	($4,998,205)	($5,663,844)	($1,878,779)	($2,592,695)

As reflected above:

- There are minor differences between the staff calculation for the impact of the 120 percent capacity and the Department's figures, due to rounding and slight formula differences;
- In the absence of better data, staff would currently recommend the proposed Ridge View found-split adjustment; however this figure might be somewhat refined in the next month;
- The impact of the provider rate cut in the staff calculation would be slightly higher than the request, due to ADP differences; and
- **An increase in ADP of 57, consistent with the Legislative Council Staff projection, drives an additional funding need of $3,183,055, including $3,123,526 General Fund**. The staff spreadsheet detailing the calculation is attached as Appendix A

Additional notes:

- The basis for delaying the caseload adjustment, from staff's perspective, is the potential that a final ADP figure for FY 2009-10 might be lower than the LCS projection. Notably, the Division's November ADP figures were 1,208.7 for the month and 1,224.2 for year to date (YTD). These figures are considerably lower than the LCS projection of 1,232. It may thus be appropriate to incorporate actual YTD figures into the projection methodology for FY 2009-10.

- The Committee could consider an adjustment to case services FTE to reflect ADP. Using the current Legislative Council Staff ADP figures for commitment and parole would also drive a need for 1.0 additional FTE and about $60,000, based on the Department's new case services ratios. However, staff believes this adjustment could reasonably be foregone for 2009-10 given the current fiscal environment.

- The LCS parole population estimate is lower than the December 2008 projection: an average daily population of 437, rather than 460, or 23 ADP lower, consistent with lower FY 2008-09 actuals. Staff does not know whether the Department will request adjustments related to the reduced parole population, but staff believes a reduction to parole program services, based on the lower ADP, could slightly offset the impact of higher caseload. The parole program services line item is now used broadly for the "continuum of care" initiative and does not serve solely youth on parole. However, if parole program services funding were reduced by 5.0 percent (the overall reduction in the parole population per the LCS estimate), this would only provide savings of about $300,000.

Supplemental Request, Department Priority January #4

Child Care Automated Tracking System (CHATS) Support Contract

	Request	Recommendation
Total- Federal Funds	$62,485	$62,485

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
The Department and staff agree that the request is based on data that was not available when the original appropriation was made (information about training/support needs related to a new IT system.)	

Department Request: The Department requests $62,485 federal funds in FY 2009-10 (annualizing to $214,236 federal funds in FY 2010-11) for training and support contracts for the new Child Care Automated Tracking System (CHATS). The funding requested will be 100 percent federal Child Care Development Fund block grant dollars (state-appropriated federal funds).

The Department is in the process of completing its new CHATS system. It first received an appropriation in the FY 2007-08 Long Bill for a capital construction project to replace CHATS, which supports child care subsidies for low-income Coloradans. The new $14.7 million (federal CCDF funds) system will be piloted starting in late FY 2009-10 and is expected to roll out in early FY 2010-11.

The Department anticipated the need for training as part of system roll-out in its FY 2007-08 request. With the help of the Governor's Office of Information and Technology, it has defined two additional contract functions that are necessary to the successful rollout of the new system. Neither can be postponed until the FY 2010-11 budget cycle as this will cause a delay in CHATS implementation. Any such delay will require a contract extension with the current CHATS contractors (Deloitte and Istonish), resulting in overall project cost increases.

These two functions are as follows:

- CHATS Trainer (contractor) to assist with training providers and county and state level users prior to the beginning of the pilot implementation phase. The trainer, in tandem with Deloitte, will be responsible for development of training and facilitating technical work sessions for over 5,000 statewide providers and county users. The role will increase as Deloitte's work terminates, thus supporting a seamless transition.

- CHATS customer support will respond to additional requests for CHATS user technical assistance. Current staff will not be able to absorb the anticipated increase in requests. Both functions are crucial to the testing, pilot and implementation phases of the system.

Staff Recommendation: Staff recommends the request with the adjustment that the appropriation for these staff is placed in the Department's Office of Information Technology Services, rather than in the Child Care Licensing and Administration line item. Considerations are as follows:

- The additional cost for the additional staff is not excessive in the short-term, when compared with the costs and risks associated with rolling out a new $14.7 million system. Adequate training and system support will be critical to the success of the new system.

- The funding requested is state-appropriated federal block grant funds. Sufficient federal funds are available to cover this increase. The Department states that, for FFY 2009-10, the federal allocation of CCDF funds is $1,181,763 greater than the appropriations included in the Long Bill.

- The staff requested are IT staff, and the Office of Information Technology Services is thus a more appropriate location. JBC staff notes that FY 2010-11 Decision Item #4, which requests ongoing maintenance funding for the new CHATS system, is a request for the Office of Information Technology Services and not in the Division of Child Care.

In Staff also recommends that, starting in FY 2011-12, the positions requested are changed from contract staff to regular FTE positions, with the FTE appropriated in the Governor's Office of Information Technology. Due to the need to move rapidly on these new positions, staff believes the request to hire contract staff is appropriate. However, the Department's request makes clear that the staff requested are needed on an ongoing basis. On an ongoing basis, staff believes the proposed annualized funding of $214,236 is excessive for 2.0 FTE. The contract staff requested are described as the equivalent of a General Professional III position and a Support Coordinator I position, which are not high level positions and should not require this level of funding. Thus, after the system is stabilized (hopefully by the end of FY 2010-11), staff believes the positions should be shifted from contract to FTE and related savings realized.

Supplemental Request, Department Priority January #5
Division of Youth Corrections Technical Corrections

The Department submitted a supplemental to adjust the line items to which reductions were applied in August Supplementals #21 and #23. The request did not change the reduction amounts but merely the line items affected. As a result, staff has incorporated these proposed changes into the description of the requests, and the recommendations, for August Supplementals #21 and #23.

Supplemental Request, Department Priority January #6
Colorado Works Program - Work Participation Rate Reimbursement

	Request	Recommendation
Total - Federal Funds	$5,524,726	$5,524,726

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	YES
The Department and staff agree that the request is based on data that was not available when the original appropriation was made (notice from federal authorities of Colorado's FFY 2006-07 work participation rate .)	

Department Request: The Department of Human Services requests $5,524,726 in federal Temporary Assistance for Needy Families (TANF) funds for FY 2009-10 for the Colorado Works Program, Reimbursements to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement line item. The adjustment will support reimbursements to counties for meeting federal work participation rates, as authorised in statute.

An annual appropriation of $5,524,726 TANF federal funds is provided for Reimbursements to Countries for Prior Year Expenditures Due to Reduction in federal MOE Requirement. However, because the State of Colorado was not notified by the federal government of its work participation rate achievement for FFY 2006-07 until September 2009, the appropriation for FY 2008-09 reverted to the TANF Long-term Works Reserve fund. The current request will double the appropriation for FY 2009-10, allowing for disbursement related to the FFY 2006-07 work participation rate, as well as the FFY 2007-08 work participation rate, during FY 2009-10.

Additional Background: The State budgets for a federal TANF maintenance of effort (MOE) requirement of 80 percent of State and county spending levels in 1995, which equates to $88,395,624. These expenditures come from a variety of sources including the county share of the county block grant, eligible state and county expenditures in child welfare and child care, and early childhood education expenditures in the Department of Education, among others. If the State meets federal work participation requirements for the federal fiscal year, the State is only required to meet an MOE of 75 percent, or $82,870,898. While the State budgets for 80 percent (the $88.4 million), per Section 26-2-714.5, C.R.S., it rebates the remaining 5 percent ($5.5 million) back to counties if the State meets the work participation rate.

There are two federal work participation rates states must achieve: the all-family rate of 50 percent and the two-parent rates of 90 percent. The rate is calculated by dividing the total number of individuals engaged in federally countable work activities for the required number of hours (the numerator) by the total number work-eligible individuals receiving basic cash assistance (the denominator). Federal regulations allow states to apply a caseload reduction credit to its actual achievement rate to help states achieve both rates, e.g., if a state's actual achievement for all families is 30 percent and their credit is 20 percent or greater, the state has met its 50 percent all-family rate. The size of the credit is determined by the actual decline in caseload from FFY 2004-05 to the report year. Colorado has used the credit every year to meet its work participation rates.

Staff Recommendation: Staff recommends the request. As reflected in the request, doubling the FY 2009-10 appropriation for Reimbursements to Countries for Prior Year Expenditures Due to Reduction in federal MOE Requirement is necessary to accommodate both the disbursement originally anticipated for FY 2008-09 and the one anticipated for FY 2009-10. This kind of timing issue has occurred in the past. For example, in FY 2007-08, total appropriations and disbursements from this line item were double the usual amount, while in FY 2008-09, there were $0 disbursements.

Supplemental Request, Department Priority January #7
Colorado Works Program - Adjustment to County Reserve Accounts

	Request	Recommendation
Total - Federal Funds	($33,215,910)	($33,215,910)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforseen contingency.]	**YES**
The Department and staff agree that the request is based on data that was not available when the original appropriation was made (data on the county reserve status as of September 30, 2009).	

Department Request: The Department of Human Services requests a decrease of $33,215,910 in federal funds spending authority for FFY 2009-10 and 2010-11 for the Colorado Works Program, County Reserve Accounts line item. This adjustment is necessary to reflect the actual county reserve balance of $57,393,455 in Temporary Assistance for Needy Families funding that is available to the counties as of September 30, 2009. Pursuant to Section 26-2-714 (5) (a), C.R.S., at the end of each year, counties are authorized to maintain reserve account of county block grant moneys pursuant to rules promulgated by the state department.

The Department provided the following table comparing reserve amounts as of 9/30/08 (used for the FY 2009-10 Long Bill) and 9/30/09. The reserve amounts shown are strictly for the Colorado Works TANF reserves and do not include TANF reserves transferred to child care and child welfare. As shown, overall reserve amounts have fallen by over one-third. Adjustments are most striking for El Paso (large decrease), Denver (large increase), and the total for smaller Colorado counties identified in the "other" category below (large decrease).

Temporary Assistance to Needy Families Colorado Works County Reserve Balance as of September 30, 2009			
County	**Reserve Balance as of 9/30/09 (Most Recent Data)**	**Reserve Balance as of 9/30/08 (Basis FY 2009-10 Long Bill)**	**Difference**
Adams	$5,113,679	$4,243,099	870,580
Arapahoe	6,949,754	8,892,754	(1,943,000)
Boulder	2,945,994	6,768,598	(3,822,604)
Denver	18,698,172	6,531,770	12,166,402
El Paso	919,445	13,374,115	(12,454,670)
Jefferson	4,266,566	7,916,792	(3,650,226)
Larimer	222,604	3,933,664	(3,711,060)
Mesa	3,360,323	5,707,331	(2,347,008)
Pueblo	4,506,189	4,843,444	(337,255)
Weld	1,709,019	2,307,437	(598,418)
Total - Big 10	$48,691,745	$64,519,004	(15,827,259)
Other counties	$8,701,711	$26,090,361	(17,388,650)
Grand Total	**$57,393,456**	**$90,609,365**	**(33,215,909)**

Staff Recommendation: Staff recommends the request, which is designed to more accurately reflect Colorado Works county TANF reserves. The current request for a supplemental adjustment is consistent with how this line item has been managed in recent years, and staff does not believe the approach should be changed on a supplemental basis. There is, further, both county and legislative interest in tracking the size of reserves. Pursuant to Section 26-2-714 (5), C.R.S., the amount of funds counties are allowed to retain of their TANF reserves was set at 70 percent of annual allocations as of the end of FY 2008-09 and is set to decline progressively through FY 2011-12, when reserves retained will be limited to 30 percent of annual allocations.

Beginning in FY 2010-11, staff will likely recommend a modification to how TANF reserve amounts are reflected in the Long Bill. Specifically, staff notes that:

- TANF reserves that are transferred to the Child Care Development Fund block grant or to the Title XX Social Services block grant for child welfare (uses authorized under federal law) are not currently reflected in the Long Bill, even though Section 26-2-714 (5), C.R.S. sets limits on all TANF reserves *including* those transferred by counties to child welfare and child care. As of June 30, 2009, these reserve components comprised $38.3 million (37 percent) of the $104.4 million in TANF reserves (the amount prior to reversions to the state department). If TANF reserves continue to be reflected in the Long Bill, staff believes reserves transferred for child welfare and child care should probably be included in the figure shown.

- It is not clear to staff that county TANF reserves are *required* to be appropriated in the Long Bill, although it may be useful to continue to reflect these amounts for informational purposes. Under federal law, TANF funds are appropriated by state legislatures. However, TANF reserves have already been appropriated once as county block grants. Thus, it is not clear whether amounts that remain in county reserves need to be appropriated for a second time. If amounts are shown purely for informational purposes, this should be clarified in Long Bill letter notes.

The following table details the status of all TANF reserves including child welfare and child care transfers as of June 30, 2009 and compares these to county allocations, based on information provided November 1, 2009 pursuant to RFI #45. Note that this more complete information is from a different point in time than the Department supplemental request.

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Temporary Assistance to Needy Families Budget Statistics FY 2008-09 Actual as of 6/30/09, per RFI 45 Report								
County	**FY 2008-09 Works Allocation***	**Colorado Works County Reserve Balance June 30, 2009, prior to SB 08-77 Impact**	**Balance TANF Funds Transferred to Child Welfare**	**Balance TANF Funds Transferred to Child Care**	**Total TANF Reserves SFY 2008-09, prior to SB 08-177 Impact**	**Reductions Taken pursuant to SB 08-177 Reserve Cap**	**Reserves 6/30/2009 including Works, Child Care, Child Welfare, and SB 08-177 Impact**	**Ratio Reserves 6/30/2009 to FY 2008-09 Works Allocation**
Adams	$12,862,907	$5,113,153	$970,191	608,850	$6,692,194	$0	$6,692,194	52.0%
Arapahoe	13,713,100	8,246,386	0	2,169,457	10,415,843	(1,296,632)	9,119,212	66.5%
Boulder	5,932,537	2,950,861	0	1,927,737	4,878,598	(725,856)	4,152,776	70.0%
Denver	60,181,396	18,694,620	0	3,612,060	22,306,680	0	22,306,680	37.1%
El Paso	5,328,790	2,082,918	7,858,495	5,452,213	15,393,626	(1,163,473)	14,230,153	267.0%
Jefferson	9,666,535	4,424,121	0	0	4,424,121	0	4,424,121	45.8%
Larimer	7,618,084	0	1,387,870	3,907,486	5,295,356	0	5,295,356	69.5%
Mesa	5,302,087	3,205,393	0	0	3,205,393	0	3,205,393	60.5%
Pueblo	5,345,205	4,506,189	0	0	4,506,189	0	4,506,189	84.3%
Weld	6,191,456	1,591,675	0	55,062	1,646,737	0	1,646,737	26.6%
Total - Big 10	$132,142,097	$50,815,316	$10,216,556	17,732,865	$78,764,737	($3,185,961)	$75,578,811	57.2%
Other counties	$19,789,869	$15,331,255	$3,883,067	6,440,632	$25,654,954	($8,993,488)	$16,661,431	84.2%
Grand Total	**$151,931,966**	**$66,146,571**	**$14,099,623**	**24,173,497**	**$104,419,691**	**($12,179,449)**	**$92,240,242**	**60.7%**

*Final FY 2008-09 allocations shown incorporate negotiations between counties during the year that transfer portions of some counties' allocations to other counties. The S.B. 08-177 recisions do not take these adjustments into account when calculating the relationship between counties' allocations and reserve levels.

Supplemental Request, Department Priority January #9
One-time Federal Fund Spending Authority Adjustment

	Request	Recommendation
Total - Federal Funds	$0	$0

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

Department Request: The Department of Human Services, Division of Child Care is requesting a one-time federal funds spending authority adjustment of $900,000 between federal Child Care Development Funds and federal Title XX funds for the Division of Child Care, Child Care Assistance Program appropriation for FY 2009-10. This is a letter note adjustment, with no change to dollar amounts.

The federal funds appropriation for the Child Care Assistance Program line item includes $1.0 million in Title XX funds, with the balance of funds drawn from the federal Child Care Development Fund block grant. At the close of FY 2008-09, the Department transferred $900,000 in Title XX funds from the Division of Child Care to Child Welfare, using its statutory authority for close-of-year transfers. However, due to an accounting error, the $900,000 in Title XX funds was spent *both* in the Division of Child Care *and* in the Division of Child Welfare, leading to the over-use of Title XX funds in FY 2008-09. At the same time, Child Care Development Funds were under-expended in FY 2008-09: the $900,000 restriction on the Child Care Assistance Program line item was incorrectly applied to Child Care Development Funds, rather than the Title XX funds.

The Department believes this situation is best addressed by modifying the FY 2009-10 letter note appropriation for the Division of Child Care to reduce the Title XX appropriation by $900,000 and increase the Child Care Development Fund appropriation by the same amount. The Department states that in the absence of this adjustment, the Division of Child Care's spending authority for Title XX funds will be restricted by $900,000 in FY 2009-10 and it will not be able to make up the difference with federal CCDF funds, even though CCDF funds are available.

Staff Recommendation: Staff recommends the proposed change. The Department is able to "fix" the FY 2008-09 accounting error through an adjustment to the FY 2009-10 appropriation due to the difference in state and federal fiscal years. In effect, the Department spent both its SFY 2008-09 and its SFY 2009-10 Title XX federal allocations during SFY 2008-09. However, because the federal fiscal year crosses SFY 2008-09 and SFY 2009-10, the state is able to correct its FY 2008-09 over-expenditure by spending less Title XX in SFY 2009-10.

Staff notes that, if the Department's close-of-books adjustment had been implemented correctly, the Child Care Assistance Program would have had $900,000 federal funds less available in FY 2008-09. Thus, one Committee option could be to reduce the FY 2009-10 Title XX appropriation *without* making an associated increase in Child Care Development Fund appropriations. However, given that additional CCDF moneys are currently available, and the fact that child care spending appears to be peaking in FY 2009-10, staff believes the proposal to backfill the reduced Title XX funding is reasonable.

Non-Prioritized Supplementals

Supplemental Request, Non-prioritized January Supplemental #S-NP-1
Budget Adjustment to Reflect FY 2009-10 Furloughs

	Request	Recommendation
Total	$619,593	$619,593
General Fund	740,146	740,146
Cash Funds	(72,359)	(72,359)
Reappropriated Funds	432,644	432,644
Federal Funds	(480,838)	(480,838)
Medicaid Cash Funds	*478,599*	*478,599*
Net General Fund	*979,345*	*979,345*

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

Department Request: The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agencies' appropriation in the FY 2009-10 Long Bill (S.B. 09-

259). The net FY 2009-10 impact of the one-time reduction was $26.5 million, of which $16.1 million was General Fund. The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requests an adjustment to the personal services reductions within the FY 2009-10 Long Bill to reflect the actual staffing actions taken within each agency to achieve a decrease of 1.82 percent.

The adjustments for the Department of Human Services, by line item, are reflected in the table below.

Statewide Furlough Impact	Total	General Fund	Cash Funds	Reapprop Funds	Federal Funds	Medicaid RF	Net GF
(1) Executive Director's Office (A) General Administration, Personal Services	($32,962)	($9,847)	($1,749)	($7,365)	($14,001)	($5,678)	($12,813)
(1) Executive Director's Office (A) General Administration, Short Term Disability	(5,862)	(3,400)	(183)	(968)	(1,311)	(753)	(3,776)
(1) Executive Director's Office (A) General Administration, S.B.04-257 Amortization Equalization Disbursement	(75,625)	(43,866)	(2,357)	(12,489)	(16,913)	(9,718)	(48,722)
(1) Executive Director's Office (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	(47,267)	(27,417)	(1,473)	(7,806)	(10,571)	(6,074)	(30,452)
(1) Executive Director's Office, (B) Special Purpose, Office of Performance Improvement	(45,057)	(20,721)	1,285	(8,187)	(17,434)	(6,887)	(24,165)
(1) Executive Director's Office, (B) Special Purpose, Administrative Review Unit	(26,204)	(19,341)	0	0	(6,863)	0	(19,341)
(1) Executive Director's Office, (B) Special Purpose, Records and Reports of Child Abuse or Neglect	(11,217)	0	(11,217)	0	0	0	0
(1) Executive Director's Office, (B) Special Purpose, Juvenile Parole Board	(6,225)	(6,225)	0	0	0	0	(6,225)
(1) Executive Director's Office, (B) Special Purpose, Developmental Disabilities Council	(9,540)	0	0	0	(9,540)	0	0
(1) Executive Director's Office, (B) Special Purpose, Colorado Commission for the Deaf and Hard of Hearing	(6,266)	(1,065)	0	(5,201)	0	0	(1,065)
(1) Executive Director's Office, (B) Special Purpose, CBMS Emergency Processing Unit	(2,637)	(923)	(211)	0	(1,503)	0	(923)
(1) Executive Director's Office, (B) Special Purpose, Health Insurance Portability and Accountability Act of 1996-Security	(6,252)	(4,689)	0	(1,250)	(313)	(1,250)	(5,314)

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Statewide Furlough Impact	Total	General Fund	Cash Funds	Reapprop Funds	Federal Funds	Medicaid RF	Net GF
Remediation							
(2) Office of Information Technology Services, Personal Services	(65,398)	(50,326)	(1,760)	(4,921)	(8,391)	(2,597)	(51,625)
(2) Office of Information Technology Services, Colorado Trails	(44,592)	(24,075)	0	0	(20,517)	0	(24,075)
(2) Office of Information Technology Services, Client Index Project	(4,456)	(2,559)	0	0	(1,897)	0	(2,559)
(2) Office of Information Technology Services, Colorado Benefits Management System (CBMS)	(36,769)	(9,526)	(2,025)	(13,375)	(11,843)	(13,375)	(16,191)
(3) Office of Operations, (A) Administration, Personal Services	(103,065)	(46,308)	(8,948)	(40,159)	(7,650)	(18,096)	(55,356)
(3) Office of Operations, (B) Special Purpose, Buildings and Grounds Rental	(3,620)	0	(3,620)	0	0	0	0
(3) Office of Operations, (B) Special Purpose, State Garage Fund	(1,829)	0	0	(1,829)	0	0	0
(5) Division of Child Welfare, Administration	(24,118)	(12,510)	0	(1,776)	(9,832)	(1,776)	(13,398)
(5) Division of Child Welfare, Foster and Adoptive Parent Recruitment, Training and Support	(2,045)	(1,637)	0	0	(408)	0	(1,637)
(5) Division of Child Welfare, Promoting Save and Stable Families Program	(5,395)	(1,349)	0	0	(4,046)	0	(1,349)
(5) Division of Child Welfare, Federal Child Abuse Prevention and Treatment Act Grant	(5,933)	0	0	0	(5,933)	0	0
(6) Division of Child Care, Child Care Licensing and Administration	(43,594)	(20,265)	(6,217)	0	(17,112)	0	(20,265)
(7) Office of Self Sufficiency, (A) Administration, Personal Services	(12,921)	(30,796)	0	0	17,875	0	(30,796)
(7) Office of Self Sufficiency, (B) Colorado Works Program, Administration	(42,909)	0	0	0	(42,909)	0	0
(7) Office of Self Sufficiency, (B) Colorado Works Program, Promoting Responsible Fatherhood Grant	(6,542)	0	0	0	(6,542)	0	0
(7) Office of Self Sufficiency, (B) Colorado Works Program, County Training	(4,734)	0	0	0	(4,734)	0	0
(7) Office of Self Sufficiency, (B) Colorado Works Program, Domestic Abuse Program	(4,578)	0	(4,578)	0	0	0	0

DEPARTMENT OF HUMAN SERVICES
(Executive Director's Office, County Administration, Child Welfare, Child Care, Self-Sufficiency, Adult Assistance, Youth Corrections)
FY 2009-10 SUPPLEMENTAL RECOMMENDATIONS
JBC WORKING DOCUMENT - SUBJECT TO CHANGE

Statewide Furlough Impact	Total	General Fund	Cash Funds	Reapprop Funds	Federal Funds	Medicaid RF	Net GF
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (1) Low Income Energy Assistance Program	(12,618)	0	0	0	(12,618)	0	0
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (2) Food Stamp Job Search Units, Program Costs	(11,524)	(5,762)	0	0	(5,762)	0	(5,762)
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (3) Food Distribution Program	(14,426)	(1,355)	(6,235)	0	(6,836)	0	(1,355)
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (4) Low-Income Telephone Assistance Program	(1,339)	0	(1,339)	0	0	0	0
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (6) Electronic Benefits Transfer Service	(8,944)	(4,472)	0	0	(4,472)	0	(4,472)
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (7) Refugee Assistance	(5,557)	0	0	0	(5,557)	0	0
(7) Office of Self Sufficiency, (D) Child Support Enforcement, Automated Child Support Enforcement System	(39,911)	(14,141)	1,681	0	(27,451)	0	(14,141)
(7) Office of Self Sufficiency, (D) Child Support Enforcement, Child Support Enforcement	(46,853)	(15,930)	0	0	(30,923)	0	(15,930)
(8) Mental Health and Alcohol and Drug Abuse Services, (A) Administration, Personal Services	(29,016)	(30,607)	4,391	(16,075)	13,275	0	(30,607)
(8) Mental Health and Alcohol and Drug Abuse Services, (A) Administration, Federal Programs and Grants	(18,113)	0	0	0	(18,113)	0	0
(8) Mental Health and Alcohol and Drug Abuse Services, (A) Administration, Supportive Housing and Homeless Program	(41,572)	0	0	0	(41,572)	0	0
(8) Mental Health and Alcohol and Drug Abuse Services (C)Mental Health Institutes, Mental Health Institutes - Ft. Logan	201,100	201,100	0	0	0	0	201,100
(8) Mental Health and Alcohol and Drug Abuse Services (C) Mental Health Institutes, Mental Health Institutes - Pueblo	554,168	554,168	0	0	0	0	554,168
(8) Mental Health and Alcohol and Drug Abuse	11,328	11,328	0	0	0	0	11,328

DEPARTMENT OF HUMAN SERVICES
(Executive Director's Office, County Administration, Child Welfare, Child Care, Self-Sufficiency, Adult Assistance, Youth Corrections)
FY 2009-10 SUPPLEMENTAL RECOMMENDATIONS
JBC WORKING DOCUMENT - SUBJECT TO CHANGE

Statewide Furlough Impact	Total	General Fund	Cash Funds	Reapprop Funds	Federal Funds	Medicaid RF	Net GF
Services (C), General Hospital							
(8) Mental Health and Alcohol and Drug Abuse Services (C), Educational Programs	7,097	7,097	0	0	0	0	7,097
(8) Mental Health and Alcohol and Drug Abuse Services (D), Alcohol and Drug Abuse Division, (1) Administration, Personal Services	(18,360)	(55,055)	2,186	9,022	25,487	0	(55,055)
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (1) Administration, Personal Services	(27,090)	(2,903)	0	(24,187)	0	(24,187)	(14,996)
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (3) Other Community Programs, Federal Special Education Grant for Infants, Toddlers, and Their Families (Part C)	(13,657)	0	0	0	(13,657)	0	0
(9) Services for People with Disabilities, (B) Regional Centers for People with Developmental Disabilities, (1) Medicaid-funded Services, Personal Services	569,484	0	0	569,484	0	569,484	284,741
(9) Services for People with Disabilities, (B) Regional Centers for People with Developmental Disabilities, (2) Other Program Costs, General Fund Physician Services	(2,638)	(2,638)	0	0	0	0	(2,638)
(9) Services for People with Disabilities, (D) Division of Vocational Rehabilitation, Rehabilitation Programs- General Fund Match	(142,971)	(30,443)	0	0	(112,528)	0	(30,443)
(9) Services for People with Disabilities, (D) Division of Vocational Rehabilitation, Rehabilitation Programs- Local Fund Match	(8,286)	0	(290)	(1,475)	(6,521)	0	0
(9) Services for People with Disabilities, (D) Division of Vocational Rehabilitation, Business Enterprise Program for People who are Blind	(8,559)	0	(1,823)	0	(6,736)	0	0
(9) Services for People with Disabilities, (D) Division of Vocational Rehabilitation, Traumatic Brain Injury Trust Fund	(2,597)	0	(2,597)	0	0	0	0
(10) Adult Assistance Programs, (A) Administration	(11,761)	(2,070)	0	(2,082)	(7,609)	0	(2,070)
(10) Adult Assistance Programs, (B) Old Age Pension Program, State Administration	(24,631)	0	(24,631)	0	0	0	0

Statewide Furlough Impact	Total	General Fund	Cash Funds	Reapprop Funds	Federal Funds	Medicaid RF	Net GF
(10) Adult Assistance Programs, (D) Community Services for the Elderly, Administration	(12,191)	(3,243)	0	0	(8,948)	0	(3,243)
(10) Adult Assistance Programs, (D) Community Services for the Elderly, Colorado Commission on Aging	(1,853)	(476)	0	0	(1,377)	0	(476)
(10) Adult Assistance Programs, (D) Community Services for the Elderly, Senior Community Services Employment	(3,219)	0	0	0	(3,219)	0	0
(11) Division of Youth Corrections, (A) Administration, Personal Services	(41,679)	(41,679)	0	0	0	0	(41,679)
(11) Division of Youth Corrections, (B) Institutional Programs, Personal Services	577,879	577,879	0	0	0	0	577,879
(11) Division of Youth Corrections, (B) Institutional Programs, Medical Services	9,629	9,629	0	0	0	0	9,629
(11) Division of Youth Corrections, (B) Institutional Programs, Educational Programs	14,568	10,791	0	3,777	0	0	10,791
(11) Division of Youth Corrections, (C) Community Programs, Personal Services	(88,683)	(84,227)	(649)	(494)	(3,313)	(494)	(84,474)
TOTAL - Human Services	**619,593**	**740,146**	**(72,359)**	**432,644**	**(480,838)**	**478,599**	**979,345**

Previously Approved Interim Supplemental TANF Emergency Fund Initiative

	Previously Approved
Total - Federal Funds	$28,957,513

Description of Supplemental: The JBC approved additional appropriations of federal funds in the amount of $28,957,513 for FY 2009-10 in order to implement programs to mitigate the effects of current economic conditions, create jobs, and draw down all of the federal funding made available by the Temporary Assistance for Needy Families Emergency Fund (TANF) provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). The Committee approved Department proposals to use those funds for purposes of maintaining the safety net for needy families and stimulating the economy, including additional appropriations of $11,250,000 for Hire Colorado (subsidized employment initiative), $4,750,000 for Homelessness Prevention programs (administered in Department of Local Affairs), $4,383,512 for Colorado Refugee Services, and $8,574,001 for Low-income Energy Assistance (LEAP).

The rules governing interim supplementals in Section 24-75-109 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include this supplemental in the Department's supplemental bill.

JBC Staff Initiated Supplemental
Adjustments to Federal Funding for Child Welfare Services and the Child Care Assistance Program

	Request	Recommendation
Total - Federal Funds	N.A.	($2,356,396)

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

Department Request: The Department has not requested this supplemental.

Staff Recommendation: Staff recommends that the Committee adjust FY 2009-10 appropriations in the Division of Child Welfare, Child Welfare Services line item to:

(1) More clearly delineate funding anticipated from the American Recovery and Reinvestment Act, which must be separately tracked under federal rules;
(2) Modify estimated revenue amounts from ARRA for FY 2009-10, based on FY 2008-09 actual data, and reductions proposed to the Child Welfare Services line item; and
(3) Lower estimated revenue from "typical" Title IV-E sources, given FY 2008-09 actual revenue.

Staff also recommends that the Committee adjust FY 2009-10 appropriations for the Division of Child Care, Child Care Assistance Program - ARRA line item.

The table below reflects the proposed adjustments for Child Welfare Services and Family and Children's Programs.

Combined Appropriation for FY 2009-10
Child Welfare Services and Family and Children's Programs

	FY 2009-10 Current Appropriation	Department Requested Supplemental Adjustments Recommended Above	Additional Staff-recommended Adjustments	Recommendation with all adjustments
General Fund	**$200,832,778**	**($5,527,611)**	**$0**	**$195,305,167**
Cash Funds (county funds)	**67,161,526**	**(779,396)**	**0**	**66,382,130**
Reappropriated Funds (Medicaid)	**18,746,950**	**(4,238,722)**	**0**	**14,508,228**
Federal Funds				
Federal Title IV-E	76,313,995	(868,243)	(5,698,777)	69,746,975
Federal Title IV-E ARRA	included above	included above	4,242,851	4,242,851
Title XX	22,690,313	0	0	22,690,313
TANF Block Grant	9,500,000	3,000,000	0	12,500,000
Title IV-B	4,019,549	0	0	4,019,549
Federal Funds total	**112,523,857**	**2,131,757**	**(1,455,926)**	**113,199,688**
Grand Total - Family and Children's Programs and Child Welfare Services	**$399,265,111**	**($8,413,972)**	**($1,455,926)**	**$389,395,213**

The approach used is as follows:

- Assumed that "regular" Title IV-E revenue would come in at the same level received in FY 2008-09, requiring a reduction of $1,455,926 from the base as reduced in the Department-requested supplemental. This reflects an optimistic assumption, as the revised FY 2009-10 appropriation for child welfare services and family and children's programs (total) will be about 1.3 percent below FY 2008-09 actual spending. Further, Title IV-E revenues for FY 2008-09 were 2.0 percent below the prior year's receipts, even though FY 2008-09 appropriations for the Division reflected an *increase* of 2.0 percent over FY 2007-08 levels.

  A more realistic assumption might be a reduction of 2.0 to 4.0 percent from FY 2008-09 receipts, which would drive a reduction of $2.9 to $4.2 million, instead of $1.5 million.

Year-to-date figures (5 months of the year) suggest an even worse scenario: a shortfall of $6.0 million. *Please note that if current lower revenue trends appear to hold at the time of figure setting, staff may recommend that some of the FY 2009-10 shortfall be backfilled with TANF dollars.*[4]

- Assumed that ARRA Title IV-E revenues would be somewhat higher than the $3.9 million included in the Long Bill. The revised estimate of $4,242,851 is based on actual room and board maintenance costs reimbursed for the full year in FY 2008-09 and the increase from 50 percent to 56.2 percent provided by ARRA.

The table below reflects the proposed adjustments for the Division of Child Care, Child Care Assistance Program line items.

FY 2009-10 Division of Child Care, Child Care Assistance Program - ARRA

	FY 2009-10 Current Appropriation	Additional Staff-recommended Adjustments	Recommendation with all adjustments
Child Care Assistance Program - ARRA Funding (FF)	**11,064,462**	**(990,470)**	**10,073,992**

*The Department has requested, and staff recommended, an adjustment in the fund source of $900,000 federal funds. This does not change the total appropriation.

The change to the ARRA line item reflects a technical correction to the ARRA appropriation for direct child care assistance services. As discussed related to a Department request submitted in April 2009, the ARRA stimulus funding provided to Colorado for the Child Care Development Block Grant was $24,312,305. Of this amount, $3,173,850 is required to be spent on quality initiatives, while the balance may be spent on child care subsidies. For FY 2008-09, the General Assembly appropriated, and the Department spent, $11,064,462 for ARRA child care subsidies (Child Care Assistance Program), leaving $10,073,992 available for direct subsidies in FY 2010-11. In light of this, staff recommends a technical correction to reduce funding for direct services to the amount actually available.

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[4]There is no opportunity to backfill with Title XX dollars transferred from Child Care (the action taken by the Department in FY 2008-09 to help address the problem), as, due to an FY 2008-09 error (described under supplemental #9), all Title XX dollars for FFY 2009-10 have already been expended.

Staff notes that, in addition to the ARRA reduction above to the Child Care Assistance Program, staff believes that an increase to the appropriation for ARRA child care quality initiatives may be appropriate. However, for reasons staff does not understand, the Department has not submitted a request for an adjustment of $368,774, to bring the appropriation up to the $3,173,850 level staff had anticipated. In the absence of the request, and explanation of how the Department proposes to use the funding that is more specific than the options included in April 2009, staff is not recommending this adjustment.

	Quality Initiatives	**Child Care Subsidies (CCAP)**
Final Federal Stimulus funds awarded	$3,173,850	**$21,138,456**
FY 2008-09 Appropriation (FY 2009-10 Long Bill add-on)	$0	**$11,064,462**
FY 2009-10 appropriation	$2,805,076	**$11,064,462**
Difference	$368,774	**($990,468)**

Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies. Note: (1) additional common items are covered in other Department of Human Services supplemental packets; (2) there are no FTE changes included in any of the supplemental adjustments below.

Department's Portion of Statewide Supplemental Requests	**Total**	**General Fund**	**Cash Funds**	**Reapprop Funds**	**Federal Funds**	**Medicaid RF**	**Net GF**
Risk Management Reduction of Liability, Property and Workers' Compensation Volatility	($539,018)	($320,629)	($1,516)	($193,655)	($23,218)	($135,008)	($388,133)
Risk Management Contract Review and Reduction	(143,161)	(75,544)	(428)	(60,917)	(6,272)	(42,710)	(96,899)
Mail Equipment Upgrade	(289,070)	(71,806)	(11,041)	(85,838)	(120,385)	(85,215)	(114,067)

Staff Recommendation: The staff recommendation for these requests is pending Committee approval of common policy supplementals. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee approves this**

common policy supplemental. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

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. *Staff does not consider these attractive options, but wishes to make the Committee aware of them.*

Numbering does not indicate priority.

Options with *Appropriation* Impacts	GF	CF	RF	FF	Total	FTE
1 **Further refinance child welfare with TANF block grant funds** The Department has provided data indicating that **up to an additional $7 million** in child welfare services could be refinanced with federal TANF funds. Staff has reflected half of this amount in the table above for purposes of discussion. Using **this option will simply add to the "cliff effect" facing the state's overall TANF funding in future years**. However, it could be used for short-term balancing.	(3,500,000)	0	0	3,500,000	0	
2 **Reduce funding for State Funding for Senior Services** The Executive has not proposed any reductions to state support for the Area Agencies on Aging (AAA). State funding for FY 2009-10 for this line item, which is distributed to the Area Agencies on Aging, is $9.0 million, including $1.0 million General Fund and $8.0 million Old Age Pension cash funds ("off the top" General Fund, which is set in statute). In addition, the AAAs will receive $14.1 million in federal funding, through the State, in FY 2009-10. Thus, the reduction shown would represent a cut of 2.2% for the year (effectively more like 5% if applied in the later half of the year).	(500,000)				(500,000)	
3 **Child Care Councils Reduction** Through H.B. 07-1062, the General Assembly expanded the previous Consolidated Child Care Pilots to additional locations throughout the State (estimated at 30). The bill added $1. million in federal funds and $1 million in General Fund transferred from the Child Care Assistance Program line item. If the Committee wished to take savings in the area of services directed at child care quality it could reduce or eliminate the General Fund portion of this appropriation. Staff does **not** expect this would create a problem related to receipt of additional federal block grant funds under the American Reinvestment and Recovery Act, based on information presently available. Staff notes further that, for FY 2009-10, more than $3.0 million in additional funding for child care quality initiatives is being made available.	(500,000)				(500,000)	

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

DEPARTMENT OF HUMAN SERVICES
Executive Director - Karen Beye

August Supplemental #4 - Elimination Functional Family Therapy					
(5) Division of Child Welfare					
Child Welfare Functional Family Therapy		3,281,941	(3,281,941)	(3,281,941)	0
FTE	N.A.	0.5	(0.5)	(0.5)	0
General Fund		2,632,599	(2,632,599)	(2,632,599)	0
Cash Funds		649,342	(649,342)	(649,342)	0

August Supplemental #5 - Reduction to the Child Welfare Services Block					
(5) Division of Child Welfare					
Child Welfare Services	345,340,609	353,575,261	(8,413,972)	(8,413,972)	345,161,289
General Fund	171,716,693	171,949,309	(2,527,611)	(2,527,611)	169,421,698
Cash Funds	62,775,661	61,947,571	(779,396)	(779,396)	61,168,175
Reappropriated funds	12,872,178	18,746,950	(4,238,722)	(4,238,722)	14,508,228
Federal Funds	97,976,077	100,931,431	(868,243)	(868,243)	100,063,188
*Medicaid Funds**	*13,865,508*	*18,746,950*	*(4,238,722)*	*(4,238,722)*	*14,508,228*
*Net General Fund**	*178,649,447*	*181,322,784*	*(4,646,972)*	*(4,646,972)*	*176,675,812*

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Fiscal Year 2009-10 Supplemental Recommended Change	Fiscal Year 2009-10 Supplemental New Total with Recommendation
August Supplemental #6 - Division of Child Care FTE General Fund Reduction					
(6) Division of Child Care					
Child Care Licensing and Administration	6,280,823	6,810,584	(146,105)	(185,774)	6,624,810
FTE	58.6	67.1	(3.3)	(3.3)	63.8
General Fund	2,431,287	2,377,226	(146,105)	(185,774)	2,191,452
Cash Funds (fees and fines)	626,868	859,539	0	0	859,539
Reappropriated Funds (local funds)	0	0	0	0	0
Federal Funds (CCDF and Title IV-E)	3,222,668	3,573,819	0	0	3,573,819
August Supplemental #7 - Reduce General Fund in Promoting Responsible Fatherhood Grant					
(7) Office of Self Sufficiency, (B) Colorado Works Program					
Promoting Responsible Fatherhood Grant	2,736,972	2,222,222	(150,000)	(150,000)	2,072,222
General Fund	163,917	222,222	(150,000)	(150,000)	72,222
Federal Funds	2,573,055	2,000,000	0	0	2,000,000
August Supplemental #8 - General Fund Reduction to Automated Child Support Enforcement System					
(7) Office of Self Sufficiency, (D) Child Support Enforcement					
Automated Child Support Enforcement System	9,648,817	11,552,799	(400,000)	(400,000)	11,152,799
FTE	34.3	39.9	0.0	0.0	39.9
General Fund	3,239,111	3,783,554	(136,000)	(136,000)	3,647,554
Cash Funds	118,511	424,818	0	0	424,818
Reappropriated Fund	0	0	0	0	0
Federal Funds	6,291,195	7,344,427	(264,000)	(264,000)	7,080,427

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
August Supplemental #11 - Eliminate the Enhanced Mental Health Pilot Services for Detained Youth Program					
(8) Mental Health and Alcohol and Drug Abuse Services, (B) Mental Health Community Programs, Mental Health Services for the Medically Indigent					
Enhanced Mental Health Pilot Services for Detained Youth - General Fund	454,734	507,920	(380,940)	(380,940)	126,980
(11) Division of Youth Corrections, (B) Insitutional Programs					
Enhanced Mental Health Services Pilot for Detention General Fund	260,726	265,927	(199,445)	(199,445)	66,482
Total for Aug. Supplemental #11					
Total - General Fund	715,460	773,847	(580,385)	(580,385)	193,462
August Supplemental #18 - Old Age Pension Cost of Living and Other Adjustments					
(10) Adult Assistance Programs, (B) Old Age Pension Program					
Cash Assistance Program - Cash Funds	82,745,224	95,991,864	(6,127,916)	(6,127,916)	89,863,948

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
August Supplemental #19 - Youth Corrections Reduction in Boulder IMPACT					
(11) Division of Youth Corrections, (C) Community Programs					
Managed Care Pilot Project	1,390,441	1,390,441	(271,421)	(271,421)	1,119,020
General Fund	1,357,105	1,357,105	(271,421)	(271,421)	1,085,684
Reappropriated Funds	33,336	33,336	0	0	33,336
**Medicaid Cash Funds*	*33,336*	*33,336*	*0*	*0*	*33,336*
**Net General Fund*	*1,373,773*	*1,373,773*	*(271,421)*	*(271,421)*	*1,102,352*
August Supplemental #20 - Youth Corrections Increase State Capacity to 120 Percent at State Commitment Facilities					
(11) Division of Youth Corrections					
(B) Insitutional Programs					
Operating Expenses	3,494,857	3,412,311	190,283	190,283	3,602,594
General Fund	2,076,957	2,082,111	190,283	190,283	2,272,394
Reappropriated Funds	0	1,330,200	0	0	1,330,200
Federal Funds	1,417,900	*0*	*0*	*0*	*0*
Medical Services - General Fund	7,934,777	8,017,892	354,489	354,489	8,372,381
FTE	36.2	39.0	0.0	0.0	39.0

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
(C) Community Programs					
Purchase of Contract Placements	42,774,182	42,463,536	(4,440,222)	Delay pending	42,463,536
General Fund	41,274,243	40,928,081	(4,273,976)	caseload adjustment	40,928,081
Reappropriated Funds	1,499,939	1,535,455	(166,246)		1,535,455
Federal Funds	0	0	*0*		*0*
**Medicaid Cash Funds*	*1,499,939*	*1,535,455*	*(166,246)*		*1,535,455*
**Net General Fund*	*42,024,213*	*41,695,809*	(4,357,099)		*41,695,809*
Total for Aug. Supplemental #20	54,203,816	53,893,739	(3,895,450)	544,772	54,438,511
FTE	36.2	39.0	0.0	0.0	39.0
General Fund	51,285,977	51,028,084	(3,729,204)	544,772	51,572,856
Reappropriated Funds	1,499,939	2,865,655	(166,246)	0	2,865,655
Federal Funds	1,417,900	0	0	0	0
**Medicaid Cash Funds*	*1,499,939*	1,535,455	(166,246)	0	1,535,455
**Net General Fund*	*52,035,947*	51,795,812	(3,812,327)	544,772	52,340,584

August Supplemental #21 - Reclassification of Licensing Category of Ridge View - As modified by January Supplemental #5

	FY 2008-09 Actual	FY 2009-10 Appropriation	Requested Change	Recommended Change	New Total with Recommendation
(11) Division of Youth Corrections					
(B) Insitutional Programs					
Medical Services	7,934,777	8,017,892	0	*0*	8,017,892
FTE	36.2	39.0	0.0	*0.0*	39.0
General Fund	7,934,777	8,017,892	(412,083)	(412,083)	7,605,809
Reappropriated Funds	0	0	412,083	412,083	412,083
**Medicaid Cash Funds*	*0*	*0*	*412,083*	*412,083*	*412,083*
**Net General Fund*	*7,934,777*	*8,017,892*	*(206,041)*	*(206,041)*	*7,811,851*

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
Purchase of Contract Placements	42,774,182	42,463,536	0	Delay pending	42,463,536
General Fund	41,274,243	40,928,081	(748,762)	caseload adjustment:	40,928,081
Reappropriated Funds	1,499,939	1,535,455	0		1,535,455
Federal Funds	0	0	*748,762*		*0*
**Medicaid Cash Funds*	*1,499,939*	*1,535,455*	*0*		*1,535,455*
**Net General Fund*	*42,024,213*	*41,695,809*	(748,762)		*41,695,809*
Total for Aug. Supplemental #21	50,708,959	50,481,428	0	0	50,481,428
FTE	36.2	39.0	0.0	0.0	39.0
General Fund	49,209,020	*48,945,973*	(1,160,845)	(412,083)	48,533,890
Reappropriated Funds	1,499,939	*1,535,455*	412,083	412,083	1,947,538
Federal Funds	0	*0*	748,762	0	0
**Medicaid Cash Funds*	*1,499,939*	*1,535,455*	412,083	412,083	*1,947,538*
**Net General Fund*	*49,958,990*	*49,713,701*	(954,803)	(206,041)	*49,507,660*

August Supplemental #22 - Rate Reduction in Cost of Living Adjustment for Contract Services

(11) Division of Youth Corrections

(B) Insitutional Programs

	FY 2008-09 Actual	FY 2009-10 Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Personal Services - General Fund	42,267,224	43,576,875	(15,000)	(15,000)	43,561,875
FTE	779.3	794.3	0	0	794.3
Medical Services - General Fund	7,934,777	8,017,892	(72,489)	(72,489)	7,945,403
FTE	36.2	39.0	0.0	0.0	39.0

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Educational Programs	5,916,443	5,861,480	(45,630)	(45,630)	5,815,850
FTE	35.0	40.8	0.0	0.0	40.8
General Fund	5,353,439	5,521,364	(45,630)	(45,630)	5,475,734
Reappropriated Funds	563,004	340,116	0	0	340,116
Federal Funds	0	0	0	0	0
(C) Community Programs					
Purchase of Contract Placements	42,774,182	42,463,536	(557,983)	Delay pending	42,463,536
General Fund	41,274,243	40,928,081	(557,983)	caseload adjustment	40,928,081
Reappropriated Funds	1,499,939	1,535,455	0		1,535,455
Federal Funds	0	0	0		*0*
**Medicaid Cash Funds*	*1,499,939*	*1,535,455*	*0*		*1,535,455*
**Net General Fund*	*42,024,213*	*41,695,809*	(557,983)		*41,695,809*
Total for Aug. Supplemental #22	98,892,626	99,919,783	(691,102)	(133,119)	99,786,664
FTE	850.5	874.1	0.0	0.0	874.1
General Fund	96,829,683	98,044,212	(691,102)	(133,119)	97,911,093
Reappropriated Funds	2,062,943	1,875,571	0	0	1,875,571
Federal Funds	0	0	0	0	0
**Medicaid Cash Funds*	*1,499,939*	1,535,455	0	0	1,535,455
**Net General Fund*	*97,579,653*	98,811,940	(691,102)	(133,119)	98,678,821

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
August Supplemental #23 - Youth Corrections Reduction in Client Management Positions as modifed by January Supplemental #5					
(11) Division of Youth Corrections					
(C) Community Programs					
Personal Services	7,929,462	8,097,328	(423,600)	(423,600)	7,673,728
FTE	114.3	117.0	(6.4)	(6.4)	110.6
General Fund	7,585,467	7,740,718	(423,600)	(423,600)	7,317,118
Cash Funds	48,850	50,669	0	0	50,669
Reappropriated Funds	44,520	46,008	0	0	46,008
Federal Funds	250,625	259,933	0	0	259,933
**Medicaid Cash Funds*	*44,520*	*46,008*	0	0	46,008
**Net General Fund*	*7,607,727*	*7,763,722*	(423,600)	(423,600)	7,340,122
Operating Expenses	359,898	351,377	(4,560)	(4,560)	346,817
General Fund	357,410	348,929	(4,560)	(4,560)	344,369
Cash Funds	2,488	2,448	0	0	2,448
Total for Aug. Supplemental #23	8,289,360	8,448,705	(428,160)	(428,160)	8,020,545
FTE	114.3	117.0	(6.4)	(6.4)	110.6
General Fund	7,942,877	8,089,647	(428,160)	(428,160)	7,661,487
Cash Funds	51,338	53,117	0	0	53,117
Reappropriated Funds	44,520	46,008	0	0	46,008
Federal Funds	250,625	259,933	0	0	259,933
**Medicaid Cash Funds*	*44,520*	46,008	0	0	46,008
**Net General Fund*	*7,965,137*	8,112,651	(428,160)	(428,160)	7,684,491

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
December Supplemental #1 - Refinance $3,000,000 of Child Welfare Services with TANF					
(5) Division of Child Welfare					
Child Welfare Services	345,340,609	353,575,261	0	0	353,575,261
General Fund	171,716,693	171,949,309	(3,000,000)	(3,000,000)	168,949,309
Cash Funds	62,775,661	61,947,571	0	0	61,947,571
Reappropriated funds	12,872,178	18,746,950	0	0	18,746,950
Federal Funds	97,976,077	100,931,431	3,000,000	3,000,000	103,931,431
*Medicaid Funds**	*13,865,508*	*18,746,950*	*0*	*0*	*18,746,950*
*Net General Fund**	*178,649,447*	*181,322,784*	*(3,000,000)*	*(3,000,000)*	*178,322,784*
December Supplemental #2 - Reduce General Fund in County Tax Base Relief Line Item					
(4) County Administration					
County Tax Base Relief - General Fund	5,652,654	5,652,654	(2,826,327)	(3,543,018)	2,109,636
January Supplemental #1 - Placeholder for Youth Corrections Average Daily Population					
No amounts included - February submission anticipated					

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
January Supplemental #4 - Child Care Automated Tracking System (CHATS) Support Contract					
(2) Office of Information Technology Services					
Child Care Automated Tracking System [new line item]					
Federal Funds (CCDF)	N.A.	N.A.	0	62,485	62,485
(6) Division of Child Care					
Child Care Licensing and Administration	6,280,823	6,810,584	62,485	0	6,810,584
FTE	58.6	67.1	0.0	0.0	67.1
General Fund	2,431,287	2,377,226	0	0	2,377,226
Cash Funds (fees and fines)	626,868	859,539	0	0	859,539
Reappropriated Funds (local funds)	0	0	0	0	0
Federal Funds (CCDF and Title IV-E)	3,222,668	3,573,819	62,485	0	3,573,819
Total for January Supplemental #4	6,280,823	6,810,584	62,485	62,485	6,873,069
FTE	58.6	67.1	0.0	0.0	67.1
General Fund	2,431,287	2,377,226	0	0	2,377,226
Cash Funds	626,868	859,539	0	0	859,539
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,222,668	3,573,819	62,485	62,485	3,636,304

January Supplemental #5 - Division of Youth Corrections Technical Corrections

This supplemental changed the line items proposed to be adjusted by August supplementals #21 and #23, with no change to the requested dollar amounts. See the numbers pages and narrative for these supplementals for further information.

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
January Supplemental #6 - Colorado Works - Work Participation Rate Reimbursement					
(7) Office of Self Sufficiency, (B) Colorado Works Program					
Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement - Federal Funds	0	5,524,726	5,524,726	5,524,726	11,049,452
January Supplemental #7 - Colorado Works Program - Adjustment to County Reserve Account					
(7) Office of Self Sufficiency, (B) Colorado Works Program					
County Reserve Accounts - Federal Funds	37,259,252	90,609,365	(33,215,910)	(33,215,910)	57,393,455
January Supplemental #9 - Child Care - One-time Federal Fund Spending Authority Adjustment					
Child Care Assistance Program	74,968,579	75,618,195	0	0	75,618,195
General Fund	15,354,221	15,354,221			15,354,221
Cash Funds (local funds)	9,201,753	9,183,907			9,183,907
Reappropriated Funds (local funds)	0	0			0
Federal Funds (CCDF and Title XX)	50,412,605	51,080,067			51,080,067

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Fiscal Year 2009-10 Supplemental Recommended Change	Fiscal Year 2009-10 Supplemental New Total with Recommendation
January Supplemental #S-NP-1 - Budget Adjustment to Reflect FY 2009-10 Furloughs					
(see narrative for more detail)	N.A.	N.A	619,593	619,593	N.A
General Fund			740,146	740,146	
Cash Funds			(72,359)	(72,359)	
Reappropriated Funds			432,644	432,644	
Federal Funds			(480,838)	(480,838)	
**Medicaid Cash Funds*			*478,599*	*478,599*	
**Net General Fund*			*979,345*	*979,345*	
Previously Approved Interim Supplemental - TANF Emergency Fund Initiative					
(1) Office of Self-sufficiency					
(B) Colorado Works Program					
TANF-Supported Subsidized Employment					
[new line item] - Federal Funds	n/a	n/a	11,250,000	11,250,000	11,250,000
TANF-Funded Homeless Prevention and Rapid Rehousing Program					
[new line item] - Federal Funds	n/a	n/a	4,750,000	4,750,000	4,750,000
(C) Special Purpose Welfare Programs					
(1) Low Income Energy Assistance	70,175,729	33,795,980	8,574,001	8,574,001	42,369,981
FTE	5.1	6.6	0.0	0.0	6.6
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,149,832	2,149,832	0	0	2,149,832
Federal Funds	68,025,897	31,646,148	8,574,001	8,574,001	40,220,149

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
(7) Refugee Assistance - Federal Funds	5,610,500	4,017,490	4,383,512	4,383,512	8,401,002
FTE	0.3	10.0	0.0	0.0	10.0
Total for TANF Interim Supplemental	75,786,229	37,813,470	28,957,513	28,957,513	66,770,983
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,149,832	2,149,832	0	0	2,149,832
Federal Funds	73,636,397	35,663,638	28,957,513	28,957,513	64,621,151

JBC Staff Initiated Supplemental - Adjust Federal Funding for Child Welfare Services and the Child Care Assistance Program

(5) Division of Child Welfare

	FY 2008-09 Actual	FY 2009-10 Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Child Welfare Services	345,340,609	353,575,261	N.A.	(1,455,926)	352,119,335
General Fund	171,716,693	171,949,309		0	171,949,309
Cash Funds	62,775,661	61,947,571		0	61,947,571
Reappropriated funds	12,872,178	18,746,950		0	18,746,950
Federal Funds	97,976,077	100,931,431		(1,455,926)	99,475,505
*Medicaid Funds**	*13,865,508*	*18,746,950*		0	*18,746,950*
*Net General Fund**	*178,649,447*	*181,322,784*		0	*181,322,784*

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
(6) Division of Child Care					
Child Care Assistance Program - ARRA Fundi	11,064,462	11,064,462		(990,470)	10,073,992
TOTAL - Staff Initiatiated	356,405,071	364,639,723	N.A.	(2,446,396)	362,193,327
General Fund	171,716,693	171,949,309		0	171,949,309
Cash Funds	62,775,661	61,947,571		0	61,947,571
Reappropriated Funds	12,872,178	18,746,950		0	18,746,950
Federal Funds	109,040,539	111,995,893		(2,446,396)	109,549,497
**Medicaid Cash Funds*	*13,865,508*	*18,746,950*		0	18,746,950
**Net General Fund*	*178,649,447*	*181,322,784*		0	181,322,784

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
Totals *Excluding* Pending Items					
Department of Human Services					
Totals for ALL Departmental line items	2,114,535,245	2,180,194,458	(25,264,372)	(23,468,923)	2,156,725,535
FTE	5,431.5	5,578.5	(10.2)	(10.2)	5,568.3
General Fund	684,028,055	670,638,807	(17,539,613)	(12,715,252)	657,923,555
Cash Funds	350,818,183	359,676,315	(7,629,013)	(7,629,013)	352,047,302
Reappropriated Funds	436,616,696	449,135,870	(3,560,241)	(3,393,995)	445,741,875
Federal Funds	643,072,311	700,743,466	3,464,495	269,337	701,012,803
**Medicaid Cash Funds*	*407,638,432*	*423,478,391*	*(3,514,286)*	*(3,348,040)*	*420,130,351*
**Net General Fund*	*885,063,755*	*879,533,126*	*(19,296,856)*	*(14,389,372)*	*865,143,754*
Statewide Common Policy Supplementals in this Packet					
(see narrative for more detail)	N.A.	N.A	(971,249)	Pending	N.A
General Fund			(467,979)		
Cash Funds			(12,985)		
Reappropriated Funds			(340,410)		
Federal Funds			(149,875)		
**Medicaid Cash Funds*			*(262,933)*		
**Net General Fund*			*(599,099)*		

	FY 2008-09 Actual	FY 2009-10 Appropriation	Fiscal Year 2009-10 Supplemental Requested Change	Recommended Change	New Total with Recommendation
Totals *Including* Pending Items					
Department of Human Services					
Totals for ALL Departmental line items	2,114,535,245	2,180,194,458	(26,235,621)	(23,468,923)	3,441,999,640
FTE	5,431.5	5,578.5	(10.2)	(10.2)	5,568.3
General Fund	684,028,055	670,638,807	(18,007,592)	(12,715,252)	657,923,555
Cash Funds	350,818,183	359,676,315	(7,641,998)	(7,629,013)	352,047,302
Reappropriated Funds	436,616,696	449,135,870	(3,900,651)	(3,393,995)	445,741,875
Federal Funds	643,072,311	700,743,466	3,314,620	269,337	701,012,803
**Medicaid Cash Funds*	*407,638,432*	*423,478,391*	(3,777,219)	(3,348,040)	420,130,351
**Net General Fund*	*885,063,755*	*879,533,126*	(19,895,955)	(14,389,372)	865,143,754

Key:
N.A. = Not Applicable or Not Available

Table 1 - Legislative Council Staff December 2009 Projections for FY 2009-10	Commitment	Detention	Total
Forecasted Beds	1,232.0	479.0	1,711.0
Minus Boulder Impact	(7.0)		(7.0)
Minus State Capacity*	(514.2)	(447.3)	(961.5)
Contract Beds	**710.8**	**31.7**	**742.5**

100 % commitment capacity	434.5
110% capcity	478.0
120% capcity	521.4
2 mos 110%; 10 mos 120%	514.2

* Includes a reduction of 46 beds related to realignment at Lookout Mountain. Is based on 120 percent capacity for 10 months and 110 capacity for 2 months

Table 2 - Estimated Need Based on LCS Projections

	Contract Beds	Estimated Rate	General Fund	Medicaid CF	Federal Funds	Total	*Net GF*
PRTF (0.0%)	0.0	$385.00	0	0	0	0	*0*
TRCCF (30.94%) Treatment	219.9	$175.26	14,066,981	0	0	14,066,981	*14,066,981*
TRCCF (30.94%) Fee-for-Service		$18.54	0	1,488,085	0	1,488,085	*744,043*
CPA (2.23%)	15.9	$103.45	600,372	0	0	600,372	*600,372*
RCCF (66.83%)	475.1	$135.48	23,493,790	0	0	23,493,790	*23,493,790*
Total Commitment Beds	**710.9**		**38,161,143**	**1,488,085**	**0**	**39,649,228**	**38,905,186**
Detention Beds	31.7	$134.27	1,553,571	0	0	1,553,571	*1,553,571*
DYC Continuation Adjusted for Caseload			**39,714,714**	**1,488,085**	**0**	**41,202,799**	***40,458,757***
Ridge View Adjustment			(748,762)	0	748,762	0	*(748,762)*
Provider Rate Change (1.5% = 2.0% for 9 months)			(595,721)	(22,321)	0	(618,042)	*(606,881)*
JBC Staff Recommendation			**38,370,231**	**1,465,764**	**748,762**	**40,584,757**	***39,103,114***

Assumptions:

1. Assumes the December 2009 Legislative Council Staff (LCS) projection of 1,232 commitment beds for FY 2009-10.
2. Estimated beds for Boulder Impact Project reflect January 2009 DYC estimated capacity for FY 2009-10.
3. Assumes 479 detention beds pursuant to Section 19-2-1201, C.R.S. Of these, 448 are in state-operated facilities.
4. Assumes contract rates provided by the Division of Youth Corrections as a part of its FY 2009-10 bed plan as amended in February 2009 with rate reduction effective 9 mos in 2009-10.
5. The percentage of PRTF, TRCCF, and RCCF placements, as a percent of total commitment beds, is based on the estimated ratio provided by the Division of Youth Corrections as a part of its budget request for FY 2009-10.