MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee
FROM	JBC Staff
DATE	January 25, 2019
SUBJECT	Staff Comebacks for Monday, January 28

Please find attached the following memorandums for Joint Budget Committee staff comebacks associated with FY 2018-19 supplemental budget requests.

- Capital Construction (Alfredo Kemm): Interim Supplemental
- Governor (Kevin Neimond): Office of the Governor's January 15th Supplemental Requests
- Human Services (Robin Smart): Child Welfare Provider Rate Funding
- Judicial (Steve Allen): Additional Probation Funding

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee
FROM	Alfredo Kemm, JBC Staff (303.866.4549)
DATE	January 28, 2019
SUBJECT	Supplemental Comeback – Capital Construction Interim Supplemental #1

Staff failed to include interim supplemental, IS1 in the Capital Construction supplemental document. This interim supplemental request was submitted and approved by the Committee in June 2018.

Interim supplemental request #1 was to change the scope of the project for the FY 2017-18 appropriation for the Governor's Office of Information Technology, Public Safety Network Projects to allow for the acquisition of property. The interim supplemental document is attached for reference.

Staff requests the Committee's permission to include this supplemental in the Capital Construction supplemental bill. Staff will reflect the following amended project name: Public Safety Network Projects Including Property Acquisition.

JOINT BUDGET COMMITTEE

INTERIM SUPPLEMENTAL BUDGET REQUESTS FY2017-18

CAPITAL CONSTRUCTION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
ALFREDO KEMM, JBC STAFF
JUNE 20, 2018

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INTERIM SUPPLEMENTAL REQUESTS

INTERIM SUPPLEMENTAL #1 (FY 2017-18), CAPITAL CONSTRUCTION, GOVERNOR, OFFICE OF INFORMATION TECHNOLOGY, PUBLIC SAFETY NETWORK PROJECTS

	REQUEST	RECOMMENDATION
TOTAL	**$0**	**$0**
Capital Construction Fund/General Fund	0	0
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]	**YES**
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 unforeseen contingency.]	**YES**

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Governor's Office of Information Technology requests a non-monetary, change of scope for the project to include the purchase or lease of real estate, buildings, or property necessary to the operation or development of the Digital Trunked Radio System.

CDC APPROVAL: The Capital Development Committee approved the request for a change of scope.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The Governor s Office of Information Technology (OIT) plans to acquire a 1.5-acre parcel of land with a 120-foot tall wireless tower and 3,672-square-foot accessory building in fee simple title at Cedar Point, about 15 miles northwest of Limon. The proposed price for purchasing the property is $365,000. The property will be operated and maintained by OIT, and integrated into the state's Digital Trunked Radio System (DTRS). House Bill 18-1373 authorizes the Chief Information Officer to purchase real estate for the state telecommunications network "subject to the budget request requirements set forth in Sections 2-3-308 and 24-37-304 (1)(c.3), and subject to appropriation by the General Assembly". However, the scope of this project includes acquisition of DTRS equipment and associated services only, and not real estate, so money appropriated for this project cannot be used to acquire the Cedar Point property. Expanding the scope of the project to include real estate acquisition will allow the transaction to go forward.

OIT reports that a tower was constructed in New Raymer on land owned by the State. The tower site construction cost for building and tower cost $1.6 million. The Cedar Point purchase, in comparison, will cost $365,000.

Staff recommends the Committee approve the change of scope to allow for purchase of real estate within the existing project appropriation of $10.3 million Capital Construction Fund. At this time, staff does not recommend an adjustment to the project appropriation.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee Members
FROM	Kevin Neimond, JBC Staff (303-866-4958)
DATE	January 28, 2019
SUBJECT	Office of the Governor's January 15th Supplemental Requests

The Office of the Governor submitted two supplemental budget requests for FY 2018-19 to the Joint Budget Committee on January 15th. Due to timing, these requests were not included in staff's supplemental recommendations document presented to the Committee on January 16th. These two requests are detailed below and include staff's recommendations.

S1 LT. GOVERNOR'S OFFICE RESTRUCTURE

	REQUEST	RECOMMENDATION
TOTAL	**$100,820**	**$67,500**
FTE	0.8	0.8
General Fund	100,820	67,500
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[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 unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of information that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Lieutenant Governor's Office requests an increase of $100,820 General Fund and 0.8 FTE for FY 2018-19 to cover the costs associated with the operation of the Office of Saving People Money on Health Care recently created by Governor Polis via executive order. This request annualizes to $246,912 General Fund and 1.5 FTE for FY 2019-20. These funds would be used to increase the Lieutenant Governor's salary for concurrently serving as the Director of the Office of Saving People Money on Health Care and to add two support positions for this new unit.

STAFF RECOMMENDATION: Staff recommends that the funds requested to increase the Lieutenant Governor's salary for FY 2018-19 be included in an appropriations clause in pending legislation authorizing the Lieutenant Governor to serve concurrently as the Director of the Office of Saving People Money on Health Care. Additionally, staff recommends that the Committee include an appropriation of $67,500 General Fund and 0.8 FTE in the FY 2018-19 supplemental bill for the Office of the Governor to fund two support positions for the Office of Saving People Money on Health Care.

STAFF ANALYSIS: On January 23rd Governor Polis signed executive order B 2019 003[1] creating the Office of Saving People Money on Health Care within the Office of the Governor. The aim of this unit is to "work with the Governor to implement policies that will lower health care costs while ensuring all Coloradans have access to affordable, quality care." This agency will be led by the Lieutenant Governor, who will concurrently fulfill her lieutenant governor duties and the leadership duties for the Office of Saving People Money on Health Care.

Statutory change is required to allow for a lieutenant governor to also serve as the Director of the Office of Saving People Money on Health Care. Current law, as defined in Sections 24-1-108 (2)(a and b), C.R.S., allows for a lieutenant governor to serve concurrently as the head of a principal department, as defined in Sections 24-1-110 (1)(a through x), C.R.S. Additionally, Section (1)(b)(III), C.R.S. allows for the salary of a lieutenant governor to be increased to a level commensurate with that of a head of a principal department. The Office of Saving People Money on Health Care, however, is not a principal department. House Bill 19-1127[2] (Lieutenant Governor Concurrent State Service) amends current law to allow for a lieutenant governor to serve concurrently as the Director of the Office of Saving People Money on Health Care and to increase a lieutenant governor's salary to an amount commensurate with the Director of the Office of Saving People Money on Health Care. The legislation does not contemplate the salary to be paid to the Director of the Office of Saving People Money on Health Care. Note, H.B. 19-1127 is scheduled for its first hearing in the House Health and Insurance Committee on February 6th.

The Office of the Governor requests an increase for the Lieutenant Governor's salary from $93,360 to $160,000 to concurrently serve as the Director of the Office of Saving People Money on Health Care. The ½ fiscal year impact of this request is $33,320 General Fund for FY 2018-19. Additionally, the Office of the Governor requests that this appropriation be included in the supplemental bill in the Lieutenant Governor's budgetary division.

Staff recommends against including funding for the Lieutenant Governor's salary increase in the supplemental bill. The supplemental bill for the Office of the Governor makes adjustments to appropriations for purposes authorized in current law. The ability for the Lieutenant Governor to serve as the Director of the Office of Saving People Money on Health Care is not current law. Accordingly, staff recommends that the funds requested be added as an appropriations clause in H.B. 19-1127. The Committee may wish to set aside $33,320 General Fund for FY 2018-19 and $66,640 for FY 2019-20 for this purpose. Additionally, staff recommends that this appropriations clause be provide money to the Office of the Governor's budgetary division rather than the Lieutenant Governor's budgetary division because Governor Polis' executive order creates the Office of Saving People Money on Health Care within the Office of the Governor, not the Lieutenant Governor's Office.

The Office of the Governor also seeks $67,500 General Fund and 0.8 FTE for FY 2018-19 to add two support positions to the Office of Saving People Money on Health Care. This request annualizes to $180,272 General Fund and 1.5 FTE for FY 2019-20. The Office of the Governor requests that this appropriation be included in the supplemental bill in the Lieutenant Governor's budgetary division. These two positions, a Health Care Manager (1.0 FTE) and a Health Care Coordinator (0.5 FTE), would be tasked with providing policy, research, logistical, administrative, and operational support to the Lieutenant Governor and the Governor to develop and implement plans to reduce the cost of health care. Staff recommends that the Committee add funding for these positions in the

[1] https://www.colorado.gov/governor/sites/default/files/b_2019_003_-_saving_people_money_on_healthcare.pdf
[2] http://leg.colorado.gov/sites/default/files/documents/2019A/bills/2019a_1127_01.pdf

supplemental bill, as requested, but appropriate the funds to the Office of the Governor's budgetary division rather than the Lieutenant Governor's budgetary division due to the location of the Office of Saving People Money on Health Care.

It is staff's opinion that adding these two positions does not require statutory changes. The new unit is housed in the Office of the Governor and, pursuant to Article XII, Section 13(2)(a) of the Colorado Constitution, employees in the Office of the Governor "whose functions are confined to such offices and whose duties are concerned only with the administration thereof" are hired or released from employment outside of the regulations governing the state personnel system. This provides Governor Polis the flexibility to add positions, such as the two sought in this supplemental request, to assist in the administration of his duties when appropriations made by the General Assembly support such staffing changes. Staff recommends that the Committee consult with the Office of Legislative Legal Services if concerns exist that the requested positions fall outside of the bounds of staff's interpretation of the Governor's constitutional hiring authority.

On a final note, staff is concerned that any future analysis of the return on investment of funds appropriated by the General Assembly to the Office of Saving People Money on Health Care is hampered by the lack of statutory guidance on the responsibilities of the Office. House Bill 19-1127 does not create the Office in law, nor does it define its duties, powers, and functions. Without these parameters in law, it is challenging for the General Assembly to assess the efficacy of the Office's endeavors to determine if funding should be continued, increased, or decreased in future years. The Joint Budget Committee may wish to consult with the bill sponsors of H.B. 19-1127 (Garnett and Lontine/Fenberg and Fields) to consider if it is preferable to create the Office and delineate its duties, powers, and functions in statute or preferable to allow the executive branch to designate the responsibilities of the new unit via executive order.

S2 DIRECTOR OF OPERATIONS AND CABINET AFFAIRS ROLE

	REQUEST	RECOMMENDATION
TOTAL	**$60,000**	**$0**
FTE	0.5	0.0
General Fund	60,000	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[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 unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of information that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Office of the Governor requests an increase of $60,000 General Fund and 0.5 FTE for FY 2018-19 to replace the role of the state's Chief Operating Officer with a Director of Operations and Cabinet Affairs position. This request annualizes to $154,075 General Fund and 1.0 FTE for FY 2019-20.

STAFF RECOMMENDATION: Staff recommends that the Committee deny this request.

STAFF ANALYSIS: House Bill 16-1482[3] (Lieutenant Governor As Governor's Office Appointee) allowed the Lieutenant Governor to serve as the state's Chief Operating Officer through the end of Governor Hickenlooper's term of office (January 10, 2019) and at combined salary commensurate with the annual salary paid for the position of head of the principal department. The fiscal note for H.B. 16-1482 estimated the combined annual salary for the Lieutenant Governor's joint role as the Lieutenant Governor and the state's Chief Operating Officer to be approximately $150,000. The legislation did not include an appropriation for $81,500 to cover the amount between the Lieutenant Governor's salary of $68,500, and her anticipated salary of $150,000 because it was to be paid from existing appropriations. Subsequently, this gap in funding was covered by the Office of the Governor's "Administration of Governor's Office and Residence" line item.

While Governor Polis is not continuing the position of state's Chief Operating Officer in his administration, he has replaced this role with a similar position called Director of Operations and Cabinet Affairs that is decoupled from the Lieutenant Governor. The Director of Operations and Cabinet Affairs, who reports to the Governor's Chief of Staff, is tasked with serving as the liaison to cabinet members and the Office of State Planning and Budgeting to ensure that the Governor's agenda and priorities are carried out effectively and on schedule. Additionally, this role is involved in executive branch performance monitoring, process and operational improvement, and talent development initiatives. The Office of the Governor requests an increase of $60,000 General Fund and 0.5 FTE in the "Administration of Governor's Office and Residence" line item to pay the salary of the Director of Operations and Cabinet Affairs for the remainder of FY 2018-19. For FY 2019-20, the Office requests $154,075 General Fund and 1.0 FTE for the full fiscal year salary and benefits costs of the position.

Staff recommends denying this request to provide additional funding to the Office of the Governor for the Director of Operations and Cabinet Affairs position for two reasons. First, it is staff's opinion

[3] http://leg.colorado.gov/sites/default/files/2016a_1462_signed.pdf

that this position is of value to the Governor and to the executive branch and should be funded. However, staff believes that this role should be funded within existing appropriations made to the "Administration of Governor's Office and Residence" line item for FY 2018-19 ($3.7 million total funds, including $3.0 million General Fund, and 32.4 FTE). Pursuant to Article XII, Section 13(2)(a) of the Colorado Constitution, employees in the Office of the Governor "whose functions are confined to such offices and whose duties are concerned only with the administration thereof" are hired or released from employment outside of the regulations governing the state personnel system. Therefore, if employing a Director of Operations and Cabinet Affairs is of value to the Governor, as staff concurs that it is, the Office should use its constitutionally-authorized staffing flexibility to restructure staffing levels, functions, and allocations of existing funds to incorporate this new position.

Second, the former Lieutenant Governor's duties as the state's Chief Operating Officer were funded within existing appropriations included in the "Administration of Governor's Office and Residence" line item. This appropriation was not reduced in the FY 2018-19 Long Bill to account for the ½ fiscal year impact of the Lieutenant Governor's term. Thus, it is staff's opinion that funds are available in the existing appropriation in the "Administration of Governor's Office and Residence" line item to cover the majority of costs of the Director of Operations and Cabinet Affairs for FY 2018-19. The remainder of any funds needed to cover the salary of the new position can be obtained using the Office's aforementioned constitutionally-authorized staffing flexibility to adjust the Office's structure to best serve the Governor's priorities within existing appropriations.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Robin J. Smart, JBC Staff (303-866-4955)
DATE	January 28, 2019
SUBJECT	Supplemental Comebacks – Department of Human Services, Child Welfare Provider Rate Funding

Below is the Joint Budget Committee (JBC) staff-initiated recommendation for an increase in the appropriation to the Child Welfare Services line item through the Department of Human Services' supplemental bill (as presented to the Committee on January 16, 2019). If approved, the increase will be ongoing and is $4.9 million total funds, including $2.4 million General Fund.

The decisions regarding the implementation of the S.B. 18-254 rate increases fall within the purview of the Department; however, implementation decisions made by the Department will impact annual budget requests through FY 2021-22. JBC staff's FY 2018-19 supplemental recommendation is based on calculations that include a constant ratio of rate increases between Child Placement Agencies (CPAs) and county foster homes, as indicated in the Department's original cost break down.

JBC staff does not believe that it will be possible to retroactively adjust rates for CPAs and Residential Child Care Facilities (RCCFs) to the beginning of the fiscal year; however staff does believe that rates can be appropriately increased for each provider type as of February 1, 2019. JBC staff recommends that the Department work with CPAs, RCCFs, and counties to determine the most effective and equitable way to increase the provider rates pursuant to S.B. 18-254 in a way that is consistent with the rate-setting methodology and plan to incrementally increase provider rates as developed by Public Consulting Group, Inc. Finally, JBC staff suggests that the Department, CPAs, RCCFs, and counties discuss the feasibility of establishing unique out of home placement rates for children with intellectual and developmental disabilities and for children with severe mental health needs.

DEPARTMENT REQUEST: The Department did not request this adjustment.

STAFF RECOMMENDATION: JBC staff recommends an increase of $4,908,507 total funds, including $2,356,084 General Fund, to provide funding to increase county foster care and kinship care provider rates consistent with provider rate increases for congregate care providers implemented pursuant to S.B. 18-254 (Child Welfare Reforms).

In addition, JBC staff recommends that the Committee approve the addition of a footnote to the FY 2018-19 Long Bill indicating that it is the intent of the General Assembly that $4,908,507 appropriated to the Child Welfare Services line item through the supplemental bill be used to fund increases to county foster and kinship care provider rates consistent with increases to congregate care foster care rate increases applied pursuant to S.B. 18-254 (Child Welfare Reforms). Staff requests permission to work with the Office of Legislative Legal Services on the language of the footnote.

STAFF ANALYSIS:

In FY 2017-18, there were 10,207 children in out-of-home placement settings, including Residential Child Care Facilities (RCCF), Child Placement Agencies (CPA); group homes; group centers; and family foster homes. Foster homes can be contracted through both CPAs and counties. CPAs and RCCFs are non-county administered out-of-home placement settings that provide acute care for children with identified medical, developmental, and/or behavioral needs. Counties contract with these agencies at specified daily rates that pay for services for the child and the overhead costs associated with the placement. During the 2017 legislative session, the Joint Budget Committee sponsored H.B. 17-1292 concerning the development of a rate-setting methodology for licensed out-of-home child welfare placement providers, including CPAs and RCCFs. The language in H.B. 17-1292 was drafted through a large stakeholder input process and was supported by county human services agencies, county commissioners, CPAs, and RCCFs. The intent of this bill was to begin the process of addressing capacity issues that exist in the child welfare system, and to provide a concise method through which an evaluation of the true cost of providing services to children placed in CPAs and RCCFs could occur. The department contracted Public Consulting Group, Inc., (PCG) to perform the actuarial and salary analyses required by the bill. The analysis was based on FY 2016-17 data and adjusted for FY 2018-19 projected expenditures for the same number of placements. The costs were projected to be $77.3 million if counties continued to negotiate rates at the same level as FY 2016-17. PCG concluded that if congregate care providers were paid a daily rate sufficient to fully cover the cost of serving children with the highest acuity, counties will need to spend $52.0 million more than the $77.3 million already accounted for.

In addition to the salary survey and actuarial analysis, H.B 17-1292 required the outside contractor hired by the Department to develop a rate setting methodology to ensure that congregate care providers are paid a rate consistent with the findings of the actuarial analysis. It also required the Department to implement the new rate setting methodology on July 1, 2018. Because the bill did not include additional funding to implement the new methodology, fully implementing the new rates would have resulted in a shift of $52.0 million of funding allocated to counties through the Child Welfare Block allocation from prevention and intervention services to out-of-home/congregate care placements. While it is important for children placed in congregate care settings to have access to the services they need, this funding shift would have resulted in a reduced capacity in the prevention/intervention portion of the system.

The Joint Budget Committee sponsored S.B. 18-254 during the 2018 legislative session to make significant changes to the child welfare system. These changes included adjustments to the language in statute concerning the implementation of the rate setting methodology required by H.B. 17-1292, ensuring that **rate increases will be accomplished "within available appropriations" and fully implemented by June 30, 2022.** The bill includes language allowing the Department to request additional funding for the implementation of the rate setting methodology through a supplemental bill, if necessary. Supplemental budget requests to increase rates are allowable through FY 2021-22. Senate Bill 18-254 included an appropriation of $14.6 million to increase rates for congregate care providers in FY 2018-19.

The Department has implemented rate increases consistent with the bill, except that the Department used a portion of the funding to increase county foster and kinship rates as well as increasing congregate care provider foster rates. Rate increases are consistent with upcoming changes to out-of-home placement regulations that are required by the Family First Prevention Services Act of 2018

(FFPSA). No rate increases were applied to settings for which federal Title IV-E reimbursement will be unavailable under the FFPSA. Fiscal year 2018-19 rate increases included the following:

- Child Placement Agency, Administration - $0.8 million;
- Child Placement Agency, Child Maintenance - $6.7 million;
- County Foster Care/Kinship Care – $3.7 million;
- Group Home - $0;
- Group Center - $0;
- Accredited Residential Child Care Facility - $3.3 million;
- Non-accredited Residential Child Care Facility - $0.

The cost of increasing rates for placements in county foster care and kinship care settings were not included in the actuarial analysis required by H.B. 17-1292; and because the appropriation in S.B. 18-254 is directly linked to the actuarial analysis, funding from that bill should not have been applied to county foster care/kinship care rates. It was necessary, however, to increase these rates consistent with the congregate care rate increases because county foster care rates are linked to the CPA foster care rates in the Trails system. This presents a challenge in terms of implementing the rate increases required by S.B. 18-254, as the full cost of rate increases (congregate care providers plus county foster/kinship providers) will exceed the $52.0 million identified in the actuarial analysis. In order to better plan for appropriations in the future, it will be necessary for the Department to estimate the cost of increasing county foster rates consistent with CPA foster rates.

Although JBC staff discussed this issue with the Department prior to the start of the 2019 legislative session, a supplemental budget request to address the funding shortfall was not included in the January 2, 2019 submission from the Governor's Office. This is concerning for two reasons: 1) the Department implemented rate increases inconsistent with the provisions in S.B. 18-254 (Child Welfare Reforms), which provided $14.6 million total funds ($7.0 million General Fund) for congregate care provider rate increases; and 2) without additional funding to increase county rates consistent with congregate care rates, counties would have had to absorb the cost of rate increases for county foster/kinship care. JBC staff estimates the cost of increasing county foster/kinship care rates at $4.9 million total funds ($2.4 million General Fund) in FY 2018-19.

FY 2018-19 CHILD WELFARE PROVIDER RATE INCREASES
(PURSUANT TO S.B. 18-254)

TYPE	DEPARTMENT IMPLEMENTATION (WHAT ACTUALLY HAPPENED)	S.B. 18-254 IMPLEMENTATION (JBC STAFF ESTIMATES)[1]	INCREASE IN COUNTY FOSTER/KINSHIP CARE (ADDITIONAL COST NOT FACTORED INTO S.B. 18-254)	TOTAL COST (S.B. 18-254 PLUS COUNTY FOSTER/ KINSHIP)[1]	VARIANCE BETWEEN S.B. 18-254 AND TOTAL COST[1]
Child Placement Agency, Administration	$776,789	$1,038,243	$0	$1,038,243	**$261,454**
Child Placement Agency, Child Maintenance	6,860,844	9,170,090	0	9,170,090	**2,309,246**
County Foster Care/Kinship Care	3,672,429	0	4,908,507	4,908,507	**1,236,078**
Group Home	0	0	0	0	**0**
Group Center	0	0	0	0	**0**
Accredited Residential Child Care Facility	3,273,272	4,375,001	0	4,375,001	**1,101,729**

FY 2018-19 CHILD WELFARE PROVIDER RATE INCREASES (PURSUANT TO S.B. 18-254)					
TYPE	DEPARTMENT IMPLEMENTATION (WHAT ACTUALLY HAPPENED)	S.B. 18-254 IMPLEMENTATION (JBC STAFF ESTIMATES)[1]	INCREASE IN COUNTY FOSTER/KINSHIP CARE (ADDITIONAL COST NOT FACTORED INTO S.B. 18-254)	TOTAL COST (S.B. 18-254 PLUS COUNTY FOSTER/ KINSHIP)[1]	VARIANCE BETWEEN S.B. 18-254 AND TOTAL COST[1]
Non-Accredited Residential Child Care Facility	0	0	0	0	**0**
TOTAL	$14,583,334	$14,583,334	$4,908,507	$19,491,841	**$4,908,507**

[1] Note: Implementation of legislation is a function of the Department and not within the purview of the General Assembly. Calculations in this column represent one option of many.

Fund splits for the increased appropriation are as follows:

FY 2018-19 CHILD WELFARE PROVIDER RATE INCREASES APPROPRIATION FUND SPLITS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
Total Cost	$19,491,841	$9,356,084	$3,898,368	$0	$6,237,389
S.B. 18-254 appropriation	14,583,334	7,000,000	2,916,667	0	4,666,667
STAFF RECOMMENDED INCREASE IN LONG BILL APPROPRIATION TO CHILD WELFARE SERVICES LINE ITEM	**$4,908,507**	**$2,356,084**	**$981,701**	**$0**	**$1,570,722**

In addition to the increased funding, JBC staff recommends that the Committee approve a footnote in the FY 2018-19 Long Bill indicating that it is the intent of the General Assembly that $4,908,507 appropriated to the Child Welfare Services line item through the supplemental bill be used to fund increases to county foster and kinship care provider rates consistent with increases to congregate care foster care rate increases applied pursuant to S.B. 18-254 (Child Welfare Reforms). This will allow the full $14.6 million appropriation in S.B. 18-254 to be available for rate increases for CPAs and RCCFs. Staff requests permission to work with the Office of Legislative Legal Services on the language of the footnote.

Although JBC staff recommends an increase in appropriation to the Child Welfare Services line item to account for increases in county foster and kinship care provider rates, it is important to note that under the current implementation methodology, failing to increase the appropriation will NOT result in a negative impact to county allocations or budgets. It will, however, result in a lesser increase to CPAs and RCCFs than should have been applied when S.B. 18-254 was implemented. The rate increases for each provider type were calculated and applied through a methodology that ensured that the total cost of increases did not exceed the $14.6 million appropriation provided in S.B. 18-254.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Steve Allen, JBC Staff (303-866-4961)
DATE	Jan 28, 2018
SUBJECT	Additional reappropriated funds for treating probationers convicted of drunk driving

This memo presents an additional FY 2018-19 supplemental request from the Judicial Department for extra reappropriated funds for treating probationers convicted of drunk driving.

	REQUEST	RECOMMENDATION
TOTAL	**$300,000**	**$300,000**
FTE	0.0	0.0
Reappropriated Funds	300,000	300,000

Staff believes that this request satisfies the JBC's supplemental criteria (it is based on data that was not available when the original appropriation was made) and the statutory requirements for supplementals submitted after January 2.[1]

DEPARTMENT REQUEST: The Judicial Department requests that the Committee provide it with $300,000 of one time additional spending authority for FY 2018-19 so it can spend extra reappropriated funds that have become available from the Department of Human Services (DHS) for treating probationers who have been convicted of drunk driving and are unable to pay for required treatment or intervention services.

STAFF RECOMMENDATION: Staff recommends that the Committee approve this request and increase the FY 2018-19 appropriation for *Offender Treatment and Services* in the Judicial Department's Probation Division by $300,000 reappropriated funds. This is a one-time increase. The source is a transfer from the appropriation for *Community Prevention and Treatment Programs* that appears in the Substance Use Treatment and Prevention Services subdivision of the Office of Behavioral Health in DHS.

ADDITIONAL INFORMATION: The Probation Department will use this appropriation to treat indigent probationers with the most severe alcohol problems who have been convicted of drunk driving and are unable to pay for required treatment or intervention services. Intervention services include ignition interlock devices that measure alcohol in a driver's breath before allowing a vehicle to start and transdermal alcohol monitoring devices that measure and periodically report alcohol in perspiration. The Judicial Department currently receives transfers of about $850,000 from DHS for this and similar purposes. The money for this supplemental is transferred as reappropriated funds from DHS to the Judicial Branch. The source in DHS is an appropriation from the Persistent Drunk Driver Cash Fund created in Section 42-3-303, C.R.S., which receives revenue from surcharges paid by persistent drunk drivers. Persistent drunk drivers are drivers who have been convicted of a previous drunk driving offense or have a blood alcohol level of 0.15 or higher on a first offense.

[1] The Judicial Department received notification of this additional funding in an email from the Department of Human Services on Friday, January 18, 2019, at 5:45 PM, 16 days after the normal due date for supplementals. Section 2-3-208, C.R.S., states that a supplemental request may be submitted after the deadline if it is based on "circumstances unknown to, and not reasonably foreseeable by, the state agency prior to the deadline."

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee
FROM	JBC Staff
DATE	January 28, 2019
SUBJECT	Staff Comebacks for Monday, January 28

Please find attached the following memorandums for Joint Budget Committee staff comebacks associated with FY 2018-19 supplemental budget requests.

- Human Services (Robin Smart): Indirect Cost Assessment Line Item Correction
- Regulatory Agencies (Kevin Neimond): Department of Regulatory Agencies Technical Change

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Robin J. Smart, JBC Staff (303-866-4955)
DATE	January 28, 2019
SUBJECT	Supplemental Comebacks – Department of Human Services, Indirect Cost Assessment line item correction

The Joint Budget Committee approved the Department of Human Services' S7 FY 2018-19 Indirect Cost Assessment Technical Adjustment supplemental budget request. Staff has been informed that the indirect cost assessment requested for the Office of Behavioral Health did not include all cash fund sources. In order to account for all anticipated assessments, the cash fund appropriation must be increased by $1,506,232. Staff recommends that the Committee approve this correction.

OFFICE OF BEHAVIORAL HEALTH INDIRECT COST ASSESSMENT LINE ITEM					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Approved appropriation	$7,287,314	$0	$3,069,351	$2,909,938	1,308,025
Assessment	8,793,546	0	4,575,583	2,909,938	1,308,025
RECOMMENDED ADJUSTMENT	**$1,506,232**	**$0**	**$1,506,232**	**$0**	**$0**

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee Members
FROM	Kevin Neimond, JBC Staff (303-866-4958)
DATE	January 28, 2019
SUBJECT	Department of Regulatory Agencies Technical Change

Joint Budget Committee staff requests permission to adjust the structure of the FY 2018-19 Long Bill appropriation for the Department of Regulatory Agencies' Division of Professions and Occupations from line item funded to bottom line funded. The Long Bill for this division has historically been structured at the bottom line funded level. Staff erroneously used a line item funded structure in the FY 2018-19 Long Bill. Without this adjustment, the State Controller will be required to make changes to CORE to accommodate this one year aberration.

Example: Line Item Funded

			APPROPRIATION FROM				
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	$	$	$	$	$	$	$
(9) DIVISION OF PROFESSIONS AND OCCUPATIONS							
Personal Services	14,759,419 (195.2 FTE)				14,165,968[a]	593,451[b]	
Operating Expenses	1,571,455				1,571,455[a]		
Office of Expedited Settlement Program Costs	400,223 (5.0 FTE)				400,223[a]		
Hearings Pursuant to Complaint	307,075				307,075[a]		
Payments to Department of Health Care Policy and Financing	14,652				14,652[a]		
Indirect Cost Assessment	1,786,772				1,786,772[a]		
		18,839,596					

Example: Bottom Line Funded

			APPROPRIATION FROM				
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	$	$	$	$	$	$	$
(9) DIVISION OF PROFESSIONS AND OCCUPATIONS							
Personal Services	14,697,086 (194.8 FTE)						
Operating Expenses	1,550,075						
Office of Expedited Settlement Program Costs	400,223 (5.0 FTE)						
Hearings Pursuant to Complaint	307,075						
Payments to Department of Health Care Policy and Financing	14,652						
Indirect Cost Assessment	1,703,215						
		18,672,326			18,078,875[a]	593,451[b]	