



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2022-23 BUDGET BRIEFING SUMMARY

Department of Human Services

Executive Director's Office, Office of Information Technology Services, Office of Operations, County Administration, Office of Self Sufficiency, Services for People with Disabilities, Adult Assistance Programs

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. The Department's FY 2021-22 appropriation represents approximately 8.1 percent of statewide operating appropriations and 6.9 percent of statewide General Fund appropriations.

FY 2021-22 APPROPRIATION AND FY 2022-23 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION:						
S.B. 21-205 (Long Bill)	2,411,078,475	1,070,428,168	441,578,967	209,274,140	689,797,200	5,184.4
Other legislation	546,560,280	37,824,278	106,484,178	19,651,801	382,600,023	10.0
TOTAL	\$2,957,638,755	\$1,108,252,446	\$548,063,145	\$228,925,941	\$1,072,397,223	5,194.4
FY 2022-23 REQUESTED APPROPRIATION:						
FY 2021-22 Appropriation	\$2,957,638,755	1,108,252,446	\$548,063,145	\$228,925,941	\$1,072,397,223	5,194.4
R1 Food service and housekeeping coordinated compensation	1,955,919	994,087	462,741	213,410	285,681	0.0
R2 CMHIFL 44 bed operating budget	10,318,585	10,318,585	0	0	0	78.3
R3 County Trails refresh and support	1,800,000	1,776,267	0	0	23,733	0.0
R4 Enhancing county Child Welfare support	421,448	362,445	0	0	59,003	3.8
R5 Community provider rate increase	10,409,644	5,796,060	1,785,987	275,342	2,552,255	0.0
R6 Facilities management operating resources	1,644,760	851,200	58,143	513,353	222,064	0.0
R7 DYS phone replacement - youth and families	50,000	50,000	0	0	0	0.0
R8 Older Coloradans Cash Fund spending authority	1,083,358	0	1,083,358	0	0	0.0
R9 Improving involuntary mental health treatment	181,433	181,433	0	0	0	1.0
R10 SNAP fair hearings compliance	358,451	179,226	0	0	179,225	2.8
R11 CBH criminal justice Long Bill line consolidation	0	0	0	0	0	(0.0)
R12 Community behavioral health technical corrections	0	0	0	0	0	0.0
R13 MHI forensic technical Long Bill corrections	0	0	0	0	0	0.0
R14 Adult Protective Services data system	0	0	0	0	0	1.0
R15 DYS parole and transition services caseload reduction	(533,784)	(533,784)	0	0	0	0.0
R16 Aid to Needy Disabled caseload adjustment	(2,750,000)	(2,200,000)	(550,000)	0	0	0.0
R17 Realign Child Welfare hotline budget	(457,787)	(457,787)	0	0	0	0.0
R18 Realign family and children's programs	(2,562,279)	(2,152,314)	(215,230)	0	(194,735)	0.0
R19 Indirect cost assessment refinance	279,076	(6,938,340)	0	7,217,416	0	0.0
R20 CAPS fee reduction	0	0	0	0	0	0.0
DEC1 Child care safety	345,980	311,382	0	0	34,598	7.3

DEPARTMENT OF HUMAN SERVICES

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
DEC2 Early Intervention alternate	1,003,685	1,003,685	0	0	0	1.0
DEC3 Refinance CCCAP	0	(1,807,730)	0	0	1,807,730	0.0
Centrally appropriated line items	21,213,945	13,989,955	1,263,446	2,660,641	3,299,903	0.0
Technical adjustments	2,351,635	2,351,635	0	0	0	0.0
Indirect cost assessments	2,321,983	0	335,850	728,063	1,258,070	0.0
Non-prioritized requests	2,295,346	1,597,815	58,484	388,745	250,302	4.0
Annualize prior year legislation	(447,187,178)	(16,261,988)	(93,527,168)	(20,686,412)	(316,711,610)	0.2
Annualize prior year budget actions	(15,300,061)	(1,829,950)	214,232	6,926	(13,691,269)	1.4
TOTAL	\$2,546,882,914	\$1,115,834,328	\$459,032,988	\$220,243,425	\$751,772,173	5,295.2
INCREASE/(DECREASE)	(\$410,755,841)	\$7,581,882	(\$89,030,157)	(\$8,682,516)	(\$320,625,050)	100.8
Percentage Change	(13.9%)	0.7%	(16.2%)	(3.8%)	(29.9%)	1.9%

* Decision items shaded in grey are not addressed in this document. These items are address by other JBC Staff briefing documents.

R1 FOOD SERVICE AND HOUSEKEEPING COORDINATED COMPENSATION: The request includes an increase of \$2.1 million total funds, including \$1.1 million General Fund, in FY 2022-23 for salary increases for all food services and housekeeping classified employees throughout the State. The request would annualize to \$1.9 million total funds, including \$963,144 General Fund in FY 2023-24 and ongoing. This request affects employees in the Departments of Education, Health Care Policy and Financing, Labor and Employment, Military and Veterans Affairs, Personnel, and Military and Veterans Affairs.

R5 COMMUNITY PROVIDER RATE INCREASE: The request includes an increase of \$10.4 million total funds, including \$5.8 million General Fund, in FY 2022-23 and ongoing for a 1.0 percent provider rate adjustment. The request indicates that funding is for the implementation of a theory-informed program as defined by S.B. 21-284 (Evidence-based Evaluation For Budget).

R5 COMMUNITY PROVIDER RATE INCREASE DIVISIONAL ALLOCATION					
DIVISION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$7,075	\$0	\$0	\$7,075	\$0
County Administration	777,804	258,917	155,561	0	363,326
Division of Child Welfare	5,151,300	2,981,140	897,371	77,161	1,195,628
Office of Early Childhood	1,981,912	793,583	155,383	79,680	953,266
Office of Self Sufficiency	18,624	0	0	0	18,624
Office of Behavioral Health	2,011,838	1,396,318	510,195	105,325	0
Adult Assistance Programs	186,234	127,586	37,237	0	21,411
Division of Youth Services	274,857	238,516	30,240	6,101	0
Total	\$10,409,644	\$5,796,060	\$1,785,987	\$275,342	\$2,552,255

R6 FACILITIES MANAGEMENT OPERATING RESOURCES: The request includes \$1.2 million total funds, including \$851,200 General Fund, in FY 2022-23 to address inflationary and operational cost increases in the Office of Operations (Division of Facilities Management). The request would annualize to \$2.0 million total funds, including \$1.4 million General Fund, in FY 2023-24 and ongoing. The cost of the goods and services used by the Division to maintain the Department's facilities (3.5 million square feet in over 330 buildings) has increased significantly over the last several years. In particular, the goods and services required to support the Department's 24/7 facilities are specialized and experience more cost volatility than other facilities. The request indicates that funding is for the implementation of a theory-informed program as defined by S.B. 21-284 (Evidence-based Evaluation For Budget).

R8 OLDER COLORADANS CASH FUND SPENDING AUTHORITY: The request includes an increase of \$1.1 million cash funds from the Older Coloradans Cash Fund in FY 2022-23 and ongoing. The additional spending authority will allow the Department to fully utilize approximately \$18.4 million in federal American Recovery Plan Act (ARPA)

funds made available the State. These funds will support to the State's Area Agencies on Aging, which provide services including home delivered meals and transportation to older adults. The request indicates that funding is for the implementation of a theory-informed program as defined by S.B. 21-284 (Evidence-based Evaluation For Budget).

R10 SNAP FAIR HEARINGS COMPLIANCE: The request includes an increase of \$358,451 total funds, including \$179,226 General Fund, and 2.4 FTE in FY 2022-23 to bring the Supplemental Nutrition Assistance Program (SNAP) fair hearing process within the Department. The request annualizes to \$356,137 total funds, including \$178,069 General Fund, and 2.5 FTE in FY 2023-24 and ongoing. The request indicates that funding is for the implementation of a theory-informed program as defined by S.B. 21-284 (Evidence-based Evaluation For Budget).

Currently, SNAP fair hearings are conducted in a two-step process by the Office of Administrative Courts in the Department of Personnel and the Office of Appeals in the Department of Human Services. The Office of Administrative Courts conducts the initial review and the Office of Appeals reviews the case and renders a final decision. The federal rules governing SNAP fair hearings require a final decision to be rendered within 60 days; however, Colorado has not been in compliance with this requirement since 2013. The Department anticipates the process change will aid in coming back into compliance with federal rules.

R14 ADULT PROTECTIVE SERVICES DATA SYSTEM: The request includes a budget neutral reallocation of \$104,475 General Fund and an increase of 1.0 FTE in FY 2022-23 and ongoing. The reallocation moves the General Fund from the (2) Office of Information Technology Services, (A) Information Technology, Adult Protective Services Data System line item to the (10) Adult Assistance Program, (E) Adult Protective Services, State Administration line item. The reallocated funding would support an additional data system administrator to address increases in workload associated with the maintenance and support of the system. The request indicates that funding is for the implementation of a theory-informed program as defined by S.B. 21-284 (Evidence-based Evaluation For Budget).

R16 AID TO NEEDY DISABLED CASELOAD ADJUSTMENT: The request a reduction of \$2.8 million total funds, including \$2.2 million General Fund, in FY 2022-23 and ongoing to the Aid to Need Disabled (AND) program. The reduction does not change the monthly benefits for AND participants. Available caseload indicators show the AND caseload has declined over the last several years, as have overall program expenditures (see General Factors section). The request indicates that funding is for the implementation of a theory-informed program as defined by S.B. 21-284 (Evidence-based Evaluation For Budget).

R19 INDIRECT COST ASSESSMENT REFINANCE: The request includes an increase of \$279,076 total funds, including a decrease of \$6.9 million General Fund, in FY 2022-23 for:

- the completion of a true-up of the indirect costs which are currently based on calculations from FY 2017-18;
- an increase in spending authority for the County Financial Management System (CFMS);
- a one-time refinance in FY 2022-23 of the Department's General Fund indirect costs with \$5.0 million cash funds from the Department's Indirect Cost Excess Recovery Cash Fund;
- and an increase of \$44,604 in reappropriated funds for the Microcomputer Lease appropriation to purchase computers for the Disability Determination Services program.

The request annualizes to \$279,076 total funds, including a reduction of \$1.9 million General Fund, in FY 2023-24.

R20 CAPS FEE REDUCTION: The request includes a notification that the Department intends to reduce the Colorado Adult Protective Services (CAPS) background check fee from \$9.00 per check in FY 2021-22 to \$5.00 per check in FY 2022-23. The fee reduction will ensure that the Records and Reports Cash Fund, created in Section 19-1-307 (2.5), C.R.S., remains within the 16.5 percent statutory limit on uncommitted reserves, as dictated by Section 24-75-402, C.R.S.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$12,651,592	\$8,061,115	\$559,338	\$1,520,060	\$2,511,079	0.0
Health, life, and dental	3,002,119	2,391,267	404,188	(492,722)	699,386	0.0
Payments to OIT	2,943,225	1,139,028	0	1,804,197	0	0.0
PERA Direct Distribution	1,536,105	1,034,239	0	501,866	0	0.0
DPA Paid family leave	742,439	498,132	31,921	97,122	115,264	0.0
AED	731,488	669,288	143,080	(132,338)	51,458	0.0
SAED	731,488	669,288	143,080	(132,338)	51,458	0.0
Legal services	297,329	278,234	(95,377)	114,472	0	0.0
ALJ services	201,845	71,453	0	130,392	0	0.0
Payment to risk management and property funds	161,290	113,387	0	47,903	0	0.0
CORE adjustment	149,887	82,438	0	67,449	0	0.0
Vehicle lease payments	52,328	26,423	0	25,905	0	0.0
Short-term disability	24,716	22,771	4,442	(3,583)	1,086	0.0
Workers' compensation	(1,326,954)	(745,748)	0	(581,206)	0	0.0
Shift differential	(625,252)	(299,808)	72,774	(268,390)	(129,828)	0.0
Capitol Complex leased space	(59,700)	(21,552)	0	(38,148)	0	0.0
TOTAL	\$21,213,945	\$13,989,955	\$1,263,446	\$2,660,641	\$3,299,903	0.0

TECHNICAL ADJUSTMENTS: The request includes an increase of \$2.4 million General Fund for annual depreciations-lease equivalent payments.

INDIRECT COST ASSESSMENTS: The request includes net adjustments to indirect costs across the Department.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$\$447.2 million total funds to reflect the FY 2022-23 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SB 21-154 988 Suicide prevention lifeline network	\$6,103,581	\$0	\$6,103,581	\$0	\$0	0.1
SB 21-129 Veteran suicide prevention pilot	1,260,000	1,260,000	0	0	0	0.0
HB 21-1094 Foster youth in transition	712,950	712,950	0	0	0	0.0
SB 21-276 Children's Residential Enrollment	36,348	36,348	0	0	0	0.5
HB 21-1084 Foster youth drivers' licenses	18,060	18,060	0	0	0	0.0
HB 21-1021 Peer support specialists BH	16,929	14,529	2,400	0	0	0.2
HB 21-1276 Prevention of substance use disorders	9,039	0	9,039	0	0	0.2
HB 21-1099 Identify domestic abuse	7,500	7,500	0	0	0	0.0
SB 21-131 Protect PII kept by state	436	(5,000)	5,436	0	0	0.1
SB 20-162 Changes related to federal Family First policy	0	936,412	0	(936,412)	0	0.0
SB 21-236 Increase capacity early childhood care & education - correction	0	0	0	0	0	0.0
SB 21-137 Behavioral health recovery act - correction	0	0	(500,000)	0	500,000	0.0
SB 21-236 Increase capacity early childhood care & education	(313,459,278)	0	0	0	(313,459,278)	(4.0)
SB 21-137 Behavioral health recovery act	(89,911,624)	(14,000)	(89,397,624)	0	(500,000)	0.0
SB 21-290 Security for Colorado seniors	(30,000,000)	(15,000,000)	0	(15,000,000)	0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SB 21-292 Federal COVID funding for victims services	(9,500,000)	0	(4,750,000)	(4,750,000)	0	0.0
HB 21-1270 Approp to DHS for SNAP	(6,000,000)	(3,000,000)	0	0	(3,000,000)	0.0
SB 21-027 Emergency supplies for Colorado babies and families	(5,000,000)	0	(5,000,000)	0	0	0.1
SB 21-275 Child Find responsibilities	(419,762)	(419,762)	0	0	0	1.9
SB 21-277 Child welfare allocation formula	(250,000)	(250,000)	0	0	0	0.0
SB 21-278 Out-of-home reimbursement	(250,000)	(250,000)	0	0	0	0.0
SB 21-071 Limit the detention of juveniles	(173,976)	(84,560)	0	0	(89,416)	0.5
HB 21-1304 Early childhood system	(119,232)	(119,232)	0	0	0	0.5
SB 21-199 Remove barriers to certain public opportunities	(115,352)	(27,044)	0	0	(88,308)	0.0
SB 21-201 Stricter transparency & enforcement in child care	(59,875)	0	0	0	(59,875)	0.0
SB 21-146 Improve prison release outcome	(50,000)	(50,000)	0	0	0	0.0
HB 21-1101 Preserving family relationships in child placement	(21,352)	(13,879)	0	0	(7,473)	0.0
SB 21-269 Licensing of respite child care centers	(21,352)	(14,092)	0	0	(7,260)	0.0
SB 21-118 Alt response mistreatment at-risk adults	(218)	(218)	0	0	0	0.1
TOTAL	(\$447,187,178)	(\$16,261,988)	(\$93,527,168)	(\$20,686,412)	(\$316,711,610)	0.2

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The FY 2022-23 request includes a net decrease of \$15.3 million total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 21-22 R14 Nurse home visitor program spending authority	\$732,244	\$0	\$732,244	\$0	\$0	0.0
FY 21-22 NPBA1 CBMS-PEAK funding	335,820	164,919	4,037	0	166,864	0.0
FY 21-22 R2 Family first prevention and services act	76,250	74,324	0	0	1,926	0.4
FY 19-20 R21 Salesforce	11,551	0	1,684	6,926	2,941	0.0
Annualize prior year salary survey	0	0	0	0	0	0.0
FY 21-22 Medicaid match public health emergency	0	0	0	0	0	0.0
FY 21-22 CO Works short-term benefits	(13,502,982)	0	0	0	(13,502,982)	0.0
FY 21-22 R5 Natnl school lunch commodity storage and distr	(1,377,604)	(1,262,792)	180,240	0	(295,052)	3.0
FY 21-22 BA2 Excess federal 4E cash fund spending	(694,000)	0	(694,000)	0	0	0.0
FY 21-22 R1 Expanded behavioral health crisis services for children and youth	(380,000)	(380,000)	0	0	0	0.0
FY 18-19 R16 Permanency services	(365,100)	(365,100)	0	0	0	(2.0)
FY 21-22 JBC initiated SB 19-235 funding	(136,240)	(61,301)	(9,973)	0	(64,966)	0.0
TOTAL	(\$15,300,061)	(\$1,829,950)	\$214,232	\$6,926	(\$13,691,269)	1.4

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 FOOD SERVICE AND HOUSEKEEPING COORDINATED COMPENSATION: The Department of Human Services (DHS) requests \$2,075,761 total funds, including \$1,050, 243 General Fund, in FY 2022-23 for salary increases for all

food services and housekeeping classified employees throughout the State. The request would annualize to \$1,903,614 total funds, including \$963,144 General Fund in FY 2023-24 and ongoing. This request affects employees in the Departments of Education, Health Care Policy and Financing, Labor and Employment, Military and Veterans Affairs, Personnel, and Military and Veterans Affairs.

DEPARTMENT OF HUMAN SERVICES LONG BILL REORGANIZATION: JBC Staff will recommend a reorganization of the Department of Human Services' Long Bill section during figure setting for the FY 2022-23 budget. The reorganization seeks to better align the Long Bill with the Department's actual organizational structure.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2021.