COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE

FY 2016-17 STAFF BUDGET BRIEFING

DEPARTMENT OF HUMAN SERVICES
(Executive Director's Office and Services for People with Disabilities)

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

Prepared By:
Megan Davisson, JBC Staff
December 14, 2015

For Further Information Contact:

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

TABLE OF CONTENTS

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, the Supplemental Nutrition Assistance Program (food stamps), child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the State's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for persons with developmental disabilities, and ten institutions for juvenile delinquents. The Department also provides funding for the care of indigent mentally ill people, contracts with Community Centered Bboards for services for children qualifying for early intervention services, and contracts for the supervision and treatment of delinquent juveniles.

Department Overview

This Joint Budget Committee staff budget briefing document includes the following office and division with the Department of Human Services.

Executive Director's Office
The Executive Director's Office is the central administrative office responsible for general department policy, budgeting, public information, human resources, internal audits, and outreach to county departments of human services (field administration). The Executive Director's Office also includes appropriations for various boards, commissions, and entities that provide separate quality assurance, oversight, or policy direction for human services programs. These include the Food Stamp Quality Assurance Unit, the Administrative Review Division (responsible for federally-required case review and quality assurance for child welfare and some youth corrections placements), and the Juvenile Parole Board. Two of these specialized programs within the Executive Director's Office are included in this packet and the other programs will be covered in other staff briefings. This document includes the following two specialized programs:

- *Developmental Disabilities Council* provides coordination, planning, and advice on the best direction for developmental disabilities services in Colorado.

- *Colorado Commission for the Deaf and Hard of Hearing* has three primary responsibilities: (1) ensure hearing impaired persons have access to general government services, (2) distribute assistive telecommunications equipment to hearing impaired persons, and (3) ensure the availability of legal interpreters in the courts for hearing impaired individuals through the Legal Auxiliary Services Program .

Services for People with Disabilities
This Division includes the following programs:

Division of Regional Centers Operations operates group homes in Grand Junction, Wheat Ridge, and Pueblo. The Division also operates the campuses facilities at Wheat Ridge and Grand Junction. Regional Centers serve individuals with intellectual and developmental disabilities that have complex medical and/or behavioral needs, or require short-term stabilization so they can safely return to the community.

Work Therapy Program provides sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the Regional Centers at Grand Junction and Wheat Ridge. Work opportunities arise from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients.

Division of Vocational Rehabilitation oversees vocational rehabilitation programs designed to enable individuals with any type of disability to participate in the work force. The Vocational Rehabilitation Services, School-to-Work Alliance Program, and Business Program for Individuals who are Blind will move to the Department of Labor and Employment on July 1, 2016. Specific programs include:

- The School-to-Work Alliance Program provides job development, on-the-job training, and job-site support to students with disabilities in a school setting;

- The Business Program for Individuals Who Are Blind assists blind or visually-impaired individuals in operating vending and food service businesses in state and federal buildings;

- Traumatic Brain Injury Program provides services to individuals suffering from traumatic brain injuries; and

- Independent Living Centers and the Independent Living Council provide funding for services that enable individuals with disabilities to live independently in the community.

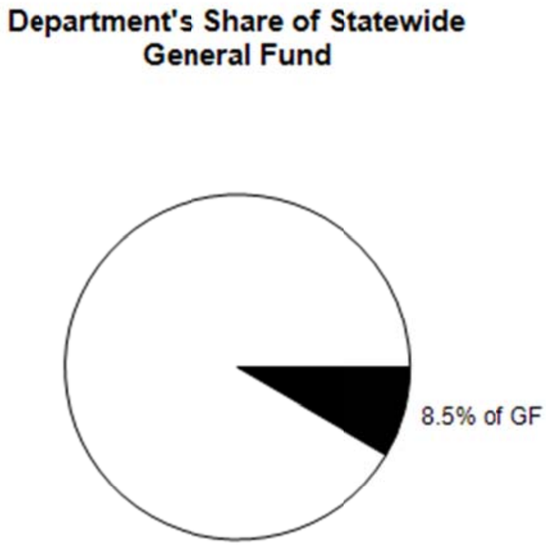
Veterans Community Living Centers manages and operates five state Veterans Community Living Centers. There are a total of 554 nursing home beds spread across the Fitzsimons, Florence, Homelake, Rifle, and Walsenburg campuses and a forty-eight bed domiciliary (assisted living facility) on the Homelake campus. Services include long-term care, short-term rehabilitation for individuals seeking to return home following a qualifying hospital stay, memory care services for individuals with dementia, short-term respite care, and end-of-life/hospice services.

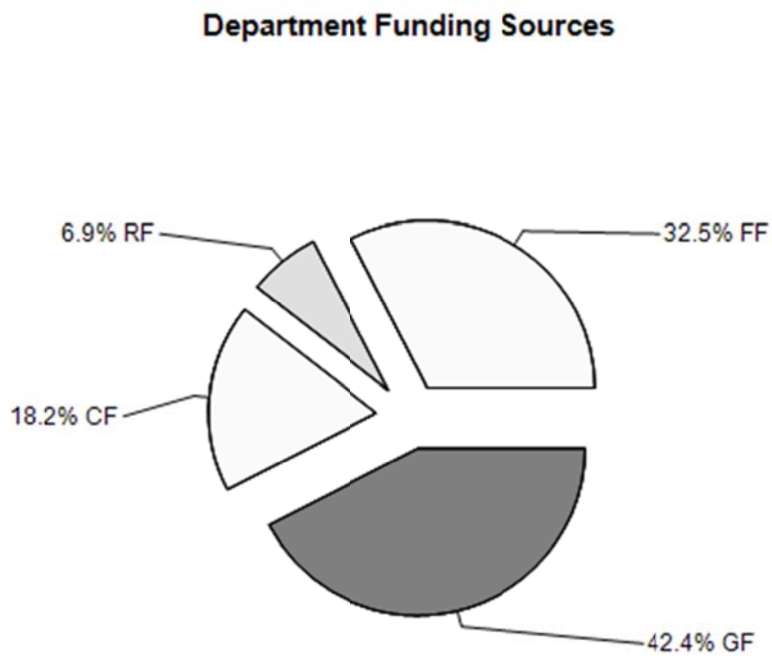
Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	$719,139,332	$790,048,884	$811,905,208	$836,373,426
Cash Funds	360,140,503	346,553,374	348,624,954	360,224,239
Reappropriated Funds	497,414,430	128,165,697	131,723,226	127,019,684
Federal Funds	612,167,352	619,824,287	622,405,770	583,077,871
Total Funds	**$2,188,861,617**	**$1,884,592,242**	**$1,914,659,158**	**$1,906,695,220**
Full Time Equiv. Staff	4,879.0	4,961.2	4,970.9	4,837.7

*Requested appropriation.

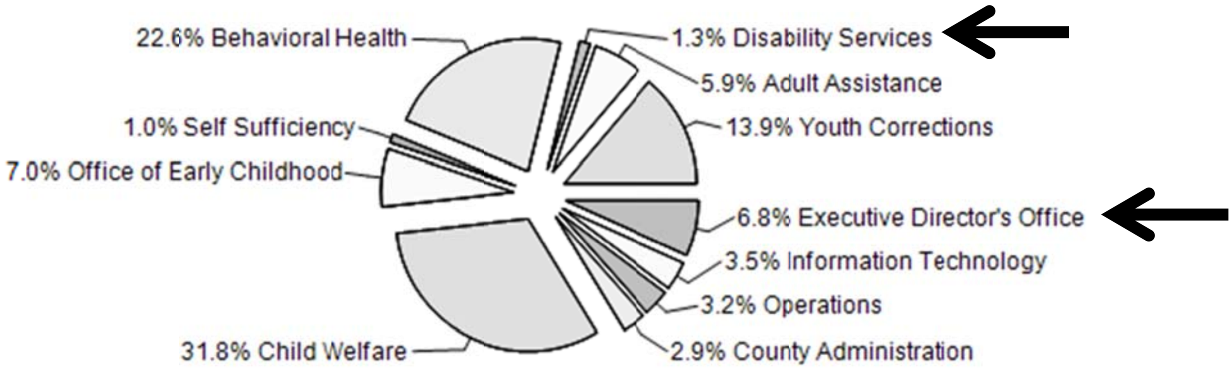
Department Budget: Graphic Overview



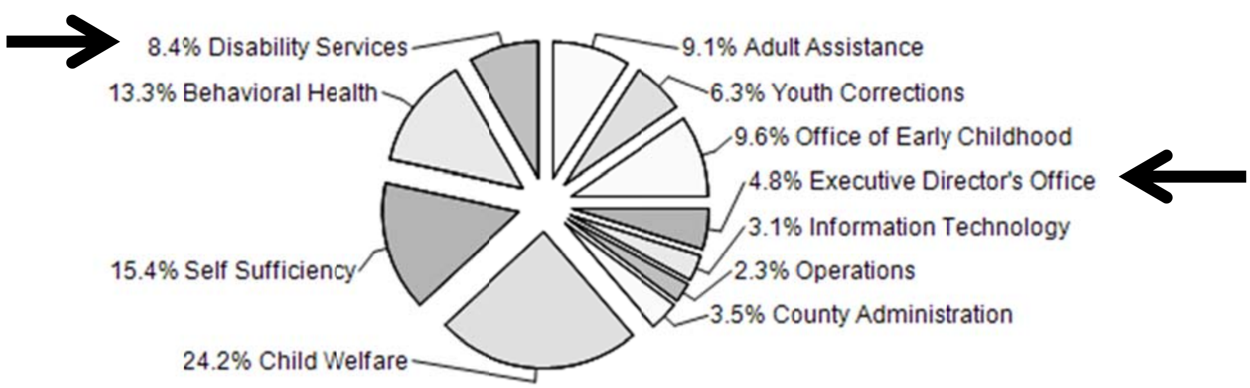


All charts are based on the FY 2015-16 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division

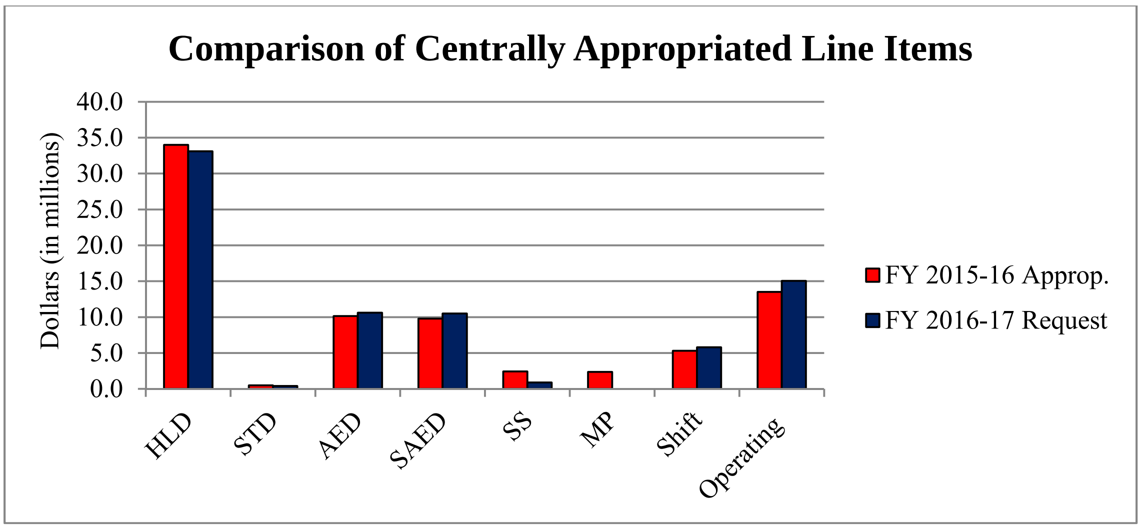


All charts are based on the FY 2015-16 appropriation.

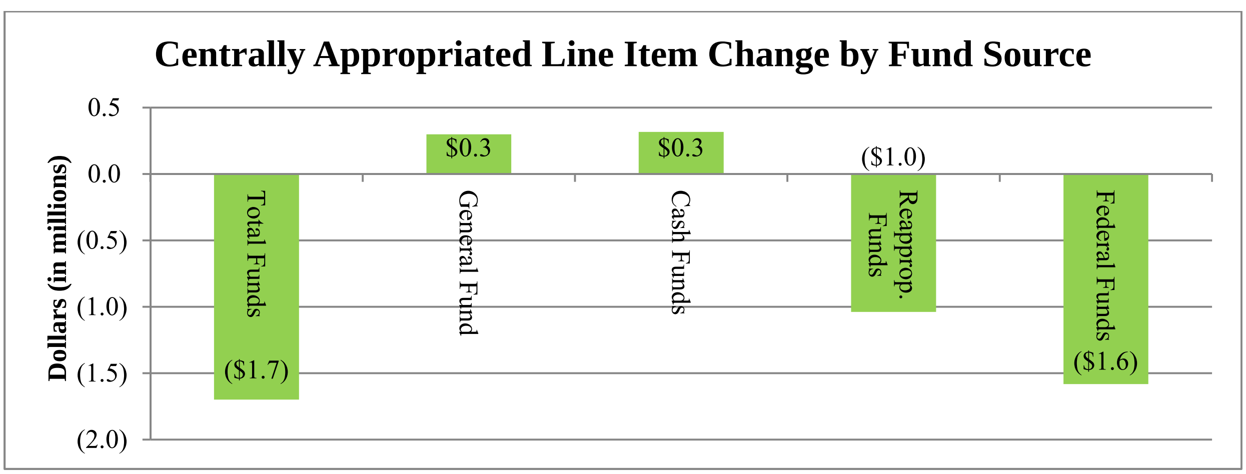
General Factors Driving the Budget

Centrally Appropriated Costs

Consistent with statewide policy, the Department of Human Services receives appropriations for centrally appropriated costs including health, life, and dental benefits, and the Public Employees' Retirement Association (PERA) pension fund contributions, as well as salary survey and merit pay increases. Funding for these costs is particularly significant for the Department of Human Services due to the large number of employees. Many of these employees work in 24-hour facilities such as the mental health institutes, regional centers for people with developmental disabilities, and youth corrections facilities. Changes in funding for employee benefits are a primary driver of the Executive Director's Office budget. The following table compares the FY 2015-16 centrally appropriated costs with the FY 2016-17 request.



The following table summarizes the change from the FY 2015-16 appropriation to the FY 2016-17 request by fund source for centrally appropriated line items in the Executive Director's Office.



Community Provider Rates

The Department contracts with community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has generally awarded annual inflationary increases, also known as the community provider rate adjustment. The following programs receive the community provider rate adjustment: County Administration, Child Welfare, Child Care, Mental Health Community Programs, Independent Living Centers, and community programs in Youth Corrections. For FY 2016-17 the request is for a 1.0 percent provider rate reduction. The following table summarizes the provider rate decreases by division.

Summary of Community Provider Rate Increases by Division					
Division	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**
Executive Director's Office	($11,778)	($11,778)	$0	$0	$0
County Administration	(563,844)	(196,669)	(104,370)	0	(262,805)
Division of Child Welfare	(4,081,433)	(2,258,825)	(737,147)	(152,226)	(933,235)
Office of Early Childhood	(1,489,330)	(527,784)	(219,549)	(62,391)	(679,606)
Behavioral Health Services	(1,072,130)	(1,045,853)	(9,041)	(17,236)	0
People with Disabilities	(48,319)	(48,319)	0	0	0
Adult Assistance	(141,657)	(92,677)	(28,570)	0	(20,410)
Division of Youth Corrections	(526,429)	(502,117)	0	(13,646)	(10,666)
Total	**($7,934,920)**	**($4,684,022)**	**($1,098,677)**	**($245,499)**	**($1,906,722)**

Program Transfers

The budget for the Services for People with Disabilities Division is considerably less than it was three years ago because of the transfer of two programs to other departments. The first transfer was during FY 2014-15 when the funding for the home- and community-based services waivers for individuals with intellectual and developmental disabilities was transferred to the Department of Health Care Policy and Financing. The second significant transfer will occur on July 1, 2016 when the Vocational Rehabilitation Programs are transferred to the Department of Labor and Employment.

Summary: FY 2015-16 Appropriation & FY 2016-17 Request

Department of Human Services (Executive Director's Office and Services for People with Disabilities)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	$250,574,587	$63,541,906	$43,199,259	$77,351,690	$66,481,732	1,799.2
Other Legislation	1,729,628	1,729,628	0	0	0	0.0
TOTAL	**$252,304,215**	**$65,271,534**	**$43,199,259**	**$77,351,690**	**$66,481,732**	**1,799.2**
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	$252,304,215	$65,271,534	$43,199,259	$77,351,690	$66,481,732	1,799.2
R1 County child welfare staff - phase 2	38,259	31,755	0	0	6,504	0.0
R2 DYC security staffing in facilities - phase 2	946,531	946,531	0	0	0	0.0
R3 Court ordered evaluation and jail-based bed space	117,135	117,135	0	0	0	0.0
R6 Children's savings accounts	100,000	100,000	0	0	0	0.0
R7 Continuation of child care quality initiatives	121,681	0	0	0	121,681	0.0
R11 Intensive residential treatment for SUD	20,835	0	20,835	0	0	0.0
R14 Behavioral health crisis services staffing	38,107	38,107	0	0	0	0.0
R18 Grand Junction physician services	(88,946)	(88,946)	0	0	0	(0.5)
R19 Community provider rate adjustment	(60,097)	(60,097)	0	0	0	0.0
NP5 Resources for Administrative Courts	35,572	22,055	1,067	0	12,450	0.0
Annualize prior year legislation	(48,281,896)	(4,678,968)	(789,316)	(4,939,144)	(37,874,468)	(229.7)
Centrally appropriated line items	(2,285,718)	(705,250)	213,009	(360,100)	(1,433,377)	0.0
TOTAL	**$203,005,678**	**$60,993,856**	**$42,644,854**	**$72,052,446**	**$27,314,522**	**1,569.0**
Increase/(Decrease)	($49,298,537)	($4,277,678)	($554,405)	($5,299,244)	($39,167,210)	(230.2)
Percentage Change	(19.5%)	(6.6%)	(1.3%)	(6.9%)	(58.9%)	(12.8%)

Note: Highlighted decision items are those which will be discussed in this document. Other decision items are reflected in the table because of centrally appropriated costs assocaited with requests originating in other divisions. These requests have been discussed in other JBC staff briefing documents. Appendix E provides the FY 2015-16 Appropriation & FY 2016-17 Request Summary for all Department requested changes.

Description of Requested Changes

R1 County child welfare staff - phase 2: The total request is for an increase of $6,753,852 total funds, of which $5,978,651 is General Fund and 2.7 FTE to the Division of Child Welfare for the addition of 100 county child welfare staff. The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Robin Smart during the December 7, 2015 briefing on her sections within the Department of Human Services.

R2 DYC security staffing in facilities - phase 2: The total request is for an increase of $4,687,425 General Fund and 78.8 FTE to the Division of Youth Corrections for an additional 125 youth corrections officers. The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Kevin Neimond during the December 11, 2015 briefing on his sections within the Department of Human Services.

R3 Court ordered evaluation and jailed-based bed space: The total request is for an increase of $4,111,685 General Fund and 7.5 FTE to the Office of Behavioral Health for additional staff and space to accommodate court ordered competency evaluation and restorations to competency. The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Carolyn Kampman during the December 9, 2015 briefing on her sections within the Department of Human Services.

R6 Children's savings accounts: The request seeks an increase of $100,000 General Fund for the creation of a Colorado Children's Savings Accounts Pilot Program which will provide initial deposits to college savings accounts for children. This increase is offset by a reduction of $100,000 General Fund from the Automated Child Support Enforcement System. The decision item was discussed by Robin Smart during the December 7, 2015 briefing on her sections within the Department of Human Services.

R7 Continuation of child care quality initiatives: The total request is for an increase of $1,552,936 federal funds and 7.3 FTE to the Division of Early Childhood for continuation of child care quality initiatives. The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Robin Smart during the December 7, 2015 briefing on her sections within the Department of Human Services.

R11 Intensive residential treatment for SUD: The total request is for an increase of $4,726,272 cash funds from the Marijuana Tax Cash Fund and 0.9 FTE to the Office of Behavioral Health to contract with vendors to provide intensive residential treatment. These programs would target pregnant women (32 beds), adult men (32 beds), and young adults ages 18 to 25 (16 beds). The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Carolyn Kampman during the December 9, 2015 briefing on her sections within the Department of Human Services.

R14 Behavioral health crisis services staffing: The total request is for an increase of $219,209 General Fund and 2.7 FTE to the Office of Behavioral Health for an expansion from one to four employees overseeing the statewide behavioral health crisis system contracts. This increase is offset by a reduction to the General Fund appropriation for behavioral health crisis response system services provided through Community Mental Health Centers. The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Carolyn Kampman during the December 9, 2015 briefing on her sections within the Department of Human Services.

R18 Grand Junction physician services: The request seeks a reduction of $88,946 General Fund and 0.5 FTE to the Grand Junction Regional Center. This request is a result of the elimination of the contract with a physician for services provided to individuals living in the home- and community-based services Regional Center beds (Regional Center waiver beds). The request indicates all individuals receiving Regional Center waiver services are now served by a community-based physician.

R19 Community provider rate adjustment: The Department's overall request includes a reduction of $7,934,920 total funds, including $4,684,022 General Fund for a 1.0 percent community provider rate decrease. Department programs covered in this document included in the provider rate reduction are the Commission for the Deaf and Hard of Hearing and the Independent Living Centers.

NP5 Resources for administrative courts: The request includes an increase of $35,572 total funds, including $22,055 General Fund for an increase to administrative law judge services.

Annualize prior year legislation: The request includes adjustments related to prior year legislation impacting the divisions covered within this document. The major component of this adjustment is the reduction of funds related to the S.B. 15-239 transfer of the Division of Vocational Rehabilitation to the Department of Labor and Employment on July 1, 2016.

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; CORE operations, and payments to OIT.

Issue: Indirect Costs

The Department of Human Services receives funding from numerous cash and federal funds, which results in a complex cost allocation plan for indirect costs. Currently, due to the complexity of the plan and a lack of information about how the plan aligns with the Long Bill structure, the Department is out of compliance with the Committee's policy on how indirect costs are appropriated in the Long Bill. This decreases the General Assembly's ability to track the Department's use of program moneys for administrative overhead.

SUMMARY:

- For the FY 2014-15 Long Bill, the Committee established a policy for how indirect costs should be reflected in the Long Bill. Currently there are two departments, the Department of Human Services and the Department of Health Care Policy and Financing which do not reflect their indirect costs in this manner.

- For FY 2016-17 the Department of Human Services requests more than $1.0 million General Fund to subsidize employees currently paid for with funds from the Division of Vocational Rehabilitation Programs (DVR). DVR is transferring to the Department of Labor and Employment on July 1, 2016, and the Department's request is to maintain administrative overhead paid for by a program that will no longer be in the Department.

- The Department's base request (i.e. what the budget would be if the decision item is not funded) does not reflect a reduction to any expenditures. Therefore the request would actually grow the Department's administrative overhead by more than $1.0 million General Fund.

- Based on the indirect cost allocation provided by the Department, there appears to be a lack of equity reflected in the Department's indirect cost allocation across department programs. Without additional information, it is impossible for the General Assembly to determine how program moneys are being used for Department administrative overhead.

RECOMMENDATIONS:

(1) Staff recommends the Department provide a written response to the Committee on the source of all indirect costs, how they are expended by Long Bill line item, and the purpose of the expenditure (i.e. what is that indirect cost assessment buying).

(2) Staff recommends the Department provide a written response to the Committee on which line items receive indirect costs assessments and how much they receive.

(3) Staff recommends the Department provide a written response to the Committee on what specific expenditures will be reduced if R9 DVR Indirect Cost Subsidy is not funded and why.

DISCUSSION:

Background on Indirect Costs
During the FY 2014-15 briefing on the Department of Personnel the Committee approved a standardized Long Bill appropriation format for indirect costs that includes:

- Indirect cost assessment line items for each program or division from which indirect costs are to be recovered;

- Reappropriated fund letter notes specifying the amount of departmental indirect cost recoveries that offset General Fund in central administration divisions; and

- A standardized letter note reference providing potential access to funds from the Indirect Costs Excess Recovery Fund pursuant to S.B. 13-109 and created in Section 24-75-1401 (2), C.R.S., for all departments.

The Department's current Long Bill does not comply with this format. Staff unsuccessfully attempted during the 2014 interim to establish a mechanism by which indirect costs could be reflected in the Department's Long Bill. Staff feels, based on a number of issues which have arisen since then, that implementing an indirect structure will ensure cash and federal funds are being expended at the appropriate level. Only two departments, Departments of Human Services and Health Care Policy and Financing do not have a budgetary indirect cost plan in the Long Bill. This is a problem because it doesn't provide the General Assembly with transparency into how much money intended for programs is applied for non-program purposes.

Issue #1 - R9 VR Indirects Subsidization
The Department has requested $1,094,283 General Fund to "subsidize the Department's reduction of indirect cost recoveries as a result of the transfer of the DVR program." Below is a summary of the concerns staff has with this request, followed by greater detail about these concerns:

- Concern #1 - The Department is not transferring all staff related to the DVR programs as evidenced by the Department of Labor's request for 2.6 FTE for the Division of Vocational Rehabilitation.

- Concern #2 - The Department's budget does not include any base reduction to the indirect cost pool which this request would restore, therefore resulting in a net increase to funding for Department administrative overhead.

- Concern #3 - This request sets a precedent in which programs are transferred and the Department losing the program would ask for General Fund to backfill indirects.

- Concern #4 - In the prior two years when DVR underexpended funds, the Department never raised the issue of insufficient indirects;

- Concern #5 - This request highlights q regarding the appropriate use of indirects including why is a program paying, based on the request more than $1.0 million, more than they are using in indirects?

- Concern #6 - The indirect cost allocation provided by the Department raises questions about the equity of the allocation of indirects and highlights the lack of transparency in the process. This hinders the ability of the General Assembly to (1) track the use of program moneys for administrative overhead and (2) hold the Department accountable for ensuring that dollars intended for program services are being used for services and not overhead.

Concern #1 - The Department is not transferring any support staff related to the DVR programs to the Department of Labor and Employment. The Department of Labor and Employment has requested 2.6 FTE to support DVR in addition to the 3.4 vacant FTE being transferred from Human Services. If an entire program is being transferred out of the Department, the Department should also transfer all associated administrative staff to the new department and not require additional funding. The Department's request failed to properly identify all costs that will be moving over to CDLE. Staff is working with both Departments to reconcile these differences.

Concern #2 - The Department's budget should have, but does not include a base reduction to the indirect cost pool that would be restored by this request, resulting in a net increase of funding for Department administrative overhead. Since the request includes no reductions, the Department's appears to be asking for an additional $1.0 million General Fund for the Office of Operations. The request includes no discussion of what won't be funded if this request is not approved. The Department used the example that the Office of Community Access and Independence director position currently is currently paid in part with indirects from DVR. Since those indirects would no longer be available and the salary was not changing, there would be a revenue shortfall. The problem with this example is that this position is not funded out of the Office of Operations. This example highlights the difference between what the request is trying to pay for and what is actually happening.

Concern #3 - This request sets a new precedent that when a program changes departments, the Department losing the program would be justified to ask for General Fund to backfill lost indirect cost recoveries. There are two recent examples where this request could have been made but was not. The first is when the Tony Grampsas and Nurse Home Visitors programs were transferred to the Department of Human Services from the Department of Public Health and Environment (DPHE). DPHE was able to adjust their indirect rates for federal and cash funds to compensate for the lost indirects from those two programs. Secondly, when the intellectual and developmental disabilities waivers were transferred from the Department of Human Services to the Department of Health Care Policy and Financing, the Department of Human Services did not submit a request for indirect cost backfill even though the IDD waivers paid into the indirect cost pool. The Department's approach with R9 is not consistent with how other departments handle changes in program funding which result in a need to change indirect costs, nor does it provide transparency on the Department's overall overhead costs. The Department had more than twelve months to submit a revised plan to the federal government to reflect the transfer of DVR. The fact that the Department did not meet this requirement is not grounds for the General Assembly to subsidize department administrative overhead.

<u>Concern #4</u> - Staff was told the indirect cost allocation was based on each program's utilization of the indirect cost pool. Why then, in the prior two years when DVR has underspent funds has the Department not raised concerns with DVR indirect cost collections? When the Department requested in FY 2014-15 supplemental funding to fill 28 vacancies, was there not an associated request to backfill indirects. Since the indirect cost allocation is based on utilization and the program was understaffed by 10.0 percent (the Department requested funding to fill 28 vacancies), how was the Department able to collect all the projected indirects? When staff asked how the Department is justifying the use of all these indirects, staff did not receive a clear explanation.

<u>Concern #5</u> - The Department's justification for this request is that the General Fund is required to fund existing central support services. Again, if a program is moving the Department should be moving all central support services for the program as well. The Department's request states that without the additional funds it is possible "that personal services line items that have indirect overhead charges allocated to them" will be overspent. That statement implies that without the new money the Department will allow personal services line items to over-expend (no information was provided on which line items or what fund sources) to cover the costs which will still be incurred. Does this statement mean that regardless of the General Assembly's final decision to fund additional administrative overheard, the Department will not reduce the administrative overhead? Does this statement mean that the Department knows what personal services line items are responsible for these costs because those programs will use the central services previously allocated to DVR?

<u>Concern #6</u> - The indirect cost allocation provided by the Department raises questions about the equity of the allocation of indirects and highlights the lack of transparency on this issue. This hinders the ability of the General Assembly to (1) track the use of program moneys for administrative overhead and (2) hold the Department accountable for ensuring that dollars intended for program services are being used for services and not overhead. The following table compares the two most recent cost allocation plans[1].

[1] Pursuant to the requirements of OMB Circular A-87 which is the federal document governing indirect costs, a public assistance cost allocation plan is required in lieu of an indirect cost rate proposal for federal programs that provide public assistance to individuals which are predominately financed by the federal Department of Health and Human Services.

Comparison of Department's Indirect Cost Allocation Plans			
	Percentages		
Program/Funding Source	**FY 13-14**	**FY 14-15**	**Change**
Programs in Both Plans			
Medicaid	6.64%	6.00%	(0.64%)
State Programs	25.60%	2.00%	(23.60%)
Alcohol and Drug Abuse Division	1.59%	1.00%	(0.59%)
Aging	1.82%	0.00%	(1.82%)
Disability Determination Services	2.95%	2.00%	(0.95%)
Vocational Rehabilitation	5.97%	4.00%	(1.97%)
Child Welfare IV-B	2.26%	1.00%	(1.26%)
Child Welfare IV-E	8.87%	6.00%	(2.87%)
Child Welfare-Child Abuse	0.09%	0.00%	(0.09%)
Title XX	8.86%	7.00%	(1.86%)
Adult Financing Services and OAP	1.19%	0.00%	(1.19%)
Food Assistance	11.33%	9.00%	(2.33%)
Low Income Energy Assistance	1.30%	1.00%	(0.30%)
Refugees	0.40%	0.00%	(0.40%)
Temporary Assistance To Needy Families	8.33%	6.00%	(2.33%)
New Programs in FY 2014-15 Plan			
Mental Health Community Programs		1.00%	1.00%
Mental Health Institutes		21.00%	21.00%
District Pools		1.00%	1.00%
Aging and Adult Services		1.00%	1.00%
Regional Centers		12.00%	12.00%
Veterans Community Living Centers		2.00%	2.00%
Child Support Enforcement Title IV-D		4.00%	4.00%
Division of Youth Corrections		10.00%	10.00%
Early Child Care		3.00%	3.00%
Discontinued Program in FY 2014-15 Plan			
Child Care	3.29%		(3.29%)
Child Support	5.90%		(5.90%)
Funding from other agencies	1.75%		(1.75%)
Developmental Disabilities Admin	0.28%		(0.28%)
Cash Programs	1.59%		(1.59%)
Total	**100.01%**	**100.00%**	

Why weren't a number of the programs in the "New Programs in the FY 2014-15 Plan" category included in prior years? A couple of the programs including Early Child Care most likely replaced Child Care and Child Support, but there are others, like Regional Centers and Veterans Community Living Centers that are not as easily explained. Why are Regional Centers broken apart from the other Medicaid programs within the Department starting in FY 2014-15? Staff does not have an explanation for why certain programs were not included in the FY 2013-14 plan but where included in the FY 2014-15 plan.

One other interesting piece of information that can be gathered from the data in the above table is how the allocation across programs with a large number of FTE compares. Assuming one of the primary drivers of how much a program utilizes central services like human resources and accounting is how many FTE a program has, staff compared the cost allocation percentage of six programs with a large number of FTE to see how indirect costs were distributed.

Comparison of Percentage for Six Programs

Program	FTE	Cost Allocation Percentage	Percentage per FTE
Mental Health Institutes	1024.35	21%	0.0205%
Regional Centers	827.8	12%	0.0145%
Vocational Rehabilitation	223.7	4%	0.0179%
Veterans Community Living Centers	603.3	2%	0.0033%
Youth Corrections	880.4	10%	0.0114%
Disability Determination	121.7	2%	0.0164%

The "percentage per FTE" figure is intended to be a metric on which each program could be compared and does not reflect how the Department calculated the cost allocation percentage. **Staff recommends the Department discuss at their hearing why there appears to be a disproportionate distribution of costs across these six programs.**

Issue #2 - Veterans Community Living Centers
Veterans Community Living Centers are funded by continuously appropriated cash funds and federal funds. The Department has for the last two years failed to as part of the November request actual expenditures for each Center, or a cash fund schedule for the Veteran Community Living Centers Cash Fund. Staff is concerned that the lack of transparency and information makes it difficult to identify how much, and what services, the Centers receive as a result of indirect costs. Additionally staff is unable to determine if the Department is appropriately using funds for department administrative costs so staff asked the Department to explain how indirect costs collected by the Centers are allocated within the Department. They provided this response: "based on historical data, the total amount directly collected by the Centers is $895,769." This response did not alleviate staff's concerns.

Based on the issues with indirect costs raised by the transfer of the Vocational Rehabilitation Programs and the consistent lack of data on the Veterans Community Living Centers, the General Assembly may want to have a conversation about which department is best suited to operate the Veterans Community Living Centers. The 2014 audit of the Rifle Veterans Community Living Center found a material weakness that "the Center did not accurately record federal grant funds." Additionally the 2014 State Auditor's statewide audit found:

> "The Department [of Human Services] does not have adequate internal controls or an effective review process over accounting transactions and revenue reconciliations at the [Veterans Community] Living Centers. Specifically, the Department's central accounting staff does not review transactions entered by the Living Centers onto COFRS. The Department is not monitoring the Living Centers to ensure that revenue reconciliations are performed accurately and consistently and that Living Center staff maintain supporting documentation in accordance with the Department's policies. Living Center staff stated they do not research all discrepancies identified during their revenue

reconciliation process if the amounts are "small" and they do not maintain all documentation to support the transactions posted on COFRS."

There have been conversations about moving the Veterans Community Living Centers to the Department of Military and Veterans Affairs (DMVA) in previous years in order to align the services provided to veterans. The DMVA has expressed concerns with moving the Centers because of a lack of DMVA structure for providing these services. Similar to moving the Vocational Rehabilitation Programs to a smaller more specialized department, the Veterans Community Living Centers could benefit from a department that is knowledgeable about veteran's issues and needs, and with the right supports, be able to provide services specifically tailored to those needs.

Conclusion

Staff does not feel the information exists within the current budget structure to adequately (1) challenge the base of the indirect cost pool and (2) guarantee that the fund source mixture for the indirect cost pool is representative of what each program is using. Staff believes it would be appropriate to implement indirect cost recoveries within the Department's Long Bill appropriations to ensure that the Department's Long Bill is accurately reflecting the administrative costs of the Department. Staff acknowledges the Department is not supportive of this concept and has repeatedly indicated to staff that implementing indirect cost recoveries within the Long Bill is not feasible. There are other departments, such as the Department of Public Health and Environment that have numerous types of fund sources and federal grants, yet are able to comply with the Committee's indirect policy. Appendix F contains an example of how the Department of Public Health and Environment's indirect cost methodology for the purposes of the Long Bill is constructed. Staff does not believe the Department of Human Services should be provided an exception, especially with the existence of questions related to the proper use of program funds.

Staff is not convinced that implementing a budgetary indirect cost plan is not possible but does believe it will require work to align the indirect cost categories with the Long Bill structure. **Staff recommends the Department provide a written response to the JBC on the source of all administrative overhead funds and how these funds are used.** This should allow staff to calculate how much each line item should be paying in indirects, implement an indirect cost format which would comply with the Committee's policy, and ensure that program money is not being unfairly allocated for overhead.

Issue: Commission for the Deaf and Hard of Hearing

The Commission for the Deaf and Hard of Hearing's annual report was submitted on October 23, 2015 and included five recommendations for legislative and funding changes. Due to the timing of the report and the submission of the Department's budget request, none of the recommendations are reflected in the Department's budget.

SUMMARY:

- The Commission for the Deaf and Hard of Hearing was created to provide individuals who are deaf and hard of hearing a single access point for services and to ensure access to communication and support services.

- The Commission for the Deaf and Hard of Hearing (Commission) was renewed for nine years via S.B. 15-178. Included in the legislation was the requirement for an annual report and the clarification of the Commission's requirement to service individual that are deaf and blind (deaf-blind).

- The Commission's October 2015 report included five recommendations for legislative and funding changes. Included in those recommendations was an amendment to the Disabled Telephone Users Fund fee so it is applied to wireless and Voice over IP users as well as the current landline users.

- The Commission for the Deaf and Hard of Hearing also recommends funding for 1.5 FTE support services for individuals who are deaf-blind. This request is in-line with other state programs for individuals who are deaf-blind.

RECOMMENDATIONS:

(1) Staff recommends the Committee discuss with the Department of Education and, if appropriate the School for the Deaf and Blind, whether or not there is consensus on the need for a Deaf Education Steering Committee and a staff person, and which Department should house the Committee and staff person.

(2) Staff recommends the Department discuss at the hearing why the costs were not included in the fiscal note for the sunset bill for the Commission and which recommendations the Department supports.

DISCUSSION:

The Commission for the Deaf and Hard of Hearing (Commission) was established in 2002 in order to enable Colorado to provide a single access point for individuals who are deaf and hard of hearing to services they are federally entitled too. Services include interpreters, telecommunications equipment, and auxiliary services and aids. The following is a brief history of the Commission[2]:

- House Bill 02-1180 established a program within the Commission to distribute telecommunications equipment to individuals who meet certain income criteria.

- Senate Bill 06-061 transferred, from the Division of Vocational Rehabilitation the responsibility for the provision of interpreter services for individuals in the legal settings. Senate Bill 06-061 added the required that the Commission provide services not only to parties in a case, but also individuals who are witness, potential jurors, and in court-ordered treatment.

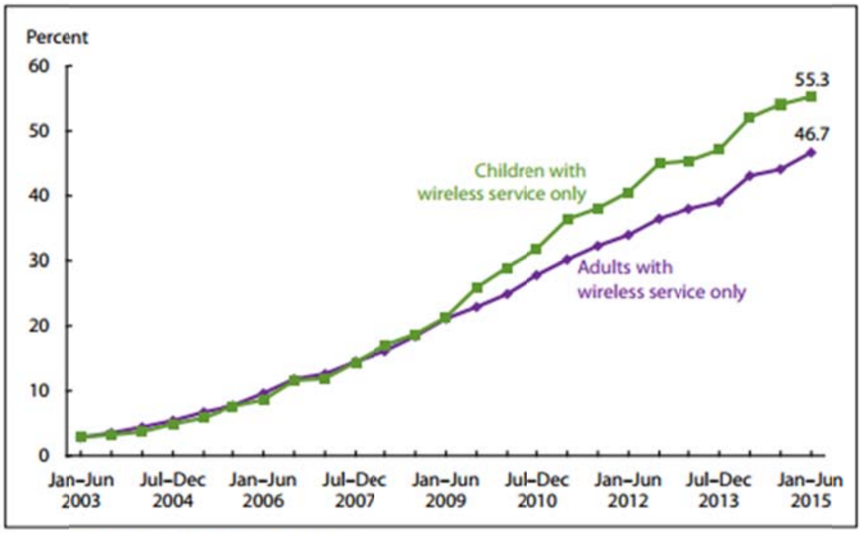
- Senate Bill 09-144 made three changes to the Commission:
  - transferred the responsibility for coordinating the provision of interpreter services from the state court system to the Commission,
  - established the Deaf and Hard of Hearing Grant Program to address the needs of the deaf and hard of hearing community; and
  - Created an Outreach Consultant to improve and ensure equal access to communication services by state and local governments, private agencies, among others.

- Senate Bill 15-178 was the Commission's sunset bill, which continued the Commission for nine years, required the Commission prepare an annual report for the Governor and General Assembly, and clarified that the Commission serves people who are deaf-blind.

Commission Recommendation #1
The Commission recommends the fee credited to the Disabled Telephone User Fund be applied to all wireless and Voice over Internet Protocol (VoIP)[3] users. The basis for the recommendation is that the number of landlines has decreased which has resulted in a higher fee being applied on fewer individuals. Pursuant to statute the fee is not applied to wireless or VoIP users. The following graph published by the Center for Disease Control in December 2015 illustrates the continued growth in wireless users[4]. For a comparison, staff has provided the same chart from December 2011[5].

[2] This information was provided in the October 23, 2015 Colorado Commission for the Deaf and Hard of Hearing Annual Report.
[3] VoIP "is a technology that allows you to make voice calls using a broadband Internet connection instead of a regular (or analog) phone line." https://www.fcc.gov/encyclopedia/voice-over-internet-protocol-voip
[4] http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201512.pdf
[5] Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates from the National Health Interview Survey, July–December 2011. National Center for Health Statistics. June 2012. Available from: http://www.cdc.gov/nchs/nhis.htm.

Figure. Percentages of adults and children living in households with only wireless telephone service: United States, 2003–2015



NOTE: Adults are aged 18 and over, children are under age 18.
DATA SOURCE: CDC/NCHS, National Health Interview Survey.

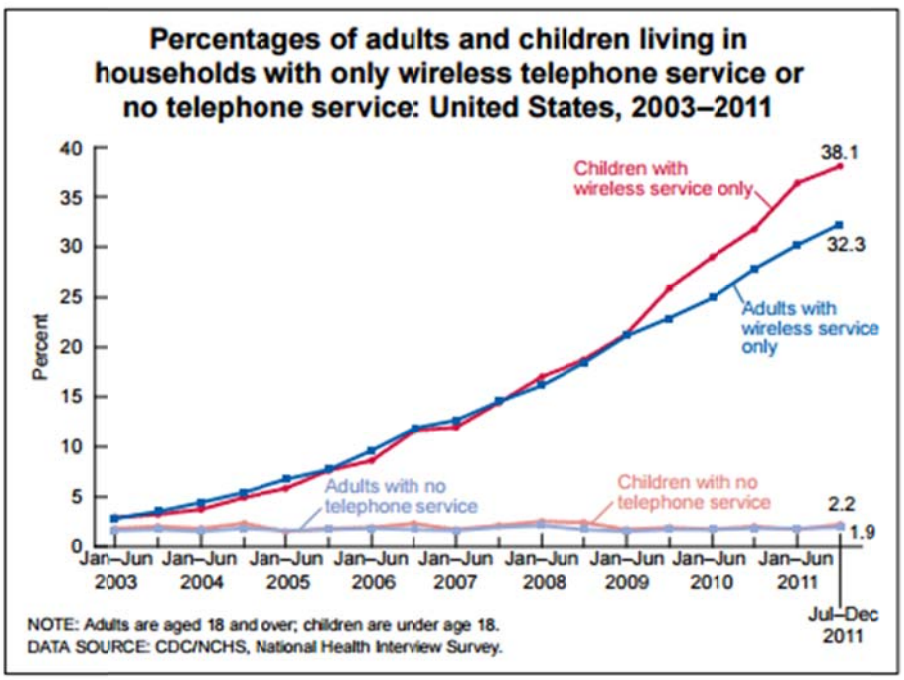


Figure 1

For FY 2016-17 statute requires the Disabled Telephone Users Fund be used for the following programs[6]:

- Reading Services for the Blind Program which resides in the Department of Education and provides funding for use by the state librarian to support privately operated reading services for the blind;

- Commission for the Deaf and Hard of Hearing, including the Legal Auxiliary Program in the Department of Human Services;

- The Public Utilities Commission for the reimbursement of providers who render authorized telecommunications relay services to individuals who are deaf or hard of hearing.

The surcharge was increased in October 2010 to $0.20 per month ($2.44 per year) based on increased transfers to the Commissions and Program. The fee is currently set at an artificially low level of $0.05 per month to address the excess cash fund balance of the Disabled Telephone Users Fund. The Commission's recommendation is structured to say that the fee should be redistributed across landlines, wireless, and VoIP users. The total revenue from the fee could increase in two scenarios:

- The fund balance of the Disabled Users Telephone Fund comes into compliance with the reserve limit and the Department of Regulatory Agencies has to readjust the fee to pay for existing appropriations; or

- New funds are appropriated for one of the three programs which use the moneys in the Disabled Users Telephone Fund.

The following table summarizes the actual and projected balance of the Disabled Telephone Users Fund. Note the table assumes no changes in appropriations for any program supported by the Fund.

Disabled Telephone Users Fund

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriated	FY 2016-17 Projected - No fee Change	Projected - fee increase
Beginning Fund Balance	$4,318,798	$4,629,006	$2,717,182	$798,007	$798,007
Revenue	3,342,488	996,831	996,831	996,831	996,831
Additional revenue*					1,196,197
Expenditures	(3,032,280)	(2,908,655)	(2,916,006)	(2,909,702)	(2,909,702)
Ending Fund Balance	$4,629,006	$2,717,182	$798,007	($1,114,864)	$81,333

*Assumes 1,661,385 landlines are paying the $0.05 monthly fee in FY 2016-17

[6] Prior to FY 2010-11 the Commission for the Blind and Visually Impaired received funding from the Disabled Telephone Users Fund but the General Assembly allowed the Commission to sunset.

An increase in the Disabled Telephone User Fee will increase cash fund revenue subject to TABOR. If there are approximately 3.5 million wireless and VoIP users who would be subject to the fee, the following table summarizes what the fee would be if revenue is held constant.

Summary of Fee Changes Under Commission Recommendation #1				
Revenue	$2,909,702	$3,000,000	$3,500,000	$4,000,000
Wireless/VoIP and Landline Fee Payers				
Est. Number of Fee Payers	3,500,000	3,500,000	3,500,000	3,500,000
Annual Fee	$0.83	$0.86	$1.00	$1.14
Monthly Fee	$0.07	$0.07	$0.08	$0.10
Landline Fee Payers Only				
Est. Landline Fee Payers	1,661,385	1,661,385	1,661,385	1,661,385
Annual Fee	$1.75	$1.81	$2.11	$2.41
Monthly Fee	$0.15	$0.15	$0.18	$0.20

Commission Recommendation #2

There is little coordination within K-12 education for children who are deaf or hard of hearing. Coordination for these students can be challenging because it may involve multiple departments and early intervention agencies. In 2002 the Department of Education published "A Blueprint for Closing the Gap, Develop a Statewide System of Service" as a plan for improving the education of children who are deaf and hard of hearing in Colorado. The Commission awarded a grant in 2013 to the Colorado Association of the Deaf, Colorado Hands & Voices, and the Rocky Mountain Deaf School to revisit the 2002 blueprint. What came of that group was a report called the "Seven Agreements for Closing Colorado's Gap in Deaf Education." The report's authors believed the agreements could "make a measureable difference in the educational outcomes for the next generation of Colorado's deaf or hard of hearing students." The Commission supports the seven agreements while the Department of Education and the Colorado School for the Deaf and Blind are not supportive of the agreements. The Commission's second recommendation is to create a permanent, full-time Coordinator of Educational Advancement and Partnership position within the Commission or another state agency (most likely Education) to support the Deaf Education Steering Committee which would implement the seven agreements as well as the recommendations make in the Blueprint document. **Staff recommends the Committee discuss with the Department of Education and, if appropriate the School for the Deaf and Blind, whether or not there is agreement on (1) the need for a Committee and a staff person, and (2) if there is agreement, which Department should house the Committee and staff person.**

Commission Recommendation #3

There are estimated to be at least 5,000 individuals who are deaf-blind in Colorado, but only limited services are available to them. Individuals who are deaf-blind require four core services to live independently in the community:

- Assistive technology which includes captioned and amplified telephones, wireless devices, and ring signalers;

- Interpreters and support services providers who are trained professionals who provide visual and environmental information and human guide services;

- Orientation and mobility training so individuals are able to safely navigate their community; and

- Employment and housing accommodations.

Senate Bill 15-178 expanded the Commission's mandate to service individuals who are deaf-blind. As a result of this mandate the Commission recommends an additional 1.5 FTE are needed to comply with this mandate. 1.0 FTE will be an outreach consultant who is responsible for finding individuals who are deaf-blind, determining what resources are available for these individuals, providing assistance to connect individuals with services, and providing technical assistance to public and private entities to ensure appropriate services are being provided to individuals who are deaf-blind. The remaining 0.5 FTE will be responsible for developing and administering a statewide program that provides deaf-blind services, including service support professionals and orientation and mobility training.

The recommendation includes funding for service support professionals and orientation and mobility training in the amount of:

- 12 hours of service support professionals (SSP) services for 15 individuals in FY 2016-17. The recommendation includes expanding the number to 25 individuals and 16 hours per month in FY 2017-18.

- 12 hours of individualized orientation and mobility (O&M) training for 10 individuals in FY 2016-17. This amount would increase to 20 individuals in FY 2017-18.

The following table summarizes the Commission's cost estimate of the recommendation. Note the funding for this recommendation could come from either General Fund or from the Disabled Telephone Users Fund.

Recommendation #3 Cost Estimate	
Item	**Cost**
Outreach Consultant - 1.0 FTE	$54,962
Deaf-Blind Service Coordinator - 0.5 FTE	26,623
SSP Services	36,000
O&M Services	16,200
Training for SSPs	7,920
Training for O&M Providers	13,600
Total	**$155,305**

Staff contacted the National Association of State Legislatures (NCSL) to obtain information about how other states provide services to individuals who are deaf-blind. NCSL found that Minnesota, Wisconsin, and Maryland have programs specific to deaf-blind services. Minnesota utilizes at least four personnel to provide "direct services to adults with deaf-blindness, including independent living training." Wisconsin has the Center for Deaf-Blind Persons that employees six staff including education specialists, trainers, and outreach coordinators. The Center provides rehabilitation services, independent living services, maintains a community SSP program, and is available for public outreach, education, and technical assistance. Maryland provides braille training, orientation and mobility services, job coaching, and operates a SSP program.

NCSL found a lack of information on state-run or municipally-run SSP programs. The American Association of the Deaf-Blind (AADB) recently published a survey of SSP programs across the nation. SSP counts ranged from 15 SSPs to 50 SSPs in the largest programs. NCSL concluded their research by noting that state-run adult deaf-blind services are not common place, but the Commission's recommendation for 1.5 FTE and services funding is comparable with existing state-run programs.[7] **Staff recommends the Department discuss at the hearing why these costs were not included in the fiscal note for the sunset bill, and whether the Department supports of this recommendation.**

Commission Recommendation #4 - Communication Access Fund for Legal Council
A 2013 survey by the Commission's Communication Access Fund Task Force revealed that 82.0 percent of respondents indicated when they sought legal services there was a lack of willingness on the part of attorneys to provide the requested service (i.e. interpreters or CART services). In the recommendation to the Commission, the Communication Access Fund Task Force recommended the creation of a "centrally funded, sustainable system that is available anytime, anywhere in the state." This recommendation did not receive support from the Colorado Supreme Court Regulation Counsel. Current options for paying for interpreter/CART services include a federal tax credit for 50.0 percent of the expenses incurred in providing services and a one-time reimbursement of $250 per client from the Colorado Bar Association.

The Commission's recommendation is for the creation of a Communication Access Fund to pay for the costs incurred in providing interpreter services in legal settings not covered by the Legal Services Auxiliary Program.[8] The recommendation does not include a recommended source of revenue for the cash fund or how it would be used. If the Committee would like to pursue this issue, staff will on gathering information about the estimated cost of services, the total cost of services requested and provided during a fiscal year, appropriate funding sources, and if there is support from various stakeholders for the Commission's recommendation.

[7] Information provided by Kyle Ingram, Policy Specialist, Disability and Employment, EET, National Conference of State Legislatures

[8] The Legal Auxiliary Services Program provides qualified legal sign language interpreters, Communication Access Real-time Translation, and assistive listening systems to individuals who are deaf or hard of hearing and involved with the state courts system

Commission Recommendation #5

The last recommendation from the Commission is for the addition of 1.7 FTE to the Commission for outreach and consultative services. The fiscal note for S.B. 15-178 did not reflect the need for new funds or FTE for the Commission. The recommendation states that "the additional FTE will allow the Commission to meet their statutory mandate of increasing access to government." **Staff recommends the Department discuss at the hearing why there is a difference between the fiscal note for S.B. 15-178 which indicated no new FTE or funding and the Commission's October 2015 report which indicates the need for 1.7 FTE and $85,942 total funds.**

Issue: Regional Center Task Force

The Regional Center Task Force was created by the General Assembly in 2014 as a mechanism to determine the appropriate role for Regional Centers in the changing landscape of services for individuals with intellectual and developmental disabilities (IDD). Statute charged the Task Force with answering five questions, and the Task Force must finalize their recommendations by December 31, 2015. This issue provides a number of points to consider for the most contentious charges of the Task Force which were to determine the number of institutional and waiver-licensed beds should be operated by the State.

SUMMARY:

- The Regional Center Task Force was created by the General Assembly in 2014 as a mechanism to determine the appropriate role for Regional Centers in the changing landscape of services for individuals with intellectual and developmental disabilities (IDD). Statute charged the Task Force with answering five questions, and the Task Force must finalize their recommendations by December 31, 2015.

- The first charge of the Task Force was to determine the appropriate number of ICF/IID beds the State should be operating. The costs of ICF/IID beds are determined by the actual cost of services and are the most expensive beds to operate. There currently are no limits on the addition of new privately run Intermediate Care Facility for Individuals with Intellectual Disabilities beds in Colorado. Five new ICF/IID beds were recently added by the currently private provider of ICF/IID services. Based on an average cost of $220,825 a year for each bed, these beds will cost a total of $1,104,125, of which $552,063 is General Fund.

- The second charge of the Task Force was to determine the number of waiver beds the State should be operating. The cost of these beds is higher than community-based waiver beds but less expensive than ICF/IID beds. There is a statutory prohibition on the selling or closing of state-operated waiver beds until May 16, 2016 in order to provide the General Assembly time to respond to the Task Force's recommendations during the 2016 Session.

RECOMMENDATIONS:

Staff recommends the Committee sponsor legislation requiring the Department of Health Care Policy and Financing (HCPF) to present as part of the annual budget request a summary of the requests for new ICF/IID licensures that will serve individuals with intellectual and developmental disabilities, including an estimated cost of those new ICF/IID beds, the number of clients they will serve, the justification for the new ICF/IID beds, and the Department's recommendation on the application.

Staff recommends the funding for privately-operated ICF/IID beds be made a separate line item within the HCPF budget. Staff recommends the Committee ask the Department for their response to this recommendation during the hearing, and where in the Long Bill the Department would recommend this line item be placed.

DISCUSSION:

The Regional Center Task Force was created by the General Assembly in 2014 to determine the appropriate role for Regional Centers in the changing landscape of services for individuals with intellectual and developmental disabilities (IDD). The Regional Centers are operated by the Department of Human Services and funded with Medicaid funds. The Regional Center Task Force was statutorily tasked with making recommendations on the following:

- Charge #1 - The number of ICF/IDD the State needs and the number of beds the State should sell, add, or close;
- Charge #2 - Whether or not the State should operate beds licensed pursuant to the Medicaid home- and community-based services (HCBS) waiver;
- Charge #3 - A strategic plan for client transitions to community placements;
- Charge #4 - A strategic plan for the future use of the Regional Centers; and
- Charge #5 - Other matters relevant to the Regional Centers including community supports and adjustments to policies.

The most contentious charges were the first two and since the Task Force is still working through the recommendations related to those issues at the time this document went to print, staff decided to not include the draft recommendations before the Task Force was able to finalize them. Staff has provided a number of points to consider which relate to the first two charges. There will be a number of opportunities during this budget process for the Committee to review the final recommendations and any associated staff recommendations.

Statutory Charge #1 - The number of ICF/IDD the State needs and the number of beds the State should sell, add, or close.

There currently are no limits on the addition of new privately run ICF/IID beds in Colorado. Staff asked the Department of Health Care Policy and Financing what controls exist related to the addition of new ICF/IID beds, and the Department indicated that "ICF's are licensed by the Colorado Department of Public Health and Environment (CDPHE) and enrolled as Medicaid providers by HCPF. These applications are available without request and can be completed and submitted directly to the Departments by an interested agency. HCPF does not systematically track requests for ICF applications." Interest has been expressed by community providers to add ICF/IID beds. Once an application is submitted, CDPHE conducts a survey to determine if the facility complies with federal regulations for an ICF/IID. If the facility meets those requirements a license is issued. Once a license is issued, the provider submits a Medicaid provider enrollment application to HCPF. Historically the State was required to provide ICF/IID services in order to receive waivers. Staff recommends the Department discuss at the hearing if this requirement still exists.

Privately operated ICF/IID beds are reimbursed on an allowable cost basis. The state has no control over these expenditures but is responsible for paying the General Fund portion of the Medicaid rate. There is current one provider operating a privately run ICF/IID beds which are funded through the Medicaid Services Premiums line item.

Five new ICF/IID beds were recently added by the private provider which will cost, based on an average annual cost of $220,825, a total of $1,104,125, of which $552,063 is General Fund. There was no notice provided to the General Assembly about the addition of the five beds although the General Assembly is required to expend the related dollars. The current structure for adding ICF/IID beds strips the General Assembly of the power to make independent decisions on how state tax dollars are spent. Since ICF/IID beds directly drive a General Fund impact, and the current structure provides the General Assembly with no ability to determine if that is an appropriate use of General Fund.

Staff recommends the Committee sponsor legislation which requires the Department of Health Care Policy and Financing to present as part of the annual budget request a summary of the requests for new ICF/IID licensures that will serve individuals with intellectual and developmental disabilities, including an estimated cost of those new ICF/IID beds, the number of clients they will serve, and the justification for the new ICF/IID beds. If the State is able to deny new ICF/IID applications, the Joint Budget Committee, through the decisions made during Long Bill figure setting could be the approval process for new ICF/IID beds.

Additionally since there is no transparency in the Long Bill about how much the state is spending on ICF/IID privately operated beds, **staff recommends the funding for these beds be made a specific line item within the Department's budget. Staff recommends the Committee ask the Department for their response to this recommendation during the hearing and where in the Long Bill the Department would recommend this line item be placed.**

Since community providers are interested in adding ICF/IID beds and the Grand Junction Regional Center ICF/IID campus is a significant General Fund cost driver, **staff recommends the Committee discuss with the Department of Health Care Policy and Financing and the Department of Human Services the feasibility of converting vacant Regional Center group homes to ICF/IID homes. The Committee should also explore adding privately operated ICF/IID group homes so the individuals requiring ICF/IID services can be moved off the campus.** This will enable the State to divest the Regional Centers from the financial burden of maintaining the Grand Junction campus, thus freeing up General Fund dollars that can be directed to services.

Charge #2 - Whether or not the State should operate beds licensed pursuant to the HCBS waiver.

This charge was probably the most difficult one for the Task Force to find consensus on. Staff wants to highlight two points external to the Task Force that will influence the operations of waiver beds at the Regional Centers. First is the expiration of the statutory prohibition on the selling or closing of group homes. Section 27-10.5-311 (1), C.R.S. prohibits the Department of Human Services from selling or closing any state operated waiver beds through May 16, 2016. After that date the Department is able to sell or close beds. This prohibition was enacted in order to provide the Regional Center Task Force time to answer charge #2. What will the Department of Human Services do if there is no consensus Task Force recommendation on charge #2?

The Department of Human Services provided information about transitions and readmissions to and from the Regional Centers. The two Centers which provide waiver services (Grand Junction and Pueblo) had a bed occupancy rate of 67.0 percent each, and each Center has one vacant group home. Additionally the Department indicated that "of the 265 residents of the Regional Centers, 120 are classified as having met their discharge criteria and are considered clinically ready to move to the community." The Department indicated that 56 residents receiving waiver services were ready to transition. The following table summarizes the number of occupied Regional Center homes and beds, and the number of individuals at each Center the Department has determined is ready to transition.

Regional Center Homes and Census Data

Facility Licensure Type	# Homes	# Homes Occupied	# Licensed Beds	# Occupied Beds	Bed Occupancy Rate	Individuals Ready to Transition
ICF/IID						
WRRD - ICF/IID	19	17	142	126	88.70%	61
GJRC - ICF/IID	9	6	46	26	56.50%	3
ICF/IID Total	28	23	188	152	80.90%	64
Waiver						
GJRC - Waiver	11	10	88	59	67.00%	18
Pueblo Waiver	10	9	80	54	67.50%	38
Waiver Total	21	19	168	113	67.30%	56

A second important is whether operation of the waiver beds at the Grand Junction and Pueblo Regional Centers will have to change to come into compliance with the federal rule on allowable living environments for individuals receiving waiver services (also called the Home Settings Rule). There is no cost estimate of what it would cost to bring the Regional Centers into compliance with the rule as well as what exceptions to the rule are available.

Finally, the Department of Human Services indicated during the meetings that certain business practice changes were delayed so the Task Force could complete their work. **Staff recommends the Department of Human Services discuss at their hearing what changes are being considered.**

Issue: Update on the Vocational Rehabilitation Programs and Independent Living Centers

The Vocational Rehabilitation Programs continue to under-expend vocational rehabilitation funding, which has resulted in a federal maintenance of effort penalty. For FY 2015-16 the Programs are projecting an underexpenditure of $6,863,988 total funds, the majority of which are federal funds set-aside for pre-transition services for students with disabilities.

The General Assembly invested $4.0 million General Fund over two-years for the Independent Living Centers through S.B. 15-240. The Centers completed a statutorily required facilitation and came to agreement on funding formula factors, which included funding for the creation of a new Office of Independent Living Centers using a portion of the new funds.

SUMMARY:

- Pursuant to S.B. 15-239 (Transfer Vocational Rehab from DHS to CDLE) the Vocational Rehabilitation Programs, including the Business Enterprise Program will transfer to the Department of Labor and Employment on July 1, 2016.

- The Department of Human Services' response to the request for information on Vocational Rehabilitation Programs (Program) projected a $6,863,988 total funds underexpenditure in FY 2015-16. The majority of the funding was designated by the federal government as funds for pre-transition services for students with disabilities. The Program is not currently designed in a way that complies with the federal requirements for providing these services.

- It is anticipated that Colorado will lose approximately $18.0 million federal funds at the end of FY 2015-16 as a result of the continued under expenditures.

- In addition to the 3.4 FTE being transferred from the Department of Human Services, the Department of Labor and Employment has requested $371,253 total funds, of which $79,077 is General Fund and 2.6 FTE for the Vocational Rehabilitation Programs.

- Senate Bill 15-240 (Funding Formula Independent Living Centers) provided a total of $4.0 million General Fund to the Independent Living Centers via a statutory funding formula. The bill required the Centers come to consensus on the formula "other factors" prior to January 1, 2016. The Centers submitted a letter on November 11, 2015 to Department indicating they had reached consensus on the other factors.

- The Centers as part of the facilitation and eventual agreement on the funding formula, determine there existed a need for more support from the Department in the form of a Division/Office for Independent Living Centers.

RECOMMENDATIONS:

Staff recommends the Department of Labor and Employment be allocated a time during the hearing to discuss the Vocational Rehabilitation Transition Plan.

Staff recommends the Department of Human Services discuss the Department's position on the creation of a new Office/Division of Independent Living Centers.

DISCUSSION:

Vocational Rehabilitation Services

The Vocational Rehabilitation Programs, including the Business Enterprise Program, will transfer to the Department of Labor and Employment on July 1, 2016 pursuant to S.B. 15-239 (Transfer Vocational Rehab from DHS to CDLE). The Department of Labor and Employment has prepared a transition plan for how the programs will move. Since the plan staff received was in draft form, staff recommends the Department of Labor and Employment discuss at the hearing and provide a final copy of the transition plan.

The Committee sent a request for information to the Department of Human Services for FY 2015-16 asking for quarterly updates on, among other things, the number of individuals accessing vocational rehabilitation services and the projected expenditures of the Vocational Rehabilitation Program. As of October 30, 2015 7,717 individuals were accessing the Program. Appendix C includes a table summarizing the number of individuals by case status (e.g. is the individual at the application phase, is the individual receiving services, or is the individual employed). Of the 7,717 total individuals, only 811 are actively receiving services.

The number of applications for services is approximately 450 per month as compared to approximately 700 per month prior to 2013 implementation of the waiting list. It is unclear what caused this decline in applications, but it could be a combination of individuals not applying because they think they will simply be added to a waiting list and individuals not having confidence they will get the services they need.

The direct costs of the Vocational Rehabilitation Programs are funded through a number of line items in the budget including the Business Enterprise Program and the Federal Social Security Reimbursements line items. The following table compares the FY 2014-15 appropriation to the FY 2014-15 actual expenditures and the FY 2015-16 appropriation to the FY 2015-16 projected expenditures by total funds.

Vocational Rehabilitation Programs Appropriation and Actual Expenditures				
	FY 14-15 Appropriated	**FY 14-15 Actual**	**FY 15-16 Appropriated**	**FY 15-16 Projected**
Personal Services	$15,944,262	$15,813,264	$15,657,319	$15,657,319
Operating Expenses	3,154,385	1,860,643	2,539,404	2,539,404
Services	14,831,622	10,190,255	14,831,622	8,796,132
School to Work Alliance Program	9,328,724	8,568,592	9,133,891	9,133,891
Mental Health Services	1,748,180	1,185,924	1,748,180	1,748,180
Federal Social Security Reimbursements	1,103,244	969,778	1,885,600	1,103,224
Business Enterprise Program	1,301,230	1,171,954	1,521,112	1,475,000
Total	**$47,411,647**	**$39,760,410**	**$47,317,128**	**$40,453,150**
Change (Actual-Approp.)*		**($7,651,237)**		**($6,863,978)**

The following is a discussion of the Department's explanation for the underexpenditure of the program. **Staff recommends the Department of Labor and Employment discuss at their hearing how they will address the issues raised by the Department of Human Services.**

Waiting List
Underexpenditures are a result of more individuals waiting for services then the Department had the funds to serve. The explanation states that the implementation of the waiting list in March 2013 resulted in a reduction of expenditures for FY 2012-13 through FY 2014-15. This explanation is a little confusing because the Programs should have been operating at maximum capacity in order to limit the time individuals spent on the waiting list.

Pre-Employment Transition Services for Students with Disabilities
The federal fiscal year 2015 grant included a new requirement that 15.0 percent of the federal funds (approximately $6.1 million) be set aside to provide Pre-employment Transition Services (PETS) for Students with Disabilities. The addition of Pre-employment Transition Services to DVR is the result of changes in the 2014 federal Workforce Innovation and Opportunity Act and include: job exploration counseling; work-based learning experiences (e.g., in-school or after school opportunities including internships) in an integrated environment to the extent possible; counseling related to transition or post-secondary education at institutions of higher learning (e.g., college); workplace readiness training; and instruction in self-advocacy.[9]

These funds are designed for students ages 15 to 21, and the Department indicated they do not have a program that is currently designed to meet this requirement. The response states "DVR is in the process of evaluating its client population to identify these students and is also designing program services (both general client services and School to Work Alliance services) to meet the required five services. In addition, DVR is developing a recruiting strategy to attract more of this population to the Program." During the conversations regarding the FY 2015-16 Long Bill appropriation, this new requirement was never mentioned to staff, nor were concerns raised to staff by the Department of the Programs ability to provide these services.

[9] Information from The Arc's policy paper on Pre-employment transition services. http://www.thearc.org/document.doc?id=5183

Failure to Meet Maintenance of Effort Requirements
There is a maintenance of effort requirement associated with federal vocational rehabilitation funds. The Department did not meet this requirement. The first maintenance of effort penalty was $576,036 which was deducted from the federal grant amount for upcoming years. The maintenance of effort penalties are likely to occur for at least the next three grant years.

Unobligated Federal Funds
Funds awarded through the federal grant can be spent over two federal fiscal years (which runs October 1 to September 30), but the Department is required to obligate the entire federal grant award by the end of the first year of the grant. Due to the Programs issues with expending funds starting in FY 2012-13, the Program is at a point where the ability of the Program to obligate the entire FFY 2015 grant is in doubt. Based on information provided in the response, staff estimates $18.0 million federal grant funds will be lost at the end of FY 2015-16.

State Match
Federal funds for the Program require a 21.3 percent state match. Since the expenditure of federal grant funds has become skewed to the point where there is a significant build-up of unused/unobligated funds the existing level of state funds appropriated to pulldown the federal funds is not enough to pull down the unused/unobligated funds. The following table summarizes the available unused federal funds and the amount of state funds required to pull down the match.

Summary of Available Federal VR Funds		
	FY 2015-16	**FY 2016-17**
Available Funds	$70,241,144	$81,494,995
Projected Expenditure	33,775,516	38,500,000
Unused Funds	36,465,628	42,994,995
State Funds Required to Match Unused Funds	**$9,869,350**	**$11,636,511**

Department of Labor and Employment's FY 2016-17 Request
The Department of Labor and Employment has requested $371,253 total funds, including $79,077 General Fund and 2.6 FTE to provide administrative, financial, budget and human resource support to the Division of Vocational Rehabilitation. This request is in addition to the 3.4 FTE vacant FTE being transferred from the Department of Human Services. The transfer of the 3.4 FTE does not provide sufficient resources for the Department of Labor and Employment to ensure compliance with program requirements. It is concerning that the Department of Human Services is transferring vacant FTE positions while at the same time asking for General Fund dollars to backfill lost indirect costs. How many FTE are truly required to support DVR, since the Department of Human Services is not transferring any FTE that currently provide support?

Independent Living Centers

Senate Bill 15-240 established a funding formula for Independent Living Centers which in total added $4.0 million General Fund to the funding for the Independent Living Centers. The formula is comprised of two components: a base amount of $600,000 per Center and "other factors". Since the bill did not define "other factors" the Centers were tasked with reaching consensus on how to define other factors by January 1, 2016. The bill provided funding for a facilitator to oversee the discussion. On September 19, 2015 the Centers meet and reached consensus for how to define the other factors. As agreed to by the Centers the other factors include: (1) the percent of the population that has a disability within a given county, (2) the percent of the population that is over 65 years old within a given county, (3) the population density of each county, and (4) the number of counties served by each Center.

The Centers currently lack a clear department support structure and determined through their conversations that it is in the best interests of the Centers, the Department, as well as the General Assembly that a portion of the funds appropriated for the "other factors" be used to establish an Office or Division of Independent Living Centers within the Department of Human Services. Staff discussed this recommendation with the Department, who expressed concern that the General Assembly appropriated funds intended for services and not for state administrative costs. Staff would argue that there is a need for an Office or Division within the Department of Human Services because currently the Centers only receive limited support from the Department. The Centers have put forth a proposal that would provide both the Department and the Centers with the resources need to build a productive relationship which will facilitate the delivery of services. Staff recommends the Department of Human Services discuss the Department's position on the creation of a new Office or Division of Independent Living Centers.

Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
DEPARTMENT OF HUMAN SERVICES					
Reggie Bicha, Executive Director					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(A) General Administration					
Personal Services	1,887,283	2,419,054	2,011,581	2,059,810	
FTE	19.3	19.3	15.3	15.3	
General Fund	936,972	994,107	680,394	708,366	
Cash Funds	654,920	114,421	108,802	115,072	
Reappropriated Funds	64,683	376,558	310,734	319,416	
Federal Funds	230,708	933,968	911,651	916,956	
Health, Life, and Dental	26,540,652	29,877,921	33,990,114	33,112,049 *	
General Fund	16,089,254	16,715,817	21,590,760	22,503,937	
Cash Funds	64,365	656,675	647,045	559,034	
Reappropriated Funds	6,909,571	8,651,612	7,515,685	6,909,927	
Federal Funds	3,477,462	3,853,817	4,236,624	3,139,151	
Short-term Disability	382,605	482,212	492,114	407,606 *	
General Fund	259,563	308,434	318,746	277,428	
Cash Funds	9,412	9,749	11,054	8,368	
Reappropriated Funds	56,815	91,502	92,824	74,665	
Federal Funds	56,815	72,527	69,490	47,145	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	7,211,504	9,025,063	10,152,863	10,615,906 *	
General Fund	4,512,450	5,782,949	6,585,233	7,226,311	
Cash Funds	179,431	178,449	222,977	213,261	
Reappropriated Funds	1,511,774	1,735,859	1,941,356	1,978,665	
Federal Funds	1,007,849	1,327,806	1,403,297	1,197,669	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	6,466,112	8,462,750	9,797,755	10,505,322 *	
General Fund	4,250,101	5,423,268	6,351,748	7,151,037	
Cash Funds	161,986	167,296	215,376	211,039	
Reappropriated Funds	2,054,025	1,627,368	1,875,174	1,958,054	
Federal Funds	0	1,244,818	1,355,457	1,185,192	
Salary Survey	5,950,587	5,906,568	2,443,776	895,560	
General Fund	3,521,881	3,771,882	1,571,453	640,505	
Cash Funds	158,634	120,276	56,428	28,372	
Reappropriated Funds	1,330,200	1,126,559	466,303	155,379	
Federal Funds	939,872	887,851	349,592	71,304	
Merit Pay	3,339,994	2,315,460	2,380,606	0	
General Fund	1,945,332	1,457,382	1,494,087	0	
Cash Funds	83,797	41,289	51,234	0	
Reappropriated Funds	753,376	443,366	467,204	0	
Federal Funds	557,489	373,423	368,081	0	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Shift Differential	4,566,588	5,211,427	5,311,304	5,792,948	
General Fund	3,010,588	3,462,404	3,590,643	3,934,215	
Cash Funds	0	8,486	0	0	
Reappropriated Funds	1,531,572	1,728,870	1,720,661	1,858,733	
Federal Funds	24,428	11,667	0	0	
Workers' Compensation	12,469,196	11,940,848	9,502,479	10,218,678	
General Fund	7,779,924	6,740,544	5,076,950	4,960,048	
Cash Funds	1,173,234	1,104,845	1,007,507	1,375,821	
Reappropriated Funds	3,290,999	3,479,330	2,816,284	2,783,886	
Federal Funds	225,039	616,129	601,738	1,098,923	
Operating Expenses	511,276	470,369	499,761	499,761	
General Fund	215,181	108,983	143,372	143,372	
Cash Funds	119,393	119,569	119,570	119,570	
Reappropriated Funds	118,365	160,504	160,504	160,504	
Federal Funds	58,337	81,313	76,315	76,315	
Legal Services	1,616,065	1,823,962	1,751,889	1,772,910	
General Fund	1,485,148	1,672,032	1,672,032	1,692,095	
Cash Funds	130,917	151,930	79,857	80,815	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	723,531	579,719	615,792	600,594 *	
General Fund	438,068	358,537	380,847	371,502	
Cash Funds	43,760	16,258	17,270	16,913	
Federal Funds	241,703	204,924	217,675	212,179	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Payment to Risk Management and Property Funds	1,463,119	1,475,475	1,642,372	1,960,331	
General Fund	1,170,321	786,797	875,554	1,045,059	
Cash Funds	26,091	118,998	132,422	158,059	
Reappropriated Funds	187,900	232,135	258,773	308,871	
Federal Funds	78,807	337,545	375,623	448,342	
Staff Training	545	0	13,799	13,799	
Cash Funds	545	0	13,799	13,799	
Injury Prevention Program	78,044	89,813	105,970	105,970	
Reappropriated Funds	78,044	89,813	105,970	105,970	
SUBTOTAL - (A) General Administration	73,207,101	80,080,641	80,712,175	78,561,244	(2.7%)
FTE	19.3	19.3	15.3	15.3	0.0%
General Fund	45,614,783	47,583,136	50,331,819	50,653,875	0.6%
Cash Funds	2,806,485	2,808,241	2,683,341	2,900,123	8.1%
Reappropriated Funds	17,887,324	19,743,476	17,731,472	16,614,070	(6.3%)
Federal Funds	6,898,509	9,945,788	9,965,543	8,393,176	(15.8%)

(B) Special Purpose

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Employment and Regulatory Affairs	4,908,372	5,224,124	5,373,492	5,452,978	
FTE	63.8	63.8	65.9	65.9	
General Fund	1,813,846	2,012,863	2,072,027	2,102,725	
Cash Funds	243,882	277,995	285,154	289,430	
Reappropriated Funds	676,381	692,574	712,620	722,954	
Federal Funds	2,174,263	2,240,692	2,303,691	2,337,869	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Administrative Review Unit	2,177,677	2,006,561	2,399,953	2,439,709	
FTE	22.6	22.6	26.2	26.2	
General Fund	1,501,185	1,581,513	1,635,462	1,669,254	
Federal Funds	676,492	425,048	764,491	770,455	
Records and Reports of Child Abuse or Neglect	527,381	479,270	611,534	618,817	
FTE	7.6	7.6	7.5	7.5	
Cash Funds	527,381	479,270	611,534	618,817	
Child Protection Ombudsman Program	734,130	897,694	242,450	0	
General Fund	368,565	448,847	242,450	0	
Cash Funds	365,565	448,847	0	0	
Juvenile Parole Board	278,314	217,342	292,317	295,654	
FTE	3.2	3.2	3.2	3.2	
General Fund	202,200	150,342	213,463	216,800	
Reappropriated Funds	76,114	67,000	78,854	78,854	
Developmental Disabilities Council	739,769	687,086	900,655	908,013	
FTE	5.0	5.0	6.0	6.0	
Federal Funds	739,769	687,086	900,655	908,013	
Colorado Commission for the Deaf and Hard of Hearing	1,209,786	1,137,785	1,177,753	1,173,954 *	
FTE	5.4	5.4	6.3	6.3	
General Fund	101,378	132,807	136,348	124,882	
Reappropriated Funds	936,927	1,004,978	1,041,405	1,049,072	
Federal Funds	171,481	0	0	0	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Health Insurance Portability and Accountability Act of 1996 - Security Remediation	343,924	279,316	380,739	380,739	
FTE	1.0	1.0	1.0	1.0	
General Fund	257,031	231,851	280,296	280,296	
Cash Funds	0	298	334	334	
Reappropriated Funds	73,355	47,167	73,998	73,998	
Federal Funds	13,538	0	26,111	26,111	
CBMS Emergency Processing Unit	124,067	115,001	222,137	223,416	
FTE	2.0	2.0	4.0	4.0	
General Fund	63,410	52,445	75,820	76,268	
Cash Funds	0	0	17,350	17,350	
Federal Funds	60,657	62,556	128,967	129,798	
Children's Savings Accounts	0	0	0	100,000 *	
General Fund	0	0	0	100,000	
Developmental Disabilities and Behavioral Health Services Gap Analysis	50,000	0	0	0	
General Fund	50,000	0	0	0	
Regional Center Taskforce and Utilization Study	0	227,823	0	0	
General Fund	0	227,823	0	0	
SUBTOTAL - (B) Special Purpose	11,093,420	11,272,002	11,601,030	11,593,280	(0.1%)
FTE	110.6	110.6	120.1	120.1	0.0%
General Fund	4,357,615	4,838,491	4,655,866	4,570,225	(1.8%)
Cash Funds	1,136,828	1,206,410	914,372	925,931	1.3%
Reappropriated Funds	1,762,777	1,811,719	1,906,877	1,924,878	0.9%
Federal Funds	3,836,200	3,415,382	4,123,915	4,172,246	1.2%

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (1) Executive Director's Office	84,300,521	91,352,643	92,313,205	90,154,524	(2.3%)
FTE	129.9	129.9	135.4	135.4	0.0%
General Fund	49,972,398	52,421,627	54,987,685	55,224,100	0.4%
Cash Funds	3,943,313	4,014,651	3,597,713	3,826,054	6.3%
Reappropriated Funds	19,650,101	21,555,195	19,638,349	18,538,948	(5.6%)
Federal Funds	10,734,709	13,361,170	14,089,458	12,565,422	(10.8%)

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation

(9) SERVICES FOR PEOPLE WITH DISABILITIES

abilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

(B) Regional Centers for People with Developmental Disabilities

(1) Wheat Ridge Regional Center

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Wheat Ridge Regional Center Intermediate Care Facility	0	0	24,622,042	24,859,219	
FTE	0.0	0.0	373.0	373.0	
Cash Funds	0	0	779,734	779,589	
Reappropriated Funds	0	0	23,842,308	24,079,630	
Wheat Ridge Regional Center Provider Fee	1,422,365	1,436,603	1,435,612	1,435,612	
Reappropriated Funds	1,422,365	1,436,603	1,435,612	1,435,612	
Wheat Ridge Regional Center Depreciation	0	0	170,168	170,168	
Reappropriated Funds	0	0	170,168	170,168	
Wheat Ridge Regional Center Personal Services	20,419,342	18,735,491	0	0	
FTE	379.7	427.3	0.0	0.0	
General Fund	0	1,003,464	0	0	
Cash Funds	726,110	701,847	0	0	
Reappropriated Funds	19,693,232	17,030,180	0	0	
Wheat Ridge Regional Center Operating Expenses	1,315,908	1,488,668	0	0	
General Fund	0	0	0	0	
Reappropriated Funds	1,315,908	1,488,668	0	0	
Resident Incentive Allowance	31,630	30,221	0	0	
Reappropriated Funds	31,630	30,221	0	0	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL -	23,189,245	21,690,983	26,227,822	26,464,999	0.9%
FTE	379.7	427.3	373.0	373.0	0.0%
General Fund	0	1,003,464	0	0	0.0%
Cash Funds	726,110	701,847	779,734	779,589	(0.0%)
Reappropriated Funds	22,463,135	19,985,672	25,448,088	25,685,410	0.9%
(2) Grand Junction Regional Center					
Grand Junction Regional Center Intermediate Care Facility	0	0	6,743,420	6,889,562	
FTE	0.0	0.0	98.8	98.8	
Cash Funds	0	0	712,094	712,070	
Reappropriated Funds	0	0	6,031,326	6,177,492	
Physician Services	85,808	18,755	88,946	0	*
FTE	0.0	0.0	0.5	0.0	
General Fund	85,808	18,755	88,946	0	
Grand Junction Regional Center Provider Fee	445,344	453,291	453,291	453,291	
Reappropriated Funds	445,344	453,291	453,291	453,291	
Grand Junction Regional Center Waiver Funding	0	0	10,955,640	11,111,627	
FTE	0.0	0.0	174.2	174.2	
Cash Funds	0	0	398,264	398,264	
Reappropriated Funds	0	0	10,557,376	10,713,363	
Grand Junction Regional Center Depreciation	0	0	515,997	515,997	
Reappropriated Funds	0	0	515,997	515,997	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Grand Junction Regional Center Personal Services	15,349,182	11,778,501	0	0	
FTE	270.0	303.9	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	70,957	580,139	0	0	
Reappropriated Funds	15,278,225	11,198,362	0	0	
Resident Incentive Allowance	32,543	23,083	0	0	
Reappropriated Funds	32,543	23,083	0	0	
Grand Junction Regional Center Operating Expenses	1,127,604	1,019,878	0	0	
General Fund	0	0	0	0	
Cash Funds	520,884	280,629	0	0	
Reappropriated Funds	606,720	739,249	0	0	
SUBTOTAL -	17,040,481	13,293,508	18,757,294	18,970,477	1.1%
FTE	270.0	303.9	273.5	273.0	(0.2%)
General Fund	85,808	18,755	88,946	0	(100.0%)
Cash Funds	591,841	860,768	1,110,358	1,110,334	0.0%
Reappropriated Funds	16,362,832	12,413,985	17,557,990	17,860,143	1.7%
(3) Pueblo Regional Center					
Pueblo Regional Center Waiver Funding	0	0	9,949,427	10,149,422	
FTE	0.0	0.0	181.8	181.8	
Cash Funds	0	0	539,856	539,856	
Reappropriated Funds	0	0	9,409,571	9,609,566	
Pueblo Regional Center Depreciation	0	0	358,379	358,379	
Reappropriated Funds	0	0	358,379	358,379	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Pueblo Regional Center Personal Services	7,699,763	5,791,013	0	0	
FTE	0.0	205.4	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	210,316	499,567	0	0	
Reappropriated Funds	7,489,447	5,291,446	0	0	
Pueblo Regional Center Operating Expenses	462,616	0	0	0	
General Fund	0	0	0	0	
Reappropriated Funds	462,616	0	0	0	
Leased Space	42,807	8,248	0	0	
Reappropriated Funds	42,807	8,248	0	0	
Resident Incentive Allowance	19,944	20,368	0	0	
Reappropriated Funds	19,944	20,368	0	0	
SUBTOTAL -	8,225,130	5,819,629	10,307,806	10,507,801	1.9%
FTE	0.0	205.4	181.8	181.8	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	210,316	499,567	539,856	539,856	0.0%
Reappropriated Funds	8,014,814	5,320,062	9,767,950	9,967,945	2.0%
SUBTOTAL - (B) Regional Centers for People with Developmental Disabilities	48,454,856	40,804,120	55,292,922	55,943,277	1.2%
FTE	649.7	936.6	828.3	827.8	(0.1%)
General Fund	85,808	1,022,219	88,946	0	(100.0%)
Cash Funds	1,528,267	2,062,182	2,429,948	2,429,779	0.0%
Reappropriated Funds	46,840,781	37,719,719	52,774,028	53,513,498	1.4%

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(C) Work Therapy Program					
Program Costs	459,748	414,487	570,421	570,421	
FTE	1.3	1.3	1.5	1.5	
Cash Funds	459,748	414,487	570,421	570,421	
SUBTOTAL - (C) Work Therapy Program	459,748	414,487	570,421	570,421	0.0%
FTE	1.3	1.3	1.5	1.5	0.0%
Cash Funds	459,748	414,487	570,421	570,421	0.0%
(D) Division of Vocational Rehabilitation					
Vocational Rehabiliation Personnel Services	0	15,056,593	15,657,319	0	
FTE	0.0	222.4	223.7	0.0	
General Fund	0	3,097,572	3,332,878	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	11,959,021	12,324,441	0	
Vocational Rehabilitation Operating Expenses	0	1,860,642	2,539,404	0	
General Fund	0	0	0	0	
Reappropriated Funds	0	395,123	540,893	0	
Federal Funds	0	1,465,519	1,998,511	0	
Vocational Rehabilitation Services	0	10,190,255	14,831,622	0	
General Fund	0	1,173,303	1,043,950	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	997,208	2,115,185	0	
Federal Funds	0	8,019,744	11,672,487	0	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
School to Work Alliance Program	0	8,570,592	9,133,891	0	
Cash Funds	0	0	34,647	0	
Reappropriated Funds	0	1,825,110	1,910,872	0	
Federal Funds	0	6,745,482	7,188,372	0	
Vocational Rehabilitation Mental Health Services	0	1,185,924	1,748,180	0	
Reappropriated Funds	0	252,602	372,363	0	
Federal Funds	0	933,322	1,375,817	0	
Business Enterprise Program for People who are Blind	1,078,339	1,095,074	1,521,122	0	
FTE	6.0	6.0	6.0	0.0	
Cash Funds	162,464	249,648	323,176	0	
Reappropriated Funds	67,221	0	0	0	
Federal Funds	848,654	845,426	1,197,946	0	
Business Enterprise Program - Program Operated Stands, Repair Costs, and Operator Benefits	110,229	202,025	429,000	0	
Cash Funds	110,229	202,025	429,000	0	
Independent Living Centers and State Independent Living Council	2,366,785	3,158,570	5,221,066	5,172,747 *	
General Fund	2,007,288	2,783,161	4,831,945	4,783,626	
Cash Funds	0	0	29,621	29,621	
Federal Funds	359,497	375,409	359,500	359,500	
Older Blind Grants	694,857	414,477	739,900	739,900	
Cash Funds	0	0	45,000	45,000	
Federal Funds	694,857	414,477	694,900	694,900	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Traumatic Brain Injury Trust Fund	1,906,082	1,718,534	3,304,933	3,309,179	
FTE	1.8	1.8	1.5	1.5	
Cash Funds	1,906,082	1,718,534	3,304,933	3,309,179	
Federal Social Security Reimbursements	1,885,575	969,778	1,885,600	0	
Federal Funds	1,885,575	969,778	1,885,600	0	
Rehabilitation Programs - General Fund Match	19,045,448	0	0	0	
FTE	212.1	0.0	0.0	0.0	
General Fund	4,100,019	0	0	0	
Federal Funds	14,945,429	0	0	0	
Rehabilitation Programs - Local Funds Match	15,766,688	0	0	0	
FTE	10.3	0.0	0.0	0.0	
Cash Funds	22,963	0	0	0	
Reappropriated Funds	3,353,413	0	0	0	
Federal Funds	12,390,312	0	0	0	
SUBTOTAL - (D) Division of Vocational Rehabilitation	42,854,003	44,422,464	57,012,037	9,221,826	(83.8%)
FTE	230.2	230.2	231.2	1.5	(99.4%)
General Fund	6,107,307	7,054,036	9,208,773	4,783,626	(48.1%)
Cash Funds	2,201,738	2,170,207	4,166,377	3,383,800	(18.8%)
Reappropriated Funds	3,420,634	3,470,043	4,939,313	0	(100.0%)
Federal Funds	31,124,324	31,728,178	38,697,574	1,054,400	(97.3%)

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(E) Homelake Domiciliary and State and Veterans Nursing Homes					
Administration	1,049,279	1,222,733	1,049,300	1,049,300	
FTE	5.0	8.6	5.0	5.0	
Cash Funds	1,049,279	1,222,733	1,049,300	1,049,300	
Federal Funds	0	0	0	0	
Fitzsimmons Veterans Community Living Center	19,778,901	20,950,621	19,778,900	19,778,900	
FTE	249.0	228.7	238.4	238.4	
Cash Funds	13,444,700	10,056,298	13,444,700	13,444,700	
Federal Funds	6,334,201	10,894,323	6,334,200	6,334,200	
Florence Veterans Community Living Center	10,376,302	11,374,837	10,376,300	10,376,300	
FTE	112.0	138.6	140.0	140.0	
Cash Funds	7,355,802	7,052,399	7,355,800	7,355,800	
Federal Funds	3,020,500	4,322,438	3,020,500	3,020,500	
Homelake Veterans Community Living Center	6,805,938	7,444,904	6,805,930	6,805,930	
FTE	70.5	70.6	102.8	102.8	
General Fund	186,130	186,130	186,130	186,130	
Cash Funds	4,350,208	4,500,440	4,350,200	4,350,200	
Federal Funds	2,269,600	2,758,334	2,269,600	2,269,600	
Rifle Veterans Community Living Center	8,146,568	8,435,362	8,146,600	8,146,600	
FTE	121.0	101.9	115.6	115.6	
Cash Funds	6,076,200	5,989,107	6,076,200	6,076,200	
Federal Funds	2,070,368	2,446,255	2,070,400	2,070,400	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Walsenburg Veterans Community Living Center	158,628	0	158,600	158,600	
FTE	1.0	0.0	1.0	1.0	
Cash Funds	158,628	0	158,600	158,600	
Transfer to the Central Fund pursuant to Section 26-12-108 (1) (a.5), C.R.S.	1,600,000	1,600,000	800,000	800,000	
General Fund	800,000	800,000	800,000	800,000	
Cash Funds	800,000	800,000	0	0	
Homelake Military Veterans Cemetery	98,460	546,526	0	0	
FTE	0.0	0.0	0.0	0.0	
General Fund	98,460	273,263	0	0	
Cash Funds	0	273,263	0	0	
SUBTOTAL - (E) Homelake Domiciliary and State and Veterans Nursing Homes	48,014,076	51,574,983	47,115,630	47,115,630	0.0%
FTE	558.5	548.4	602.8	602.8	(0.0%)
General Fund	1,084,590	1,259,393	986,130	986,130	0.0%
Cash Funds	33,234,817	29,894,240	32,434,800	32,434,800	0.0%
Federal Funds	13,694,669	20,421,350	13,694,700	13,694,700	0.0%
TOTAL - (9) Services for People with Disabilities	139,782,683	137,216,054	159,991,010	112,851,154	(29.5%)
FTE	1,439.7	1,716.5	1,663.8	1,433.6	(13.8%)
General Fund	7,277,705	9,335,648	10,283,849	5,769,756	(43.9%)
Cash Funds	37,424,570	34,541,116	39,601,546	38,818,800	(2.0%)
Reappropriated Funds	50,261,415	41,189,762	57,713,341	53,513,498	(7.3%)
Federal Funds	44,818,993	52,149,528	52,392,274	14,749,100	(71.8%)

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - Department of Human Services	224,083,204	228,568,697	252,304,215	203,005,678	(19.5%)
FTE	1,569.6	1,846.4	1,799.2	1,569.0	(12.8%)
General Fund	57,250,103	61,757,275	65,271,534	60,993,856	(6.6%)
Cash Funds	41,367,883	38,555,767	43,199,259	42,644,854	(1.3%)
Reappropriated Funds	69,911,516	62,744,957	77,351,690	72,052,446	(6.9%)
Federal Funds	55,553,702	65,510,698	66,481,732	27,314,522	(58.9%)

Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
Sue Birch, Executive Director

(7) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS

This section reflects the Medicaid funding used by the Department of Human Services. The Medicaid dollars appropriated to that Department are first appropriated in this section and then transferred to the Department of Human Services. See the Department of Human Services for additional details about the line items contained in this division

(A) Executive Director's Office - Medicaid Funding

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Executive Director's Office - Medicaid Funding	16,549,747	13,036,103	16,709,224	15,609,321 *	
General Fund	8,274,874	6,436,271	8,223,190	7,787,309	
Federal Funds	8,274,873	6,599,832	8,486,034	7,822,012	
SUBTOTAL - (A) Executive Director's Office - Medicaid Funding	16,549,747	13,036,103	16,709,224	15,609,321	(6.6%)
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	8,274,874	6,436,271	8,223,190	7,787,309	(5.3%)
Federal Funds	8,274,873	6,599,832	8,486,034	7,822,012	(7.8%)

(B) Office of Information Technology Services - Medicaid Funding

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Colorado Benefits Management System	19,045,031	11,146,358	559,814	0 *	
General Fund	5,454,849	4,192,880	205,473	0	
Cash Funds	23,928	1,393,789	74,625	0	
Reappropriated Funds	13,499	0	0	0	
Federal Funds	13,552,755	5,559,689	279,716	0	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Other Office of Information Technology Services line items	572,373	615,988	647,220	631,071	*
General Fund	286,187	303,328	318,950	315,991	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	286,186	312,660	328,270	315,080	
CBMS SAS-70 Audit	24,859	30,349	0	0	
General Fund	12,393	15,193	0	0	
Cash Funds	15	0	0	0	
Reappropriated Funds	31	0	0	0	
Federal Funds	12,420	15,156	0	0	
Colorado Benefits Management System, HCPF Only	578,146	611,520	0	0	
Cash Funds	289,073	305,760	0	0	
Federal Funds	289,073	305,760	0	0	
CBMS Modernization Project Personal Services, Operating Expenses, and Centrally Appropriated Expenses	9,388,569	580,580	0	0	
General Fund	1,896,821	217,110	0	0	
Cash Funds	43,902	73,180	0	0	
Reappropriated Funds	18,003	0	0	0	
Federal Funds	7,429,843	290,290	0	0	
CBMS Modernization Project, Phase II	0	12,018,067	0	0	
General Fund	0	1,165,344	0	0	
Cash Funds	0	968,100	0	0	
Federal Funds	0	9,884,623	0	0	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (B) Office of Information Technology Services - Medicaid Funding	29,608,978	25,002,862	1,207,034	631,071	(47.7%)
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	7,650,250	5,893,855	524,423	315,991	(39.7%)
Cash Funds	356,918	2,740,829	74,625	0	(100.0%)
Reappropriated Funds	31,533	0	0	0	0.0%
Federal Funds	21,570,277	16,368,178	607,986	315,080	(48.2%)
(C) Office of Operations - Medicaid Funding					
Office of Operations - Medicaid Funding	3,941,460	4,228,581	5,060,008	5,205,437 *	
General Fund	1,970,730	2,093,656	2,493,572	2,581,466	
Federal Funds	1,970,730	2,134,925	2,566,436	2,623,971	
SUBTOTAL - (C) Office of Operations - Medicaid Funding	3,941,460	4,228,581	5,060,008	5,205,437	2.9%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	1,970,730	2,093,656	2,493,572	2,581,466	3.5%
Federal Funds	1,970,730	2,134,925	2,566,436	2,623,971	2.2%
(D) Division of Child Welfare - Medicaid Funding					
Administration	133,069	128,550	140,806	117,736	
General Fund	66,535	64,274	69,291	59,065	
Federal Funds	66,534	64,276	71,515	58,671	
Child Welfare Services	7,935,965	6,814,876	15,222,606	15,070,380 *	
General Fund	3,960,443	3,346,566	7,491,045	7,471,894	
Federal Funds	3,975,522	3,468,310	7,731,561	7,598,486	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (D) Division of Child Welfare - Medicaid Funding	8,069,034	6,943,426	15,363,412	15,188,116	(1.1%)
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	4,026,978	3,410,840	7,560,336	7,530,959	(0.4%)
Federal Funds	4,042,056	3,532,586	7,803,076	7,657,157	(1.9%)
(E) Office of Self Sufficiency - Medicaid Funding					
Systematic Alien Verification for Eligibility	33,951	15,887	34,505	34,505	
General Fund	0	0	0	0	
Federal Funds	33,951	15,887	34,505	34,505	
SUBTOTAL - (E) Office of Self Sufficiency - Medicaid Funding	33,951	15,887	34,505	34,505	0.0%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Federal Funds	33,951	15,887	34,505	34,505	0.0%
(F) Behavioral Health Services - Medicaid Funding					
Community Behavioral Health Administration	318,262	323,369	416,056	416,056	
General Fund	159,131	161,684	204,741	208,294	
Federal Funds	159,131	161,685	211,315	207,762	
Mental Health Treatment Services for Youth (H.B. 99-1116)	20,624	8,677	123,624	122,388 *	
General Fund	10,312	4,284	60,836	60,680	
Federal Funds	10,312	4,393	62,788	61,708	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
High Risk Pregnant Women Program	1,138,015	969,806	1,600,000	1,589,306 *	
General Fund	569,008	478,103	787,360	787,978	
Federal Funds	569,007	491,703	812,640	801,328	
Mental Health Institutes	1,050,942	6,077,240	6,000,000	6,000,000 *	
General Fund	516,910	2,795,085	2,952,600	3,000,000	
Federal Funds	534,032	3,282,155	3,047,400	3,000,000	
SUBTOTAL - (F) Behavioral Health Services - Medicaid Funding	2,527,843	7,379,092	8,139,680	8,127,750	(0.1%)
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	1,255,361	3,439,156	4,005,537	4,056,952	1.3%
Federal Funds	1,272,482	3,939,936	4,134,143	4,070,798	(1.5%)

(G) Services for People with Disabilities - Medicaid Funding

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Regional Centers	47,397,999	39,525,715	52,774,028	53,513,498 *	
General Fund	21,805,812	17,309,840	24,029,264	24,665,852	
Cash Funds	1,866,142	1,866,142	1,866,142	1,866,142	
Reappropriated Funds	0	0	0	0	
Federal Funds	23,726,045	20,349,733	26,878,622	26,981,504	
Regional Center Depreciation and Annual Adjustments	1,187,825	943,063	1,044,544	1,044,544 *	
General Fund	593,913	464,388	514,020	517,885	
Federal Funds	593,912	478,675	530,524	526,659	

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Community Services for People with Developmental Disabilities, Administration	2,017,844	0	0	0	
General Fund	1,008,922	0	0	0	
Federal Funds	1,008,922	0	0	0	
Community Services for People with Developmental Disabilities, Program Costs	351,796,642	0	0	0	
General Fund	175,890,710	0	0	0	
Federal Funds	175,905,932	0	0	0	
SUBTOTAL - (G) Services for People with Disabilities - Medicaid Funding	402,400,310	40,468,778	53,818,572	54,558,042	1.4%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	199,299,357	17,774,228	24,543,284	25,183,737	2.6%
Cash Funds	1,866,142	1,866,142	1,866,142	1,866,142	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	201,234,811	20,828,408	27,409,146	27,508,163	0.4%
(H) Adult Assistance Programs, Community Services for the Elderly - Medicaid Funding					
Community Services for the Elderly	1,800	1,800	1,800	1,800	
General Fund	900	900	900	900	
Federal Funds	900	900	900	900	
SUBTOTAL - (H) Adult Assistance Programs, Community Services for the Elderly - Medicaid Funding	1,800	1,800	1,800	1,800	0.0%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	900	900	900	900	0.0%
Federal Funds	900	900	900	900	0.0%

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request		Request vs. Appropriation
(I) Division of Youth Corrections - Medicaid Funding						
Division of Youth Corrections - Medicaid Funding	1,682,431	1,413,139	1,670,305	1,656,659	*	
General Fund	841,216	696,590	823,126	821,570		
Federal Funds	841,215	716,549	847,179	835,089		
SUBTOTAL - (I) Division of Youth Corrections - Medicaid Funding	1,682,431	1,413,139	1,670,305	1,656,659		(0.8%)
FTE	0.0	0.0	0.0	0.0		0.0%
General Fund	841,216	696,590	823,126	821,570		(0.2%)
Federal Funds	841,215	716,549	847,179	835,089		(1.4%)
(J) Other						
Federal Medicaid Indirect Cost Reimbursement for Department of Human Services Programs	500,000	500,000	500,000	500,000		
General Fund	0	0	0	0		
Federal Funds	500,000	500,000	500,000	500,000		
SUBTOTAL - (J) Other	500,000	500,000	500,000	500,000		0.0%
FTE	0.0	0.0	0.0	0.0		0.0%
General Fund	0	0	0	0		0.0%
Federal Funds	500,000	500,000	500,000	500,000		0.0%

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (7) Department of Human Services Medicaid-Funded Programs	465,315,554	98,989,668	102,504,540	101,512,701	(1.0%)
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	223,319,666	39,745,496	48,174,368	48,278,884	0.2%
Cash Funds	2,223,060	4,606,971	1,940,767	1,866,142	(3.8%)
Reappropriated Funds	31,533	0	0	0	0.0%
Federal Funds	239,741,295	54,637,201	52,389,405	51,367,675	(2.0%)
TOTAL - Department of Health Care Policy and Financing	465,315,554	98,989,668	102,504,540	101,512,701	(1.0%)
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	223,319,666	39,745,496	48,174,368	48,278,884	0.2%
Cash Funds	2,223,060	4,606,971	1,940,767	1,866,142	(3.8%)
Reappropriated Funds	31,533	0	0	0	0.0%
Federal Funds	239,741,295	54,637,201	52,389,405	51,367,675	(2.0%)

Appendix B: Recent Legislation Affecting Department Budget

2014 Session Bills

S.B. 14-003 (Colorado Child Care Assistance Program): Creates a grant program in the Department to provide funding to counties participating in the existing Cliff Effect Pilot Program under the Colorado Child Care Assistance Program (CCCAP). Counties may use grant funding to pay for costs of serving families and administrative expenses under the pilot program. Clarifies that receipt of grant funding under the pilot program does not affect a county's CCCAP block grant. Creates the Colorado Child Care Assistance Cliff Effect Pilot Program Fund, and requires DHS to develop an application process for awarding grants and report on pilot program outcomes to the General Assembly by October 1, 2019. Appropriates $2,469,453 total funds, of which $1,269,453 is General Fund and $1,200,000 is reappropriated funds and 1.0 FTE to the Department for FY 2014-15.

S.B. 14-012 (Aid to the Needy Disabled Program): Requires the Department to increase the monthly benefit amount for Aid to the Needy and Disabled (AND) program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the DHS is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Allows the Department to promulgate rules permitting counties to waive the requirement that applicants first submit a federal Supplemental Security Income (SSI) application for a specified period of time. The bill also increases the cap on funds that may be held in the SSI Stabilization Fund to 20.0 percent of the annual appropriations for the AND program from the current cap of $1.5 million. The bill also creates the Federal Supplemental Security Income Application Assistance Pilot Program to provide assistance to SSI applicants in order to increase the approval rate and timeliness of federal SSI applications. The Department must contract for and implement the pilot program by October 1, 2014. Appropriates $1,495,144 total funds, of which $1,237,766 is General Fund, $247,339 is cash funds, $4,697 is reappropriated funds, and $5,342 is federal funds to the Department for FY 2014-15.

S.B. 14-014 (Property Tax Rent Heat Fuel Grants for Low-Income): Makes the following changes to the Property Tax, Rent, and Heat Rebate Program: increases the maximum property tax and rent rebate for income-eligible claimants to $700, establishes a "flat rate" rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implements certain recommendations of the August 2013 Legislative Audit of the program. Appropriates $4,092 total funds, of which $976 is General Fund to the Department for FY 2014-15.

S.B. 14-021 (Persons with Mental Illness Criminal Justice): Renames and extends the repeal date of the Legislative Oversight Committee, task force, and cash fund from July 1, 2015, to July 1, 2020. Expands Task Force membership by adding two new members, one new member is from the Office of the Child's Representative and the other is from the Office of the Alternate

Defense Counsel. Allows members of the Committee to receive compensation and reimbursement for expenses directly related to fulfilling their duties. Specifies areas of study for the task force which include but are not limited to: housing for a person with mental illness after his or her release from the criminal justice system, medication consistency, delivery, and availability, best practices for suicide prevention, within and outside of correctional facilities, treatment of co-occurring disorders, awareness and training for enhanced staff safety, and enhanced data collection. Appropriates $3,746 General Fund to the Department for FY 2014-15.

S.B. 14-129 (Marijuana Criminal Provision Clean Up): Makes changes to a number of laws related to criminal penalties for offenses involving marijuana, including adding consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol and changing the associated penalty structure. Appropriates $4,120 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2013-14 to make related changes to its driver license system, and appropriates $4,120 reappropriated funds to the Governor's Office of Information Technology for the provision of computer center services to the Department of Revenue. Appropriates $38,250 cash funds from the Adolescent Substance Abuse Prevention and Treatment Fund to the Department of Human Services for FY 2014-15 for treatment, detoxification, and prevention contract services.

S.B. 14-130 (Increase Personal Care Allowance Nursing Facility): Raises from $50 to $75 per month the basic minimum amount that state licensed nursing facilities and intermediate care facilities allow a long-term care resident as a personal needs allowance (PNA). On January 1, 2015, and on January 1 of each year thereafter, the basic minimum amount is increased by the same percentage increase as the nursing facility provider reimbursement rate. Any decrease in patient payments to nursing facilities is fully funded by payments from the state General Fund and applicable federal funds. Appropriates $6,203 total funds, of which $2,356 is General Fund to the Department for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including the following purposes relevant to the Department of Human Services (DHS):

- To provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado Mental Health Institute at Pueblo (i.e., the "Circle Program");
- For community-based programs to provide marijuana prevention and intervention services to youth;
- For local judicial-district based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- For the provision of substance use disorder treatment services for adolescents and pregnant women; and
- To provide child welfare training specific to issues arising from marijuana use and abuse.

Under current law, the State Treasurer is required to annually transfer the first $2.0 million of sales tax revenues attributable to medical marijuana to the General Fund. These transfers are intended to offset General Fund expenditures for two programs: (1) The DHS' Circle Program; and (2) Screening, brief intervention, and referral for treatment for substance abuse ("SBIRT"), an optional service covered under the State's Medicaid program and funded through the Department of Health Care Policy and Financing. This act continues these transfers for FY 2013-14 and FY 2014-15, and eliminates these transfers starting in FY 2015-16. Instead, the bill authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle Program.

Appropriates a total of $7,600,000 from the MTCF to DHS for FY 2014-15, including:
- $2.0 million for the Tony Grampsas Youth Services Program for programs specifically related to the prevention and intervention of adolescent and youth marijuana use;
- $2.0 million for the expansion and enhancement of jail-based behavioral health services;
- $2.0 million for SB 91-94 programs related to the provision of marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- $1.5 million for the provision of substance use disorder treatment services for adolescents and pregnant women; and
- $100,000 for child welfare training specific to issues arising from marijuana use and abuse.

For more information see the "Recent Legislation" section at the end of the Department of Revenue section of this report.

S.B. 14-223 (Payment of Claims in Connection with Lower North Fork Wildfire): Approves payment to claimants in connection with Lower North Fork wildfire. Reduces appropriations to the Department of Human Services for FY 2013-14 that were initially made through S.B. 13-266 by a total of $4,281,893 General Fund. For more information see the "Recent Legislation" section at the end of the Department of Personnel section of this report.

H.B. 14-1015 (Extend Transitional Jobs Program): Extends the Transitional Jobs Program (known as ReHire Colorado) through June 30, 2017, except that no new transitional jobs shall be offered after December 31, 2016. Appropriates $395,270 General Fund and 1.0 FTE to the Department for FY 2014-15.

H.B. 14-1252 (Intellectual and Development Disabilities Services System Capacity): Amends the Intellectual and Developmental Disabilities Cash Fund to allow moneys in the fund to be used for administrative expenses relating to Medicaid waiver renewal and redesign and for increasing system capacity for home- and community-based services for persons with intellectual and developmental disabilities. Requires the Department, on or before April 1, 2014, to report to the Joint Budget Committee the plan for the distribution of moneys appropriated for increases in system capacity, and requires the Department to distribute the moneys by April 15, 2014 for increases in system capacity. Requires each community-centered board or provider that receives moneys for increases in system capacity to report to the department on the use of the funds by October 1, 2014. Makes FY 2013-14 supplemental adjustments to funding for the intellectual and developmental disabilities waivers.

H.B. 14-1298 (Financing of Public Schools): Changes the "Public School Finance Act of 1994" by modifying the funding for K-12 public schools. Appropriates $68,084 General Fund and 1.1 FTE to the Department of Human Services for FY 2014-15 to license and inspect new preschool facilities. For additional information on H.B. 14-1298, see the "Recent Legislation" section at the end of the Department of Education.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes changes to the Colorado Child Care Assistance Program (CCCAP) including:

- Requires the Department to set provider rates for each county every two years. Allows counties to opt out of the state-established rates and negotiate their own rates with child care providers. Counties setting their own rates must solicit feedback from various stakeholders, including early childhood councils, child care resource and referral agencies, and child care providers. By July 1, 2016, both state- and county-established rates must include a system of tiered reimbursement that provides higher reimbursement to facilities with higher quality ratings. Subject to available appropriations, DHS must contract for a study to compare private payment tuition rates for child care and CCCAP rates and determine if the CCCAP rates provide equal access as required under federal law.
- Limits the co-payment amount for CCCAP families with incomes below 100 percent of the federal poverty level (FPL) to no more than one percent of the family's gross monthly income. Requires the Department to promulgate rules outlining the formula for determining parental co-payments. The co-payment formula must gradually increase the parent share as family income approaches self-sufficiency income levels. Beginning on July 1, 2016, the formula must include a tiered reduced copayment structure for children attending high quality care.
- Requires counties to reimburse providers for absences and holidays based on the quality rating of providers in the state's five-tier rating system.
- Requires counties to provide child care assistance to families with incomes up to 165 percent of the FPL. At their discretion, counties may serve any family so long as its income does not exceed the federal income limit of 85 percent of state median income.
- Expands the activities in which a parent may be participating in order to be eligible for CCCAP. A parent who is not employed but who is enrolled in a post-secondary education program or workforce training program is eligible for CCCAP for a period of up to two years. The bill also expands the period in which an unemployed parent is eligible while actively engaged in job search activities.
- Requires counties to directly enroll a family transitioning from the workforce program in CCCAP without requiring a separate application. If the county has a waiting list for CCCAP, they may choose to place the family on the waiting list or provide the CCCAP subsidy immediately. Families cannot be directly enrolled in CCCAP if they are leaving Colorado Works due to a program violation or no longer meet CCCAP eligibility criteria.
- Requires the Department to establish rules for the exit income eligibility level at which the county may deny benefits for that family. For counties that set their initial CCCAP income eligibility level at less than 185 percent of the FPL, the rules must require the county to set the exit income eligibility level at a higher level than the initial eligibility level.

- Requires that child care be authorized based on maintaining continuity of care for children with the least disruption to the child and that the care schedule not be linked directly with a parent's employment, education, or workforce training schedule.
- Requires counties to maintain a current and accurate waiting list of parents who have inquired about receiving a CCCAP subsidy and are likely eligible for assistance based on self-reported income and eligibility criteria.
- Requires counties to request evidence on 30 days of income, but may, on a case-by-case basis, request up to 12 months if the 30 days of evidence does not accurately reflect family income.

Appropriates $9,922,744 total funds, of which $8,578,187 is General Fund, $7,032 is cash funds, $44,529 is reappropriated funds, and $1,292,996 is federal funds to the Department for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying appropriations to the Department of Human Services for FY 2013-14.

H.B. 14-1338 (Regional Center Task Force and Utilization Study): Establishes the 15-member Regional Centers Task Force to study, make recommendations, and report its findings to the General Assembly concerning the state-operated intermediate care facilities (regional centers) for individuals with intellectual disabilities (ICF/IID). Among its duties, the task force is required to: conduct a needs assessment concerning the number of beds required in ICF/IID, make recommendations on whether one or more regional centers should be closed, and, if it determines one or more centers should close, develop a plan on how to transition clients; assess whether the state should operate beds licensed under the Home- and Community-Based Services for Persons with Developmental Disabilities waiver program; and develop a strategic plan for the future use of regional centers, including identification of the most efficient use of building space and staffing. Requires the Department to contract for a utilization study for the state's regional centers. Appropriates $250,000 General Fund to the Department for FY 2014-15.

H.B. 14-1368 (Transition Youth Developmental Disabilities to Adult Services): Establishes a plan and appropriates funds to transfer youth into adult services for persons with IDD under Medicaid Home- and Community-Based Services (HCBS) in the Department of Health Care Policy and Financing (HCPF). The bill sets forth criteria for transition planning and instructs the State Board of Human Services and the Medical Services Board to promulgate any rules necessary to guide the transition. Creates the Child Welfare Transition Cash Fund (Fund). Adjusts the FY 2014-15 appropriation to the Department by reducing $2,829,586 General Fund and increasing cash funds appropriation by $2,829,586 from the Fund for FY 2014-15.

2015 Session Bills

S.B. 15-012 (Colorado Works Pass-through Child Support Payment): Allows the State and counties to disregard child support income a Temporary Assistance for Needy Families (TANF) recipient may be eligible to receive and pass-through such income to the TANF recipient. Under the bill, any child support income a TANF recipient receives will not be considered income when calculating the basic cash assistance grant an individual may receive. Appropriates $868,895 total funds, including $315,509 General Fund to the Department of Human Services for FY 2015-16 for information technology enhancements, contract staff to oversee the project, and training for counties concerning changes under the bill.

S.B. 15-149 (Supplemental Bill): Supplemental appropriation to the Department of Human Services to modify appropriations for FY 2014-15.

S.B. 15-167 (Modify FY 2014-15 Appropriations from Marijuana Revenue): Aligns FY 2014-15 appropriations from the Marijuana Tax Cash Fund with actual marijuana tax revenue collected in FY 2013-14. With respect to the Department of Human Services, the bill reduces the cash funds appropriation for Jail-based Behavioral Health Services by $452,787 (from $2,000,000 to $1,547,213). In addition, the bill clarifies that a FY 2014-15 appropriation of $1,500,000 cash funds from the Marijuana Tax Cash Fund for the provision of substance use disorder treatment services for adolescents and pregnant women may be used for substance use disorder prevention services and intensive wrap around services, and the bill authorizes the Department to spend any funds that remain available in FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

S.B. 15-204 (Office of the Child Protection Ombudsman): Establishes the Office of the Child Protection Ombudsman (the Office) in the Judicial Department as an independent agency, and requires the Office to sign an administrative memorandum of understanding with the Judicial Department with an effective date of no later than January 1, 2016. Modifies the powers and duties of the existing Child Protection Ombudsman Program in the Department of Human Services. Repeals the provision requiring the Executive Director of the Department of Human Services to award a contract for the operation of the Ombudsman Program, and authorizes the Executive Director to extend the existing contract through December 31, 2015. Reduces the General Fund appropriation to the Department of Human Services for FY 2015-16 for the Child Protection Ombudsman by $270,372 (from $512,822 to $242,450). For additional information, see the "Recent Legislation" section at the end of the Judicial Department.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Includes provisions modifying appropriations to the Department of Human Services for FY 2014-15.

S.B. 15-239 (Transfer Vocational Rehab from DHS to CDLE): Transfers the Vocational Rehabilitation Programs, including the Business Enterprise Program through which persons who are blind operate vending facilities in state buildings, from the Department of Human Services (DHS) to the Department of Labor and Employment (CDLE) as of July 1, 2016. CDLE and DHS must develop a transition plan by December 1, 2015, detailing additional steps, including any additional statutory changes, necessary to effectuate the transition of vocational rehabilitation programs from DHS to CDLE. Further, starting in September 2015, CDLE must provide quarterly status updates to the Joint Budget Committee. For additional information, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 15-240 (Funding Formula Independent Living Centers): Requires the Department of Human Services to promulgate a rule on or before July 1, 2016, that establishes a funding formula of state moneys for Independent Living Centers. The rule must, at a minimum, include a base amount of not less than $600,000 per Center and other factors as agreed upon by the Centers. Other factors may include a per capita adjustment, a per county adjustment, or other adjustments agreed to by the Centers. The Department of Human Services is required to report on the status of the rule to the appropriate committees of reference by March 1, 2016. Appropriates $2,000,000 General Fund to the Department for Independent Living Centers for FY 2015-16.

S.B. 15-241 (Collaborative Management Program): Clarifies the responsibilities of the Department and participating counties and the requirements for a county's receipt of incentive funds. Requires the Department to contract for an annual external evaluation of the program. Appropriates $1,856,635 General Fund and 1.5 FTE to the Department, adding to the existing $3.0 million cash fund spending authority.

S.B. 15-242 (Child Welfare Staff Funding Allocation): Directs the Child Welfare Allocations Committee to develop a formula to allocate funding to counties in addition to the Child Welfare Block Grant, for the specific purpose of hiring new child welfare staff at the county level. Counties receiving an allocation must continue to fund any child welfare staff existing as of January 1, 2015 through the county's Child Welfare Block Grant. Counties receiving an allocation will provide a 10.0 percent match to state and federal moneys; except that a county that qualify under tier 1 or tier 2 of the County Tax Base Relief fund shall be funded at 100.0 percent of state and federal funds provided. Requires the Department of Human Services to contract for an external study concerning child welfare caseload by county. Appropriates $6.4 million total funds, including $5.7 million General Fund and 1.0 FTE to the Department for use as follows: $6.0 million total funds for allocation to counties through the funding formula; $90,468 total funds for training; and $195,050 total funds for the contracted caseload study.

H.B. 15-1131 (Release Critical Incident Information Juvenile): The bill requires the Department of Human Services, the Division of Youth Corrections (DYC), and any other agency with relevant information to release, upon request, certain information about incidents occurring in DYC facilities. Requests may concern information about specific incidents or aggregate information about multiple events over a given period of time. Appropriates $14,404 General Fund and 0.3 FTE for FY 2015-16 to the Department for responding to requests for information.

H.B. 15-1248 (Child Welfare Check Potential Foster Parents): Allows a designated person at each child placement agency, in accordance with certain conditions outlined in the bill, to access records and reports of child abuse or neglect for the purpose of screening current or prospective foster parents, any adult residing in the home of a current or prospective foster parent, and specialized group facilities. Appropriates $37,138 General Fund and 0.4 FTE to the Department for Trails and for monitoring its usage.

H.B. 15-1269 (Transfer Persons To and From Correctional Facility): Repeals the authority of the Department of Human Services (DHS) to transfer a dangerous person receiving care at one of the mental health institutes to the Department of Corrections (DOC), unless that person is serving a sentence to the DOC. Clarifies that mentally ill inmates may only be transferred from the DOC to the DHS when the transfer is done in accordance with a policy that provides for due process and in situations where the inmate cannot be safely confined in a DOC facility. Authorizes the DHS to return an inmate to the DOC if that person cannot be safely confined in the DHS facility. The act does not include any appropriations. In June 2014, the DHS returned all five patients that had previously been transferred to the DOC back to the Colorado Mental Health Institute at Pueblo (CMHIP). The costs of implementing this change were covered by General Fund appropriations that were included in S.B. 15-149 ($2,413,428 for FY 2014-15) and S.B. 15-234 ($2,611,755 for FY 2015-16). These appropriations were based on the assumption that the DHS would require an additional 30.6 FTE for FY 2014-15 and 36.7 FTE for FY 2015-16.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a $58.0 million Proposition AA Refund Account in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Human Services for FY 2015-16, as detailed in the following table.

Appropriations to Department of Human Services That Are Contingent on Voter Approval		
Division and Line Item	**Fund Source**	**Dollar Amount**
Division of Child Welfare		
Appropriation to Youth Mentoring Services Cash Fund	CF - Proposition AA Refund Account	$1,000,000
Colorado Youth Mentoring Program	RF - Youth Mentoring Services Cash Fund	1,000,000
Colorado Youth Mentoring Program - grants to statewide membership organizations	CF - Proposition AA Refund Account	1,000,000
Behavioral Health Services		
Treatment and Detoxification Contracts	CF - Proposition AA Refund Account	500,000
Total Appropriations		**$3,500,000**

Independent of whether the voters approve the ballot issue, the act broadens purposes for which funds in the Marijuana Tax Cash Fund (MTCF) may be expended and requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund. The act includes a corresponding change to FY 2015-16 appropriations, replacing a $1,550,000 cash funds appropriation from the MTCF for jail-based behavioral health services with an appropriation of $1,550,000 reappropriated funds transferred from the Judicial Department. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue and Appendix L.

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes for Divisions 1 and 9 Only

Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities, Wheat Ridge Regional Center, Wheat Ridge Regional Center Intermediate Care Facility; and Grand Junction Regional Center, Grand Junction Regional Center Intermediate Care Facility -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriation for Intermediate Care Facilities between the Wheat Ridge Regional Center and the Grand Junction Regional Center.

Comment: This footnote provides the Department with the flexibility to transfer 5.0 of the total appropriation for the Intermediate Care Facilities between the two facilities to provide the Department with the flexibility to adjust the appropriations for the Regional Centers if individuals are moved from one facility to another.

39 Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities, Grand Junction Regional Center, Grand Junction Regional Center Waiver Services; and Pueblo Regional Center, Pueblo Regional Center Waiver Services -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriation for Regional Center waiver services between the Grand Junction Regional Center and the Pueblo Regional Center.

Comment: This footnote provides the Department with the flexibility to transfer 5.0 of the total appropriation for Regional Center waiver services between the two facilities to provide the Department with the flexibility to adjust the appropriations for the Regional Centers if individuals are moved from one facility to another.

40 Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriation between the Vocational Rehabilitation Personal Services, Vocational Rehabilitation Operating Expenses, Vocational Rehabilitation Services, and School to Work Alliance Program.

Comment: This footnote was added in FY 2015-16 to provide the Department with the flexibility for the appropriations for the Vocational Rehabilitation Services line items to ensure the Program is able to utilize the appropriation in the most effective manner and adjust to changes in the demand for services as more individuals are removed from the order of selection

Requests for Information

33. Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation -- The Department is requested to provide quarterly reports on the number of individuals receiving vocational rehabilitation services including: a break-down by category of the number of individuals receiving services; the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account.

    Comment: This request was submitted on October 30, 2015. The Update on Vocational Rehabilitation Programs issue in this document provided a detailed discussion on the expenditure information provided in this response. The following is information on the number of individuals accessing vocational rehabilitation services.

    DVR tracks individuals receiving services in six case status categories described below:

    - Application -the individual has applied and is receiving assessment and other services to determine if he/she meets the federal eligibility criteria and into which priority category he/she should be placed.
    - Eligible-the individual has been determined eligible, placed into a priority category. These individuals are receiving additional evaluation and counseling/guidance services while working with a rehabilitation counselor to develop an Individualized Plan for Employment (IPE).
    - Service- the individual has developed and begun to execute an IPE and is actively receiving the services outlined on the plan.
    - Employed-the individual has secured employment and is receiving services and guidance/counseling to achieve job stability and ensure successful maintenance of the job for at least 90 days.
    - Post-Employment-the individual has a previous successful case closure but is working with DVR in post- employment status to receive brief and targeted services to enable job retention or re-gaining appropriate employment.
    - Waiting List-the individual has been determined eligible and placed into a priority category, but is not currently receiving services due to being placed on the waiting list in order of application date, based on the priority level of the disability.

    Table 1 provides information as of September 30, 2015, about the number of people who are receiving services, by case status and disability priority category

Table 1: Number of Individuals Receiving Services By Case Status and Disability Priority Category As of September 30, 2015		
Case Status	**Disability Priority Category**	**Number of Cases**
Application	Not Yet Determined	650
Application	Most Significant Disability	44
Application	Significant Disability	19
Application	Disability	2
Application	**Total**	**715**
Eligible	Most Significant Disability	1,255
Eligible	Significant Disability	663
Eligible	Disability	98
Eligible	**Total**	**2,016**
Service	Most Significant Disability	3,051
Service	Significant Disability	971
Service	Disability	117
Service	**Total**	**4,139**
Employed	Most Significant Disability	559
Employed	Significant Disability	209
Employed	Disability	43
Employed	**Total**	**811**
Post-Employment	Most Significant Disability	27
Post-Employment	Significant Disability	7
Post-Employment	Disability	2
Post-Employment	**Total**	**36**
Waiting List	Most Significant Disability	0
Waiting List	Significant Disability	0
Waiting List	Disability	0
Waiting List	**Total**	**0**
	GRAND TOTAL	**7,717**

34. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by January 15, 2016, the monthly census for each Regional Center by licensure type since the beginning of the fiscal year, and annual cost per capita for each Regional Center by licensure type, including the Regional Center costs for utilities, depreciation, and centrally appropriated personnel items.

    Comment: This request for information is not due until January 15, 2016.

35. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by November 1, 2015 information regarding transitions and readmissions to the Regional Centers for each of the past eighteen months. As part of the response, the Department should include: the number of individuals that have been transitioned from each Regional Center and the setting to which they were transitioned for each month, how many of these

individuals have been readmitted to a Regional Center and when, the number of monthly admissions to each Regional Center, the definition of a successful transition, and the monthly number of successful transitions.

Comment: This request for information was discussed in the Regional Center Task Force issue.

Appendix D: SMART Act Annual Performance Report

Pursuant to Section 2-7-205 (1) (a) (I), C.R.S., the Office of State Planning and Budgeting is required to publish an Annual Performance Report for the Department of Human Services by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. For consideration by the Joint Budget Committee in prioritizing the Department's budget request, the FY 2014-15 report dated October 2015 can be found at the following link:

https://drive.google.com/file/d/0B8ztIiGduUWbMmNOS19ZQUg0czA/view?pli=1

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Department of Human Services is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. For consideration by the Joint Budget Committee in prioritizing the Department's budget request, the FY 2015-16 updated plan dated October 28, 2015 can be found at the following link:

https://sites.google.com/a/state.co.us/colorado-performance-management/department-performance-plans/human-services/fy-2015-16-performance-plan-and-evaluation-reports-1

Appendix E: Overview of Department Request

Department of Human Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	$1,903,744,311	$802,237,866	$349,568,539	$130,173,226	$621,764,680	4,967.7
Other Legislation	10,914,847	9,667,342	(943,585)	1,550,000	641,090	3.2
TOTAL	**$1,914,659,158**	**$811,905,208**	**$348,624,954**	**$131,723,226**	**$622,405,770**	**4,970.9**
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	$1,914,659,158	811,905,208	$348,624,954	$131,723,226	$622,405,770	4,970.9
R1 County child welfare staff - phase 2	6,753,852	5,978,651	614,959	0	160,242	2.7
R2 DYC security staffing in facilities - Phase 2	4,687,425	4,687,425	0	0	0	78.8
R3 Court ordered evaluation and jail-based bed space	4,111,685	4,111,685	0	0	0	7.5
R4 Annual child care licensing visits	673,524	0	0	0	673,524	0.8
R5 Early intervention caseload growth	3,803,626	2,207,911	961,045	634,670	0	0.0
R6 Children's savings accounts	0	0	0	0	0	0.0
R7 Continuation of child care quality initiatives	1,552,936	0	0	0	1,552,936	7.3
R8 Title IV-E Waiver cash funds	6,000,000	0	6,000,000	0	0	0.0
R9 Indirect cost recover offset for DVR transfer to CDLE	1,094,283	1,094,283	0	0	0	0.0
R10 Tribal placements funding waiver	0	0	0	0	0	0.0
R11 Intensive residential treatment for SUD	4,726,272	0	4,726,272	0	0	0.9
R12 Sober living homes	300,000	0	300,000	0	0	0.0
R13 Supported employment for people with severe SUD	500,000	0	500,000	0	0	0.0
R14 Behavioral health crisis services staffing	0	0	0	0	0	2.7
R15 Utilities cost increase request	305,968	253,953	0	52,015	0	0.0
R16 Senior ombudsman technical change	0	0	0	0	0	0.0
R17 DYC Title IV-E technical correction	0	0	0	0	0	0.0
R18 Grand Junction physician services	(88,946)	(88,946)	0	0	0	(0.5)
R19 Community provider rate adjustment	(7,934,920)	(4,684,022)	(1,098,677)	(245,499)	(1,906,722)	0.0
NP1 CBMS/PEAK annual base adjustment	12,294,796	11,572,771	722,025	0	0	0.0
NP2 FMAP decrease	0	0	0	0	0	0.0
NP3 DOC food service inflation	45,977	0	0	45,977	0	0.0

Department of Human Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
NP4 Annual fleet vehicle request	72,599	45,281	2,410	15,942	8,966	0.0
NP5 Resources for administrative courts	35,572	22,055	1,067	0	12,450	0.0
NP6 Secure Colorado	163,481	88,070	1,994	5,210	68,207	0.0
NP7 CBMS training staff	35,791	14,667	1,162	0	19,962	0.0
Correctional Treatment Board Recommendation	0	0	0	0	0	0.0
Annualize prior year legislation	(45,137,888)	(447,715)	(1,163,326)	(4,939,144)	(38,587,703)	(234.0)
Annualize prior year budget action	(2,108,966)	(2,003,177)	(186,165)	(40,938)	121,314	0.6
Centrally appropriated line items	148,995	1,615,326	216,519	(231,775)	(1,451,075)	0.0
TOTAL	**$1,906,695,220**	**$836,373,426**	**$360,224,239**	**$127,019,684**	**$583,077,871**	**4,837.7**
Increase/(Decrease)	($7,963,938)	$24,468,218	$11,599,285	($4,703,542)	($39,327,899)	(133.2)
Percentage Change	(0.4%)	3.0%	3.3%	(3.6%)	(6.3%)	(2.7%)

R1 County child welfare staff- phase 2: This request includes an increase of $6.7 million total funds, including $5.9 million General Fund, and 2.7 FTE for the phase 2 increase of county staffing in response to the 2014 Child Welfare Workload Study performed by the Office of the State Auditor.

R2 DYC security staffing in facilities - Phase 2: The request seeks an increase of $4.7 million General Fund and 78.8 FTE for FY 2016-17 to add staff to State-owned and operated youth corrections' facilities in an effort to improve safety and security. Additionally, the request includes funds for a special education needs assessment to determine what resources are needed to provide youth with social and emotional disabilities with the proper learning environment.

R3 Court ordered evaluation and jail-based bed space: The request includes $4,111,685 General Fund and 7.5 FTE to address continued increases in the number of court-ordered competency evaluations and restorations to competency. In September, the Committee approved an interim supplemental request for $2.7 million General Fund and 4.5 FTE for FY 2015-16; this request represents continuation funding for FY 2016-17.

R4 Annual child care licensing visits: The request includes an increase of $673,524 in federal Child Care Development Fund spending authority and 0.8 FTE to improve the caseload ratio of licensing specialists to child care facilities to 1:86 to allow for one unannounced inspection annually in order to comply with federal annual inspection requirements.

R5 Early intervention caseload growth: This request includes an increase of $3.8 million total funds, including $2.2 million General Fund for Early Intervention direct services and case management.

R6 Children's savings accounts: The request includes a transfer of $100,000 General Fund from the line item supporting the Automated Child Support Enforcement System to a new line item in the Executive Director's Office for FY 2016-17 to create the Children's Savings Account Pilot Program. The Program seeks to deposit $50 to college savings accounts of up to 2,000 children in low-income households.

R7 Continuation of child care quality initiatives: The request includes an increase of $1.4 million in federal Child Care Development Fund spending authority and 7.0 FTE to support ongoing sustainability of the Colorado Shines QRIS and the associated technology systems to improve the quality of child care services.

R8 Title IV-E Waiver cash funds: The request includes an increase of $6.0 million in cash fund spending authority in the Title IV-E Waiver Demonstration Project for prevention and intervention services and continued expansion of IV-E Waiver interventions.

R9 Indirect cost recovery offset for DVR transfer to CDLE: The request includes an increase of $1.1 million General Fund to offset the reduction of indirect revenues that will no longer be collected due to the transfer of the Division of Vocational Rehab to the Department of Labor and Employment. *This request will be addressed during the Department's Executive Director's Office and Services for People with Disabilities briefing presented by Megan Davisson on December 14, 2015.*

R10 Tribal placements funding waiver: The request includes a letter note change to the Child welfare services line item to correctly indicate the source of cash funds**.**

R11 Intensive residential treatment for substance use disorder (SUD): The request includes $4,726,272 cash funds from the Marijuana Tax Cash Fund and 0.9 FTE for the Department to contract with vendors to provide intensive residential treatment for individuals with the most severe SUDs. These programs would target pregnant women (32 beds), adult men (32 beds), and young adults ages 18 to 25 (16 beds).

R12 Sober living homes: The request includes $300,000 cash funds from the Marijuana Tax Cash Fund for the Department to contract with an organization to establish up to 15 sober living homes for individuals leaving SUD treatment. These homes would provide stable, drug-free housing for up to 60 people per year in various regions of the state.

R13 Supported employment for people with severe SUD: The request includes $500,000 cash funds from the Marijuana Tax Cash Fund for the Department to contract with substance abuse treatment providers to provide "Individual Placement and Support (IPS)" services to clients with severe SUDs. The requested funding would support ten contract staff at five sites, providing services to approximately 300 clients per year.

R14 Behavioral health crisis services staffing: The request includes an increase of $219,209 General Fund and 2.7 FTE to expand from one to four the number of employees overseeing the statewide behavioral health crisis system contracts. The requested staff would expand the Office of Behavioral Health's capacity for: fiscal monitoring and oversight; data integrity and evaluation; and quality assurance and monitoring. This request is offset by a requested $219,209 reduction in the General Fund appropriation for behavioral health crisis response system services provided through Community Mental Health Centers.

R15 Utilities cost increase: The request includes an increase of $305,968, including $253,953 General Fund, to accommodate for increased energy commodities costs.

R16 Seniors ombudsman technical change: The request includes a technical change to include an "(I)" note and a new letter note on federal funds appropriated for the State Ombudsman Program in the Adult Assistance Programs.

R17 DYC Title IV-E technical correction: The request seeks to transfer appropriations for FY 2016-17 between three line items in the Community Programs section of the Division of Youth Corrections. The transfers, which sum to zero, move federal funds between the Personal Services, Purchase of Contract Placements, and Parole Program Services line items to align appropriations with historical expenditure patterns.

R18 Grand Junction physician services: The request seeks a reduction of $88,946 General Fund and 0.5 FTE to the Grand Junction Regional Center. This request is a result of the elimination of the contract with a physician for services provided to individuals living in the Home- and Community-Based Services regional center beds. The request indicates all individuals in these beds now received services from a community-based physician.

R19 Community provider rate adjustment: The Department's overall request includes a *reduction* of $7.9 million (including $4.7 million General Fund) for a 1.0 percent community provider rate decrease.

NP1 CBMS/PEAK annual base adjustment: The request includes an increase of $12.3 million total funds, including $11.6 million General Fund, for FY 2016-17 to enhance the Colorado Benefits Management System (CBMS) and the Program Eligibility Application Kit (PEAK).

NP2 FMAP decrease: The request reflects an adjustment in the proportions of General Fund and federal funds that are appropriated to the Department of Health Care Policy and Financing (HCPF) and transferred to this department to support programs and services administered by this department. This shift is based on an anticipated decrease in Colorado's federal medical assistance percentage (FMAP) for the Medicaid program.

NP3 DOC food service inflation: The request includes $45,977 for the costs incurred by the Colorado Mental Health Institute at Pueblo (CMHIP) to provide meal services to Department of Corrections (DOC) facilities on the CMHIP campus (La Vista Correctional Facility, San Carlos Correctional Facility, and the Youthful Offender System), including: $34,939 an estimated 2.0 percent increase in the raw food; and $11,038 for an increase in the population housed at the La Vista Correctional Facility.

NP4 Annual fleet vehicle request: The request includes the Department's share of annual fleet vehicle replacement adjustments.

NP5 Resources for administrative courts: The request includes an increase for the Department's share of the costs of the administrative courts in the Department of Personnel.

NP6 Secure Colorado: The request seeks an increase of $163,481 total funds, including $ General Fund, for FY 2016-17 to cover the Department's share of costs associated with a decision item in the Governor's Office of Information Technology to add advanced information security event analytics capabilities.

NP7 CBMS training staff: The request includes an increase of $35,791 total funds, including $14,667 General Fund, for FY 2016-17 to cover the total compensation costs for employees in the Department of Health Care Policy and Financing supporting the Colorado Benefits Management System (CBMS).

Correctional Treatment Board recommendation: The Correctional Treatment Board recommends a shift of $95,000 reappropriated funds (transferred from the Judicial Department) from the Jail-based Behavioral Health Services program to the Short-term Intensive Residential Remediation and Treatment (STIRRT) program. This shift is intended to cover the costs of modifying the STIRRT program based on current research and best practices.

Annualize prior year legislation: The request includes adjustments related to prior year legislation.

Annualize prior year budget actions: The request includes adjustments related to several prior year budget actions.

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; CORE operations, and payments to OIT.

Appendix F - CDPHE Indirect Cost Explanation

The Department of Public Health and Environment indirect cost assessment methodology is calculated based on three components: an "*Indirect Cost Pool*", an "*Indirect Cost Base*", and an "*Indirect Cost Rate*".

The *Indirect Cost Pool* is comprised of centrally appropriated line items, outlined in **Table 1,** in the Administration subdivision for FY 2014-15. Note the FY 2014-15 request includes the consolidation of all the line items funded with indirect cost assessments into the Administration subdivision to show in a single location where all the indirect cost assessments are expended. This change will enable the General Assembly to easily identify in a single location what operations are paid for with indirect cost assessments. The line items being moved are marked with an "*" in the following table.

Table 1 - Line Items Supported by Indirect Cost Assessments
(1) (A) Administration and Support
Personal Services
Leave Payouts
Health, Life, and Dental
Short-term Disability
SB. 04-257 Amortization Equalization Disbursement
SB 06-235 Supplemental Amortization Equalization Disbursement
Salary Survey
Merit Pay
Shift Differential
Workers Compensation
Operating Expenses
Legal Services
Administrative Law Judge Services
Payments to Risk Management
Vehicle Lease Payments
Capitol Complex Leased Space
Utilities
Building Maintenance and Repair
Purchase of Services from Computer Center*
Colorado State Network*
Management and Administration of OIT*
Communication Service Payments*
COFRS Modernization*
Information Technology Security*

The *Indirect Cost Base* is comprised of the total appropriation for each division. For some divisions the total appropriation is adjusted to account for things like reappropriated funds from General Fund sources and appropriations for centrally appropriated lines. ***Table 2*** notes which division totals are adjusted and the explanation for why the base is adjusted.

Table 2 Indirect Cost Base Adjustments

Division	Division Total Adjustments
Administration	Reduced centrally appropriated line items, Tobacco Master Settlement Funds, and indirect expenses
CHEIS	Reduced Indirect Expenses.
Laboratory Services	Reduced RF that comes from GF Sources
Air Pollution Control	No changes
Water Quality Control	Reduced RF that comes from GF Sources
Hazardous Material and Waste Management	No changes
Environmental Health and Sustainability	Reduced RF that comes from GF Sources
Disease Control and Environmental Epidemiology	Adjusted for Tobacco Master Settlement funds.
Prevention Services	Adjusted for Tobacco Master Settlement funds, other non-indirect funds, and federal WIC funds.
Health Facilities and Emergency Medical Services	No changes
Emergency Response and Preparedness	No changes

The *Indirect Cost Rate* has three components and is unique to the fund source, meaning cash fund sources have a different rate than federal fund sources. The Indirect Cost Rate is based on the manner of how the funds are used:

- Onsite rates are the highest and charged to funds used to pay for expenses which occur at the main campus;
- Offsite rates which are slightly lower and charged to funds which cover expenses that occur at one of the satellite offices in Pueblo and Grand Junction;
- Contract rates are the lowest rate is charged to funds used for contracts and grants.

Table 3 summarizes the requested verses the federally approved rates for FY 2012-13, FY 2013-14, and requested rates for FY 2014-15.

Table 3 Indirect Cost Rates

Rate Type	FY 2012-13 Approved Rate	FY 2013-14 Requested Rate	FY 2013-14 Approved Rate	FY 2014-15 Requested Rate
Cash Funds Rate				
On Site	19.0%	22.9%	22.9%	In progress
Off Site	13.9%	17.6%	17.6%	In progress
Contract	1.4%	1.3%	1.3%	In progress
Federal Funds Rate				
On Site	18.3%	22.1%	22.1%	In progress
Off Site	11.8%	16.4%	16.4%	In progress
Contract	1.0%	1.2%	1.2%	In progress