

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2015-16 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  
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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

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## **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, vocational rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is responsible for inspecting and licensing child care facilities and operation of institutional facilities for individuals who are mentally ill, intellectually and developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for persons with intellectual and developmental disabilities, and ten institutions for juvenile delinquents. The Department provides funding for the care of indigent mentally ill individuals 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 and commissions and for entities that provide separate quality assurance, oversight, or policy direction for human services programs, such as 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, among others. 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. The use of Regional Centers is intended for individuals with intellectual; and

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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. Specific programs include:

- The School-to-Work Alliance Program which 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;
- Provides services to individuals suffering from traumatic brain injuries; and
- Independent Living Centers and the Independent Living Council and provide funding for services that enable individuals with intellectual and disabilities to live independently in the community.

*Veterans Community Living Centers* manages and operates five state Veterans Community Living Centers with 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.

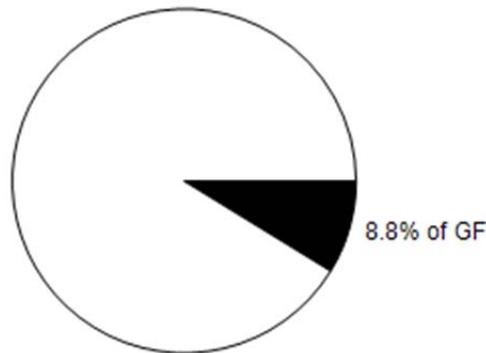
## Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 *
General Fund	\$645,580,781	\$719,197,941	\$782,001,699	\$807,015,538
Cash Funds	340,677,547	358,243,248	347,236,592	345,960,572
Reappropriated Funds	485,925,073	497,587,819	144,373,402	139,475,327
Federal Funds	<u>615,983,428</u>	<u>612,167,352</u>	<u>627,661,954</u>	<u>625,274,913</u>
<b>Total Funds</b>	<b>\$2,088,166,829</b>	<b>\$2,187,196,360</b>	<b>\$1,901,273,647</b>	<b>\$1,917,726,350</b>
Full Time Equiv. Staff	4,872.8	4,879.0	4,906.1	5,038.9

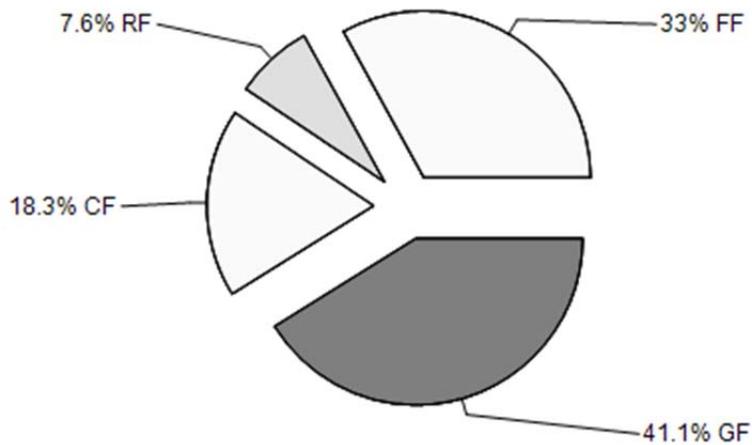
\*Requested appropriation.

## Department Budget: Graphic Overview

**Department's Share of Statewide  
General Fund**

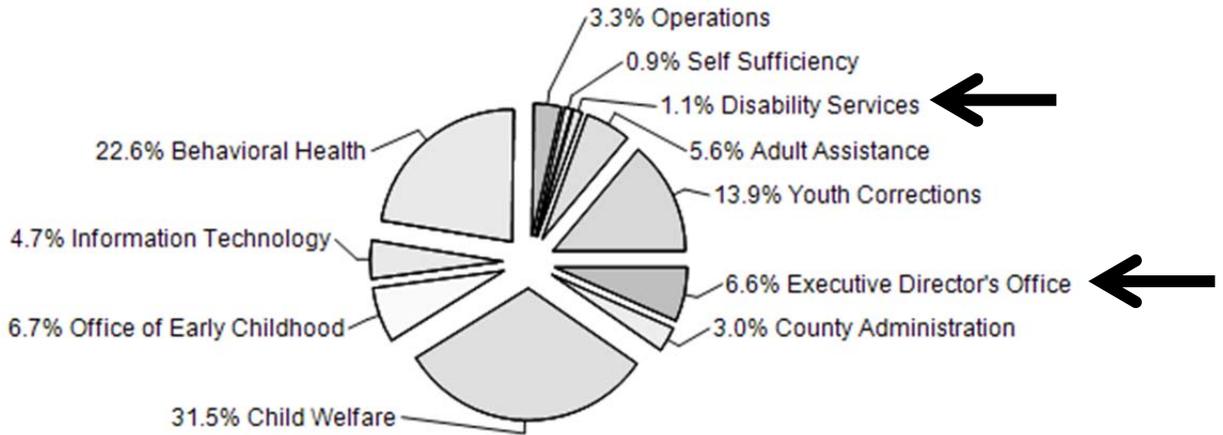


**Department Funding Sources**

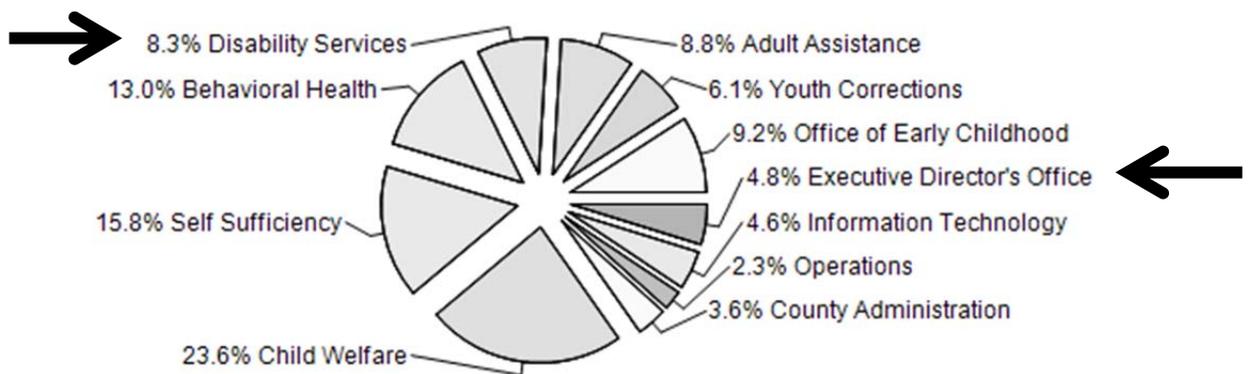


All charts are based on the FY 2014-15 appropriation.

**Distribution of General Fund by Division**



**Distribution of Total Funds by Division**



All charts are based on the FY 2014-15 appropriation.

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## General Factors Driving the Budget

### Executive Director's Office

The budget for the Executive Director's Office is largely driven by statewide personal services and operating expenses policy changes due to the large number of department employees. Changes include increases for the State share for health life and dental benefits, funding required to support the Public Employees Retirement Association long-term solvency, and increases to employees' salaries through salary survey and merit pay increases. The following table summarizes the annual changes from the prior year appropriation for centrally-appropriated personal services and operating expenses.

<b>Summary of Centrally Appropriated Person Services Increases for the Department of Human Services</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>Federal Funds</b>
<b>FY 2012-13 Appropriation</b>					
Health, Life and Dental	\$1,978,891	\$1,310,768	\$103,623	\$410,694	\$153,806
Short-term Disability	(14,572)	(12,630)	(89)	(1,097)	(756)
AED	858,822	193,472	227,448	281,202	156,700
SAED	1,049,527	364,002	191,667	310,227	183,631
Salary Survey	0	0	0	0	0
Merit Pay	0	0	0	0	0
Shift-Differential	778,952	541,975	1,385	234,130	1,462
Operating lines*	3,070,256	1,520,798	310,427	990,786	248,245
<b>FY 2012-13 Total Appropriation</b>	<b>\$7,721,876</b>	<b>\$3,918,385</b>	<b>\$834,461</b>	<b>\$2,225,942</b>	<b>\$743,088</b>
<b>FY 2013-14 Appropriation</b>					
Health, Life and Dental	\$2,326,490	\$1,697,929	\$108,867	\$91,784	\$427,910
Short-term Disability	47,619	34,588	2,771	3,371	6,889
AED	931,145	921,271	(154,840)	25,901	138,813
SAED	1,132,393	980,427	(115,683)	95,755	171,894
Salary Survey	5,950,587	3,521,881	158,634	1,330,200	939,872
Merit Pay	3,339,994	1,945,332	83,797	753,376	557,489
Shift-Differential	511,228	320,725	(6,158)	202,636	(5,975)
Operating lines*	(306,739)	(139,102)	(13,318)	(72,924)	(81,395)
<b>FY 2013-14 Total Appropriation</b>	<b>\$13,932,717</b>	<b>\$9,143,949</b>	<b>\$50,752</b>	<b>\$2,357,175</b>	<b>\$2,074,102</b>
<b>FY 2014-15 Appropriation</b>					
Health, Life and Dental	\$667,587	(\$1,199,013)	\$47,442	\$1,893,640	(\$74,482)
Short-term Disability	66,339	46,930	337	9,732	9,340
AED	1,320,106	1,003,306	(982)	190,309	127,473
SAED	1,521,056	1,119,815	5,310	234,746	161,185
Salary Survey	7,461	254,125	(38,358)	(156,285)	(52,021)
Merit Pay	(990,762)	(485,223)	(42,508)	(278,965)	(184,066)
Shift-Differential	548,687	355,664	8,486	172,870	11,667
Operating lines*	(375,619)	91,595	208,515	(932,347)	256,618
<b>FY 2014-15 Total</b>	<b>\$2,764,855</b>	<b>\$1,187,199</b>	<b>\$188,242</b>	<b>\$1,133,700</b>	<b>\$255,714</b>

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Summary of Centrally Appropriated Person Services Increases for the Department of Human Services					
	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
<b>FY 2015-16 Request</b>					
Health, Life and Dental	\$1,598,920	\$3,275,429	(\$58,879)	(\$1,671,055)	\$53,425
Short-term Disability	5,672	6,082	1,305	1,322	(3,037)
AED	1,043,655	718,139	44,528	205,497	75,491
SAED	1,262,717	856,192	48,080	247,806	110,639
Salary Survey	(3,462,792)	(2,200,432)	(63,848)	(660,253)	(538,259)
Merit Pay	65,146	36,705	9,945	23,838	(5,342)
Shift-Differential	141,238	169,600	(8,486)	(8,209)	(11,667)
Operating lines*	(2,601,900)	(1,413,448)	(317,607)	(727,033)	(143,812)
<b>FY 2015-16 Request</b>	<b>(\$1,947,344)</b>	<b>\$1,448,267</b>	<b>(\$344,962)</b>	<b>(\$2,588,087)</b>	<b>(\$462,562)</b>

AED and SAED are supplemental state contributions to PERA. AED = Amortization equalization disbursement, SAED = supplemental amortization equalization disbursement

\*Includes workers compensation, legal services, administrative law judge services, and payment to risk management and property funds

**Transfer of Intellectual and Developmental Disability Waiver Services to HCPF**

House Bill 13-1314 transferred, effective March 1, 2014 funding and administration for community-based services for individuals with intellectual and developmental disabilities (IDD from the Department of Human Services (DHS) to the Department of Health Care Policy and Financing (HCPF). The following table summarizes the net FY 2014-15 impacts to the Department's budget. Note the reduction in the Department is offset by an equal increase to the Department of Health Care Policy and Financing. There is a net statewide reduction of reappropriated funds.

Department of Human Services Reductions Related to the Transfer of the Programs for Individuals with IDD							
Division	Reductions	Total Funds	GF	CF	RF		FTE
					MGF	MFF	
Executive Director's Office	Centrally appropriated line items, and accounting FTE.	(\$462,697)	(\$35,942)	\$0	(\$213,378)	(\$213,377)	(0.2)
Office of Administrative Solutions	Administrative FTE and vehicle lease payments.	(17,598)	(17,026)	0	(286)	(286)	(0.3)
Community Services for People with Development Disabilities	IDD waivers, program administration, family support services, and eligibility determination.	(440,004,220)	(16,758,941)	(30,802,357)	(196,221,461)	(196,221,461)	(34.0)
<b>Total Reduction to DHS</b>		<b>(\$440,484,515)</b>	<b>(\$16,811,909)</b>	<b>(\$30,802,357)</b>	<b>(\$196,435,125)</b>	<b>(\$196,435,124)</b>	<b>(34.5)</b>

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**Summary: FY 2014-15 Appropriation & FY 2015-16 Request**

<b>Department of Human Services</b>						
<b>(Executive Director's Office and Services for People With Disabilities)</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$248,338,704	\$59,981,754	\$44,865,677	\$75,609,509	\$67,881,764	1,859.0
Other legislation	<u>253,746</u>	<u>253,746</u>	<u>(22,345)</u>	<u>22,345</u>	0	0.0
<b>TOTAL</b>	<b>\$248,592,450</b>	<b>\$60,235,500</b>	<b>\$44,843,332</b>	<b>\$75,631,854</b>	<b>\$67,881,764</b>	<b>1,859.0</b>
<b>FY 2015-16 Requested Appropriation</b>						
FY 2014-15 Appropriation	\$248,592,450	\$60,235,500	\$44,843,332	\$75,631,854	\$67,881,764	1,859.0
R4 DYC staffing	961,880	961,880	0	0	0	0.0
R5 Collaborative management program	24,097	24,097	0	0	0	0.0
R6 Child welfare case management	34,901	28,968	0	0	5,933	0.0
R7 Medical oversight	50,470	25,235	0	25,235	0	0.0
R8 Child welfare workload study	11,600	9,629	0	0	1,971	0.0
R11 Gerontology program	179,438	179,438	0	0	0	0.0
R12 BEP spending authority	300,000	0	63,900	0	236,100	0.0
R15 Food inflation	20,455	0	0	20,455	0	0.0
R16 RC depreciation spending	932,429	0	0	932,429	0	0.0
R20 Community provider rate	41,835	37,330	0	4,505	0	0.0
Centrally appropriated line items	196,612	1,441,859	(179,719)	(1,215,715)	150,187	0.0
Annualize prior year legislation	(534,844)	(534,844)	(33,563)	33,563	0	(0.5)
<b>TOTAL</b>	<b>\$250,811,323</b>	<b>\$62,409,092</b>	<b>\$44,693,950</b>	<b>\$75,432,326</b>	<b>\$68,275,955</b>	<b>1,858.5</b>
<b>Increase/(Decrease)</b>	\$2,218,873	\$2,173,592	(\$149,382)	(\$199,528)	\$394,191	(0.5)
Percentage Change	0.9%	3.6%	(0.3%)	(0.3%)	0.6%	(0.0%)

*Note:* Highlight decision items are those which will be discussed in this document. Other decision items are reflected in the table because of centrally-appropriated costs and these requests will be discussed in other JBC staff briefing documents. Appendix F provides the FY 2014-15 Appropriation & FY 2015-16 Request Summary of all Department requested changes.

**Description of Requested Changes**

**R4 DYC staffing:** The total request is for \$3,828,057 General Fund and 83.0 FTE for FY 2015-16 to the Division of Youth Corrections (DYC) to begin implementing federally-mandated staff-to-youth ratios at the unit's ten owned and operated facilities by the October 2017 deadline. The amounts listed in the table are costs for centrally appropriated line items, such as health, life, and

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dental insurance. The decision item will be discussed by Kevin Neimond during the December 8, 2014 briefing on his sections within the Department of Human Services.

**R5 Collaborative management program:** The total request is for \$2,139,104 General Fund and 1.8 FTE to augment existing cash fund resources to provide services to children, youth and families through the Collaborative Management Program. The requested amounts listed in the table are for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Robin Smart during the December 4, 2014 briefing on her sections within the Department of Human Services.

**R6 Child welfare case management:** The total request is for \$191,758 total funds, including \$159,159 General Fund, and 2.7 FTE to oversee a dedicated Trails team to modernize the Child Welfare Case Management System (Trails). The requested amounts listed in the table are for centrally appropriated line items, such as health, life, and dental insurance. The decision item was discussed by Robin Smart during the December 4, 2014 briefing on her sections within the Department of Human Services.

**R7 Medical oversight:** The total request seeks an increase of \$743,140 total funds, including \$603,606 net General Fund, and 3.6 FTE for FY 2015-16 to oversee the medical, behavioral health, and dental well-being of all children involved in child welfare and youth corrections systems. The amounts listed in the table are for centrally appropriated line items, such as health, life, and dental insurance. The decision item will be discussed by Kevin Neimond during the December 8, 2014 briefing on his sections within the Department of Human Services.

**R8 Child welfare workload study:** The request includes \$8,227,138 total funds, including \$6578,035 million General Fund, and 0.9 FTE to increase county staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor. The requested 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 4, 2014 briefing on her sections within the Department of Human Services.

**R11 Gerontology program:** The request seeks an increase of \$179,438 General Fund to contract with a state college or university for an academic gerontology stipend program. The request will fund a 5-year pilot program that will train social workers and health services managers specializing in gerontology to provide services to Colorado's aging population. The decision item will be discussed by Kevin Neimond during the December 8, 2014 briefing on his sections within the Department of Human Services.

**R12 BEP spending authority:** The request includes an increase of \$63,900 cash funds from the Business Enterprise Program Cash Fund and \$236,100 federal funds to expend existing cash fund balance and draw down the federal match for the Business Enterprise Program for People who are Blind (BEP). The cash fund report submitted as part of the November 1 request includes information about the uncommitted fund balance and does not match the table detailing the uncommitted fund balance provided in the request. Based on the cash fund report, the dollars in excess of the 16.5 percent reserve for FY 2015-16 is \$52,220 but based on the information

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provided in the decision item is \$327,214 for FY 2015-16. Reconciling the dollar amount in excess of the reserve will be critical to determining if this request is sustainable.

**R15 Food inflation:** The request includes \$91,723 total funds for a 3.0 percent increase in the raw food costs incurred by department facilities that serve meals to clients and residents including: the Division of Youth Corrections (\$43,140 General Fund); the Mental Health Institutes (\$28,128 General Fund); and the Regional Centers (\$20,455 reappropriated funds).

**R16 RC depreciation spending:** The request includes \$932,429 reappropriated funds from Medicaid funds appropriated to the Department of Health Care Policy and Financing (HCPF) for maintenance and repairs to Regional Center (RC) facilities and group homes. The Committee should note that during the FY 2014-15 figure setting staff recommended the associated line item in HCPF not be funded because staff was unable to obtain information about what the funds were used for and how the line item was calculated. The line item in HCPF was ultimately funded but it appears based on this request that concerns raised last year may have been valid. The Committee should also be aware this request would provide the Department with funding for capital construction projects without any input from the Capital Development Committee. This request is discussed in additional detail in the Regional Centers briefing issue.

**R20 Community provider rate:** The request includes funding for a 1.0 percent rate increase for contracted community provider services.

**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; and payments to OIT.

**Annualize prior year legislation:** The request includes adjustments related to prior year legislation including:

- Reduction of \$250,000 General Fund for the one-time appropriation in H.B. 14-1338 (Regional Centers Task Force and Utilization Study);
- Reduction of \$284,844 General Fund and 0.5 FTE for the completion of the Homelake Military Veterans Cemetery required by S.B. 13-040 (Complete Cemetery Expansion at Homelake Center); and
- Reduction of \$33,563 cash funds and an increase of \$33,563 Medicaid reappropriated funds for the second year costs of S.B. 14-130 (Increase Personal Allowance Nursing Facilities).

## **Issue: Funding for Legal Auxiliary Services**

The Legal Auxiliary Services Program is administered by the Commission for the Deaf and Hard of Hearing and provides sign language interpreters and assistive technology systems to individuals involved with the state court system (either as a direct participant or a jury member). The Legal Auxiliary Services Program is funded by a monthly fee on telephone land lines, which does not have a direct nexus to the purpose of the Program.

### **SUMMARY:**

- 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.
- The Legal Auxiliary Services Program is funded by General Fund and reappropriated funds from the Disabled Telephone Users Fund (Fund) in the Department of Regulatory Agencies.
- The Commission for the Deaf and Hard of Hearing and Reading Services for the Blind Program are the two programs outside the Department of Regulatory Agencies that receive funding from the Disabled Telephone Users Fund.
- Revenue for the Disabled Telephone Users Fund is from a monthly fee on telephone land lines. As the number of Coloradoans using land lines declines the monthly fee for the Disabled Telephone Users Fund will need to increase to maintain funding levels for these programs.
- Historically, a nexus may have existed between the purpose of the monthly fee and the Legal Auxiliary Services Program. For today's conversation staff does not see a nexus between the fee payers and the purpose of the Legal Auxiliary Services Program, and will recommend during figure setting a change to funding source for the Legal Auxiliary Program.

### **DISCUSSION:**

#### **Commission for the Deaf and Hard of Hearing**

The Commission for the Deaf and Hard of Hearing was created in 2000 by S.B. 00-194 (Commission for the Deaf and Hard of Hearing). Pursuant to Section 26-21-106, C.R.S. the Program has the following statutory responsibilities:

- distribution of telecommunications equipment for persons who are deaf and hard of hearing;
- facilitation of the provision of general government services to persons who are deaf and hard of hearing; and
- administration of the Legal Services Auxiliary Program.

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Funding for the first two responsibilities of the Commission is from the Commission for the Deaf and Hard of Hearing Cash Fund which receives revenue from the monthly telephone fee on land lines initially collected by the Department of Regulatory Agencies. The Legal Auxiliary Services Program is funded by a mixture of General Fund and cash funds<sup>1</sup>.

**Legal Auxiliary Services Program**

As required by federal and state law (Section 13-90-204, C.R.S.), 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. The Commission for the Deaf and Hard of Hearing (Commission) contracts with independent contractors to provide these services. As stated above the Legal Auxiliary Services Program is funded by General Fund and the Colorado Commission for the Deaf and Hard of Hearing cash fund which receives funds from the Disabled Telephone Users Fund (Fund) in the Department of Regulatory Agencies.

**Disabled Telephone Users Fund**

For FY 2014-14 statute requires the Disabled Telephone Users Fund to be used for the following programs<sup>2</sup>:

- the 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.

It is important to note that the Long Bill reflects the funding the programs outside of the Public Utilities Commission in two places, the first in the Department of Regulatory Agencies as a cash fund appropriation to the specific fund for each program as required by statute, then as a second appropriation in the Department where the program resides as reappropriated funds pursuant to the Committee's policy on how the same funds appropriated more than once in the Long Bill are reflected.

The Fund receives revenue from a monthly surcharge charge on only land lines pursuant to Section 40-17-103 (3) (a), C.R.S. 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. There was reduction in January 2014 to \$0.05 per month to address the excess cash fund balance of the Fund.

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<sup>1</sup> The cash fund appropriation is reflected in as reappropriated funds in the Department of Human Services' section of Long Bill because of how funds appropriated more than once are reflected for budgeting purposes.

<sup>2</sup> 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.

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As more of the population is solely reliant on wireless phones for telephone access, the fee on land lines will need to increase to support the programs. What is not clear is the nexus between the fee on land lines and services provided by the Legal Auxiliary Services Program. Historically there may have been a nexus, but staff does not see that nexus and will recommend during figure setting the Committee fund the Legal Auxiliary Services Program with General Fund. If the General Assembly adopts this recommendation the fee would be reduced by approximately \$0.01 per year<sup>3</sup>.

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<sup>3</sup> Since the fee was reduced to lower the case fund balance, the fee may not be actually be reduced by \$0.01 because of the current artificially low level.

## **Issue: Regional Centers**

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Regional Centers are state-operated facilities that provide services to individuals with intellectual and developmental disabilities. The debate surrounding what the role of Regional Centers is not new but it is definitely heated. It is most important to remember that the individuals receiving services at Regional Centers all have a unique story about their disability, about how they came to needing Regional Center services and most importantly, how they want to live their lives. What this issue looks at is how policy decisions regarding Regional Centers aligns with, or contradicts, the State's work to provide services and supports that enable individuals with an intellectual and developmental disability to live a life of their choosing.

### **SUMMARY:**

- The percent of unoccupied licensed beds at the Regional Centers is currently 22.3 percent. Only 38.5 percent of the individuals receiving services from the Regional Center had the highest support level of six.
- The Department of Health Care Policy and Financing (HCPF) is changing how the State is reimbursed for Regional Center waiver beds so the State is reimbursed for the actual costs of waiver services. This policy contradicts current efforts by both Departments (HCPF and Human Services) to ensure there are adequate community supports and services.
- The Department is requesting the spending authority for Regional Center capital construction costs be appropriated through the operating section of the Long Bill (Department request R16).

### **RECOMMENDATION:**

**Staff recommends the Department discuss at their hearing what would be required (e.g. statutory changes, funding, and staff resources) to expand the availability of specialized adaptive equipment to all individuals with intellectual and developmental disabilities.**

### **DISCUSSION:**

Regional Centers are state-operated facilities located in Pueblo, Grand Junction and Wheat Ridge that provide services for individuals with intellectual and developmental disabilities (IDD). Regional Centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Services are provided in one of two settings: large congregate residential settings on a Regional Center campus; or group homes which serve four to six individuals in a community-based setting.

The campus facilities are licensed as Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). The group homes in Wheat Ridge are licensed as ICF/IID; all other group homes (Pueblo and Grand Junction) are licensed as Medicaid HCBS waiver homes (i.e. Regional

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Center waiver beds)<sup>4</sup>. For additional information on the basics of Regional Centers, see the December 5, 2014 JBC staff briefing for the Office of Community Living<sup>5</sup>.

**Vacancies**

House Bill 14-1338 (Regional Centers Task Force and Utilization Study) includes language which prohibits the Department of Human Services from selling any state-operated group homes<sup>6</sup>. What the language does not do is limit the number of vacant group homes the Department may have. Based on utilization data from the 2014 summer trips of the Task Force to each Regional Center, the following table summarizes the number of licensed beds compared to the number of individuals receiving services.

<b>Regional Center Utilization</b>						
Type	Licensed Beds	Actual Number of Individuals Receiving Services	Difference (Licensed-Actual)	Difference as Percent of Licensed Beds		
Grand Junction						
ICF	45	26	19	42.2%		
HCBS	<u>80</u>	<u>56</u>	<u>24</u>	30.0%		
<i>Subtotal Grand Junction</i>		<i>125</i>	<i>82</i>	<i>43</i>	<i>34.4%</i>	
Pueblo	88	66	22	25.0%		
Wheat Ridge	142	128	14	9.9%		
<b>Total</b>	<b>355</b>	<b>276</b>	<b>79</b>	<b>22.3%</b>		

**Needs Level of Individuals Living at Regional Centers**

The Committee has, for a number of years, asked for the support levels of individuals receiving services at the Regional Centers, and has been repeatedly told, support level evaluations were not done on individuals at the Regional Centers. The responses also noted that all individuals living at Regional Centers are classified as a level seven because of the complex needs of the individuals. During the October 2014 meeting of the Task Force it became know that the Department had over the course of FY 2013-14 (i.e. July 1, 2013 through June 30, 2014) performed support level assessments on all individuals receiving services from the Regional Centers. The following two tables summarize the results of those assessments. Note the total number of assessments exceeds the utilization number of 276 because the assessments were done on all individuals throughout the year, and a number of individuals transitioned or passed away.

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<sup>4</sup> This license is the same licensed that the Community Center Boards group homes operate under.

<sup>5</sup> Document located at: [http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/2014-15/hcpbrf3.pdf](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2014-15/hcpbrf3.pdf)

<sup>6</sup> This language is found in Section 27-10.5-310 (11), C.R.S.

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<b>Support Levels of Individuals Receiving Services at the Regional Centers</b>	
<b>Support Level</b>	<b>Individuals receiving ICF/IID Services</b>
1	0
2	4
3	8
4	25
5	71
6	88
<b>Total</b>	<b>196</b>

<b>Support Level</b>	<b>Individuals receiving Regional Center waiver services</b>
1	1
2	8
3	10
4	18
5	64
6	43
<b>Total</b>	<b>144</b>

Combing the utilization rates of Regional Center services with the distribution of support levels highlights the importance of the following question: What is the purpose of Regional Centers? Are Regional Centers intended to primarily provide short-term stabilization services that enable individuals to return to the community? Or are the Regional Centers intended to primarily provide long-term services for individuals?

If Regional Centers are intended to primarily provide stabilization services that enable individuals to return to community-based services, the support level distribution is a contradiction because typically the needs of individuals requiring stabilization services is high (i.e. a level 5 or 6) during the stabilization period then readjust downward. Whereas, the distribution of support levels supports the idea that Regional Centers are designed to provide long-term services.

The utilization rate contradicts the idea that Regional Centers are intended to provide long-term services because it is unlikely there would be a 22.3 percent vacancy rate because of the existing demand for comprehensive services (i.e. the waiting list). The utilization rate does not support or contradict the idea that Regional Centers are intended to primarily provide short-term stabilization services because the number of vacancies could be due to the ability of community providers to provide sufficient support services that keep individuals stable. On the other hand the number of vacancies could be due to the Department's Regional Center admission policy which has severely limited the number of admissions for stabilization to the Regional Centers, which could indicate the Department sees Regional Centers as neither a long-term service provider nor a provider of short-term stabilization services.

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**Daily Rates for the Wheat Ridge and Grand Junction ICF Facilities 101**

The reimbursement of costs for the ICF/IID facilities at Wheat Ridge and Grand Junction are paid for by a daily rate. The daily rate includes the following cost for each facility:

- Administrative and general costs;
- Direct health care costs; and
- Actual facility costs.

These costs are reported to the Department's contracted auditor, who reviews the costs for allowable purposes. Based on which costs are allowable, the auditor calculates the daily rate for each facility. The following summarizes how the daily rate is calculated:

$$\text{ICF Daily Rate} = \frac{\text{Allowable Costs}}{\text{Total patient days}}$$

There is a significant delay of approximately eighteen months between when the actual expenditures occur and the final approval of the daily rate for those costs due to the time required to audit reported costs and finalize the daily rate. The following table shows the daily rates the Department of Health Care Policy and Financing (HCPF) has set for the two state-run ICF/IID facilities. Note the calculation of the daily rate for the private ICF/IID facility operated by Bethesda Lutheran, replaces actual facility costs with the fair rental value of the ICF/IID facility.

<b>Daily Rates for ICF/IID Facilities</b>			
	<b>Grand Junction ICF/IID</b>	<b>Wheat Ridge ICF/IID</b>	<b>Bethesda Lutheran ICF/IID</b>
FY 2009-10			
Final Rate	\$639.95	\$640.00	n/a
FY 2010-11			
Final Rate	\$787.27	\$603.51	n/a
FY 2011-12			
Final Rate	\$792.81	\$606.13	n/a
FY 2012-13			
Final Rate	\$824.20	\$604.10	\$646.76
FY 2013-14			
Interim Rate	\$949.47	\$644.51	\$498.22
Final Rate	n/a	n/a	n/a
FY 2014-15			
Interim Rate	\$949.47	\$644.51	n/a
Final Rate	n/a	n/a	\$652.53

The FY 2013-14 rate decrease for Bethesda Lutheran was due to the decline in the fair rental value of the ICF/IID facility as a result of the decline in real estate values.

**Rates for Regional Center Waiver Beds**

Regional Center waiver beds are reimbursed via a fee-for-service methodology, except not really. In a presentation to the Regional Center Taskforce, HCPF stated that "although the services provided [for Regional Center waiver individuals] have a fee-for-service methodology, the State must reimburse [itself] for reasonable costs." That statement is paradox because a fee-for-service structure is not necessarily one designed to reimburse for reasonable costs. Staff has heard from community providers the current fee-for-service structure does not reimburse for actual costs.

The following is a brief description of how HCPF translates the total cost for each type of the Regional Center waiver service into a daily rate that is applied to each individual receiving that specific service. Note this reimbursement methodology is entirely different than how the Community-Centered Boards are paid for the same services and very similar to how the ICF/IID daily rate is calculated.

**Step 1** - Calculate the total cost for providing that specific services to all individuals.

**Step 2** - Calculate the percentage of reimbursement per service (i.e how much the State was paid as compared to the total cost).

**Step 3** - Calculate the average number of service units used by an individual based on the most recent five year average of the number of service units used.

**Step 4** - Based on five year average number of individuals using that service, calculate the average number of individuals that used that service.

Once those calculations are completed the following formula is used to determine the daily rate for an individual that used a specific service:

$$\text{Individual Service Rate} = \frac{(\text{Step 1 Total Cost} * \text{Step 2 Percentage})}{(\text{Step 3 average units} * \text{Step 4 distinct clients})}$$

The methodology used to calculate the rate for Regional Center waiver bed services is fundamentally different than how funding is provided to community providers for the same services. Additionally it is somewhat confusing why the methodology uses a five year average to calculate the number of service units an individual used, and the number of individuals accessing that service. Why not base the service utilization and number of individuals using the service on the actual numbers for the fiscal year?

During the October 2014 meeting of the Regional Center Taskforce the Department of Human Services informed the Task Force that a new reimbursement methodology for Regional Center waiver beds was going to be implemented. This statement was reaffirmed at the November 2014 meeting when the Department of Health Care Policy and Financing stated, "The Department [of Health Care Policy and Financing] is implementing a process similar to the ICF/IID rate process for waiver services provided by state owned Regional Centers." Staff inquired about the impetus

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for this change and was told the changes were in response to the December 2013 audit recommendation number five which stated:

"The Department of Human Services and the Department of Health Care Policy and Financing should work together to ensure that the reimbursements the Grand Junction and Pueblo Regional Centers receive under the Home and Community-Based Services for Persons with Developmental Disabilities (HCBS-DD) waiver program more closely align with costs by:

- a. Revising the rate-setting method for the Regional Centers' HCBS-DD waiver-funded services. The revision process should include evaluating the feasibility of establishing separate rates for each of the two regional centers and other options for setting the reimbursement rates, as appropriate.
- b. Implementing procedures to compare, at least annually, the Regional Centers' reported costs to their HCBS-DD waiver reimbursements to ensure that the reimbursements continue to align with costs and the costs are reasonable."

The Department of Health Care Policy and Financing, in response to this recommendation, submitted as part of the Medicaid renewal application for the Comprehensive Waiver a State initiated change to pay State providers a different rate than private providers. What staff found lacking from the audit recommendation was a conversation about the staffing ratios at the Regional Centers. Despite a declining census of individuals receiving Regional Center services, the employee count for Regional Centers has remained constant. The following table summarizes the number of FTE and the client census from FY 2006-07 through the FY 2014-15 estimates. Note the reduction of FTE in FY 2009-10 and FY 2010-11 was due to the closure of the skilled nursing unit at the Grand Junction Regional Center.

	<b>Regional Center Client to FTE Ratio</b>								
	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>
FTE	907.1	935.6	909.3	881	831.9	864.9	830.6	832.2	887.1
Clients	375	336	369	338	281	296	301	285	276
FTE to Client Ratio	2.4	2.8	2.5	2.6	3.0	2.9	2.8	2.9	3.2

How can Regional Center waiver costs be considered "reasonable costs" if the costs are partly driven by a staffing ratio that has grown despite a decline in the number of individuals receiving services? Additionally, the General Assembly should consider how to balance the recommendations of the auditors (which in staff's opinion missed an important component about staffing ratios) with being fiscally responsible, and supporting policies to allow individuals to live a life of their choosing.

Staff is having a hard time understanding how both Departments are able to justify, in the context of the current efforts by both Departments to ensure there are adequate community

supports and services, the decision to pay more for Regional Center waiver services than is paid to community providers for the same services. Using the audit recommendation as the sole justification for this change does not make sense because the audit was designed to look solely at the Regional Centers without consideration for how community based services are funded, or how to provide the right amount of services, in the right time, and in the right place. The intentional decision to pay more for institutional services is highlighted by HCPF's choice on the waiver renewal application to pay community providers a different rate than itself. The following is from Appendix I of the waiver renewal application where HCPF selected the second option:

**Appendix I: Financial Accountability**

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**I-3: Payment (5 of 7)**

**e. Amount of Payment to State or Local Government Providers.**

Specify whether any State or local government provider receives payments (including regular and any supplemental payments) that in the aggregate exceed its reasonable costs of providing waiver services and, if so, whether and how the State recoups the excess and returns the Federal share of the excess to CMS on the quarterly expenditure report.  
*Select one:*

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**Answers provided in Appendix I-3-d indicate that you do not need to complete this section.**

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- The amount paid to State or local government providers is the same as the amount paid to private providers of the same service.
- The amount paid to State or local government providers differs from the amount paid to private providers of the same service. No public provider receives payments that in the aggregate exceed its reasonable costs of providing waiver services.
- The amount paid to State or local government providers differs from the amount paid to private providers of the same service. When a State or local government provider receives payments (including regular and any supplemental payments) that in the aggregate exceed the cost of waiver services, the State recoups the excess and returns the federal share of the excess to CMS on the quarterly expenditure report.

The selection to pay different amount for community and state providers appears to contradict the work of groups like the Community Living Advisory Group (CLAG) and increases the likelihood that funding inequities between community providers and the Regional Centers for the provision of the same services will continue.

**Specialized Adaptive Equipment**

Specialized adaptive equipment is equipment which has been modified from its original version based on the unique needs of an individual. Special adaptive equipment includes wheelchairs made to fit an individual's physical needs using body molds, and modified walkers, beds, and chairs. Unfortunately specialized adaptive equipment is only provided to individuals receiving services through the ICF/IID facilities. This equipment is not available to individuals receiving Regional Center waiver services or community-based services. The Department of Human Services has not explored the possibility of providing specialized equipment to all individuals with intellectual and developmental disabilities that may benefit from one.

During the October 2014 Task Force meeting at the Wheat Ridge Regional Center, the Task Force was told it cost on average about \$1,200 in materials plus staff time to build a specialized

wheelchair. This compares to about \$20,000 in the private sector to build one, but it was noted that finding a private builder of this type of equipment is very difficult. Staff inquired about what would be needed to provide this type of specialized adaptive equipment to individuals receiving waiver services (both at the Regional Centers and in the community) and was told that it was unclear if these services would be allowable by any federal program. **Staff recommends the Department discuss what would be required (e.g. statutory changes, funding, and additional staff) to expand the availability of specialized adaptive equipment for individuals with IDD.**

### **The Role of Regional Centers**

The debate surrounding the role Regional Centers should have is not new, but it is definitely heated. It is important to remember that individuals receiving services at Regional Centers all have a unique story about their disability, about how they came to needing Regional Center services, and most importantly, how they want to live their lives. For some at Regional Centers, they are happy and healthy there, have been there for a number of years and, in a time of person centered care; it should be acceptable if that is where they want to live. It may not be something everyone likes, or agrees with, but if an individual wants to stay at a Regional Center because it has become home, that should be respected. For others, the Regional Center is a short-term home where they can receive stabilization or transition services with the goal of living in the community. For these individuals, Regional Centers may not represent a forever home, but a very important stabilization component which in the long run, will enable them to live successfully in the community.

### **Questions of Equity**

The General Assembly has repeatedly demonstrated support for community-based services, as has the Executive Branch by doing things like forming the Community Living Advisory Group and publishing the 2014 Colorado Community Living Plan. Unfortunately there appears to be a disconnect between certain policies and funding decisions with the work to enable individuals with IDD to live a life they want by providing the right services at the right time and in the right place. Examples of this disconnect include:

- Requesting the funding for the Regional Center waiver beds be moved to the Office of Community Living despite the Department of Health Care Policy and Financing's stated intent to fund these beds like ICF/IID beds;
- Providing unlimited services to individuals in the Regional Centers while limiting services through caps to individuals with similar support level scores who receive services in the community;
- Only providing specialized adaptive equipment to individuals receiving services through the ICF/IID Regional Center licensure; and
- Seeking funding for capital improvements to state-operated group homes only.

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The Regional Centers have historically claimed their per individual costs are high because they serve individuals with the high level of needs, yet the distribution of the support levels does not support this claim. The following is a comparison of what it would cost to serve the individuals receiving Regional Center waiver services through the community-based comprehensive services waiver. The cost comparison begs the question, how the State can justify a State cost that is 1.8 to 5.0 times higher than the cost to serve these individuals in the community.

<b>Cost Comparison of Regional Center Waiver Enrollment vs Community Based Waiver Enrollments</b>						
<b>SIS/ Support Level</b>	<b>Number of HCBS-DD waiver individuals</b>	<b>FY 2014-15 HCBS Waiver Cost per Enrollment</b>	<b>Cost to Serve Individuals in Community</b>	<b>Regional Center Per Client Cost</b>	<b>Cost to Serve at Regional Centers</b>	
1	1	\$34,317	\$34,317	\$175,003	\$175,003	
2	8	47,325	378,600	175,003	1,400,023	
3	10	56,574	565,740	175,003	1,750,029	
4	18	67,229	1,210,122	175,003	3,150,052	
5	64	77,383	4,952,512	175,003	11,200,184	
6	43	96,953	4,168,979	175,003	7,525,123	
<b>Total</b>	<b>144</b>		<b>\$11,310,270</b>		<b>\$25,200,414</b>	

The request to move the funding for the Regional Center waiver beds to the Office of Community Living despite HCPF's stated intent to fund these beds like ICF/IID beds may only exacerbate the funding inequity between services provided under the same waiver. If the daily rate for the Regional Center waivers is higher than was budgeted for, HCPF could use funding from the comprehensive waiver to offset the shortfall by holding comprehensive enrollments vacant to realize the cost savings needed to offset the increased Regional Center costs.

Another inequity between the state and community funding is the State policy on service caps which limit ability of community providers to provide services to individuals while not placing the same caps on individuals receiving services in the Regional Centers. The service caps for community-based services are as follows:

- Target case management - a cap of twelve billable units per individual per year.
- Day habilitation - individuals are capped at 24 hours per week, 50 weeks per year of day habilitation services.
- Definition of behavioral services - changes were made to the definition of reimbursable behavioral services to limit the types of behavioral services eligible for reimbursement.
- Dental services - dental services were capped at \$2,000 per year and \$10,000 over five years.

Based on discussions with multiple providers, the day habilitation cap has caused many providers to reduce their day programs from five days a week to four days a week, and from at most eight hours a day to six hours a day.

**Group Home Infrastructure Improvements**

In FY 2013-14 the General Assembly approved funding for capital improvement to a number of Wheat Ridge Regional Center group homes by providing the Department with the flexibility to move funds from one Regional Center to the Wheat Ridge Regional Center. The Department

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moved the funds from the personal services appropriation for the Grand Junction Regional Center to the operating expenses line for the Wheat Ridge Regional Center.

The Department is requesting spending authority in the operating section of the Long Bill for capital construction improvements to Regional Center group homes (Department request R16). During the FY 2014-15 figure setting staff recommended the associated line item for Regional Center depreciation in HCPF's Long Bill not be funded because staff was unable to obtain information about what the funds were used for and how the line item was calculated. The line in HCPF was ultimately funded but it appears based on the request that the concerns raised last year may have been valid. In order to provide the Committee with a complete picture of what the capital construction needs of the Regional Centers, staff inquired about needed infrastructure improvements to state-owned group homes and was provided the following list:

<b>Summary of Improvements Needed at Regional Center Group Homes</b>			
<b>Regional Center</b>	<b>Project Description</b>	<b>Approximate Cost</b>	<b>Funding Solution</b>
Wheat Ridge	Kipling Village Security Perimeter Fence to upgrade the deteriorating wooden 6-foot fence in the Kipling Village enclave.	\$730,510	FY 2015-16 Capital Construction Request – Kipling Village Security Perimeter
Wheat Ridge	Group home capital improvements at 11 homes. Improvements include but are not limited to new kitchen cabinets/countertops to removal of interior walls to make environment more open, flooring, painting, fixtures, hardening of walls/doors for increased durability.	\$1,901,122	FY 2015-16 Capital Request for \$937,841 – Wheat Ridge Regional Center Capital Improvements  FY 2016-17 Capital Request for \$963,281
Pueblo	Group home capital improvements at 4 group homes. Improvements include, but are not limited to, garage conversions to removal of interior walls to improve line of sight supervision, reconfiguration of medication rooms, updating bedrooms, new fixtures, and updating bathrooms.	\$1,643,060	FY 2015-16 Capital Request for \$823,070 – Pueblo Regional Center Capital Improvements  FY 2016-17 Capital Request for \$819,990
All	R-16 Regional Center Depreciation Spending Authority funds the plans for spending the depreciation to include replacing windows, enclosing outdoor patios, improving backyard programming areas, replacing flooring in living areas and bathrooms, remodeling bathrooms, improving door security systems, eliminating interior walls/islands to improve line of sight supervision, replacing air conditioning, and reconfiguring medication rooms in group homes.	\$2,655,667	R-16: FY 2015-16 <b>Regional Center Depreciation Spending Authority Request</b> \$932, 429, includes spending authority of \$932,429 for FY 2015-16 and annually beyond and includes project estimates through FY 2017-18.
All	Fire suppression systems in all 40 group homes must be improved/replaced to comply with new life-safety code standards adopted by the Colorado Department of Public Safety.	\$ 620,750	The Department is considering funding options, including a potential budget action.
All	Back-up power generators for all 40 homes.	\$886,600	The Department is considering funding options, including a potential budget action.

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For community operated group homes the cost of typical home repair and maintenance is considered part of the cost of operating a group home and supported by the daily residential rate paid by Medicaid. Capital improvements for group homes, like those being requested by the Department for the state-run group homes, have not been funded in a manner similar to what the Department is requesting for Regional Center group homes. The following table provides a comparison of the average construction costs per home based on the Department's FY 2015-16 request and the average on-going capital costs for community-based group homes based on information provided to staff by the CCBs.

<b>Comparison of Capital Improvement Costs</b>		
<b>Location</b>	<b>Average cost per home</b>	<b>Description</b>
<b>Regional Centers</b>		
Wheat Ridge Homes*	\$172,829	Capital improvement to 11 group homes
Pueblo Homes	\$410,765	Capital improvement to 4 group homes
All Homes	\$15,519	Fire suppression systems for all 40 group homes
All Homes	\$22,165	Backup generators for all 40 group homes
<b>Community Group Homes</b>		
Low End	\$15,000	On-going capital improvements which include pest control, fire sprinkler/alarm inspections, lawn service, heating/ac/plumbing repairs, routine building maintenance.
High End	\$94,000	

\*Note all group homes at Wheat Ridge are ICF licensed homes and not waiver licensed homes

## **Issue: Funding Formula for Centers for Independent Living**

The current funding formula for General Fund dollars appropriated for Centers for Independent Living requires an equal distribution among the ten Centers regardless of each Center's costs. This issue discusses two options for how the formula could be updated to account for the needs and costs specific to each Center.

### **SUMMARY:**

- The current formula for distributing the General Fund appropriation to Centers for Independent Living is to divide the appropriation by ten, the total number of Centers, and distribute an equal amount to each Center. The formula was intended to be a short-term solution that would be revised once there was a level of funding sufficient to justify a more robust formula. Over the past two years, the General Assembly has increased the General Fund appropriation for the Centers by \$1,243,251 without a change to the funding formula.
- A funding allocation formula was explored by Colorado's Centers for Independent Living to try and determine an appropriate level of funding for each Center. The formula was based on the model used by Indiana's Centers for Independent Living. This option estimated funding for all Centers should be \$12.6 million General Fund.
- Considering the increased funding for Centers over the past two years, staff believes the time has come to revise the formula. The revised formula should include, at a minimum, the following components: a base amount that is the same for all Centers; a factor to account for the number of counties in which the Center provides services; a factor to account for how many people could access a Center's services, which could be based on the number of individuals with a disability within the service area of each Center.

### **RECOMMENDATION:**

**Staff recommends the Department discuss at their hearing the pros and cons of implementing a funding formula in statute vs. by rule, and what the Department thinks the formula should include.**

### **DISCUSSION:**

The current formula for distributing the General Fund appropriation for Centers for Independent Living is to divide the appropriation by ten, the total number of Centers, and distribute an equal amount to each Center. This formula was intended to be a short term solution that would be revised once there was a level of funding sufficient to justify a more complete formula. Over the past two years, the General Assembly has increased the General Fund appropriation for the Centers by \$1,243,251<sup>7</sup> without a change to the funding formula. The following is a discussion of the 2009 proposed formula followed by a discussion of a funding formula based on the formula used for local public health agencies.

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<sup>7</sup> Increases are \$520,539 in FY 2013-14 and \$722,519 in FY 2014-15

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**2009 Proposed Formula**

A funding allocation formula was explored by Colorado’s Centers for Independent Living to try and determine an appropriate level of funding for each Center. The formula was based on the model used by Indiana’s Centers for Independent Living (Indiana Business Research Center, 2009). The funding formula is based on the average score across the following three indicators:

- Service Index – this index quantifies what the need for services within a county is;
- Worker Disability index – this index calculates the county disability rate compared to the statewide disability rate; and
- Economic Distress index – this index quantifies the job density for the county compared the statewide job density.

The formula takes the average score of the three indexes for each county, and multiples that by \$1,000 to get a dollar amount for each county in terms of 2000 dollars. This dollar amount was then converted to 2010 dollars by multiplying by the inflation factor of 1.27 (a 27% inflation rate). These steps are repeated for each county served by a Center. The final step is to sum the dollar amounts for each county to get the total dollar amount for each Center. The following table summarizes what the increases would be if the General Assembly adopted this formula:

<b>2009 Formula Estimated Funding Levels</b>	
Area 1: Center for Disabilities, Pueblo	\$2,701,197
Area 2: Center for Independence, Grand Junction	\$1,992,884
Area 3: Colorado Springs Independence Center	\$1,348,477
Area 4: Southwest Center for Independent Living, Durango	\$1,289,197
Area 5: Connections for Independent Living, Greeley	\$1,276,751
Area 6: Center for People with Disabilities, Boulder	\$882,601
Area 7: Atlantis Community Inc.	\$848,309
Area 8: Independent Life Center, Craig	\$717,075
Area 9: Disability Center for Independent Living, Denver	\$683,840
Area 10: Disabled Resource Services, Fort Collins	\$906,363
<b>Total</b>	<b>\$12,646,694</b>

The most significant issue staff had with this formula is, why \$1,000 for the multiplier? The discussion of the formula did not provide an explanation or justification for that multiplier. Even after speaking with one of the co-authors of the formula, staff still did not have an answer for why a \$1,000 multiplier.

**Options for a New Funding Formula**

Reading about the 2009 proposal and considering the increased funding for Center, staff believes the time has come to revise the formula. A number of questions arise when it comes to determining what the formula should look like including:

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- Where to start? Do you start with the number of people served, the number of providers, or the amount of funds available?
- Should the formula be in statute or in rule? A formula in statute would minimize the number of variables and questions that may arise but would require another bill in the future if the General Assembly wanted to change the formula. A formula in rule would provide more flexibility in amending the formula but staff is not convinced there would sufficient stakeholder input into the rule making process.
- How many factors should the formula include? Factors that could be included are: number of people served, number of counties where services are provided, are counties urban or rural, do Centers have other revenue sources which contribute to their revenue stream, what services are provided, and what is the cost to run a Center.

Establishing a funding formula for Centers will also provide the General Assembly with a basis on which to evaluate future requests for funding increases. As staff thought about how a formula would look and what components should be included in determining the formula, it became apparent that there are three components the formula should have in order to account for the geographic diversity and the size of each Center:

- A base amount that is the same for all Centers to account for fix costs of each Center;
- A factor to account for the number of counties in which the Center provides services; and
- A factor to account for how many people could access a Center's services which would be based on the number of individuals with a disability within the service area of each Center.

These criteria are very similar to those used in the funding formula for local public health agencies (LPHA) funded through the Department of Public Health and Environment (DPHE). DPHE was required by Section 25-1-503 (1) (f), C.R.S. "to establish, by rule, a formula for allocating moneys to county or district public health agencies". The LPHA formula that resulted from the statutory change in S.B. 08-194 (Public Health Reorganization) was a collaboration between DPHE, local public health departments, and counties. The three components of the LPHA formula are:

1. Base – a set amount of funds provided to each local public health agency depending on the provision of the core public health services.
2. Regional distribution - \$12,000 per county.
3. Per capita – for the population of all the counties served by the agency, ranges from \$1.15 to \$1.30 per person.

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The following table summarizes the methodology of the LPHA formula. One important difference between LPHA and Centers is that core services for Centers are not optional, whereas LPHA can opt not to provide all the core services.

<b>Local Public Health Funding Formula</b>		
<b>Category</b>	<b>Amount</b>	<b>Description</b>
Base	Varies depending on Tier Level	Tier Level is based on the number of core public health services the local public health agency provides
Tier 1	\$12,000 =	LPHA that does not offer all core services
Tier 2	\$15,000 -	LPHA does not offer all core services, but contracts for core services not offered directly by LPHA
Tier 3	\$17,000	LPHA provides all core services
Tier 4	67,500 -	LPHA provides all core services and is provider to other LPHA for contracted services
Regional	\$12,000	Per county
Per capita	\$1.15 to \$1.30	Per person

Rather than trying to reinvent the funding formula, staff saw a number of similarities between the categories important to funding for Centers for Independent Living and the categories used in the LPHA formula. Therefore, if the General Assembly wants to put the funding formula for Centers for Independent Living in statute and model the formula similar to an existing one, staff would recommend the General Assembly consider using the LPHA formula as a model.

Since all of the formula factors are independent of each other, staff ran three options shown in the following three graphs to illustrate how the funding levels would change based on different amounts for the base and per capita. Note for all three options the per county amount does not change. Within each option there are four different scenarios.

The base amount for each option is the same (i.e. for the four different scenarios in each option the base amount does not change). The base amounts were selected using anecdotal information regarding the ongoing cost to operate a Center of approximately \$250,000 to \$1.2 million per year. The base amounts for each option are as follows:

- Option 1 = \$200,000 per Center
- Option 2 = \$205,000 per Center
- Option 3 = \$225,000 per Center

The \$12,000 per county amount is the same for all options. Note Denver, Douglas, Jefferson Arapahoe, Adams, and Clear Creek are served by two Centers, and each Center receives \$12,000 for these counties. If the amount is prorated for these counties it may require additional funds be added to hold the funding for those Center's harmless. For each option, there are four scenarios which are based on different per capita amounts. The per capita amounts range from \$1.00 to \$1.30. These numbers are based on the amounts used in the LPHA funding formula. The following are the per capita amounts for each scenario:

- \$1.00 per capita - this is the lowest per capita amount;

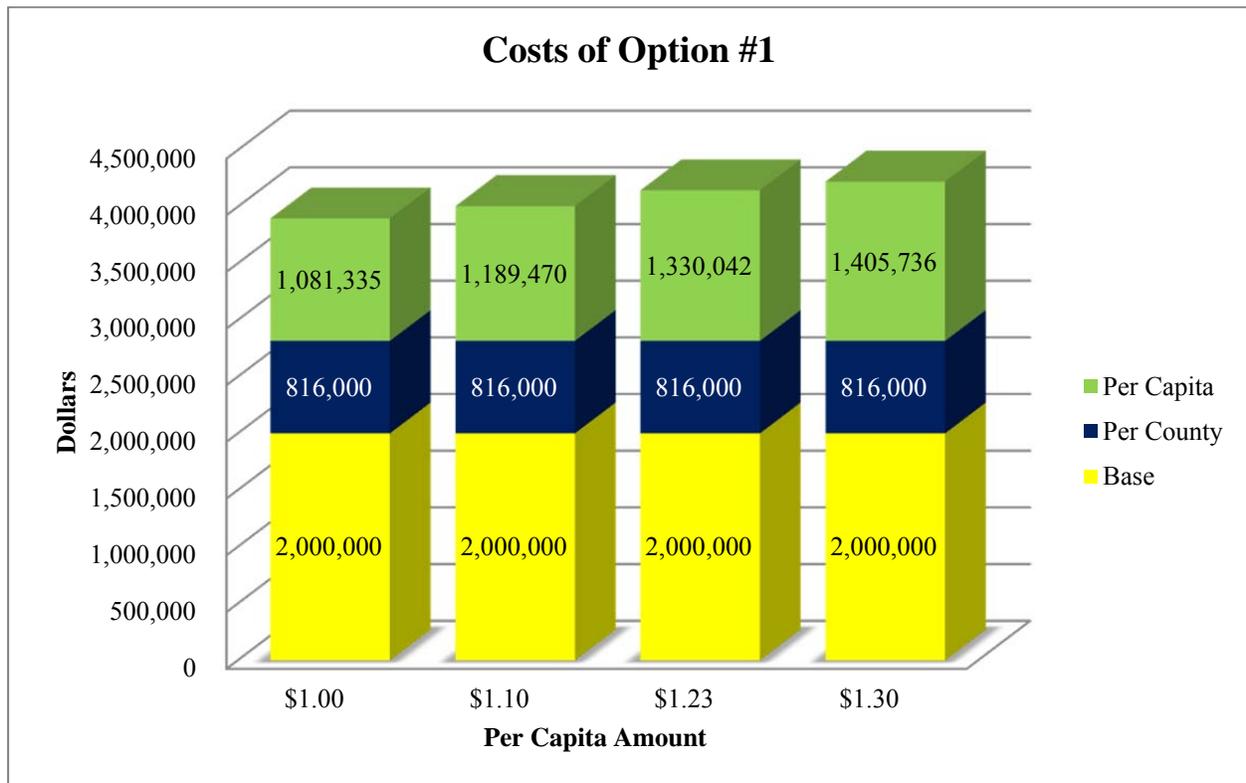
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- \$1.10 per capita;
- \$1.23 per capita - this amount was the basis for the FY 2013-14 LPHA appropriation; and
- \$1.30 per capita.

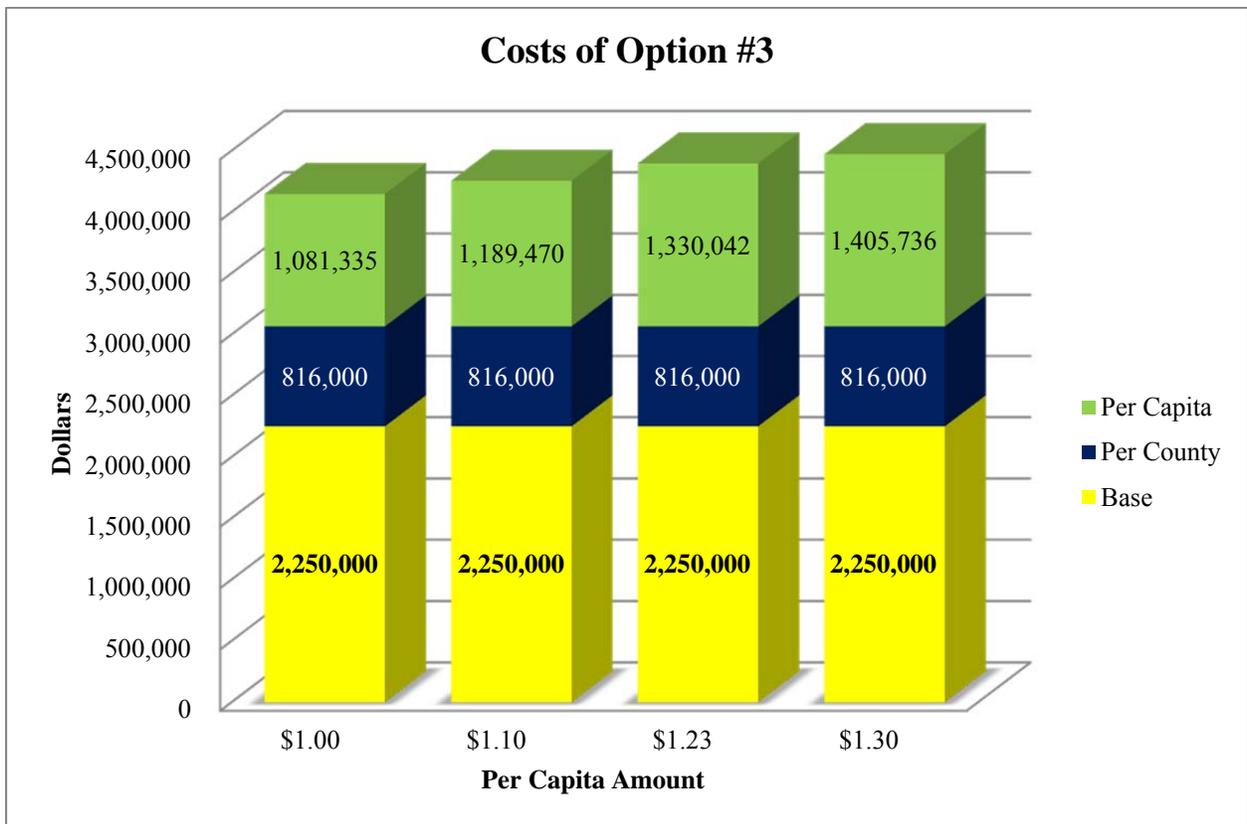
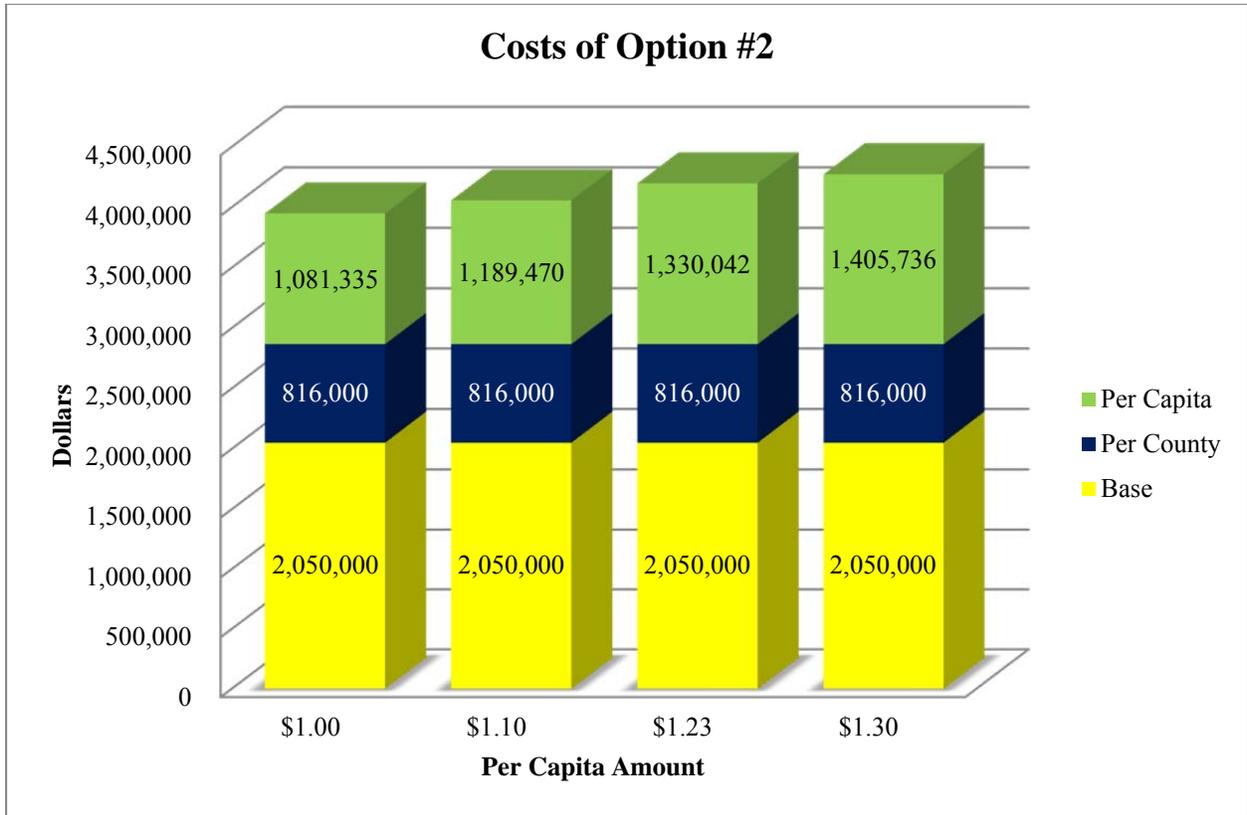
The following three graphics illustrate the four scenarios for each option. A couple of notes about the assumptions used in the formula:

- The Center for Disease Control's Disability and Health Data System<sup>8</sup> indicates that 20.6 percent of Colorado's population has a disability. The per capita for each Center is equal to 20.6 percent of the total population of all the counties served by each Center.
- All of the scenarios within Option 1 would require at least one Center to have a hold harmless component because their funding levels would be lower than the current amount that is granted out. The first scenario of Option 2 would require two Centers to have a hold harmless component.



<sup>8</sup> Information from: <http://dhds.cdc.gov/profiles/profile?profileId=8&geoTypeId=1&geoIds=8>. Note the national rate of individuals with a disability is 21.4 percent.

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Based on the range of needs of the individuals served by the Centers and the variety of services provided it does not seem unreasonable to staff that an increase would be warranted, but staff does not believe that an increase using the existing formula will enable the funds to be spent in the most effective manner. For informational purposes the following table compares the Indiana Model vs the JBC staff model Option #2 - per capita amount of \$1.10 (this option was selected because it was the least expensive scenario that did not require a hold harmless component).

<b>Comparison of Funding Formulas</b>			
<b>Centers for Independent Living</b>	<b>Indiana Model</b>	<b>Option 2, \$1.10 per capita</b>	<b>Difference*</b>
Atlantis Community Inc.	\$848,309	\$580,952	\$267,357
Center for Disabilities, Pueblo	2,701,197	471,863	2,229,334
Center for Independence, Grand Junction	1,992,884	442,080	1,550,804
Center for People with Disabilities, Boulder	882,601	471,762	410,839
Colorado Springs Independence Center	1,348,477	442,879	905,598
Connections for Independent Living, Greeley	1,276,751	293,408	983,343
Disabled Resource Services, Fort Collins	906,363	282,974	623,389
Mile High Independence Living Center	683,840	503,855	179,985
North West Colorado Center for Independence	717,075	278,486	438,589
Southwest Center for Independent Living, Durango	1,289,197	287,211	1,001,986
<b>Total</b>	<b>\$11,798,385</b>	<b>\$3,474,518</b>	<b>\$8,323,867</b>

\*Positive indicates Indiana's Model higher than JBC Staff's Model

## **Issue: Vocational Rehabilitation Programs**

The Vocational Rehabilitation Programs provide services to individuals with disabilities that enable them to achieve their employment goals. There are a number of specialty programs which provide services for individuals who are blind and visually impaired, deaf or hard of hearing, and for students who have a disability. The Department anticipates a \$5.3 million underexpenditure in the appropriation for services despite having a waiting list. The issue concludes with a discussion of the policy options the General Assembly could pursue in an effort to create a functional Vocational Rehabilitation Programs.

### **SUMMARY:**

- Vocational Rehabilitation Programs evaluate individuals to determine eligible and the associated services needed to enable individuals to achieve their employment goals. Within the Programs there are specialized services for individuals who are blind, deaf, and deaf-blind, including interpreter services, note-taking services, and reader services.
- Individuals seeking vocational rehabilitation services are evaluated based on three criteria to determine which of the following three categories they belong to: an individual with most significant disabilities, an individual with significant disabilities, or an individual with disabilities. Criteria used for categorization include the number of significant limitations, number of required core services, and the time period over which the services will be provided.
- The current Order of Selection limits the number of individuals that can access services by requiring any individual with a disability who has been determined eligible for services by the Division of Vocational Rehabilitation be placed on a waiting list according to their disability priority category.
- The Department anticipates reverting \$5.3 million appropriated for services, despite having a waiting list. Additionally, there remains more than \$122.0 million of unmatched federal vocational rehabilitation funds in the State's federal vocational rehabilitation account.
- The Division of Vocational Rehabilitation has not demonstrated the ability to properly manage the resources appropriated by the General Assembly in a manner that enables the most number of individuals to be served in the best manner. The issue concludes with seven policy options the General Assembly could pursue in an effort to create functional Vocational Rehabilitation Programs.

### **RECOMMENDATION:**

**Staff recommends the Department discuss at the hearing the cost of each specialty program, what the unmet demand for those programs are, the cost to meet that demand, and what issues are preventing the provision of services by these programs.**

## **DISCUSSION:**

The Vocational Rehabilitation Programs are designed to help eligible individuals with documented disabilities find suitable employment. The Programs are funded by General Fund, reappropriated funds, and federal funds. The match rate for the federal funds is 78.7 percent; therefore for each dollar of state funds, the federal government pays \$3.69. The following are services<sup>9</sup> available through the General Vocational Rehabilitation Program:

- Evaluation and diagnostic services to determine eligibility and the services needed for the individual to become employed;
- Vocational rehabilitation counseling and guidance;
- Physical and mental restoration services to correct or substantially modify an individual's physical or mental condition;
- Necessary training services to become employed including vocational training, academic training, personal and vocational adjustment training, job coaching, on-the-job training, job-seeking skills training, and books, tools, and other training materials;
- Rehabilitation technology services including assistive technology devices, assistive technology services, and rehabilitation engineering services to address barriers encountered by an individual in attaining or retaining employment;
- Placement services provided to assist an individual with a disability to find adequate and suitable employment in his/her chosen career; and
- Supportive services, such as maintenance, transportation, personal assistance services and services to family members may also be provided if necessary for the individual to utilize the services identified above.
- Post-employment services may be provided to previously rehabilitated individuals to maintain or regain suitable employment.

There are a number of specialized programs that provide specialized services for individuals who are blind, deaf, and deaf-blind, including interpreter services, note-taking services, and reader services (Appendix G includes additional details on what each specialized program does).

- Programs for Individuals who are Blind and Visually Impaired;
- School to Work Alliance Program;
- Deaf and Hard of Hearing Program;
- Business Outreach Initiative;

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<sup>9</sup> The language in the bullet points is direct from the Division's website - Division of Vocational Rehabilitation website: [http://www.dvrcolorado.com/client\\_services.php](http://www.dvrcolorado.com/client_services.php)

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- Self-Employment Program; and
- Ticket to Work and Self Sufficiency Program.

**Needs Categories**

Individuals seeking vocational rehabilitation services will be evaluated based on three criteria to determine which of the following three categories they belong too: an individual with most significant disabilities, an individual with significant disabilities, or an individual with disabilities. To determine which category an individual belongs to, a vocational rehabilitation counselor will use the following three criteria (Appendix H includes addition description of what significant limitations are):

Criteria	Description
Number of significant limitations	Significant limitations include: mobility, motor skills, self-care, self-direction, interpersonal skills, communication; and work tolerance and work skills.
Number of required core services	Core services include: counseling and guidance, physical restoration, mental restoration, interpreter services, training, rehabilitation technology, occupational licenses, self-employment professional services; and placement and job related services.
Time period needed to provide the necessary core services	How long will the services be provided.

The Program uses the following metric to determine which of the three categories an individual will be placed in.

Summary of Vocational Rehabilitation Classifications			
Criteria	Most Significant	Significant	Disability
Is there a severe impairment?	Yes	Yes	The third priority category includes all other eligible individuals for whom there was at least one answer of “no” instead of “yes”.
How many areas of serious functional loss limit vocational activity?	3 or more	1 or 2	
Are at least two core vocational rehabilitation services needed for employment?	Yes	Yes	
Are at least five months of core vocational rehabilitation services needed?	Yes	Yes	

**Order of Selection**

Prior to the implementation of the Order of Selection, the Vocational Rehabilitation Program had an open door policy, meaning once an individual was determined eligible for services the Program was required to provide those services. During FY 2013-14 the Program saw a significant and unchecked growth in service expenditures, resulting in the Program expending the twelve month appropriation in nine months. The Department requested and received an additional appropriation for FY 2013-14 to continue providing services to those individuals already receiving services.

For other individuals seeking services, the Department implemented an Order of Selection on March 1, 2013 which impacted individuals who did not have a most significant or significant disability. This Order of Selection did not reduce expenditures and a second Order of Selection

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was enacted on April 22, 2013 (and still continues) to control the Program's expenditures. This secondary Order of Selection required any individual eligible for services be placed on a waiting list according to his/her disability priority category. Individuals with the most severe disabilities are placed at the top of the waiting list. Individuals who are already eligible for services and have an approved Individualized Plan for Employment (IPE) will continue to receive goods and services leading to employment regardless of their disability priority category.

**Summary of the 2014 Request for Information**

The General Assembly submitted a request for information to the Department alongside the FY 2014-15 Long Bill which asked for the projected FY 2014-15 expenditures, and the projected balance of the State's federal vocational rehabilitation account. The following table summarizes the FY 2014-15 appropriation and projected expenditures. Appendix C provides additional information included in the Department's response.

<b>Division of Vocational Rehabilitation Projected Expenditures by Long Bill Line Item FY 2014-15</b>			
	<b>FY 2014-15 Appropriation</b>	<b>Projected FY 2014-15 Expenditures</b>	<b>Difference (Approp.-Expenditure)</b>
Centrally Appropriated Lines/1	\$3,419,393	\$3,419,393	\$0
BEP for People Who are Blind	1,203,912	1,203,912	0
Federal Social Security Reimbursements	1,103,224	1,103,224	0
Vocational Rehabilitation Personal Services /2	16,341,336	16,341,336	0
Vocational Rehabilitation Services /3	<b>14,831,622</b>	<b>9,496,876</b>	<b>5,334,746</b>
Vocational Rehabilitation Operating Expenses	3,154,385	3,154,385	0
School to Work Alliance Program	9,973,705	9,122,300	851,405
Vocational Rehabilitation Mental Health Services	1,748,180	1,748,180	0
<b>TOTAL</b>	<b>\$51,775,757</b>	<b>\$45,589,606</b>	<b>\$6,186,151</b>
<b>Source of Funds:</b>			
Federal Funds	\$40,983,278	\$36,114,777	\$4,868,501
General Fund	5,383,976	5,383,976	0
Cash Funds	290,309	255,662	34,647
Reappropriated Funds	5,118,194	3,835,190	1,283,004
<b>TOTAL</b>	<b>\$51,775,757</b>	<b>\$45,589,605</b>	<b>\$6,186,152</b>

/1 Includes Indirect Costs, Workman's Compensation, Risk Management, Office of Information Technology (OIT) Services, Leased Space, and Leased Vehicles.

/2 Budgeted amount includes estimated \$1.7 million in POTS based on prior distributions.

/3 Total Vocational Rehabilitation Services expenditures are projected at \$10.6 million, split between the Federal Social Security Line and the Vocational Rehabilitation Services Line. Social Security Administration funds are required to be spent first, so projected full expenditure of the \$1.1 million Social Security line and project the remaining amount of \$9.5 million to be spent from the Vocational Rehabilitation Services line.

It is interesting that the Department is projecting to fully expenditure their personal services and operating expenses, but revert 36.0 percent of the vocational rehabilitation services appropriation despite over 4,000 individuals waiting for services. When asked why this was occurring the Department indicated that there was a lag time between when individuals were taken off the waiting list and began receiving services. This explanation echoes the explanation provided to

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the JBC when the IDD waivers were in the Department about why enrollments were not translating into paid claims for services. When the IDD waivers were moved to HCPF, it was determined there were actually hundreds of enrollments that had not been distributed. Therefore staff is somewhat skeptical about the reason the underexpenditure is due to the lag time for individuals to begin receiving services.

One point which highlights the inefficiencies within this program is the amount of federal dollars which have been allocated to Colorado but not drawn down because of insufficient General Fund matching dollars, and the General Assembly's decision to not increase funding for the Program because of concerns that the issues resulting in the Order of Selection still persisted. The following table shows that for the current and next fiscal year there is over \$122.0 million federal vocational rehabilitation funds that will not be drawn down.

<b>Summary of Unmatched Federal DVR Funds and Associated General Fund Match Amount</b>	
SFY 2014-15 Available Funds	
SFY 2014-15 Available Federal Funds	\$58,630,736
General Fund Match	\$15,868,293
SFY 2015-16 Available Funds	
SFY 2015-16 Available Federal Funds	\$63,434,454
General Fund Match	\$17,168,410
<b>Total Available Federal Funds</b>	<b>\$122,065,190</b>
<b>General Fund Match</b>	<b>\$33,036,709</b>

The last bit of information from the request for information which is relevant to the discussion in this issue brief is the number of individuals currently receiving services and the number of individuals waiting for services. Note there are almost as many individuals waiting for services as there are receiving services. The following table summarizes the number of individual's currently receiving services, the number of individuals waiting for services, and the cost to provide services to individuals currently waiting for services. The cost calculation is based on a full year cost, and some of the individuals will not require or use a full year worth of services.

<b>Summary of Individuals Receiving and Waiting for Services</b>			
	<b>Number of Individuals</b>	<b>Annual Cost per Individual</b>	<b>Total Cost</b>
<b>Currently Receiving Services</b>			
Most Significant	4,157	\$2,330	\$9,685,810
Significant	866	3,056	2,646,496
Disability	48	2,883	138,384
<b>Total Service Cost</b>	<b>5,071</b>		<b>\$12,470,690</b>
Department Projected Service Costs			\$10,600,100
Difference			(\$1,870,590)

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<b>Summary of Individuals Receiving and Waiting for Services</b>			
	<b>Number of Individuals</b>	<b>Annual Cost per Individual</b>	<b>Total Cost</b>
<b>Individuals Waiting for Services</b>			
Most Significant	2,172	\$2,330	\$5,060,760
Significant	1,678	3,056	5,127,968
Disability	226	2,883	651,558
<b>Total Cost to Service Individuals Waiting for Services</b>			<b>\$10,840,286</b>
General Fund			\$2,308,981
Federal Funds			\$8,531,305

**Problem Statement**

The Division of Vocational Rehabilitation has not demonstrated the ability to properly manage the resources appropriated by the General Assembly in a manner that enables the most number of individuals to be served in the best manner. This claim is backed up by the following identified issues:

- The August 1997 performance audit found deficiencies in the Division's monitoring of time frames for completing plans and delivering services, compliance with state fiscal rules when purchasing services for clients; failure to determine whether clients have continued to work in the years following the completion of vocational rehabilitation services (i.e. were the services provided effective); and failure to ensure counselor caseload were evaluated, defined and distributed equally.
- The requested increase of \$1,171,907 General Fund and \$4,330,006 federal funds in FY 2012-13 to address a funding shortfall due to an unchecked increase in the amount of authorized services - note this request was also accompanied by the Department's request for a performance audit (the same audit as referenced below).
- The requested increase of \$1,024,565 General Fund and \$3,856,045 federal funds in FY 2013-14 to provide sufficient General Fund to pull down the all available federal funds. Note the total available federal funds exceeded \$18.2 million dollars, not \$3.9 million the request indicated was the total available amount.
- The December 2013 Audit<sup>10</sup> in which the State Auditors identified pervasive problems in the Program and raised questions about the Division's oversight, system of internal controls, and culture of accountability. The audit found the Division had not established effective Program management practices to ensure that it carries out both its responsibilities under federal and state laws and its duty to taxpayers.

<sup>10</sup> Finding is from page 1 of the December 2013 Colorado State Auditor's Performance Audit of the Division of Vocational Rehabilitation.  
[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/7A2956BFFE39DF0C87257C2B005AC753/\\$FILE/1338P%20Voc%20Rehab%20Nov%202013.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/7A2956BFFE39DF0C87257C2B005AC753/$FILE/1338P%20Voc%20Rehab%20Nov%202013.pdf)

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- The November 2014 Department response to the General Assembly's request for information which identified 4,076 individuals waiting for services, but a projected year reversion of \$5.3 million total funds for vocational rehabilitation services. The response also indicates that over \$122.0 million federal funds remain unmatched.

Based on a conversation staff had with a former vocational rehabilitation employee, it is common for Program staff to spend over 80.0 of their time on paper work and less than 20.0 percent of their time on service delivery. Did the audit cause the Program leadership to swing from one end of the pendulum where there were few controls over accountability and service delivery, to the other end where the purpose of the Program has been forgotten in lieu of efforts to increase accountability and improve credibility?

In staff's opinion the Vocational Rehabilitation Programs have reached a point of dysfunction and it is unclear if the Programs can recover under the current structure. Staff does not believe that eliminating the Vocational Rehabilitation Programs is a viable option because of the harm that would cause to individuals who benefit from effective vocational rehabilitation services. How does the General Assembly fix a set of Programs so broken it doesn't seem as though it can perform the most basic programmatic functions (i.e. providing vocational services)? Is it best to dismantle the existing Programs and recreate them? Would individuals be better served best if the Program was transferred to another Department in the hopes that different leadership and a different culture would result in changes to affect a better functioning Program? Are the individuals best served through non-profit agencies, or county-run Workforce Investment Centers? The following are policy options the General Assembly could consider in an effort to create functional Vocational Rehabilitation Programs:

1. Redesign the Programs based on models in other states which function effectively.
2. Move the Programs to another department within the Executive Branch, possibly the Department of Labor and Employment.
3. Move the Program to another Department and delegate the administration of the Programs to the counties.
4. Create new independent non-profits, similar to Community-Centered Boards, and delegate the responsibility for administering the Programs.
5. Expand the responsibilities of the Centers for Independent Living to include providing Vocational Rehabilitation Services.
6. Split apart the line items in the budget to separate out the general Vocational Rehabilitation Programs from the specialized programs.
7. Leave the Program as is and hope the Department works through the audit findings and resolves the issues identified in the response to the request for information.

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**Option 1**

This option results from concerns staff has heard about the ability of the Department to fully provide services through not only the general Vocational Rehabilitation Program, but also the specialized programs, including the Programs for Individuals who are Blind and Visually Impaired. The implementation of the Order of Selection has caused some individuals who become blind but do not fall within the most significant disability category to remain without core services to learn how to navigate their changing world for up to a year. This results in individuals who need support services being unable to access them and remaining isolated from their community for up to a year.

It seems to border on cruel that individuals who are becoming blind or visually impaired are in isolated from their community because the Program is not providing them with services like teaching them how to use a white cane or read braille, while at the same time projecting a reversion in the dollars appropriated for services. While the problems with service provision for individuals who are blind and visually impaired have been voiced, staff is not sure if the other specialty programs are experiencing similar issues. **Therefore staff recommends the Department discuss at the hearing the cost of each specialty program, what the unmet demand for those programs are, the cost to meet that demand, and what issues are preventing the provision of services by these programs.**

Based on the information provided to the Committee and any additional input the Committee receives from stakeholders, the Committee may wish to redesign the statutory language and budgeting structure for the general and specialized vocational rehabilitation programs to better enable the needs of individuals requiring specialized services to be met.

**Options 2 and 3**

The federal government provides funding to each state for the administration of vocational rehabilitation programs<sup>11</sup>. The following table summarizes the amount of federal funds for the past three federal fiscal years, and the current distribution for FFY 2014-15.

<b>Nationwide Voc. Rehab Programs Federal Funding</b>				
	<b>FFY 2011-12</b>	<b>FFY 2012-13</b>	<b>FFY 2013-14</b>	<b>Partial FFY 2014-15</b>
Nationwide Voc. Rehab Programs Funding	2,778,774,568	2,850,129,664	2,913,978,712	587,309,248
Per State Average	50,523,174	51,820,539	52,981,431	11,746,185
Median Amount	44,256,861	40,238,868	44,416,825	8,208,970
State with Largest Funding*	294,857,633	289,882,431	298,623,867	59,499,651
State with Smallest Funding ^	3,260,463	6,565,269	6,513,203	875,712
Colorado's Funding	40,548,289	40,050,525	40,918,495	8,203,005

\* State with the largest funding is California

^ For FY 2011-12 the state with the smallest funding was New Hampshire, all other years is Arkansas

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<sup>11</sup> Five territories receive funding as well from the federal government but are not included in the table.

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As illustrated in the above table, Colorado's funding level is close to the average per state, but what is also clear is the large variation in amounts paid to each state. The following table provides a comparison of Colorado's programs with those of states that receive a similar amount of funding. The table includes information about the amount of federal funds and where each state houses their vocational rehabilitation programs. Appendix I provides for all state the location of vocational rehabilitation programs.

<b>Comparison of Vocational Rehabilitation Programs with Federal Funding Amounts Similar to Colorado</b>					
<b>State</b>	<b>Program(s) Location*</b>	<b>Federal Funding by Federal Fiscal Year</b>			
		<b>FFY 2011-12</b>	<b>FFY 2013-14</b>	<b>FFY 2012-13</b>	<b>Partial FFY 2014-15</b>
Arkansas	Labor/Workforce Development	\$38,526,291	\$41,449,178	\$32,745,307	\$6,421,889
Colorado	Health/Human Services	40,548,289	40,918,495	40,050,525	8,203,005
Kentucky					
	Office for the Blind	28,478,239	6,600,000	6,600,000	1,522,139
	Rehabilitation/Disability Services	<u>39,000,003</u>	<u>41,047,558</u>	<u>39,503,312</u>	<u>9,350,280</u>
Kentucky Subtotal		67,478,242	47,647,558	46,103,312	10,872,419
Louisiana	Labor/Workforce Development	6,868,264	35,549,297	34,037,665	10,550,001
Maryland	Education	3,456,098	47,262,531	47,382,469	7,870,884
Massachusetts					
	Commission for the Blind	47,258,836	9,292,684	9,551,739	1,381,247
	Health/Human Services	<u>9,669,130</u>	<u>42,987,309</u>	<u>52,459,855</u>	<u>7,827,066</u>
Massachusetts Subtotal		56,927,966	52,279,993	62,011,594	9,208,313
Minnesota					
	Services for the Blind	26,028,302	8,770,354	8,770,354	1,675,889
	Labor/Workforce Development	<u>61,543,309</u>	<u>43,159,844</u>	<u>41,572,151</u>	<u>7,634,606</u>
Minnesota Subtotal		87,571,611	51,930,198	50,342,505	9,310,495
Mississippi	Rehabilitation/Disability Services	0	44,576,629	44,467,038	8,214,934
Oklahoma	Rehabilitation/Disability Services	12,126,798	44,257,020	43,404,876	8,400,962
Oregon					
	Commission for the Blind	96,889,776	4,871,417	4,833,605	970,588
	Health/Human Services	<u>0</u>	<u>44,999,915</u>	<u>33,835,235</u>	<u>6,794,115</u>
Oregon Subtotal		96,889,776	49,871,332	38,668,840	7,764,703
Utah	Rehabilitation/Disability Services	55,912,937	39,164,182	37,529,068	6,252,559
Washington					
	Services for the Blind	14,845,854	8,431,885	8,297,916	1,683,944
	Health/Human Services	<u>9,144,718</u>	<u>45,244,121</u>	<u>45,237,023</u>	<u>9,180,212</u>
Washington Subtotal		23,990,572	53,676,006	53,534,939	10,864,156
West Virginia	Education	62,387,300	37,116,252	40,427,210	5,017,759

\*Location options are: Health /Human Services Department, Labor/Workforce Development Departments, Rehabilitation/Disability Services, or Education Department

Five out of the thirteen states with similar funding to Colorado have a separate office/program/commission for services for individuals who are blind or visually impaired. Colorado did have a Commission for the Blind and Visually Impaired that sunset in FY 2010-11. What makes services for individuals who are blind and visually impaired unique is the fact that they are very specialized and expensive compared to the general vocational rehabilitation services. As stated under option one, the Department has failed to provide essential services to

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individuals who are, or are becoming blind or visually impaired. Option two would move the Vocational Rehabilitation Programs to another Department, possibly the Department of Labor and Employment. As indicated in the above table, six of the thirteen comparable states have located their rehabilitation services in either a department/office of labor and workforce development or rehabilitation and disability services.

The Department has historically opposed the idea of moving the Programs to another department and questions remain if another department that would be able to handle the components of the Program which provide more than vocational services (i.e. personal adjustment training for individuals who are blind or visually impaired). Staff mentioned the Department of Labor and Employment (DOLE) because DOLE currently oversees the Workforce Investment Centers, which are county-run centers providing prevocational training and coaching, employment services, and specialized job training services. There is a similarity between the services provided by the Workforce Investment Centers and the general Vocational Rehabilitation Programs, hence option three.

As staff floated the idea of delegating the administration of vocational rehabilitation services to counties there was a bit of grumbling that indicated that option would not improve the provision of vocational rehabilitation services. In defense of option three, the Workforce Investment Centers are able to provide employment services without major issues and staff sees a viable option in expanding what these Centers do to include the general vocational rehabilitation services but not necessarily some of the specialized services.

**Options 4 and 5**

Options four and five stem from how the community-based waiver services for individuals with intellectual and developmental disabilities are structured. Nonprofit Community-Centered Boards are created in statute and delegated the responsibility of evaluating individuals for services and providing the appropriate services and supports. These options would allow for changes in the Programs to make them more person-centered and integrated with community-based service. Having a single entity which can dedicate the time, energy, and staff to identifying and resolving the issues preventing service delivery may result in positive programmatic changes.

Option four would create new independent non-profits, similar to Community-Centered Boards, and delegate the responsibility for administering the Programs (both the general vocational rehabilitation services and the specialized services). Creating new non-profits whose sole responsibility would be the provision of vocational rehabilitation services would benefit the ability of individuals to receive the services they need, but it would create yet another entry point into the system. With all the discussion regarding no wrong door, and how to have a single entry point, it does not make sense to add yet another provider into the entry point conversation. Therefore option five would utilize the existing Centers for Independent Living which already provide services to individuals with any type of disability and expand their responsibility to include providing general and specialized vocational rehabilitation programs.

Staff did talk with eight of the ten Centers for Independent Living about option five and received both positive and negative feedback. Positive feedback was because the existing philosophy of

the Centers is based on what supports and services an individual needs to live independently and there was interest in having the chance to bring that philosophy to vocational rehabilitation services. The negative feedback was related to the mechanics and technical aspects of the transition. Concerns were expressed that the federal rules and requirements for Vocational Rehabilitation Programs could change the Centers more than the Centers could change the Vocational Rehabilitation Programs. There were also a number of technical questions on the authority of the state to delegate that responsibility to non-profits and how the reporting requirements would work. Option five is an interesting concept which, if the Committee wants to explore, could be done through a pilot program with one Center. That pilot program could look at what needs to change in terms of rules and statute, how a Center would go about transitioning the vocational rehabilitation staff into their culture, and what supports the Center would require. A comment about transferring state employees to non-profits or counties: the Workforce Investment Centers were at one time state run and legislation transferred the operation and employees to the counties. The legislation maintained the employees as state employees (and thus their benefits) until those employees changed positions of their own will or retired. A similar transition could be done for vocational rehabilitation employees.

**Option 6**

This option would expand on the changes made in the FY 2014-15 Long Bill funding for the Vocational Rehabilitation Programs by separating the funding for the specialized programs from the general programs. This option would not address the operational issues of the Program but could address the issues regarding services for individuals who are blind or visually impaired.

**Option 7**

In staff's opinion, as stated before, it is not clear the Department of Human Services has the ability to effect reforms which would improve the fundamental structure of the Vocational Rehabilitation Program, therefore staff would not recommend option 7.

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**Appendix A: Number Pages**

	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>Request vs. Appropriation</b>
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**DEPARTMENT OF HUMAN SERVICES**  
**Reggie Bicha, Executive Director**

**(1) EXECUTIVE DIRECTOR'S OFFICE**

**(A) General Administration**

Personal Services	<u>1,775,883</u>	<u>1,887,283</u>	<u>1,945,146</u>	<u>2,011,581</u>	
FTE	15.3	19.3	15.3	15.3	
General Fund	129,079	936,972	643,432	680,394	
Cash Funds	614,246	654,920	99,680	108,802	
Reappropriated Funds	140,032	64,683	298,102	310,734	
Federal Funds	892,526	230,708	903,932	911,651	
Health, Life, and Dental	<u>26,007,194</u>	<u>26,540,652</u>	<u>29,616,816</u>	<u>31,952,962</u>	*
General Fund	15,637,178	16,089,254	16,454,712	20,446,124	
Cash Funds	502,985	64,365	656,675	597,796	
Reappropriated Funds	6,594,805	6,909,571	8,651,612	6,996,411	
Federal Funds	3,272,226	3,477,462	3,853,817	3,912,631	
Short-term Disability	<u>356,844</u>	<u>382,605</u>	<u>479,976</u>	<u>494,222</u>	*
General Fund	220,492	259,563	306,198	320,560	
Cash Funds	6,928	9,412	9,749	11,054	
Reappropriated Funds	76,025	56,815	91,502	93,056	
Federal Funds	53,399	56,815	72,527	69,552	

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	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>Request vs. Appropriation</b>
S.B. 04-257 Amortization Equalization Disbursement	<u>6,524,620</u>	<u>7,211,504</u>	<u>8,963,349</u>	<u>10,178,500</u>	*
General Fund	3,747,523	4,512,450	5,721,235	6,604,968	
Cash Funds	247,144	179,431	178,449	222,977	
Reappropriated Funds	1,560,540	1,511,774	1,735,859	1,946,010	
Federal Funds	969,413	1,007,849	1,327,806	1,404,545	
 S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>5,566,477</u>	<u>6,466,112</u>	<u>8,403,140</u>	<u>9,831,509</u>	*
General Fund	3,265,085	4,250,101	5,363,658	6,379,802	
Cash Funds	181,935	161,986	167,296	215,376	
Reappropriated Funds	1,286,772	2,054,025	1,627,368	1,879,669	
Federal Funds	832,685	0	1,244,818	1,356,662	
 Salary Survey	<u>0</u>	<u>5,950,587</u>	<u>5,906,568</u>	<u>2,443,776</u>	
General Fund	0	3,521,881	3,771,885	1,571,453	
Cash Funds	0	158,634	120,276	56,428	
Reappropriated Funds	0	1,330,200	1,126,556	466,303	
Federal Funds	0	939,872	887,851	349,592	
 Merit Pay	<u>0</u>	<u>3,339,994</u>	<u>2,315,460</u>	<u>2,380,606</u>	
General Fund	0	1,945,332	1,457,382	1,494,087	
Cash Funds	0	83,797	41,289	51,234	
Reappropriated Funds	0	753,376	443,366	467,204	
Federal Funds	0	557,489	373,423	368,081	

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Shift Differential	<u>4,089,727</u>	<u>4,566,588</u>	<u>5,115,275</u>	<u>5,256,513</u>	
General Fund	2,696,363	3,010,588	3,366,252	3,535,852	
Cash Funds	6,284	0	8,486	0	
Reappropriated Funds	1,380,983	1,531,572	1,728,870	1,720,661	
Federal Funds	6,097	24,428	11,667	0	
Workers' Compensation	<u>12,601,993</u>	<u>12,469,196</u>	<u>11,942,063</u>	<u>9,541,483</u>	
General Fund	6,509,067	7,779,924	6,741,758	5,115,954	
Cash Funds	999,887	1,173,234	1,104,845	1,007,507	
Reappropriated Funds	4,508,946	3,290,999	3,479,330	2,816,284	
Federal Funds	584,093	225,039	616,130	601,738	
Operating Expenses	<u>460,867</u>	<u>511,276</u>	<u>496,015</u>	<u>499,761</u>	
General Fund	308,243	215,181	139,626	143,372	
Cash Funds	71,129	119,393	119,570	119,570	
Reappropriated Funds	81,495	118,365	160,504	160,504	
Federal Funds	0	58,337	76,315	76,315	
Legal Services	<u>1,334,463</u>	<u>1,616,065</u>	<u>1,825,645</u>	<u>1,742,670</u>	
General Fund	1,210,070	1,485,148	1,672,032	1,672,032	
Cash Funds	124,393	130,917	153,613	70,638	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	<u>922,776</u>	<u>723,531</u>	<u>561,485</u>	<u>618,449</u>	
General Fund	866,966	438,068	347,259	382,489	
Cash Funds	55,810	43,760	15,747	17,345	
Federal Funds	0	241,703	198,479	218,615	

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Payment to Risk Management and Property Funds	<u>1,692,827</u>	<u>1,463,119</u>	<u>1,475,880</u>	<u>1,300,571</u>	
General Fund	1,036,223	1,170,321	786,797	693,339	
Cash Funds	68,834	26,091	118,998	104,863	
Reappropriated Funds	222,020	187,900	232,540	204,918	
Federal Funds	365,750	78,807	337,545	297,451	
Staff Training	<u>13,800</u>	<u>545</u>	<u>13,799</u>	<u>13,799</u>	
General Fund	1	0	0	0	
Cash Funds	13,799	545	13,799	13,799	
Injury Prevention Program	<u>96,141</u>	<u>78,044</u>	<u>105,970</u>	<u>105,970</u>	
Reappropriated Funds	96,141	78,044	105,970	105,970	
<b>SUBTOTAL - (A) General Administration</b>	61,443,612	73,207,101	79,166,587	78,372,372	(1.0%)
FTE	<u>15.3</u>	<u>19.3</u>	<u>15.3</u>	<u>15.3</u>	<u>0.0%</u>
General Fund	35,626,290	45,614,783	46,772,226	49,040,426	4.8%
Cash Funds	2,893,374	2,806,485	2,808,472	2,597,389	(7.5%)
Reappropriated Funds	15,947,759	17,887,324	19,681,579	17,167,724	(12.8%)
Federal Funds	6,976,189	6,898,509	9,904,310	9,566,833	(3.4%)

**(B) Special Purpose**

Employment and Regulatory Affairs	<u>4,947,607</u>	<u>4,908,372</u>	<u>5,230,312</u>	<u>5,373,492</u>	
FTE	66.1	63.8	65.9	65.9	
General Fund	1,817,587	1,813,846	2,019,051	2,072,027	
Cash Funds	270,442	243,882	277,995	285,154	
Reappropriated Funds	685,312	676,381	692,574	712,620	
Federal Funds	2,174,266	2,174,263	2,240,692	2,303,691	

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Administrative Review Unit	<u>2,085,377</u>	<u>2,177,677</u>	<u>2,336,482</u>	<u>2,399,953</u>	
FTE	22.1	22.6	26.2	26.2	
General Fund	1,381,249	1,501,185	1,581,512	1,635,462	
Federal Funds	704,128	676,492	754,970	764,491	
Records and Reports of Child Abuse or Neglect	<u>494,119</u>	<u>527,381</u>	<u>595,155</u>	<u>611,534</u>	
FTE	7.1	7.6	7.5	7.5	
Cash Funds	494,119	527,381	595,155	611,534	
Child Protection Ombudsman Program	<u>738,585</u>	<u>734,130</u>	<u>504,250</u>	<u>509,293</u> *	
General Fund	368,585	368,565	504,250	509,293	
Cash Funds	370,000	365,565	0	0	
Juvenile Parole Board	<u>242,932</u>	<u>278,314</u>	<u>287,760</u>	<u>292,317</u>	
FTE	2.9	3.2	3.2	3.2	
General Fund	202,199	202,200	208,906	213,463	
Reappropriated Funds	40,733	76,114	78,854	78,854	
Developmental Disabilities Council	<u>846,725</u>	<u>739,769</u>	<u>888,500</u>	<u>900,655</u>	
FTE	5.0	5.0	6.0	6.0	
Federal Funds	846,725	739,769	888,500	900,655	
Colorado Commission for the Deaf and Hard of Hearing	<u>1,262,071</u>	<u>1,209,786</u>	<u>1,145,625</u>	<u>1,163,754</u> *	
FTE	5.8	5.4	6.3	6.3	
General Fund	115,562	101,378	132,807	135,252	
Reappropriated Funds	986,327	936,927	1,012,818	1,028,502	
Federal Funds	160,182	171,481	0	0	

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Health Insurance Portability and Accountability Act of 1996 - Security Remediation	<u>325,058</u>	<u>343,924</u>	<u>377,543</u>	<u>380,739</u>	
FTE	1.0	1.0	1.0	1.0	
General Fund	231,616	257,031	277,931	280,296	
Cash Funds	0	0	334	334	
Reappropriated Funds	71,168	73,355	73,358	73,998	
Federal Funds	22,274	13,538	25,920	26,111	
CBMS Emergency Processing Unit	<u>151,029</u>	<u>124,067</u>	<u>219,537</u>	<u>222,137</u>	
FTE	2.8	2.0	4.0	4.0	
General Fund	54,293	63,410	74,910	75,820	
Cash Funds	0	0	17,350	17,350	
Federal Funds	96,736	60,657	127,277	128,967	
Developmental Disabilities and Behavioral Health Services Gap Analysis	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	
General Fund	0	50,000	0	0	
Regional Center Taskforce and Utilization Study	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	
General Fund	0	0	250,000	0	
Gerontology Stipend Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>179,438</u> *	
General Fund	0	0	0	179,438	
Colorado Commission for Individuals who are Blind or Visually Impaired	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds	0	0	0	0	

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<b>SUBTOTAL - (B) Special Purpose</b>	11,093,503	11,093,420	11,835,164	12,033,312	1.7%
<i>FTE</i>	<u>112.8</u>	<u>110.6</u>	<u>120.1</u>	<u>120.1</u>	<u>(0.0%)</u>
General Fund	4,171,091	4,357,615	5,049,367	5,101,051	1.0%
Cash Funds	1,134,561	1,136,828	890,834	914,372	2.6%
Reappropriated Funds	1,783,540	1,762,777	1,857,604	1,893,974	2.0%
Federal Funds	4,004,311	3,836,200	4,037,359	4,123,915	2.1%
<b>TOTAL - (1) Executive Director's Office</b>	72,537,115	84,300,521	91,001,751	90,405,684	(0.7%)
<i>FTE</i>	<u>128.1</u>	<u>129.9</u>	<u>135.4</u>	<u>135.4</u>	<u>(0.0%)</u>
General Fund	39,797,381	49,972,398	51,821,593	54,141,477	4.5%
Cash Funds	4,027,935	3,943,313	3,699,306	3,511,761	(5.1%)
Reappropriated Funds	17,731,299	19,650,101	21,539,183	19,061,698	(11.5%)
Federal Funds	10,980,500	10,734,709	13,941,669	13,690,748	(1.8%)

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**(9) SERVICES FOR PEOPLE WITH DISABILITIES**

This section includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

**Community Services for People with Developmental Disabilities**

**Administration**

Personal Services	<u>2,183,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	25.8	0.0	0.0	0.0	
General Fund	207,097	0	0	0	
Cash Funds	79,485	0	0	0	
Reappropriated Funds	1,897,313	0	0	0	
Operating Expenses	<u>144,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	4,364	0	0	0	
Reappropriated Funds	140,164	0	0	0	
Community and Contract Management System	<u>130,393</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	34,157	0	0	0	
Reappropriated Funds	96,236	0	0	0	
Support Level Administration	<u>55,741</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	55,741	0	0	0	

<b>SUBTOTAL -</b>	2,514,557	0	0	0	0.0%
<b>FTE</b>	<u>25.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	241,254	0	0	0	0.0%
Cash Funds	83,849	0	0	0	0.0%
Reappropriated Funds	2,189,454	0	0	0	0.0%

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
<b>Program Costs</b>					
Adult Comprehensive Services	<u>292,632,713</u>	<u>0</u>	<u>0</u>		n/a
General Fund	0	0	0		
Cash Funds	30,798,715	0	0		
Reappropriated Funds	261,833,998	0	0		
Adult Supported Living Services	<u>44,727,187</u>	<u>0</u>	<u>0</u>		n/a
General Fund	7,453,524	0	0		
Reappropriated Funds	37,273,663	0	0		
Early Intervention Services	<u>14,954,127</u>	<u>0</u>	<u>0</u>		n/a
General Fund	14,954,127	0	0		
	n.a				
Family Support Services	<u>2,173,467</u>	<u>0</u>	<u>0</u>		n/a
General Fund	2,173,467	0	0		
Children's Extensive Support Services	<u>7,015,707</u>	<u>0</u>	<u>0</u>		n/a
Reappropriated Funds	7,015,707	0	0		
Case Management	<u>26,184,272</u>	<u>0</u>	<u>0</u>		n/a
General Fund	4,339,701	0	0		
Reappropriated Funds	21,844,571	0	0		
Eligibility Determination and Waiting List Management	<u>967,490</u>	<u>0</u>	<u>0</u>		n/a
General Fund	948,392	0	0		
Reappropriated Funds	19,098	0	0		

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Preventive Dental Hygiene	63,051	0	0		n/a
General Fund	59,409	0	0		
Cash Funds	3,642	0	0		
<b>SUBTOTAL -</b>	388,718,014	0	0	0.0%	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	
General Fund	29,928,620	0	0	0.0%	
Cash Funds	30,802,357	0	0	0.0%	
Reappropriated Funds	327,987,037	0	0	0.0%	
<b>Other Community Programs</b>					
Federal Special Education Grant for Infants, Toddlers, and Their Families (Part C)	<u>9,916,498</u>	<u>0</u>	<u>0</u>		n/a
FTE	6.7	0.0	0.0		
Federal Funds	9,916,498	0	0		
Custodial Funds for Early Intervention Services	<u>7,937,120</u>	<u>0</u>	<u>0</u>		n/a
Cash Funds	7,937,120	0	0		
<b>SUBTOTAL -</b>	17,853,618	0	0	0.0%	
<i>FTE</i>	<u>6.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	
Cash Funds	7,937,120	0	0	0.0%	
Federal Funds	9,916,498	0	0	0.0%	

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
<b>SUBTOTAL - Community Services for People with Developmental Disabilities</b>	409,086,189	0	0	0	0.0%
<i>FTE</i>	<u>32.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	30,169,874	0	0	0	0.0%
Cash Funds	38,823,326	0	0	0	0.0%
Reappropriated Funds	330,176,491	0	0	0	0.0%
Federal Funds	9,916,498	0	0	0	0.0%

**(B) Regional Centers for People with Developmental Disabilities**

**Medicaid-funded Services**

Personal Services	<u>41,917,783</u>	<u>0</u>	<u>0</u>	n/a
FTE	830.6	0.0	0.0	
General Fund	635,184	0	0	
Cash Funds	1,215,522	0	0	
Reappropriated Funds	40,067,077	0	0	
Operating Expenses	<u>2,442,563</u>	<u>0</u>	<u>0</u>	n/a
General Fund	0	0	0	
Reappropriated Funds	2,442,563	0	0	
Capital Outlay - Patient Needs	<u>72,126</u>	<u>0</u>	<u>0</u>	n/a
Reappropriated Funds	72,126	0	0	
Leased Space	<u>39,394</u>	<u>0</u>	<u>0</u>	n/a
Reappropriated Funds	39,394	0	0	
Resident Incentive Allowance	<u>102,545</u>	<u>0</u>	<u>0</u>	n/a
Reappropriated Funds	102,545	0	0	

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Provider Fee	<u>3,734,265</u>	<u>0</u>	<u>0</u>		n/a
General Fund	0	0	0		
Reappropriated Funds	3,734,265	0	0		
<b>SUBTOTAL -</b>	48,308,676	0	0	0.0%	
<b>FTE</b>	<u>830.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	
General Fund	635,184	0	0	0.0%	
Cash Funds	1,215,522	0	0	0.0%	
Reappropriated Funds	46,457,970	0	0	0.0%	

**Other Program Costs**

General Fund Physician Services	<u>84,367</u>	<u>0</u>	<u>0</u>		n/a
FTE	0.5	0.0	0.0		
General Fund	84,367	0	0		
<b>SUBTOTAL -</b>	84,367	0	0	0.0%	
<b>FTE</b>	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	
General Fund	84,367	0	0	0.0%	

**(1) Wheat Ridge Regional Center**

Wheat Ridge Regional Center Personal Services	<u>0</u>	<u>20,419,342</u>	<u>21,077,380</u>	<u>21,655,903</u>	
FTE	0.0	379.7	393.9	393.9	
Cash Funds	0	726,110	840,577	826,734	
Reappropriated Funds	0	19,693,232	20,236,803	20,829,169	
Wheat Ridge Regional Center Operating Expenses	<u>0</u>	<u>1,315,908</u>	<u>1,362,366</u>	<u>1,373,863</u>	*
General Fund	0	0	0	0	
Reappropriated Funds	0	1,315,908	1,362,366	1,373,863	

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Resident Incentive Allowance	0	31,630	59,000	59,000	
Reappropriated Funds	0	31,630	59,000	59,000	
Wheat Ridge Regional Center Provider Fee	0	1,422,365	1,213,636	1,212,645	
Reappropriated Funds	0	1,422,365	1,213,636	1,212,645	
<b>SUBTOTAL -</b>	0	23,189,245	23,712,382	24,301,411	2.5%
<i>FTE</i>	0.0	379.7	393.9	393.9	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	0	726,110	840,577	826,734	(1.6%)
Reappropriated Funds	0	22,463,135	22,871,805	23,474,677	2.6%

**(2) Grand Junction Regional Center**

Grand Junction Regional Center Personal Services	0	15,349,182	16,884,365	17,327,449	
FTE	0.0	270.0	311.4	311.4	
Cash Funds	0	70,957	648,572	637,891	
Reappropriated Funds	0	15,278,225	16,235,793	16,689,558	
Grand Junction Regional Center Operating Expenses	0	1,127,604	790,500	796,060 *	
Cash Funds	0	520,884	0	0	
Reappropriated Funds	0	606,720	790,500	796,060	
Resident Incentive Allowance	0	32,543	59,176	59,176	
Reappropriated Funds	0	32,543	59,176	59,176	
Physician Services	0	85,808	85,809	88,946	
FTE	0.0	0.0	0.5	0.5	
General Fund	0	85,808	85,809	88,946	

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Grand Junction Regional Center Provider Fee	<u>0</u>	<u>445,344</u>	<u>653,497</u>	<u>653,497</u>	
Reappropriated Funds	0	445,344	653,497	653,497	
Grand Junction Regional Center Waiver Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds	0	0	0	0	
<b>SUBTOTAL -</b>	0	17,040,481	18,473,347	18,925,128	2.4%
<b>FTE</b>	<u>0.0</u>	<u>270.0</u>	<u>311.9</u>	<u>311.9</u>	<u>0.0%</u>
General Fund	0	85,808	85,809	88,946	3.7%
Cash Funds	0	591,841	648,572	637,891	(1.6%)
Reappropriated Funds	0	16,362,832	17,738,966	18,198,291	2.6%
<b>(3) Pueblo Regional Center</b>					
Pueblo Regional Center Personal Services	<u>0</u>	<u>7,699,763</u>	<u>8,364,655</u>	<u>8,635,549</u>	
FTE	0.0	0.0	181.8	181.8	
Cash Funds	0	210,316	548,895	539,856	
Reappropriated Funds	0	7,489,447	7,815,760	8,095,693	
Pueblo Regional Center Operating Expenses	<u>0</u>	<u>462,616</u>	<u>485,126</u>	<u>488,524</u> *	
Reappropriated Funds	0	462,616	485,126	488,524	
Leased Space	<u>0</u>	<u>42,807</u>	<u>42,820</u>	<u>42,820</u>	
Reappropriated Funds	0	42,807	42,820	42,820	
Resident Incentive Allowance	<u>0</u>	<u>19,944</u>	<u>20,000</u>	<u>20,000</u>	
Reappropriated Funds	0	19,944	20,000	20,000	

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
Pueblo Regional Center Waiver Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
<b>SUBTOTAL -</b>	0	8,225,130	8,912,601	9,186,893	3.1%
FTE	<u>0.0</u>	<u>0.0</u>	<u>181.8</u>	<u>181.8</u>	<u>0.0%</u>
Cash Funds	0	210,316	548,895	539,856	(1.6%)
Reappropriated Funds	0	8,014,814	8,363,706	8,647,037	3.4%
<b>(4) RC Depreciation and Maintenance</b>					
Depreciation and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>932,429</u> *	
Reappropriated Funds	0	0	0	932,429	
<b>SUBTOTAL -</b>	0	0	932,429	0.0%	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	
Reappropriated Funds	0	0	932,429	0.0%	
<b>SUBTOTAL - (B) Regional Centers for People with Developmental Disabilities</b>	48,393,043	48,454,856	51,098,330	53,345,861	4.4%
FTE	<u>831.1</u>	<u>649.7</u>	<u>887.6</u>	<u>887.6</u>	<u>(0.0%)</u>
General Fund	719,551	85,808	85,809	88,946	3.7%
Cash Funds	1,215,522	1,528,267	2,038,044	2,004,481	(1.6%)
Reappropriated Funds	46,457,970	46,840,781	48,974,477	51,252,434	4.7%

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
<b>(C) Work Therapy Program</b>					
Program Costs	<u>388,999</u>	<u>459,748</u>	<u>467,116</u>	<u>467,116</u>	
FTE	0.5	1.3	1.5	1.5	
Cash Funds	388,999	459,748	467,116	467,116	
<b>SUBTOTAL - (C) Work Therapy Program</b>	388,999	459,748	467,116	467,116	0.0%
FTE	<u>0.5</u>	<u>1.3</u>	<u>1.5</u>	<u>1.5</u>	<u>0.0%</u>
Cash Funds	388,999	459,748	467,116	467,116	0.0%

**(D) Division of Vocational Rehabilitation**

Vocational Rehabilitation Personnel Services	<u>0</u>	<u>0</u>	<u>14,542,611</u>	<u>15,042,338</u>
FTE	0.0	0.0	223.7	223.7
General Fund	0	0	3,097,576	3,201,887
Federal Funds	0	0	11,445,035	11,840,451
Vocational Rehabilitation Operating Expenses	<u>0</u>	<u>0</u>	<u>3,154,385</u>	<u>3,154,385</u>
General Fund	0	0	0	0
Reappropriated Funds	0	0	671,884	671,884
Federal Funds	0	0	2,482,501	2,482,501
Vocational Rehabilitation Services	<u>0</u>	<u>0</u>	<u>14,831,622</u>	<u>14,831,622</u>
General Fund	0	0	1,174,941	1,174,941
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	1,984,194	1,984,194
Federal Funds	0	0	11,672,487	11,672,487

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	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>Request vs. Appropriation</b>
School to Work Alliance Program	<u>0</u>	<u>0</u>	<u>9,973,705</u>	<u>9,973,705</u>	
Cash Funds	0	0	34,647	34,647	
Reappropriated Funds	0	0	2,089,753	2,089,753	
Federal Funds	0	0	7,849,305	7,849,305	
Vocational Rehabilitation Mental Health Services	<u>0</u>	<u>0</u>	<u>1,748,180</u>	<u>1,748,180</u>	
Reappropriated Funds	0	0	372,363	372,363	
Federal Funds	0	0	1,375,817	1,375,817	
Business Enterprise Program for People who are Blind	<u>890,609</u>	<u>1,078,339</u>	<u>1,203,912</u>	<u>1,521,122</u> *	
FTE	6.0	6.0	6.0	6.0	
Cash Funds	175,854	162,464	255,662	323,176	
Reappropriated Funds	13,846	67,221	0	0	
Federal Funds	700,909	848,654	948,250	1,197,946	
Business Enterprise Program - Program Operated Stands, Repair Costs, and Operator Benefits	<u>118,847</u>	<u>110,229</u>	<u>429,000</u>	<u>429,000</u>	
Cash Funds	118,847	110,229	429,000	429,000	
Independent Living Centers and State Independent Living Council	<u>1,654,832</u>	<u>2,366,785</u>	<u>3,110,434</u>	<u>3,141,538</u> *	
General Fund	1,457,604	2,007,288	2,784,607	2,815,711	
Cash Funds	0	0	29,621	29,621	
Federal Funds	197,228	359,497	296,206	296,206	
Older Blind Grants	<u>430,463</u>	<u>694,857</u>	<u>450,000</u>	<u>450,000</u>	
Cash Funds	0	0	45,000	45,000	
Federal Funds	430,463	694,857	405,000	405,000	

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Traumatic Brain Injury Trust Fund	<u>2,199,359</u>	<u>1,906,082</u>	<u>3,300,721</u>	<u>3,304,933</u>	
FTE	2.0	1.8	1.5	1.5	
Cash Funds	2,199,359	1,906,082	3,300,721	3,304,933	
Federal Social Security Reimbursements	<u>1,719,940</u>	<u>1,885,575</u>	<u>1,103,224</u>	<u>1,103,224</u>	
Federal Funds	1,719,940	1,885,575	1,103,224	1,103,224	
Rehabilitation Programs - General Fund Match	<u>23,808,414</u>	<u>19,045,448</u>	<u>0</u>	<u>0</u>	
FTE	225.9	212.1	0.0	0.0	
General Fund	5,276,781	4,100,019	0	0	
Federal Funds	18,531,633	14,945,429	0	0	
Rehabilitation Programs - Local Funds Match	<u>24,038,075</u>	<u>15,766,688</u>	<u>0</u>	<u>0</u>	
FTE	10.9	10.3	0.0	0.0	
Cash Funds	27,641	22,963	0	0	
Reappropriated Funds	5,117,803	3,353,413	0	0	
Federal Funds	18,892,631	12,390,312	0	0	
<b>SUBTOTAL - (D) Division of Vocational Rehabilitation</b>	54,860,539	42,854,003	53,847,794	54,700,047	1.6%
FTE	<u>244.8</u>	<u>230.2</u>	<u>231.2</u>	<u>231.2</u>	<u>0.0%</u>
General Fund	6,734,385	6,107,307	7,057,124	7,192,539	1.9%
Cash Funds	2,521,701	2,201,738	4,094,651	4,166,377	1.8%
Reappropriated Funds	5,131,649	3,420,634	5,118,194	5,118,194	0.0%
Federal Funds	40,472,804	31,124,324	37,577,825	38,222,937	1.7%

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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	Request vs. Appropriation
<b>(E) Homelake Domiciliary and State and Veterans Nursing Homes</b>					
Administration	<u>1,035,674</u>	<u>1,049,279</u>	<u>1,038,800</u>	<u>1,038,800</u>	
FTE	5.0	5.0	5.0	5.0	
Cash Funds	1,035,674	1,049,279	1,038,800	1,038,800	
Fitzsimmons Veterans Community Living Center	<u>19,111,660</u>	<u>19,778,901</u>	<u>22,248,000</u>	<u>22,248,000</u>	
FTE	0.0	249.0	238.4	238.4	
Cash Funds	14,308,951	13,444,700	15,458,200	15,458,200	
Federal Funds	4,802,709	6,334,201	6,789,800	6,789,800	
Florence Veterans Community Living Center	<u>9,601,068</u>	<u>10,376,302</u>	<u>11,264,500</u>	<u>11,264,500</u>	
FTE	0.0	112.0	140.0	140.0	
Cash Funds	6,834,006	7,355,802	8,244,000	8,244,000	
Federal Funds	2,767,062	3,020,500	3,020,500	3,020,500	
Homelake Veterans Community Living Center	<u>5,534,119</u>	<u>6,805,938</u>	<u>7,919,715</u>	<u>7,919,715</u>	
FTE	0.0	70.5	102.8	102.8	
General Fund	0	186,130	186,130	186,130	
Cash Funds	3,701,644	4,350,208	3,431,615	3,431,615	
Federal Funds	1,832,475	2,269,600	4,301,970	4,301,970	
Homelake Military Veterans Cemetery	<u>0</u>	<u>98,460</u>	<u>284,844</u>	<u>0</u>	
FTE	0.0	0.0	0.5	0.0	
General Fund	0	98,460	284,844	0	

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	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>Request vs. Appropriation</b>
Rifle Veterans Community Living Center	<u>7,720,472</u>	<u>8,146,568</u>	<u>8,414,200</u>	<u>8,414,200</u>	
FTE	0.0	121.0	115.6	115.6	
Cash Funds	5,635,945	6,076,200	6,164,200	6,164,200	
Federal Funds	2,084,527	2,070,368	2,250,000	2,250,000	
Walsenburg Veterans Community Living Center	<u>155,861</u>	<u>158,628</u>	<u>207,400</u>	<u>207,400</u>	
FTE	0.0	1.0	1.0	1.0	
Cash Funds	155,861	158,628	207,400	207,400	
Nursing Home Indirect Costs Subsidy	<u>1,600,001</u>	<u>1,600,000</u>	<u>800,000</u>	<u>800,000</u>	
General Fund	800,000	800,000	800,000	800,000	
Cash Funds	800,001	800,000	0	0	
Program Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Consulting Services	<u>166,061</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	166,061	0	0	0	
Homelake Domiciliary State Subsidy	<u>1,428,462</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	186,130	0	0	0	
Cash Funds	903,830	0	0	0	
Reappropriated Funds	23,936	0	0	0	
Federal Funds	314,566	0	0	0	

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	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Request</b>	<b>Request vs. Appropriation</b>
<b>SUBTOTAL - (E) Homelake Domiciliary and State and Veterans Nursing Homes</b>	46,353,378	48,014,076	52,177,459	51,892,615	(0.5%)
<i>FTE</i>	<u>5.0</u>	<u>558.5</u>	<u>603.3</u>	<u>602.8</u>	<u>(0.1%)</u>
General Fund	986,130	1,084,590	1,270,974	986,130	(22.4%)
Cash Funds	33,541,973	33,234,817	34,544,215	34,544,215	0.0%
Reappropriated Funds	23,936	0	0	0	0.0%
Federal Funds	11,801,339	13,694,669	16,362,270	16,362,270	0.0%
<b>TOTAL - (9) Services for People with Disabilities</b>	559,082,148	139,782,683	157,590,699	160,405,639	1.8%
<i>FTE</i>	<u>1,113.9</u>	<u>1,439.7</u>	<u>1,723.6</u>	<u>1,723.1</u>	<u>(0.0%)</u>
General Fund	38,609,940	7,277,705	8,413,907	8,267,615	(1.7%)
Cash Funds	76,491,521	37,424,570	41,144,026	41,182,189	0.1%
Reappropriated Funds	381,790,046	50,261,415	54,092,671	56,370,628	4.2%
Federal Funds	62,190,641	44,818,993	53,940,095	54,585,207	1.2%
<b>TOTAL - Department of Human Services</b>	631,619,263	224,083,204	248,592,450	250,811,323	0.9%
<i>FTE</i>	<u>1,242.0</u>	<u>1,569.6</u>	<u>1,859.0</u>	<u>1,858.5</u>	<u>(0.0%)</u>
General Fund	78,407,321	57,250,103	60,235,500	62,409,092	3.6%
Cash Funds	80,519,456	41,367,883	44,843,332	44,693,950	(0.3%)
Reappropriated Funds	399,521,345	69,911,516	75,631,854	75,432,326	(0.3%)
Federal Funds	73,171,141	55,553,702	67,881,764	68,275,955	0.6%

## **Appendix B: Recent Legislation Affecting Department Budget**

### **2013 Session Bills**

**S.B. 13-040 (Complete Cemetery Expansion at Homelake Center):** Clarifies the location of the cemetery; directs the Department to establish a phased plan for expansion of the cemetery; requires the Department on or before July 1, 2014, complete the expansion of the cemetery and make available new cemetery plots for eligible veterans of the United States armed forces and their spouses. Requires the Department to submit a report to the General Assembly.

**S.B. 13-167 (Individuals with Intellectual Disabilities):** Changes statutory references from Inter-mediate Care Facilities for the Mentally Retarded to Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Changes the responsibility for administering the provider fee paid by ICF/IIDs from the Department of Human Services to the Department of Health Care Policy and Financing.

**S.B. 13-230 (Long Bill):** General appropriations act for FY 2013-14.

**H.B. 13-1314 (Transfer Developmental Disabilities to Health Care Policy and Financing):** Transfers the powers, duties, and functions from the Department of Human Services (DHS) relating to the programs, services, and supports for persons with intellectual and developmental disabilities to the Department of Health Care Policy and Financing (HCPF) on March 1, 2014. Changes terminology used in the statutes, including "developmental disabilities" to "intellectual and developmental disabilities". Creates the Office of Community Living (Office) in HCPF and the Division of Intellectual and Developmental Disabilities (Division) in the Office. Requires HCPF, in conjunction with intellectual and developmental disability advocates and service providers, to report to the Joint Budget Committee in 2013 on any issues relating to the set-up of the Office and the upcoming transfer of programs. Additionally, quarterly, commencing after the March 2014 transfer and concluding in December 2014, HCPF, along with the above-referenced advocates and providers, must report to the Joint Budget Committee and the Health Care Committees of the General Assembly concerning the operation of the Division, administration of the transferred programs, services, and supports.

### **2014 Session Bills**

**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.

**H.B. 14-1238 (Supplemental Bill):** Supplemental appropriation to the Department of Human Services to modify appropriations for FY 2012-13 and FY 2013-14.

**H.B. 14-1252 (Intellectual and Developmental 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.

**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.

**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).

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

### **Long Bill Footnotes**

FY 2013-14 added through the supplemental process:

33a Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department may transfers up to \$420,000 of the total appropriation between the Wheat Ridge Regional Center, the Grand Junction Regional Center, and the Pueblo Regional Center. \$420,000 of the total appropriation may roll forward for expenditure in FY 2014-15.

**Comment:** The Department moved \$420,000 total funds from the Grand Junction Regional Center Personal Services line item to the Wheat Ridge Regional Center operating expenses line item.

FY 2014-15 Footnote

43. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The department may transfer up to 5.0 percent of the total appropriation between the Wheat Ridge Regional Center, the Grand Junction Regional Center and the Pueblo Regional Center.

**Comment:** The Department moved funds between the provider fee line items as follows:

<b>Line Item</b>	<b>Dollar Amount</b>
Wheat Ridge Provider Fee	\$208,153
Grand Junction Provider Fee	(\$208,153)

Knowing the past issues surrounding how the State was, or was not, charging the provider fee and the audit recommendation regarding ensuring the provider fee is correct, staff asked the Auditors Office about the appropriateness of the change. The Auditors Office said, "Typically, the departments cannot move funds around like this; the change requires special approval from the State Controller. The departments obtained the State Controller's written approval to make the changes and we [the Auditors] confirmed that the adjustments are accurate. The accounting adjustments were made to address the audit recommendation only, so the departments [should not be] making any other changes to the provider fees or line items."

## Requests for Information

1. 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 for information is discussed in the Vocational Rehabilitation Programs issue. The following table was not included in the issue brief and provides additional information on the status of the 5,071 individuals currently receiving services.

<b>Number of Individuals Receiving Services By Case Status and Disability Priority Category As of October 1, 2014</b>		
Case Status	Disability Priority Category	Number of Cases
Application Status		
	Not Yet Determined	449
	Most Significant Disability	29
	Significant Disability	<u>12</u>
<i>Application Status Subtotal</i>		<i>490</i>
Eligible Status		
	Most Significant Disability	1,767
Receiving Services		
	Most Significant Disability	2,065
	Significant Disability	736
	Disability	<u>37</u>
<i>Receiving Services Subtotal</i>		<i>2,838</i>
Employed Status		
	Most Significant Disability	288
	Significant Disability	114
	Disability	<u>9</u>
<i>Employed Status Subtotal</i>		<i>411</i>
Post Employment		
	Most Significant Disability	37
	Significant Disability	16
	Disability	<u>2</u>
<i>Post-Employment Subtotal</i>		<i>55</i>
<b>Total</b>		<b>5,561</b>

The response also included the following information on the average cost by category of services:

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**Table 1: Vocational Rehabilitation Estimated Cost Per Client <sup>1</sup>**  
**As of February 4,**

<b>Disability Priority Category</b>	<b>Number of Clients in</b>	<b>Weighted Percentage</b>	<b>Cost per Client in Category</b>	<b>Weighted Annual Average Cost per Client</b>
Individual with a Disability	281	5%	\$2,883	\$144
Significantly Disabled	1,430	23%	\$3,056	\$703
Most Significantly Disabled	4,386	72%	\$2,330 <sup>2</sup>	\$1,678
Total				\$2,525

1. Estimated cost per client is based on FY 2012-13 actual expenditures and caseload.

2 · The average cost per client to serve an individual with the most significant disability is lower than the cost to serve individuals in the other two categories due to the availability of other community supports that help to offset the cost of DVR's services. For example, an individual with a most significant disability may also be eligible for community mental health services, Medicaid or other benefit programs that complement the services provided by DVR.

## **Appendix D: Indirect Cost Assessment Methodology**

Staff is working with the Department of Human Services to determine how to translate the Department's Indirect Cost Assessment Methodology into line item appropriations in the budget.

Staff will present a recommendation on how indirect costs should be included in the FY 2015-16 Long Bill during the FY 2015-16 figure setting presentation for the Executive Director's Office.

## **Appendix E: SMART Act Annual Performance Report**

Pursuant to Section 2-7-205 (1) (b), C.R.S., the Department of Human Services is required to publish an Annual Performance Report by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. The report dated November 3, 2014 is attached for consideration by the Joint Budget Committee in prioritizing the Department's budget requests.



## Department of Human Services Annual Performance Report

### Strategic Policy Initiatives

The Department of Human Services has identified several strategic policy initiatives for FY 2014-15 and beyond. For this evaluation report, the Department selected a few initiatives that best capture some of the Department's strategic and operational priorities and reflect the overall direction as identified by Department leadership. The initiatives also provide context for much of the day-to-day work, which is highlighted in the measures section of the report. Additional detail for these, and other, strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

#### Thrive in the community

**Expand community living options for all people served by the Department** - Colorado continues its rich tradition of innovation in its services to elderly individuals and those with disabilities, mental illnesses, or substance use disorders. The Department remains committed to decreasing the number of people housed in public institutions through the development of community resource networks and high-quality community-based services. These services enable individuals to thrive in the setting of their choice.

**To ensure child safety through improved prevention, access and permanency** - Colorado is committed to ensuring that children living anywhere in Colorado should be in safe and permanent settings. Furthermore, the Department is committed to ensuring that children are entitled to the same level of protection from abuse and neglect everywhere in Colorado.

#### Achieve economic security through meaningful work

**To achieve economic security for more Coloradans through employment and education** - The Department remains focused on making public benefits more effective and increasing access to public benefits when eligible. There is increased emphasis on employment and how to transform the Colorado Works program to be, first and foremost, about supporting individuals to prepare for, attain, and retain employment to support their families. The Department is committed to assisting citizens served through its many programs to gain and retain employment, as well as, enhance employment opportunities over time.

#### Prepare for educational success throughout their lives

**To improve kindergarten readiness through quality early care and learning options for all Coloradans** - As the Office of Early Childhood enters the third year since its creation in 2012, it remains focused on supporting the parents of young children to ensure educational success. The two divisions in the Office of Early Childhood work collaboratively to champion the needs of young children in Colorado through their work with community partners, including Nurse Family Partnership, Head Start, child care providers, Early Childhood Councils, Family Resource Centers, and the Children's Trust Fund. The Office is committed to increasing high-quality access for children and ensuring that children receive early intervention services that are timely and appropriate.

**To return youth committed to the Division of Youth Corrections (DYC) to the community better prepared to succeed through education received while in the custody of the Department** - The Division of Youth Corrections provides educational services to youth residing in state-operated facilities and those placed in contract residential programs. In 2014, subject matter experts have been hired and hardware purchased to lay the foundation for improving the DYC educational infrastructure. In addition to the services provided to youth in state-operated and contract programs, DYC also assists youth in connecting with community services and institutions upon parole. Division of Youth Corrections' client manager parole officers work collaboratively with local school districts, alternative schools, community colleges, and private providers of tutoring services to ensure youth are placed in the appropriate school setting to meet their needs.



# Department of Human Services Annual Performance Report

## Operational Measures

### Thrive in the community

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of infants and toddlers with growth in skills	65.6%	81.0%	76.4%	85.0%	85.0%
Compliance with the Statutory Requirement Related to Timeliness of Assessment Closure	61.2%	73.7%	86.1%	92.0%	95.0%
Percentage of children and youth in congregate care settings	23.3%	23.0%	20.6%	18.4%	15.0%
Percentage of youth who do not recidivate in residential placements	99.6%	99.9%	100%	98.0%	98.0%
Length of time to transition to community setting (i.e., goal is 60 days)	76	92	114	60	60
Percentage of Veteran's Community Living Centers residents without falls	81.0%	79.0%	80.0%	88.0%	88.0%
Percentage of timely responses to adult protection inquiries (i.e., Emergency/24 Hour or Non-emergency/3 Business Days)	77.0%	91.0%	95.2%	90.0%	90.0%
Percentage of persons treated who show reduced mental health symptoms	52.6%	53.6%	56.7%	67.0%	67.0%

### Achieve economic security through meaningful work

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Attainment of successful employment*	2,496	2,957	1,604	2,959	2,960
Accuracy percentage of initial eligibility decisions	97.9%	95.1%	97.5%	97.0%	97.0%
Collection percentage of current child support due	62.8%	62.7%	63.4%	65%	66%
Percentage of monthly Food Assistance expedited applications processed within seven calendar days	85.4%	91.03%	90.0%	95.0%	95.0%
Percentage of Monthly Food Assistance recertification applications processed within 60 days	74.2%	88.76%	87.2%	95.0%	95.0%
Percentage of Colorado Works participants gaining employment	N/A	21.26%	18.68%	25.0%	35.0%
Percentage of Old Age Pension and Aid to the Needy Disabled applications processed within 60 and 45 days, respectively	89.6%	90.1%	95.0%	95.0%	95.0%

\*In May 2013, the Division of Vocational Rehabilitation instituted a full Order of Selection waiting list. This ultimately reduced the number of active cases to be worked, and has therefore, contributed to the reduction of successful employment outcomes this year.



## Department of Human Services Annual Performance Report

### Prepare for educational success throughout their lives

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of children utilizing Colorado Child Care Assistance Program in top-rated facilities	N/A	N/A	20.7%	34.0%	34.0%
Percentage of youth enrolled in education or employed at discharge	62.9%	70.0%	78.0%	85.0%	85.0%

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**Appendix F: Overview of Department Request**

<b>Department of Human Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$1,879,020,661	\$773,025,447	\$336,536,384	\$143,098,145	\$626,360,685	4,903.0
Other legislation	<u>22,252,986</u>	<u>8,976,252</u>	<u>10,700,208</u>	<u>1,275,257</u>	<u>1,301,269</u>	<u>3.1</u>
<b>TOTAL</b>	<b>\$1,901,273,647</b>	<b>\$782,001,699</b>	<b>\$347,236,592</b>	<b>\$144,373,402</b>	<b>\$627,661,954</b>	<b>4,906.1</b>
<b>FY 2015-16 Requested Appropriation</b>						
FY 2014-15 Appropriation	\$1,901,273,647	782,001,699	\$347,236,592	\$144,373,402	\$627,661,954	4,906.1
R1 New MHI treatment unit	2,614,238	2,614,238	0	0	0	36.7
R2 Early intervention caseload	2,453,204	1,098,960	680,961	292,746	380,537	0.0
R3 OAP COLA	2,056,969	0	2,056,969	0	0	0.0
R4 DYC Staffing	3,828,057	3,828,057	0	0	0	83.0
R5 Collaborative management	2,139,104	2,139,104	0	0	0	1.8
R6 Child welfare case management	191,758	159,159	0	0	32,599	2.7
R7 Medical oversight	743,140	464,071	0	279,069	0	3.6
R8 Child welfare workload study	8,227,138	6,578,035	1,551,685	0	97,418	0.9
R9 Child care micro loans	338,200	338,200	0	0	0	0.0
R10 Child care micro grants	250,000	250,000	0	0	0	0.0
R11 Gerontology program	179,438	179,438	0	0	0	0.0
R12 BEP spending authority	300,000	0	63,900	0	236,100	0.0
R13 Circle program	225,000	225,000	0	0	0	0.0
R14 Institute equipment replacement	1,711,403	1,711,403	0	0	0	0.0
R15 Food inflation	91,723	71,268	0	20,455	0	0.0
R16 RC depreciation spending	932,429	0	0	932,429	0	0.0
R17 Provider rate spending authority	228,794	0	0	0	228,794	0.0
R18 Senior services	4,000,000	4,000,000	0	0	0	0.0
R19 Title IV-E correction	0	0	0	0	0	0.0
R20 Community provider rate	7,206,903	4,198,450	964,565	234,013	1,809,875	0.0
R21 Youth prevention services	1,651,107	1,651,107	0	0	0	0.0
Non-prioritized requested changes	35,382	(76,071)	(10,525)	145,613	(23,635)	0.0
Centrally appropriated line items	6,361,885	6,458,210	(32,775)	(980,238)	916,688	0.0
Annualize prior year legislation	(6,108,692)	816,032	(5,605,089)	(18,870)	(1,300,765)	0.5
Annualize prior year budget actions	<u>(23,204,477)</u>	<u>(11,690,822)</u>	<u>(945,711)</u>	<u>(5,803,292)</u>	<u>(4,764,652)</u>	<u>3.6</u>
<b>TOTAL</b>	<b>\$1,917,726,350</b>	<b>\$807,015,538</b>	<b>\$345,960,572</b>	<b>\$139,475,327</b>	<b>\$625,274,913</b>	<b>5,038.9</b>
<b>Increase/(Decrease)</b>	\$16,452,703	\$25,013,839	(\$1,276,020)	(\$4,898,075)	(\$2,387,041)	132.8
Percentage Change	0.9%	3.2%	(0.4%)	(3.4%)	(0.4%)	2.7%

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**R1 New MHI treatment unit:** The request includes \$2,614,238 General Fund and 36.7 FTE for FY 2015-16 to operate a new treatment unit at the Colorado Mental Health Institute at Pueblo (CMHIP) for patients previously transferred to the Department of Corrections (DOC) because such patients were determined to be too dangerous to be safely confined at the CMHIP.

**R2 – Early intervention caseload:** The request includes \$2.5 million total funds, including \$1.1 million General Fund for Early Intervention direct services and case management.

**R3 OAP COLA:** The State Board of Human Services has the constitutional authority to rise or to not to raise the Old Age Pension (OAP) grant standard in accordance with the federal Social Security Administration's (SSA) annual decision to award (or not award) a Cost of Living Adjustment (COLA) to Supplemental Security Income (SSI) recipients. SSA COLA for calendar year 2015 includes a 1.7 percent COLA.

For FY 2014-15, the Department received an appropriation to increase the grant standard monthly payment by 3.0 percent, from a \$737 grant standard monthly payment to a \$759 grant standard monthly payment (\$22). The agency's FY 2015-16 request seeks \$2,056,969 cash funds (moneys originate as General Fund) for FY 2015-16 to provide a 1.7 percent COLA increase for participants in OAP. The requested increase is ongoing in future years. The agency also indicates that it is submitting a supplemental to increase the FY 2014-15 appropriation by \$788,073 cash funds (moneys originate as General Fund) for a 1.7 percent COLA raise.

**R4 NYC staffing:** The request includes an increase of \$3,828,057 General Fund and 83.0 FTE for FY 2015-16 to begin implementing federally-mandated staff-to-youth ratios at the unit's ten owned and operated facilities by a October 2017 deadline. This requirement was enacted in the federal Prison Rape Elimination Act of 2003. The request is ongoing, and annualizes to \$6,143,169 General Fund and 125.0 FTE for FY 2016-17 and beyond.

**R5 Collaborative management program:** The request includes \$2.1 million General Fund and 1.8 FTE to augment existing cash fund resources to provide services to children, youth and families through the Collaborative Management Program

**R6 Child welfare case management:** The request includes \$191,758 total funds, including \$159,159 General Fund, and 2.7 FTE to oversee a dedicated Trails team to modernize the Child Welfare Case Management System (Trails).

**R7 Medical oversight:** The request seeks an increase of \$743,140 total funds, including \$603,606 net General Fund, and 3.6 FTE for FY 2015-16 to oversee the medical, behavioral health, and dental well-being of all children involved in child welfare and youth corrections systems.

**R8 Child welfare workload study:** The request includes \$8.2 million total funds, including \$6.6 million General Fund, and 0.9 FTE to increase county staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor.

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**R9 Child care micro loans:** The request includes \$338,200 General Fund to fund approximately 40 micro loans to increase the availability of safe, high quality licensed child care in communities without sufficient capacity.

**R10 Child care micro grants:** The request includes \$250,000 General Fund to fund micro grants family, friend, and neighbor (FFN) child care providers to cover start-up funding for rural FFN providers and to increase access to quality child care.

**R11 Gerontology program:** The request seeks an increase of \$179,438 General Fund for FY 2015-16 to contract with a state college or university for an academic gerontology stipend program. The request will fund a 5-year pilot program that will train social workers and health services managers specializing in gerontology to provide services to Colorado's aging population.

**R12 BEP spending authority:** The request includes an increase of \$63,900 cash funds from the Business Enterprise Program Cash Fund and \$236,100 federal funds to expend existing cash fund balance and draw down the federal match for the Business Enterprise Program for People who are Blind (BEP). The cash fund report submitted as part of the November 1 request includes information about the uncommitted fund balance and does not match the table detailing the uncommitted fund balance provided in the request. Based on the cash fund report, the dollars in excess of the 16.5 percent reserve for FY 2015-16 is \$52,220 but based on the information provided in the decision item is \$327,214 for FY 2015-16. Reconciling the dollar amount in excess of the reserve will be critical to determining if this request is sustainable.

**R13 Circle program:** The request includes a one-time appropriation of \$255,000 General Fund to allow the Department to contract with a vendor to analyze the potential for the Circle program to operate as an autonomous program, separate from CMHIP. The Circle program is an intensive treatment program that serves men and women who suffer from co-occurring mental health and substance use disorders.

**R14 Institute equipment replacement:** The request includes one-time appropriation of \$1.7 million General Fund for a variety of equipment replacement, repairs, and minor renovations at both Mental Health Institutes.

**R15 Food inflation:** The request includes \$91,723 for an estimated 3.0 percent increase in the raw food costs incurred by Department facilities that serve meals to clients and residents, including: the Division of Youth Corrections (\$43,140 General Fund); the Mental Health Institutes (\$28,128 General Fund); and the Regional Centers (\$20,455 reappropriated funds).

**R16 RC depreciation spending:** The request includes \$932,429 reappropriated funds from Medicaid funds appropriated to the Department of Health Care Policy and Financing for maintenance and repairs to Regional Center facilities and state-owned group homes. The Committee should note that during the FY 2014-15 figure setting staff recommended the associated line item in HCPF not be funded because staff was unable to obtain information about what the funds were used for and how the line item was calculated. The line in HCPF was ultimately funded but it appears based on this request that concerns raised last year may have

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been valid. The Committee should also be aware this request would provide the Department with funding for capital construction projects without any input from the Capital Development Committee.

**R17 – Provider rate spending authority:** The request includes \$228,794 federal funds from the Child Care Development Fund Block Grant allocation to reimburse contracted child care licensing inspectors for actual costs.

**R18 Senior services:** The request seeks \$4,000,000 General Fund for FY 2015-16 to provide services for elderly adults in need and enable seniors to live independently in the community

**R19 Title IV-E correction:** The request includes transferring appropriations 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 expenditures.

**R20 – Community provider rate:** The request includes \$7.2 million total funds, including \$5.2 million General Fund, for a 1.0 percent rate increase for contracted community provider services.

**R21 – Youth prevention and intervention services:** The request includes \$1.7 million General Fund to fund a pilot program that targets at-risk youth through the implementation of Functional Family Therapy and Multi-Systemic Therapy.

**Non-prioritized requested changes:** The request includes changes originating in other departments including: (1) the Department of Corrections for services purchased from the Department of Human Services related to facilities located on the campus of CMHIP; and the Department of Personnel's annual fleet adjustment.

**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; and payments to OIT.

**Annualize prior year legislation:** The request includes adjustments related to prior year legislation including:

- S.B. 14-003 (Colorado Child Care Assistance Program),
- S.B. 14-012 (Aid to the Needy Disabled Program),
- S.B. 14-014 ((Property Tax Rent Heat Fuel Grants for Low-Income),
- H.B. 14-130 ((Increase Personal Care Allowance Nursing Facility),
- S.B. 14-215 (Disposition of Legal Marijuana Related Revenue),
- H.B. 14-1015 (Extend Transitional Jobs Program),

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- H.B. 14-1298 (Financing of Public Schools),
- H.B. 14-1317 (Colorado Child Care Assistance Program Changes); and
- H.B. 14-1338 (Regional Center Task Force and Utilization Study).

**Annualize prior year budget actions:** The request includes a number of changes to annualize funding decisions made through the prior year Long Bill including the following:

- Hotline for child abuse and neglect,
- DYC Trauma Informed Care,
- Child welfare public awareness campaign,
- Child care licensing staff,
- Food assistance backlog,
- Colorado Benefits Management System,
- Electronic health record system for the Mental Health Institutes; and
- State funding to support mental health first aid instructor and certification courses.

## **Appendix G - Specialty Vocational Rehabilitation Programs**

### **Programs for Individuals who are Blind and Visually Impaired include:**

- Business Enterprise Program (BEP) provides priority to blind individuals to operate and manage food and vending services in federal and state government office buildings and facilities. The BEP places qualified legally blind business persons to manage food service operations in these buildings plus some privately owned facilities.
  
- Personal Adjustment Training Program for the Blind and Visually Impaired offers specialized training programs to help people who are blind or visually impaired become independent at home, in the community and in employment. Training may be provided through the Center-based Personal Adjustment Training Program or the Field-based Rehabilitation Teaching / Orientation and Mobility Program. Instructional services are provided at the Center, at the individual's home, on the job site, and/or in other community settings.
  
- Older Individuals who are Blind Program provides independent living services to persons age 55 or older and who are blind or visually impaired. Eligible persons are provided assistance in learning new strategies for accomplishing daily tasks and participating in family and community activities. Most persons served in this program have become blind or visually impaired in their later years.

**School to Work Alliance Program (SWAP)** exists through collaborative agreements among the Colorado Department of Education, the Division of Vocational Rehabilitation, and local school districts/BOCES/BOCS. The agreements provide year-round services including counseling and guidance, job development, job placement, on-the-job training and job-site support to assist young people with disabilities to become employed and self-sufficient. To qualify for SWAP, youth are 16-25 years old, have mild to moderate employment needs, and have been identified as having a disability (e.g. special education, section 504, known disability not under any other category, etc.) or are suspected to have a disability. Youth may qualify if they are in school or out-of school, drop-outs, at risk, under or unemployed or graduated.

**Deaf and Hard of Hearing Program** is designed to ensure quality certified interpreters are made available to all individuals who require interpreting service to facilitate effective, culturally-sensitive communication is vital to the collaborative and highly interactive vocational rehabilitation process.

**The Business Outreach Program** is working to develop long-term working relationships with private businesses and public organizations that result in successful employment outcomes for DVR job seekers.

**Self-Employment Program** provides additional counseling to individuals seeking self-employment skills.

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**Ticket to Work Program Ticket to Work** (TTW) is a voluntary work incentive program for Social Security Administration’s Social Security Disability Insurance or Supplemental Security Income beneficiaries who are between the ages of 18 and 64 and interested in going to work. The goal of the TTW Program is to assist beneficiaries in obtaining employment and working towards becoming self-sufficient.

## **Appendix H - Vocational Rehabilitation Limitation Descriptions**

### **Functional Limitations**

1.     **Mobility** – The physical or psychological ability to move from place to place inside and/or outside the home to the degree necessary to work, i.e. problems getting from place to place, difficulty getting around school/work/new places, etc.
2.     **Motor Skills** – The purposeful movement and control to accomplish work tasks, i.e. difficulty with pushing/pulling, standing, sitting, squatting, bending, walking, lifting, balancing, etc.
3.     **Self Care** – The ability to care for oneself and living environment to the degree necessary to engage in work, i.e. needs help bathing, eating, dressing, grooming, toileting and maintaining required health routines.
4.     **Self-Direction** – The ability to organize, structure and manage activities to the degree necessary to engage in work, i.e. problems recognizing and managing behaviors and how they interfere with getting/keeping a job; problems with decision-making or judgment and how they interfere with work/school/training.
5.     **Interpersonal Skills** – The ability to establish and maintain positive personal relationships to engage in work, i.e. individual avoids interacting with others at work/school/training; problems getting along with people.
6.     **Communication** – The ability to give and receive information, i.e. difficulty making others understand; problems understanding written or spoken communications; problems reading or writing.
7.     **Work Tolerance** – The capacity to meet the physical and psychological demands of work, i.e. working eight hours a day; coping with stress on the job; keeping up with workload or sticking to task; missing work/school/training due to disability.
8.     **Work Skills** – The capacity to learn and/or perform job tasks, i.e. problems learning tasks; problems remembering what to do; problems with performing specific tasks fast enough, well enough.

## Appendix I - Location of Vocational Rehabilitation Services by State

The following information on the location of vocational rehabilitation services was provided by NCSL internet research and the U.S. Dept. of Education State Vocational Rehabilitation Agency resource directory, [http://wdcrobcolp01.ed.gov/Programs/EROD/org\\_list.cfm?category\\_cd=SVR](http://wdcrobcolp01.ed.gov/Programs/EROD/org_list.cfm?category_cd=SVR)

LOCATION OF VOCATIONAL REHABILITATION SERVICES				
Jurisdiction	Health/ Human Services	Labor/ Workforce Development	Rehabilitation/ Disability Services	Education
Alabama			X	
Alaska		X		
Arizona	X			
Arkansas		X		
California			X	
Colorado	X			
Connecticut	X			
Delaware		X		
District of Columbia			X	
Florida				X
Georgia			X	
Hawaii	X			
Idaho				X
Illinois	X			
Indiana	X			
Iowa				X
Kansas	X			
Kentucky			X	
Louisiana		X		
Maine		X		
Maryland				X
Massachusetts	X			
Michigan	X			
Minnesota		X		
Mississippi			X	
Missouri				X
Montana	X			
Nebraska				X
Nevada		X		
New Hampshire				X
New Jersey		X		
New Mexico				X
New York				X
North Carolina	X			
North Dakota	X			

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<b>LOCATION OF VOCATIONAL REHABILITATION SERVICES</b>				
<b>Jurisdiction</b>	<b>Health/ Human Services</b>	<b>Labor/ Workforce Development</b>	<b>Rehabilitation/ Disability Services</b>	<b>Education</b>
<b>Ohio</b>			X	
<b>Oklahoma</b>			X	
<b>Oregon</b>	X			
<b>Pennsylvania</b>		X		
<b>Rhode Island</b>	X			
<b>South Carolina</b>			X	
<b>South Dakota</b>	X			
<b>Tennessee</b>	X			
<b>Texas</b>			X	
<b>Utah</b>			X	
<b>Vermont</b>	X			
<b>Virginia</b>			X	
<b>Washington</b>	X			
<b>West Virginia</b>				X
<b>Wisconsin</b>		X		
<b>Wyoming</b>		X		
<b>Total</b>	18	11	12	10



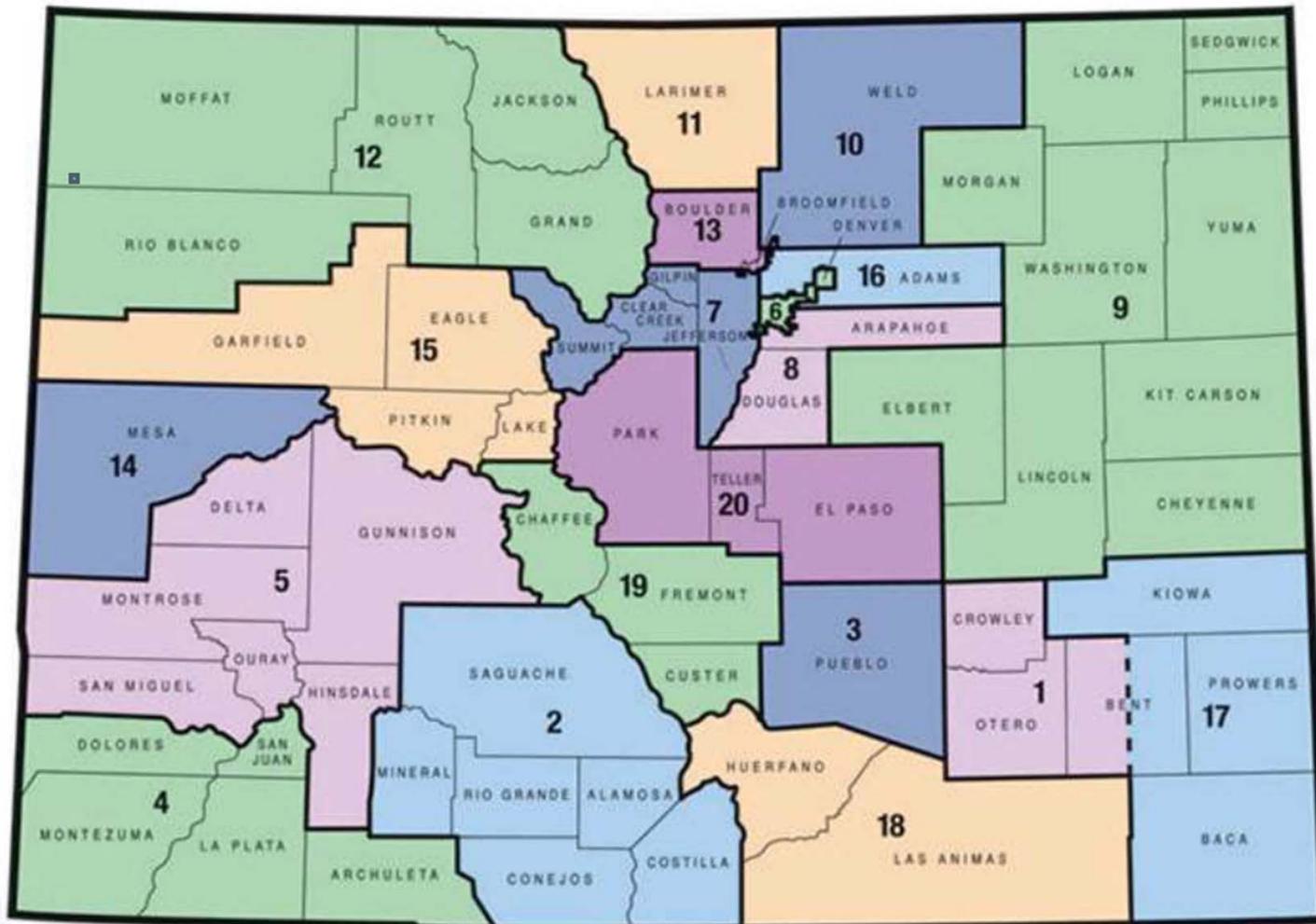
**JBC Staff FY 2015-16 Budget Briefing**  
**Department of Health Care Policy**  
**and Financing**  
Office of Community Living

**Presented by:**

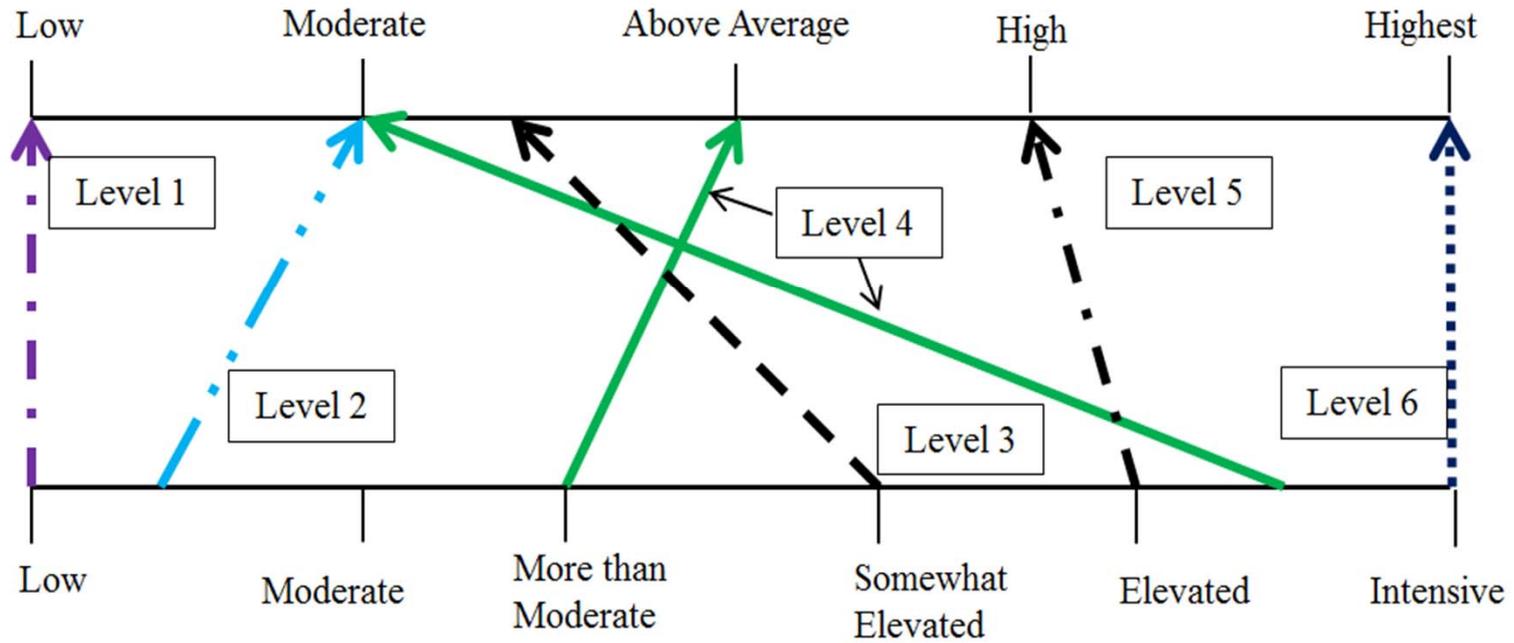
**Megan Davisson, JBC Staff**  
**December 5, 2014**

# Issue: Overview of IDD Services

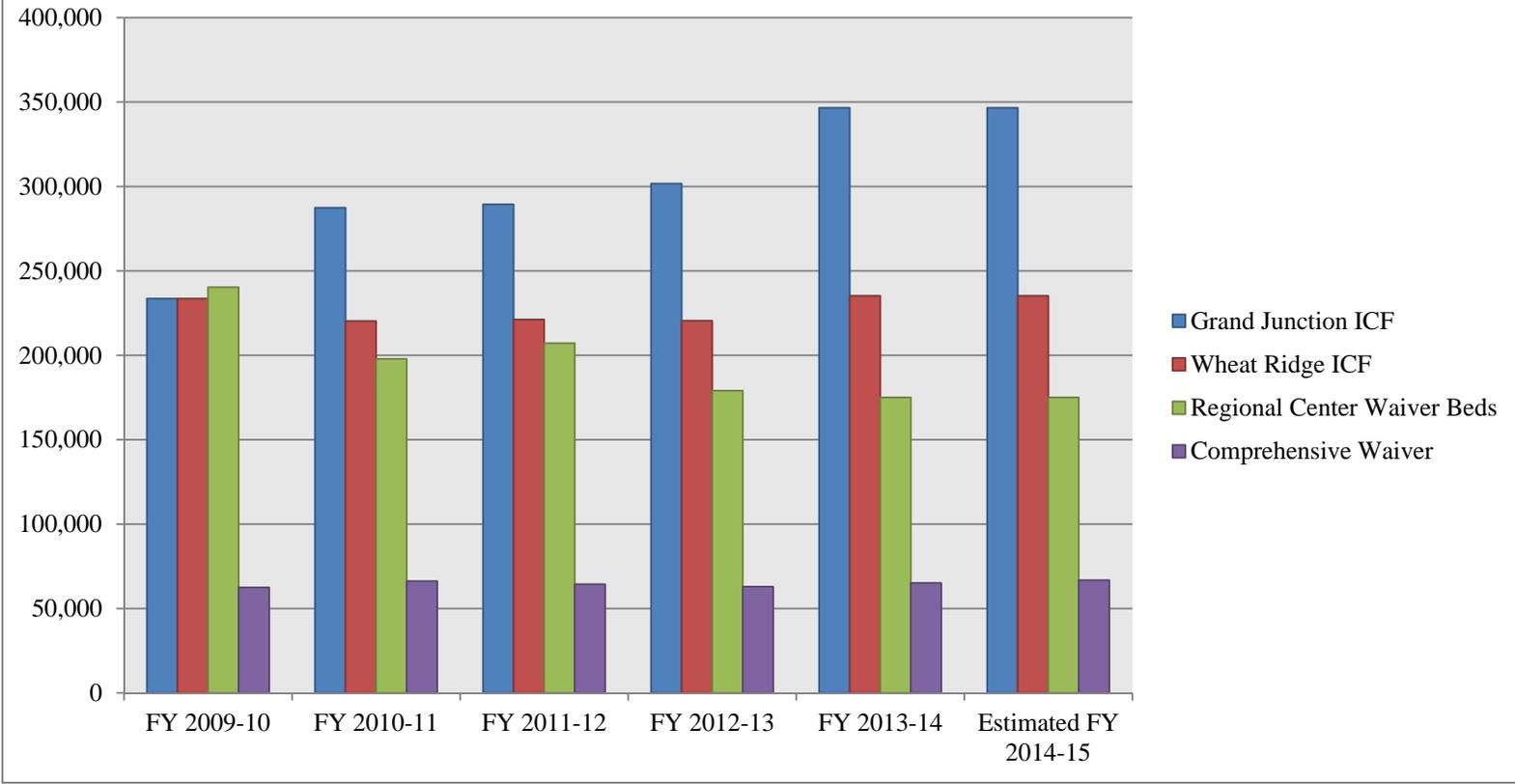
<b>Comparison of Services Available Through HCBS-DD Waiver and ICF/IID License</b>				
<b>Services</b>	<b>Waiver</b>		<b>ICF/IID</b>	
	<b>Provided through waiver</b>	<b>Provided through State Medicaid Plan</b>	<b>Provided through license</b>	<b>Provided through State Medicaid Plan</b>
Residential	X		X	
Vocational	X		X	
Transportation	X		X	
Activities of Daily Living (bathing, dressing, etc.)	X		X	
Dental		X	X	
Occupation		X	X	
Physical and speech Therapies		X	X	
Mental health services		X	X	



## Supports Intensity Scale Levels

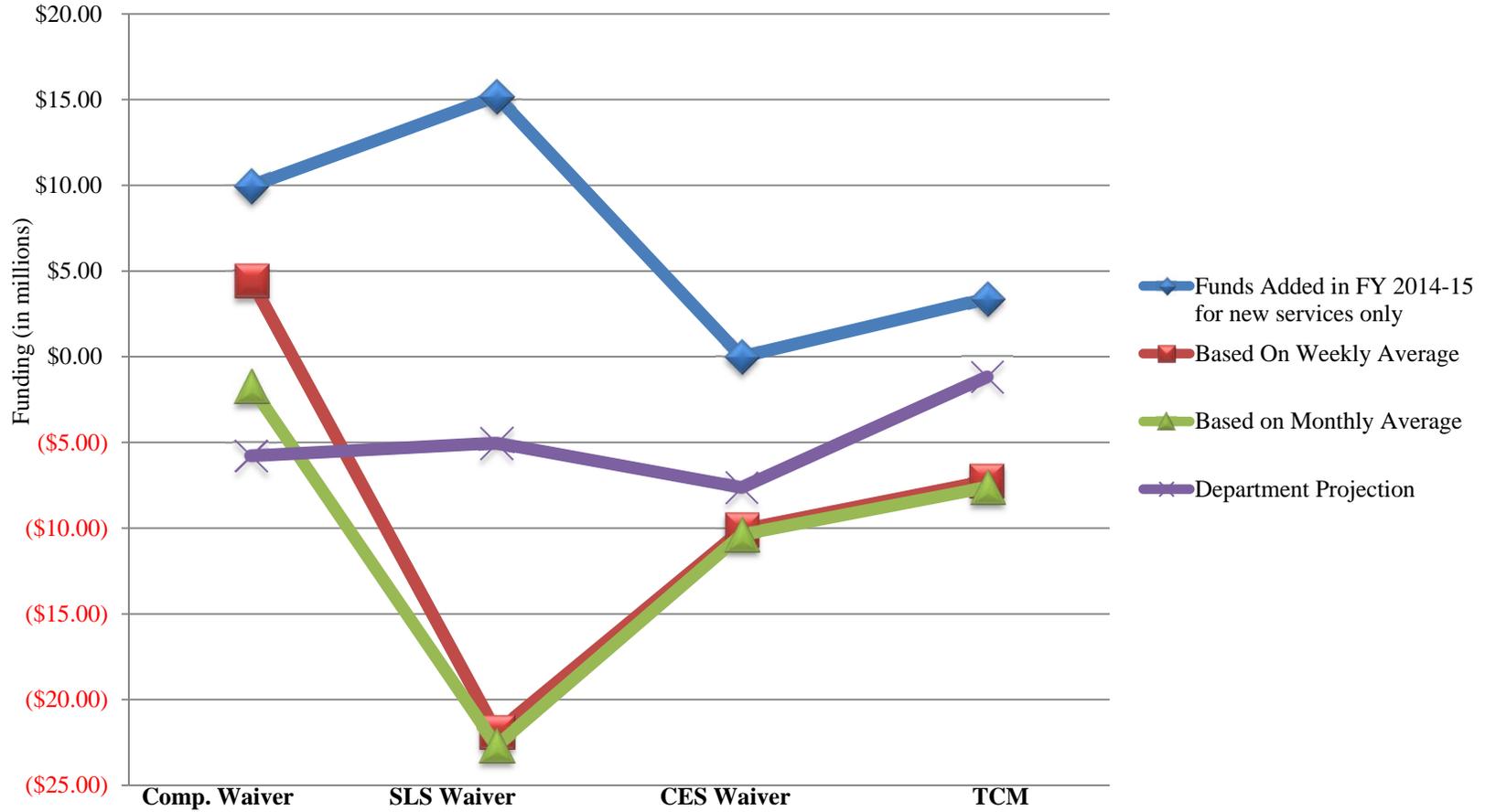


## Comparison of Regional Center Costs and Comprehensive Waiver Costs

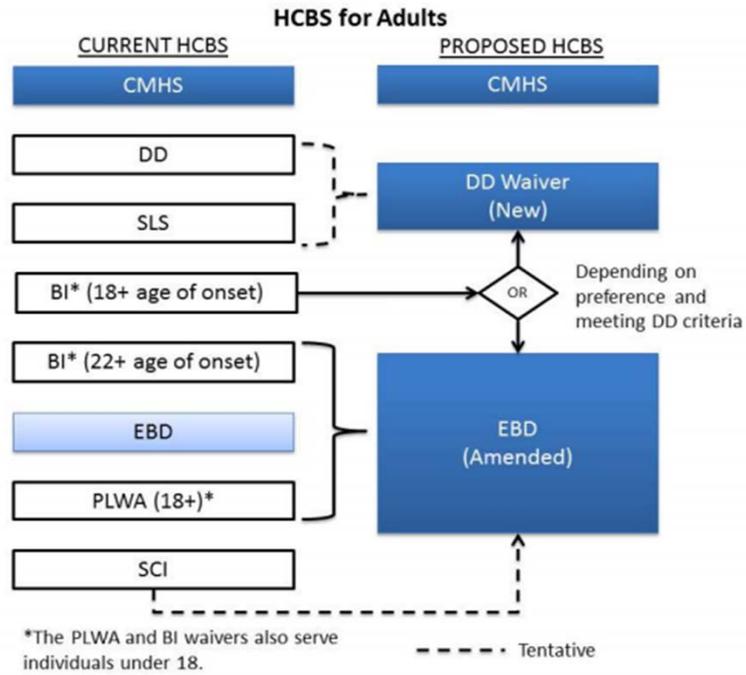


# Issue: IDD Caseload and Expenditures

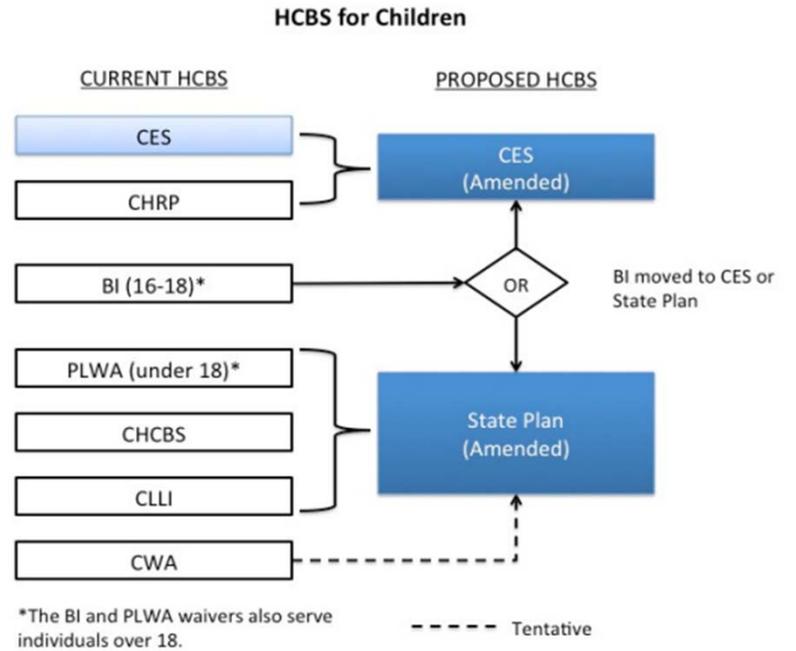
**Comparison of Projected Expenditures to New Funds Added in FY 2014-15**



**Figure 1: HCBS Simplification Proposal for Adults**

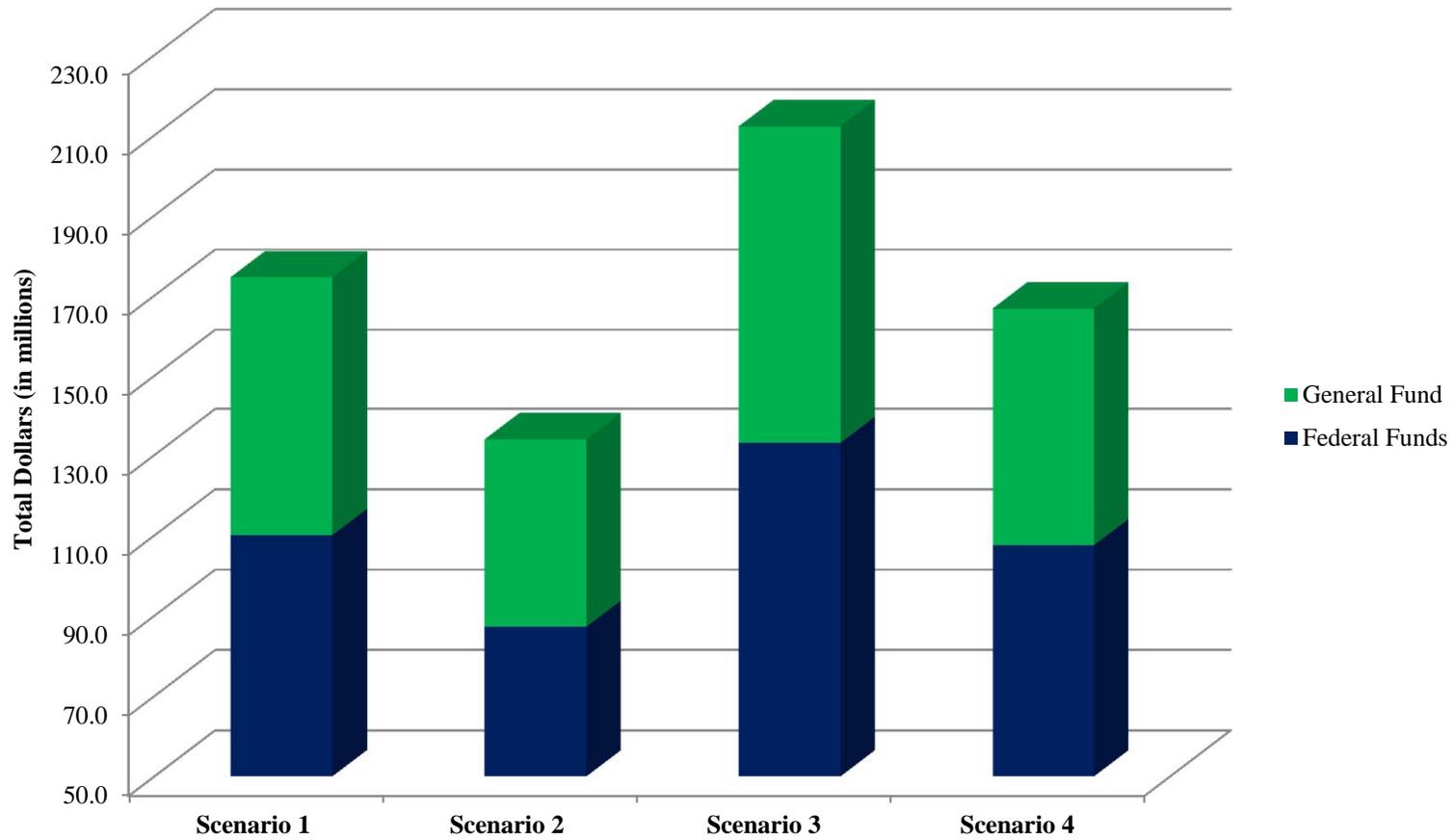


**Figure 2: HCBS Simplification Proposal for Children**



<b>Summary of Selected Services for CFC Cost Projection</b>		
	<b>HCPF Services</b>	<b>Council Services</b>
Behavioral Management		X
Behavioral Therapies		X
Consumer Directed Attendant Support Services (CDASS)	X	X
Homemaker	X	X
In Home Support Services (IHSS)	X	X
Independent Living Skills Training (ILST)	X	X
Mental Health Counseling		X
Non-Medical Transport		X
Personal Care	X	X
Personal Emergency Response System (PERS)	X	X
Respite		X

### Estimated Costs of Community First Choice Option



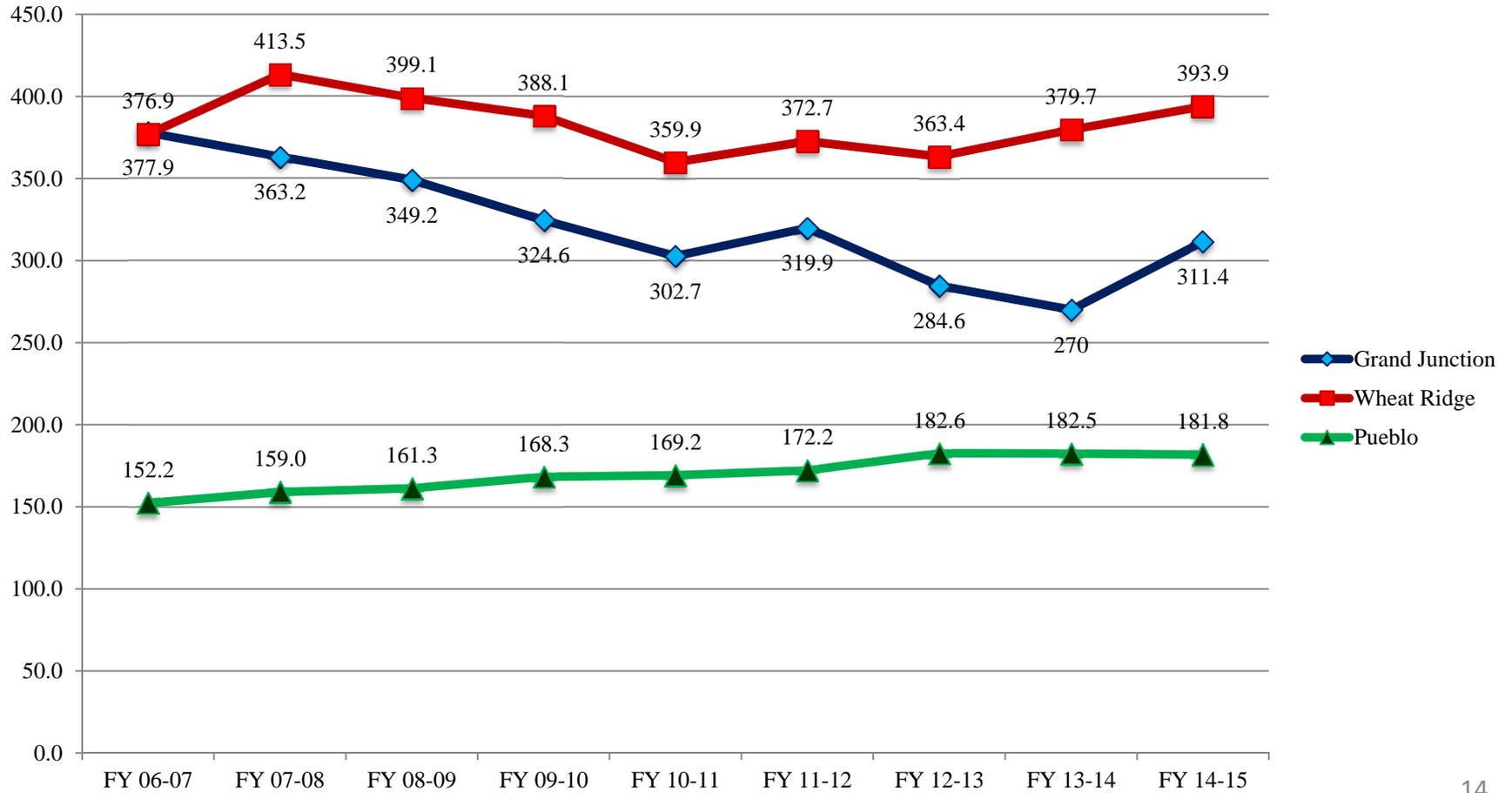


**JBC Staff FY 2015-16 Budget Briefing**  
**Department of Human Services**  
**Executive Director's Office and Services for People with Disabilities**

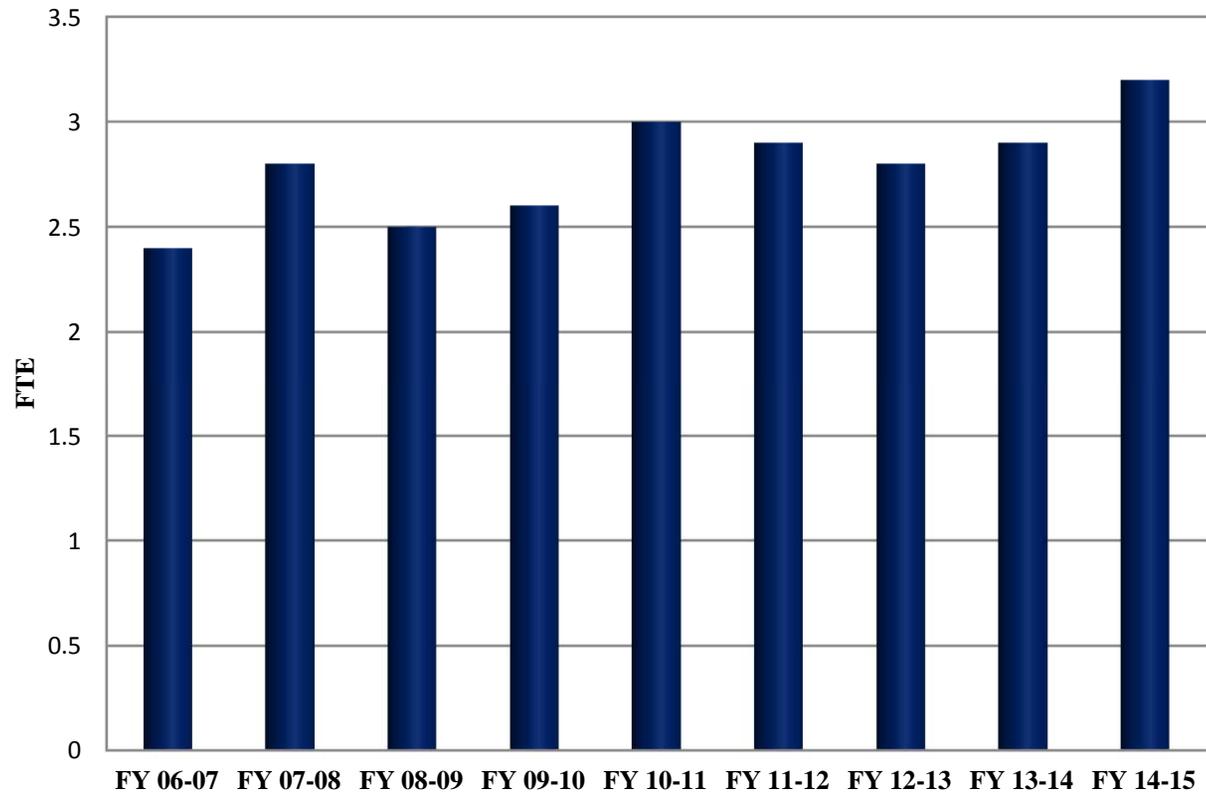
**Presented by:**  
**Megan Davisson, JBC Staff**  
**December 5, 2014**

# Issue: Regional Centers

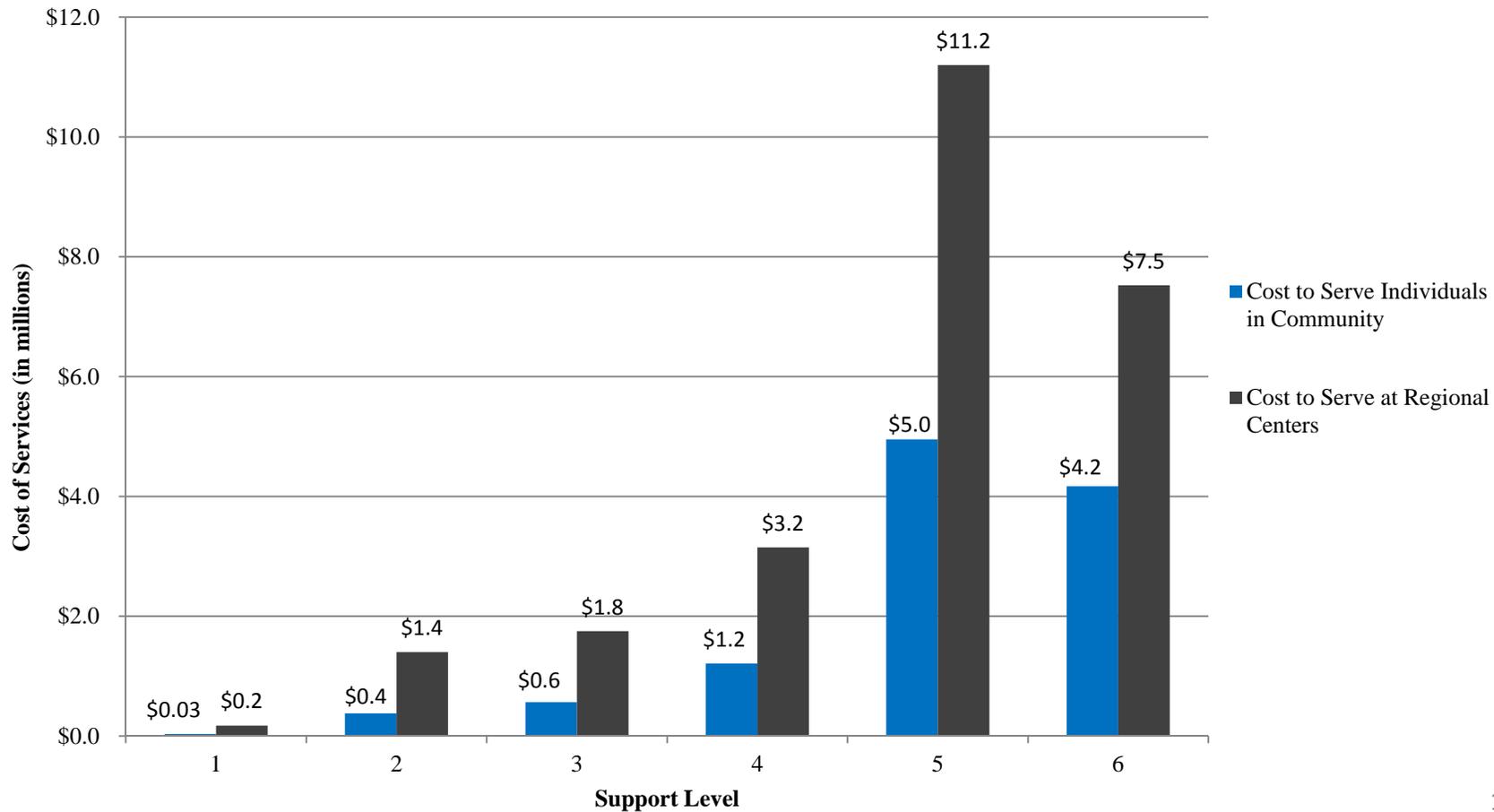
## FTE By Regional Center



## FTE to Individuals at Regional Center Ratio

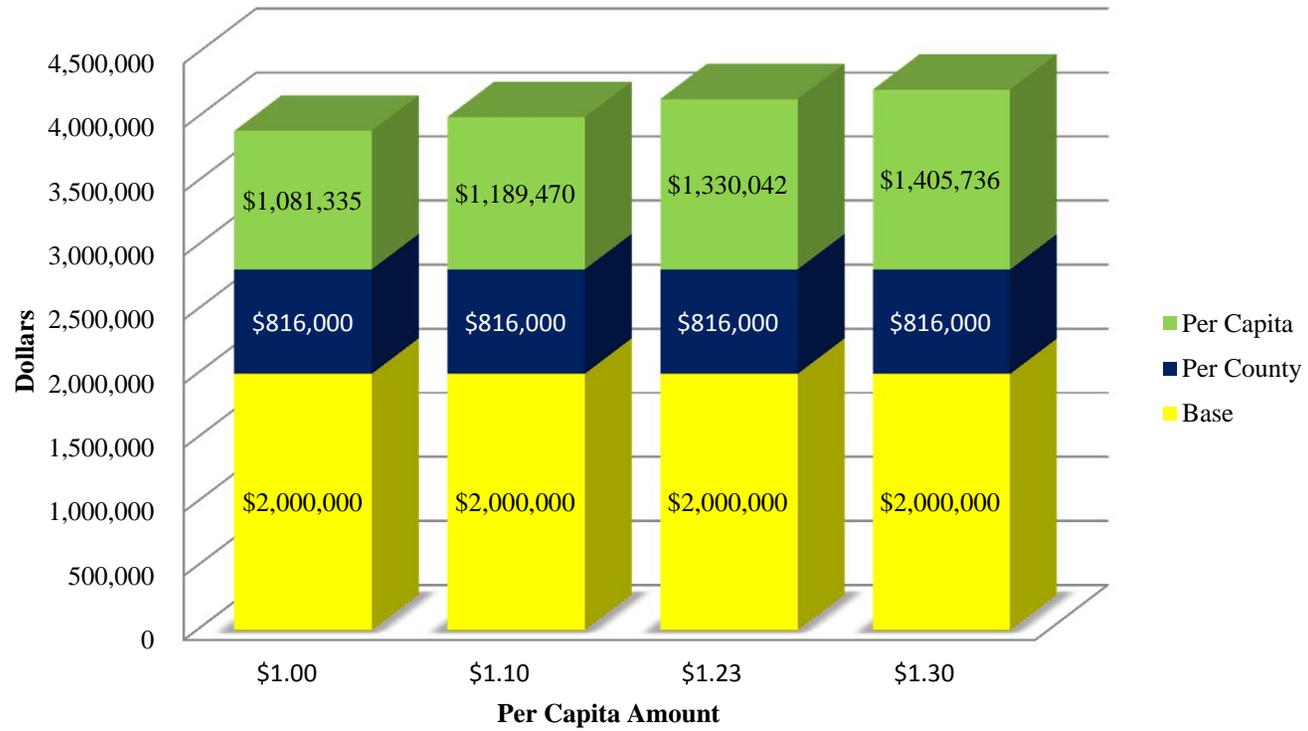


### Comparison of Service Costs if Individuals Receiving Regional Center Waiver Services Were Served in the Community

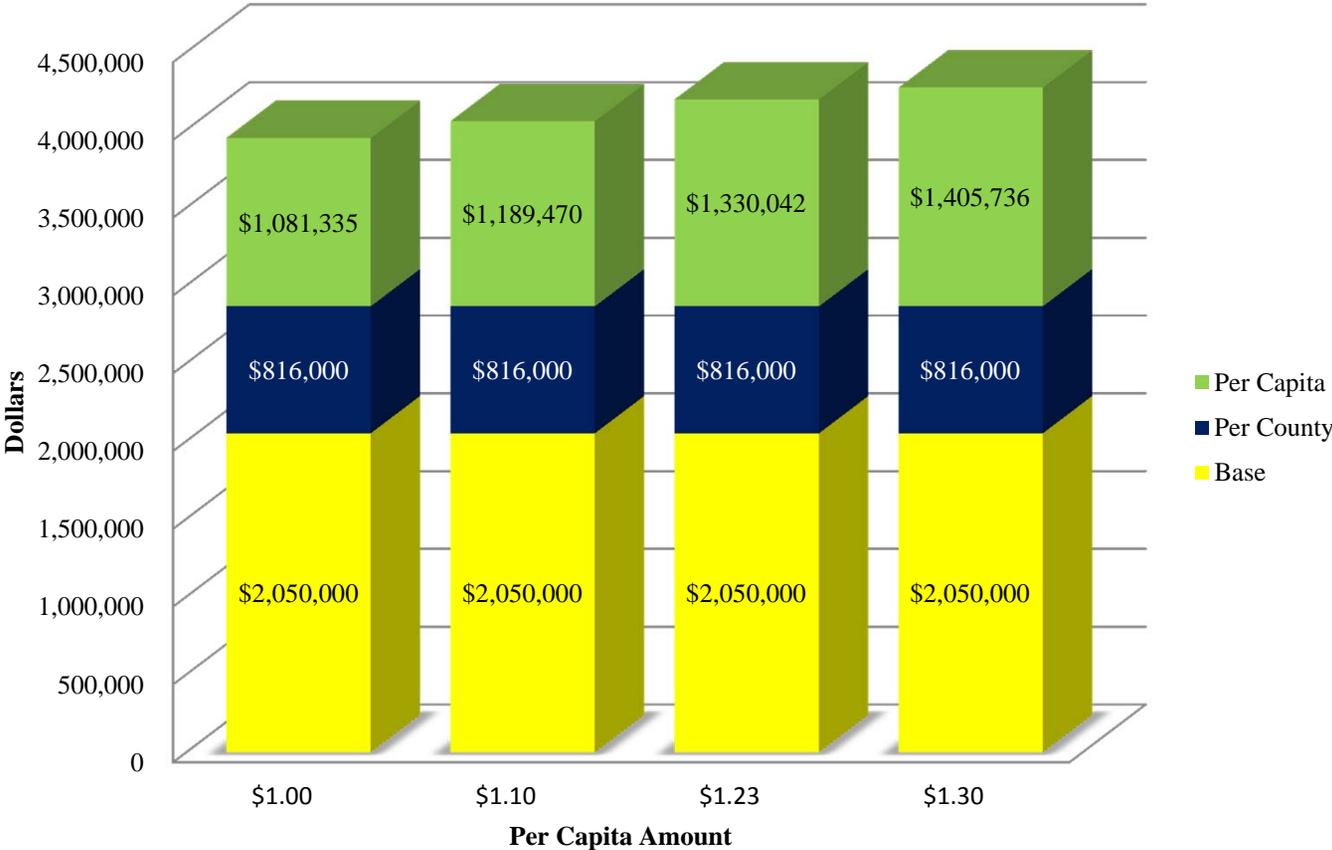


# Issue: Funding Formula for Centers for Independent Living

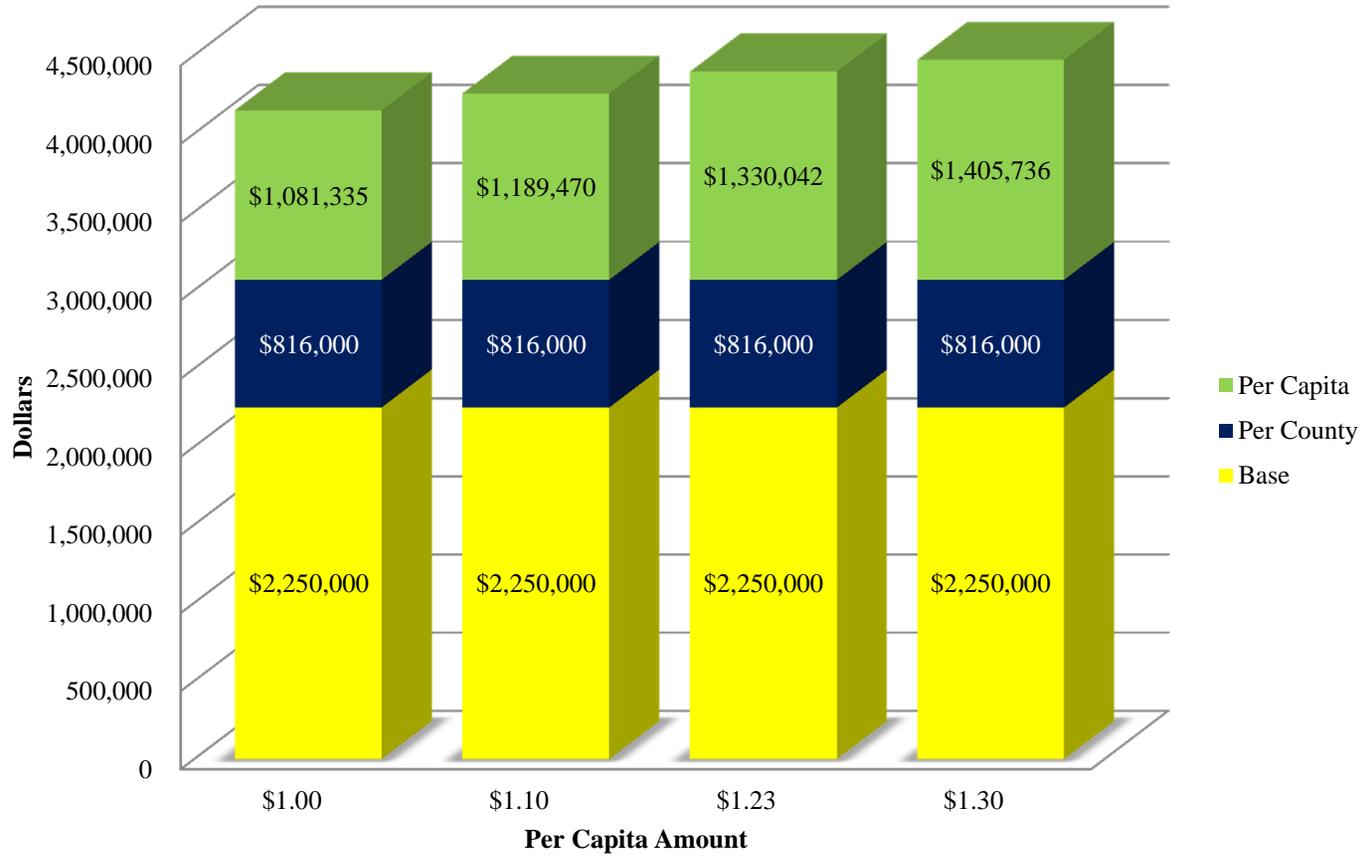
### CIL Funding Formula Option #1 Estimated Costs



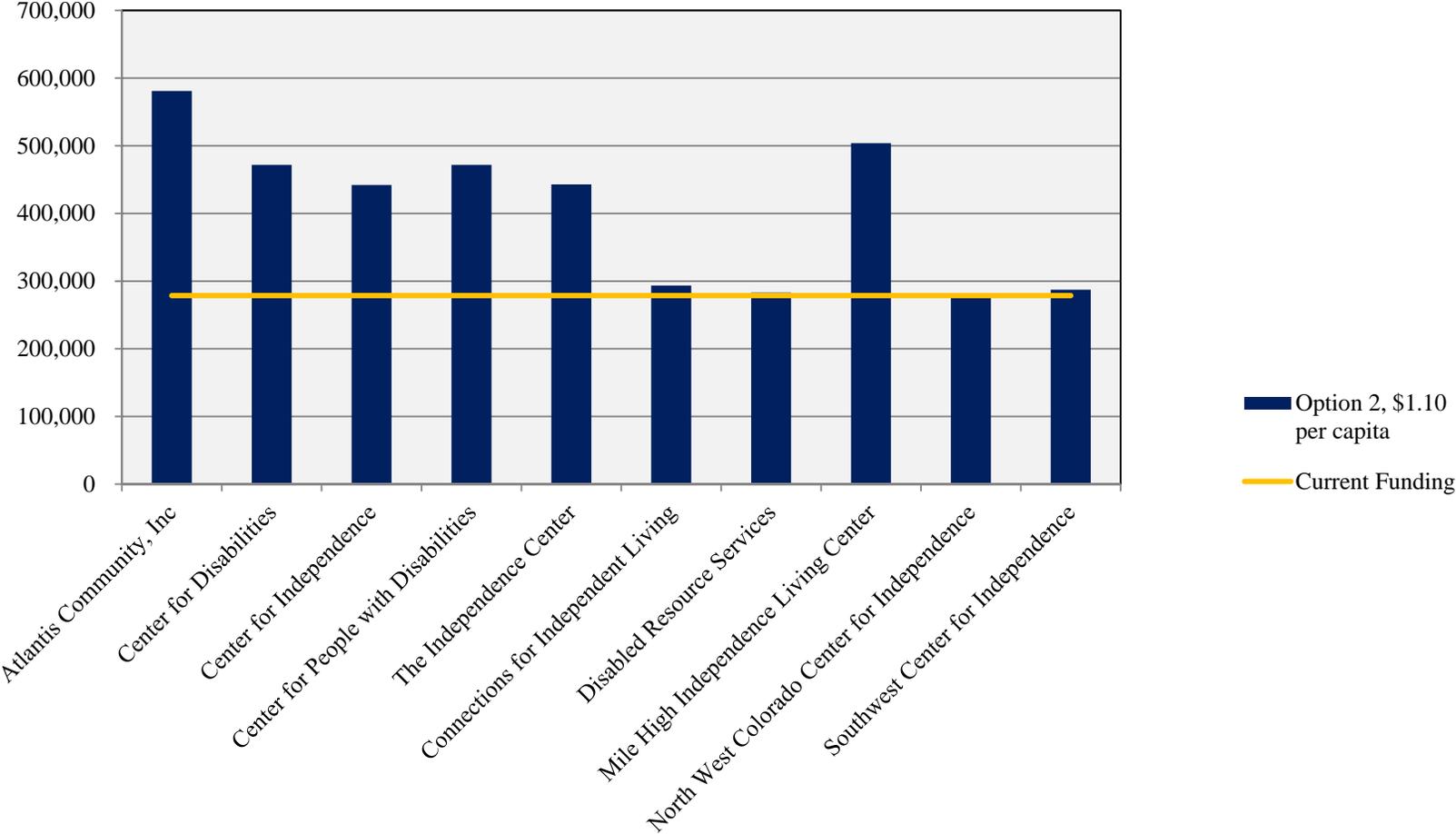
### CIL Funding Formula Option #2 Estimated Costs



### CIL Funding Formula Option #3 Estimated Costs

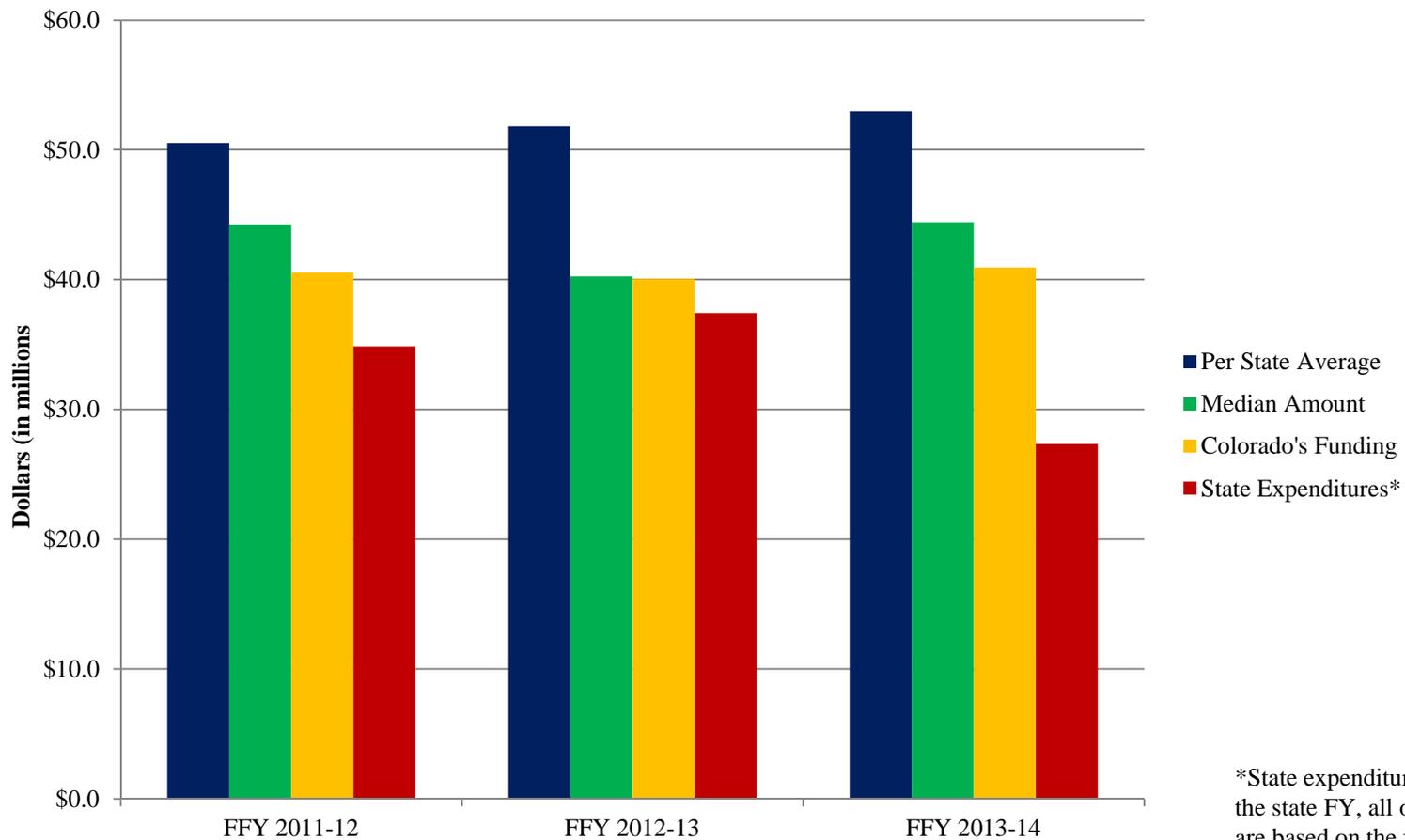


## Comparison of Funding Amounts by Funding Methodology



# Issue: Vocational Rehabilitation Services

## Vocational Rehabilitation Federal Funding Amounts and State Expenditures



\*State expenditures are based on the state FY, all other amounts are based on the federal FY<sub>23</sub>