

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2014-15 STAFF BUDGET BRIEFING  
DEPARTMENT OF HUMAN SERVICES**

**(Child Welfare, County Administration, Early Childhood)**

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

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## **DEPARTMENT OF HUMAN SERVICES**

**(Child Welfare, County Administration, Early Childhood)**

### **Department Overview**

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The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. It supervises programs that are administered at the local level by counties and other agencies and directly operates mental health institutes, regional centers for people with developmental disabilities, and institutions for juvenile delinquents. This presentation focuses on three sections of the Department.

- **Child Welfare:** The Division of Child Welfare provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Over 95 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. County departments receive and respond to reports of potential child abuse or neglect and provide appropriate child welfare services to the child and the family, including providing for the residential care of a child when a court determines this is in the best interests of the child.
- **County Administration:** County Administration provides the 64 county departments of human services with resources to administer the Supplemental Nutrition Assistance Program (SNAP; formerly known as food stamps); and provides funding through County Tax Base Relief to assist counties with the highest costs and lowest property tax values in meeting the obligation of the local match required by the state for certain public assistance programs. Much of this funding supports county staff who determine eligibility for programs using the Colorado Benefits Management System (CBMS). Additional funding for county administration is included in program area budgets in other divisions and in the Department of Health Care Policy and Financing.
- **Office of Early Childhood:** This office includes the Division of Early Care and Learning and the Division of Community and Family Support. The Division of Early Care and Learning includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this division is responsible for licensing and monitoring child care facilities and for administering programs that are designed to improve the quality and availability of child care in the state. The Division of Community and Family Support includes funding for various early childhood family support programs such as the Early Intervention Services and the Nurse Home Visitor Program.

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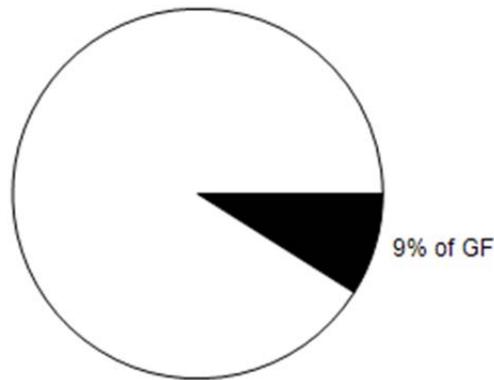
## Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15 *
General Fund	\$619,593,123	\$645,940,781	\$724,844,518	\$744,450,063
Cash Funds	329,545,321	340,033,047	358,900,608	330,387,731
Reappropriated Funds	455,037,280	485,205,073	519,799,788	132,357,264
Federal Funds	<u>649,001,182</u>	<u>615,983,428</u>	<u>610,833,459</u>	<u>614,836,313</u>
<b>Total Funds</b>	<b>\$2,053,176,906</b>	<b>\$2,087,162,329</b>	<b>\$2,214,378,373</b>	<b>\$1,822,031,371</b>
Full Time Equiv. Staff	4,849.6	4,872.8	4,874.9	4,849.5

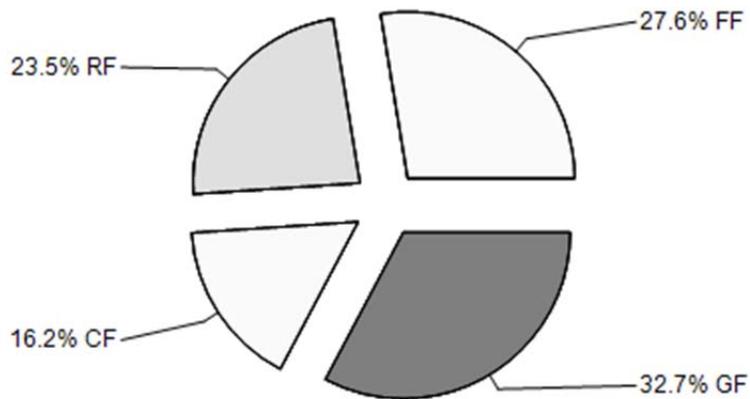
\*Requested appropriation.

## Department Budget: Graphic Overview

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

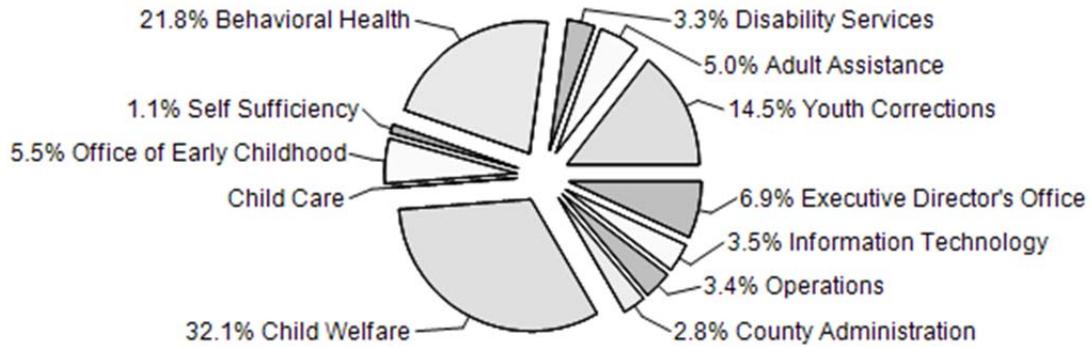


**Department Funding Sources**

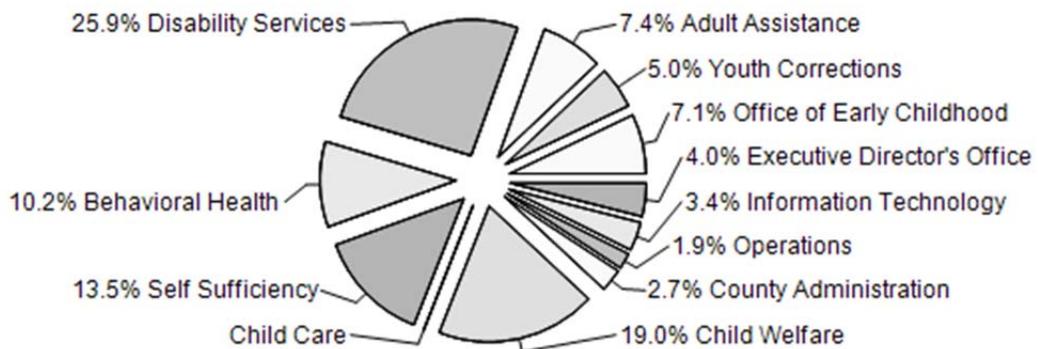


All charts are based on the FY 2013-14 appropriation.

**Distribution of General Fund by Division**



**Distribution of Total Funds by Division**



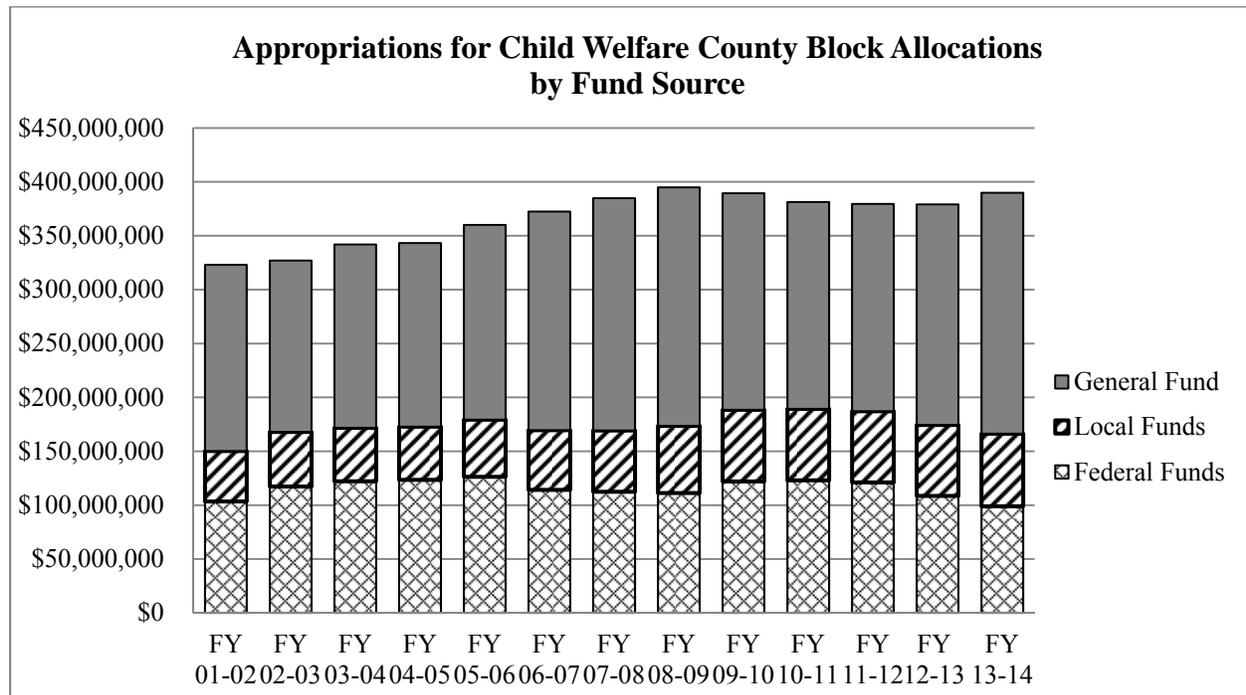
All charts are based on the FY 2013-14 appropriation.

## General Factors Driving the Budget

### Division of Child Welfare

County departments of social/human services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. The General Assembly appropriates funds for child welfare services to support county and state duties. Appropriations for child welfare programs for FY 2013-14 total \$421.2 million and consist of 55.0 percent General Fund, 24.0 percent federal funds, 17.6 percent county funds and various cash fund sources, and 3.4 percent reappropriated funds.<sup>1</sup>

Increases and decreases for child welfare services are at the discretion of the General Assembly. However, in setting appropriation levels for child welfare services, the General Assembly takes into consideration the funding required by counties to fulfill their statutory duties in serving abused and neglected children. Appropriations peaked in FY 2008-09 at \$221.2 million General Fund, declined through FY 2010-11 to \$191.9 General Fund, and began to increase again in FY 2011-12 – resulting in a new high of \$223.4 million General Fund in FY 13-14.



The majority of funds appropriated for child welfare (over 95 percent) are made available to county departments as "block allocations" for the provision of child welfare services. Counties are required to cover 20 percent of most child welfare costs, and this share is included in county child welfare allocations. In addition, if counties spend more than the capped allocations, they are responsible for covering any shortfall with other funds, which may include federal

<sup>1</sup>General Fund and federal funds amounts include Medicaid funds appropriated in the Department of Health Care Policy and Financing that are transferred to the Department of Human Services.

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Temporary Assistance for Needy Families (TANF) block grant funds or county tax revenue. Historically, total spending by counties exceeded state allocations by three to five percent per year. However, since FY 2008-09, counties have reduced spending more rapidly than the state has reduced child welfare allocations.

At the county level, expenditures for child welfare services are driven by:

- The number of reports of abuse or neglect received;
- The number of reports that the county determines require further investigation (assessments);
- The number of children requiring child welfare services (open involvements);
- The number of children with open child welfare cases who receive residential services versus alternative services; and
- The costs of the various services provided.

Among these drivers, certain elements are largely beyond county control, such as the number of reports of abuse or neglect, the number of reports that require a child welfare case to be opened based on the severity of an incident and risk to a child, and judicial decisions regarding client placements. Other drivers are within county control, such as the types of services offered and the rates paid for services.

Referrals to child welfare have continued to increase sharply, but the numbers of open child welfare cases, new child welfare involvements, out-of-home placements, and child welfare assessments have declined. The percentage of reports of abuse or neglect that result in county intervention through the child welfare system has declined – leading in part to lower county expenditures. There is no evidence that this is affecting outcomes for children, and it appears likely that these workload trends will continue based on new approaches for responding to allegations of abuse and neglect.

Over the last several years, counties have made significant changes in how they respond to allegations of abuse and neglect (e.g. the implementation in several counties of a differential response practice model) and the kinds of services they offer, based on funding constraints and on changes in what is considered to be best practice. The state has taken a variety of steps, ranging from providing funding for additional studies and research through the Child Welfare Action Committee to adding new Division of Child Welfare staff and expanded funding for preventative child abuse initiatives.

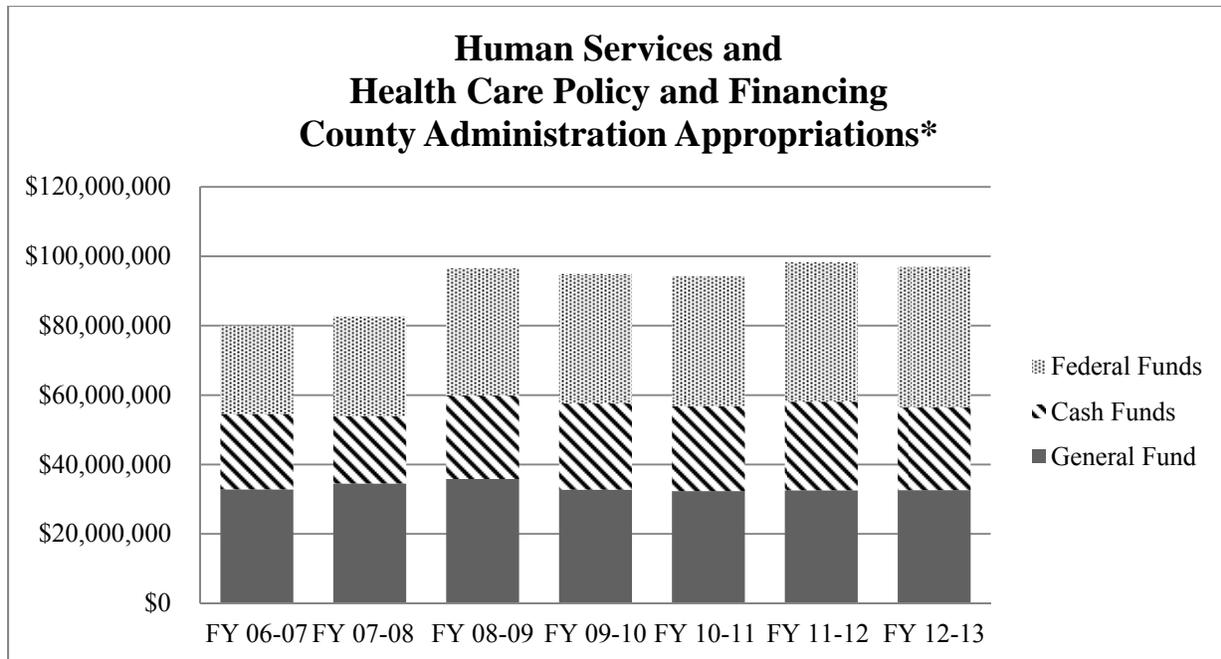
Colorado has been awarded a waiver from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18. Title IV-E is an open-ended federal entitlement through which states are partially reimbursed for the room and board and administrative costs associated with foster care and adoption services. Colorado's Title IV-E revenue has been on an overall downward trend for a number of years due to the decline in out-of-home placement, as well as to an income standard that has not changed since 1996. Title IV-E does not provide reimbursement for services provided to keep a child in the family home. Prior to the award of the IV-E waiver, the Department projected that Title IV-E revenue would continue to fall at the rate of 5.0 to 10.0 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

## **County Administration**

Colorado has a state-supervised but county-administered social services program. Colorado's counties have a large degree of autonomy, even when compared to other states that have decentralized systems. As a result of this high degree of decentralization, most of the County Administration budget lines provide block transfers to the counties. If counties over-expend their allocations, they are responsible for covering the shortfall, although they are often able to access federal matching funds for county-only expenditures, depending upon the program.

Over time, the responsibility for some programs has been moved out of County Administration section. Administration for child care services, child welfare services, Temporary Assistance to Needy Families, adult services, and the Old Age Pension are incorporated into line items in other sections of the Human Services budget. County administration of medical assistance programs was moved to the Department of Health Care Policy and Financing in FY 2006-07. However, county activities to determine medical assistance eligibility are essentially the same as the activities to determine eligibility for other social service programs: both involve Colorado Benefits Management System, and eligibility-determination costs are allocated between programs and the two departments. County Administration includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and funding to assist some poorer counties in maintaining program operations. Funding provided by the state for county administration is capped, and county costs and caseload only affect appropriations to the extent the General Assembly chooses to make related adjustments. Many counties supplement state appropriations with county tax revenues.

Funding for the Human Services county administration division and the Health Care Policy county administration line item have been held flat since FY 2008-09, despite large increases in public assistance caseloads. Smaller adjustments have occurred since that time, including an increase for Food Assistance Administration in FY 2011-12. The table below combines appropriations for county administration from these departments, as dollars primarily support eligibility determination by county staff using the Colorado Benefits Management System.



\*This chart reflects funding for the Department of Human Services County Administration section (\$62.9 million in FY 2012-13) and the Department of Health Care Policy and Financing County Administration line item (\$34.0 million in FY 2012-13). It excludes county administration appropriations in other sections of the Department of Human Services.

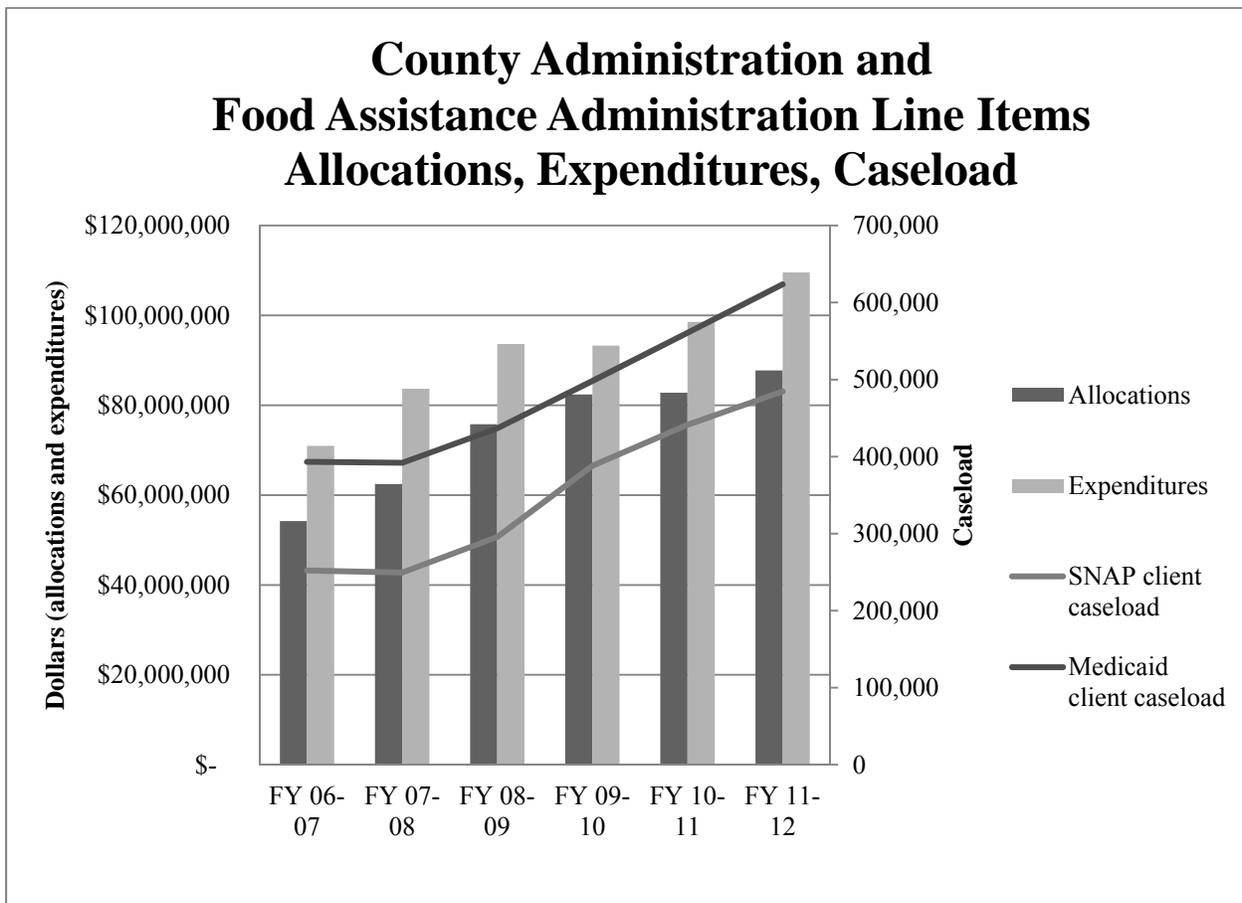
Funding increases have generally involved reallocating General Fund in order to access more federal matching funds. The increase in FY 2008-09 was largely based on reducing County Contingency Payments (now County Tax Base Relief), which did not receive a federal match, and redirecting General Fund to the County Administration line items in Human Services and Health Care Policy and Financing, which do (H.B. 08-1250). This increased the combined appropriation for the county administration line items in the two departments by \$13.6 million – close to the level indicated by a 2007 Deloitte Development Workload Study of county administration. The FY 2011-12 increase for Food Assistance Administration was similarly financed by redirecting funds from the County Tax Base Relief line item, which does not receive a federal match, to a new line item, which does.

The vast majority of these funds support county staff who determine eligibility for the Medicaid program and Supplemental Nutrition Assistance Program (SNAP) using the Colorado Benefits Management System (CBMS). The table below classifies close-out expenditures for county administration in FY 2011-12 by program area. As shown, food assistance (SNAP) administration comprises about fifty percent of the total (the majority if Medicaid and CHP+ amounts appropriated in the Department of Health Care Policy and Financing are excluded).

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County Administration Allocated Line Items - Actual Expenditures FY 2011-12							
	Total	General Fund		Cash Funds		Federal Funds	
<b>County Administration Line Items (HCPF &amp; DHS)</b>							
Food Assistance	\$ 52,977,987	\$ 15,893,378	30%	\$ 11,845,596	22%	\$ 26,489,013	50%
Medicaid & CHP+	32,667,924	10,982,149	34%	5,397,777	17%	16,287,998	50%
Adult Protective Services	8,502,950	4,833,300	57%	1,700,280	20%	1,969,370	23%
Child Support Enforcement	7,022,930	983,209	14%	1,404,585	20%	4,635,136	66%
LEAP administration/Other	3,768,975	3,015,180	80%	753,794	20%	-	0%
<b>Total</b>	<b>\$ 104,940,766</b>	<b>35,707,216</b>	<b>34%</b>	<b>\$ 21,102,033</b>	<b>20%</b>	<b>\$ 49,381,516</b>	<b>47%</b>

Funding for the County Administration allocation has been an area of concern for counties. This is largely due to the rapid growth in food assistance (Supplemental Nutrition Assistance Program/SNAP) and Medicaid caseloads that has occurred since FY 2007-08. The chart below shows allocations and expenditures for county administration since FY 2006-07. Amounts in this chart also incorporate federal-only (ARRA) allocations for food assistance provided in FY 2009-10 and FY 2010-11, and a Food Assistance Administration separate line item appropriation added in FY 2011-12. As reflected in the chart, allocations have not kept up with caseload growth—leading to a gap between allocations and expenditures for county administration.



Source: Allocation and expenditure data from county close-out documents, adjusted for additional food assistance administration federal allocations and state appropriations in FY 2010, FY 2011, and FY 2012.

## **Office of Early Childhood**

Pursuant to H.B. 13-1117, the Office of Early Childhood (OEC) was created in order to align child development programs that address early learning, child health, child mental health, and family support and parent education. This consolidation of programs and services is intended to strengthen collaboration and coordination between the state-level early childhood system and local delivery systems. The bill transferred existing programs from other departments to the Department of Human Services, including: the Early Childhood Leadership Council from the Governor's Office; and the Nurse Home Visitor Program, Tony Grampas Youth Services Program, Colorado Student Dropout Prevention and Intervention Program, Colorado Before-and After School Project, Colorado Children's Trust Fund and its board, and the Family Resource Center Program from the Department of Public Health and Environment. The office is comprised of two divisions – the Division of Early Care and Learning and the Division of Community and Family Supports.

### **Division of Early Care and Learning**

The Division of Early Care and Learning is responsible for administering various early childhood grant programs and for licensing and monitoring child care facilities throughout the state, including child care homes and centers, preschool and school-age child care programs, homeless youth shelters, and summer camps, as well as 24-hour facilities (such as residential treatment facilities, residential child care facilities, and child placement agencies). In some counties, the Division contracts with local entities (*e.g.*, county departments of social services, county health departments, child placement agencies) to perform licensing functions for certain types of facilities. There are currently about 6,000 licensed facilities in the state. Family child-care homes continue to decline in numbers, as has been the trend over the last several years.

The Division includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through this program, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. An estimated 18,750 children per month received CCCAP assistance in FY 2011-12. Cash funds sources reflect county tax revenues and fees and fines paid by child care facilities. Federal fund sources consist primarily of Child Care Development Funds.

Unlike most sources of federal funds, the General Assembly has the authority to appropriate federal Child Care Development Funds (CCDF). The CCDF funds available to the state each year consist of three components: mandatory funds, matching funds, and discretionary funds. Mandatory funds require no match and are awarded to the state based on the historic federal share of federal child care expenditures prior to federal welfare reform. Colorado's portion of these funds is approximately \$10.2 million per year. Matching funds are based on the state's relative share of children under age 13. The state is required to match expenditures of this source of funds based on its applicable federal medical assistance percentage rate (50/50). Availability of funds is dependent upon the state meeting specific requirements and must be fully expended in two years. Allocations of discretionary funds to the state are based on the relative share of children under age five, the relative share of children receiving free and reduced price school lunches, and the state's per capita income. The state has two years to obligate these funds and no match is required to spend them. Since FFY 2001, Congress has required certain portions of

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discretionary funds be targeted to enhance the quality of care, including infant and toddler care as well as school-age care and resource and referral services. In addition, states must spend at least four percent of all of its expenditures for child care on quality activities. Examples of quality activities include:

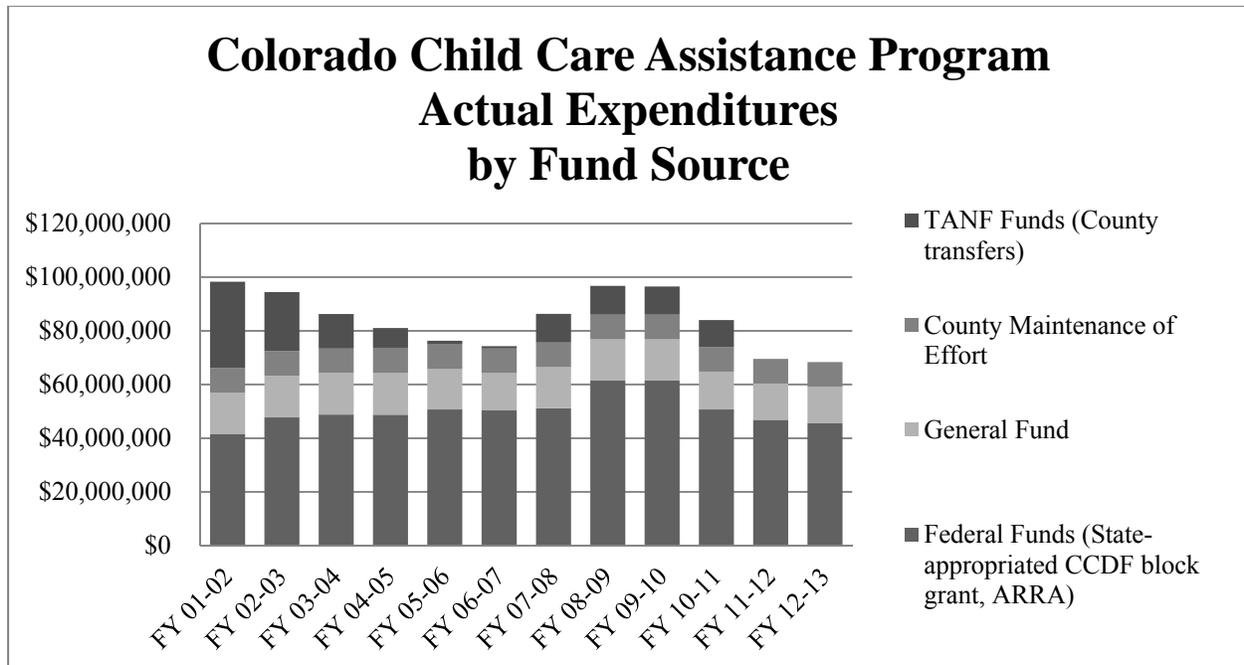
- Practitioner training and technical assistance;
- Grants or loans to allow programs to purchase needed equipment, make minor renovations, develop new curricula, or pursue accreditation;
- Use of the federal funds to train or to lower caseloads for licensing staff; and
- Grant programs specifically aimed at improving wages for child care providers.

Colorado has had a voluntary system for quality rating for many years. This system is administered by Qualistar Colorado, a private partner. The Department is now working to incorporate a rating system into the state child care licensing process. It will accelerate this process through a Race to the Top Early Learning Challenge Grant, that was awarded in December 2012. The Department's goal, as described in the Race to the Top grant proposal, is that all early learning programs would be quality rated by December 2015. Currently, 18.0 percent of all licensed childcare centers and preschools in Colorado have a quality rating. Of those facilities that are rated, 83.3 percent have a 3-Star or 4-Star rating.

***Child Care Assistance Program***

The Colorado Child Care Assistance Program (CCCAP) is the largest single component of the Division's budget (83 percent). Senate Bill 97-120 established CCCAP in statute at Section 26-8-801 through 806, C.R.S. Child care subsidy programs, such as CCCAP, were promoted under 1996 federal welfare reform legislation to help families become financially independent.

Funding for CCCAP is allocated to counties, which are responsible for administering the program. In addition to appropriated amounts, counties may transfer a portion of their Temporary Assistance for Needy Families (TANF) block grant funding to support child care programs. Such transfers are not reflected in the appropriation, but are a driver of overall program expenditures. As the table below illustrates, county spending began to decline in FY 2010-11, as one-time federal funding exceeding \$10 million per year that was available in FY 2008-09 and FY 2009-10 under the American Recovery and Reinvestment Act (ARRA) was no longer available. Spending continued to decline in FY 2011-12 as counties were under financial pressure to use their TANF funds on basic cash assistance and other recession-related Colorado Works program costs.



**Division of Community and Family Support**

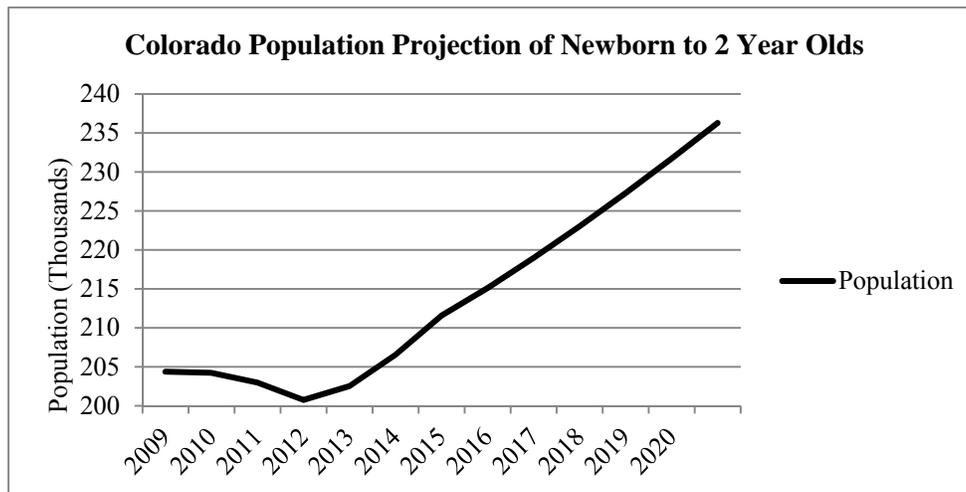
The Division of Community and Family Support includes Early Childhood Councils, Early Intervention, Promoting Safe and Stable Families, the Children’s Trust Fund, Family Resource Centers, Nurse Home Visitor Program, and Early Childhood Mental Health Services. The Division works with many partners, including parents, schools, child care providers, early intervention services and programs, businesses, community organizations, and other stakeholders to provide high quality, early childhood programs and effective prevention strategies to mitigate challenges faced by families that affect school readiness and academic success.

**Early Intervention Services**

The majority of the Division’s budget (69.4 percent) is appropriated to Early Intervention (EI) Services (57.7 percent) and Early Intervention Services Case Management (11.7 percent). EI services are provided to infants and toddlers, up to age two, with one of the following three conditions:

- A developmental delay or disability diagnosis;
- A physical or mental condition that has a high probability of resulting in a significant delay in development; or
- A parent or caretaker who has a developmental disability.

Funding for EI Services for FY 2013-14 consists of 45.8 percent General Fund (\$19.9 million), 25.1 percent cash funds from local funds and the Early Intervention Services Trust Fund (\$10.9 million), 10.6 percent Medicaid reappropriated funds (\$4.6 million), and 18.5 percent federal funds (\$8.0 million). As a condition of receiving federal funds, the state is required to provide EI services to all eligible infants and toddlers. The following graph shows the projected growth of the newborn to 2 year old population in Colorado through 2020 (information provided by the State Demography Office).



Colorado is required to provide EI services to all eligible infants and toddlers who seek these services, and with the increase in the zero to two year old population, the number of infants and toddlers eligible for EI services continues to grow. Increases of \$3.1 million in FY 2013-14 were appropriated for Early Intervention Services to account for the growth in caseload.

### ***Early Childhood Councils***

Since FY 1997-98, the Department of Human Services has worked with the Department of Education to provide grant funds and technical assistance to local communities to design consolidated programs of comprehensive early childhood care and education services intended to serve children in low-income families. These pilot programs were allowed to blend various sources of state and federal funding and could apply for waivers of state rules. The pilots were used to identify best practices relative to increasing quality, meeting the diverse needs of families seeking child care, and integrating early childhood care with education programs. The law authorizing pilots was repealed and reenacted pursuant to H.B. 07-1062 to create the Early Childhood Councils program. Councils represent public and private stakeholders in a local community who work to develop and improve local early childhood services, and to create a seamless network of such services statewide.

House Bill 07-1062 also required a contracted evaluation of the early childhood council system. An evaluation was completed and submitted by the Center for Research Strategies on June 30, 2010. The evaluation concluded that "the Councils are making progress in their efforts to build the foundations of local Early Childhood systems by developing their internal capacity related to staffing, communication mechanisms, strategic planning, assessment and evaluation. They are also working to build public engagement and.... increase opportunities for new funding...." The evaluation identified various barriers to success and leverage points for change including improving marketing efforts, strengthening partnerships with key stakeholders, improving use of evaluation tools, and strengthening Council's internal capacity.

Funding for the pilot program was reflected in its own line item starting in FY 2000-01 (the Pilot Program for Community Consolidated Child Care Services) until being renamed the Early

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Childhood Councils line item after the enactment of H.B. 07-1062. House Bill 07-1062 also transferred \$2.0 million (\$1.0 million General Fund) from the Child Care Assistance Program line item to expand this program starting in FY 2007-08. The appropriation for the line item was cut by \$500,000 through FY 2010-11 supplemental action and an additional \$500,000 through FY 2011-12 figure setting action. In total, the line-item has been cut by one-third from the FY 2009-10 level.

The Early Childhood Leadership Council was scheduled to be repealed on July 1, 2013. House Bill 13-1117 extended the Early Childhood Leadership Council sunset date to September 1, 2018, and reduced the membership of the council from 35 to 20 members. The duties of the council have shifted to include advising and monitoring of early childhood programs, rather than developing legislative recommendations and improving data collection and sharing, as was specified under previous law.

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**Summary: FY 2013-14 Appropriation & FY 2014-15 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 2013-14 Appropriation</b>						
SB 13-230 (Long Bill)	\$478,093,835	\$249,749,494	\$87,798,218	\$14,712,207	\$125,833,916	63
Other legislation	<u>159,976,484</u>	<u>43,299,789</u>	<u>39,458,842</u>	<u>4,582,485</u>	<u>72,635,368</u>	<u>83.3</u>
<b>TOTAL</b>	<b>\$638,070,319</b>	<b>\$293,049,283</b>	<b>\$127,257,060</b>	<b>\$19,294,692</b>	<b>\$198,469,284</b>	<b>146.7</b>
<b>FY 2014-15 Requested Appropriation</b>						
FY 2013-14 Appropriation	\$638,070,319	293,049,283	\$127,257,060	\$19,294,692	\$198,469,284	146.7
R1 Child care licensing staff	1,317,421	1,257,421	60,000	0	0	2.8
R2 Investing in early care providers	2,197,194	1,757,755	439,439	0	0	0.0
R3 Early literacy book distribution partnership	100,000	100,000	0	0	0	0.0
R12 Community provider rate	8,513,428	5,284,755	1,463,216	630,536	1,134,921	0.0
R13 County tax base relief	1,181,953	1,181,953	0	0	0	0.0
R22 Title IV-E waiver demonstration	6,000,000	0	6,000,000	0	0	0.0
Annualize prior year budget actions	3,196,248	2,234,652	297,360	0	664,236	0.4
Centrally appropriated line items	316,487	173,646	7,090	4,236	131,515	0.0
Department reorganization	(1,163,876)	(1,163,876)	0	0	0	(0.0)
Annualize prior year legislation	<u>(525,350)</u>	<u>(542,092)</u>	<u>16,742</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$659,203,824</b>	<b>\$303,333,497</b>	<b>\$135,540,907</b>	<b>\$19,929,464</b>	<b>\$200,399,956</b>	<b>149.9</b>
<b>Increase/(Decrease)</b>	\$21,133,505	\$10,284,214	\$8,283,847	\$634,772	\$1,930,672	3.2
Percentage Change	3.3%	3.5%	6.5%	0.0%	1.0%	2.2%

**Description of Requested Changes**

**R1 – Child care licensing staff:** This request is for \$1.3 million total funds (including \$1.26 million General Fund), 2.8 state FTE and 17 contract staff to improve the Department’s child care licensing function.

**R2 – Investing in early care providers:** This request is for \$2.2 million total funds (including \$1.8 million General Fund) to provide grant funding for materials and training for Colorado Child Care Assistance Program (CCCAP) providers.

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**R3 – Early literacy book distribution partnership:** This request is for \$100,000 General Fund to provide grant funding to organizations that promote early literacy by partnering with health care providers to distribute books to children ages six months to five years.

**R12 – Community provider rate:** This request is for \$8.5 million total funds (including \$5.3 million General Fund) for the 1.5 percent community provider rate increase for programs within County Administration (\$287,906 General Fund), the Division of Child Welfare (\$4.5 million General Fund), and the Office of Early Childhood (\$537,513 General Fund).

**R13 – County tax base relief:** This request is for \$1.2 million General Fund to fully fund County Tax Base Relief.

**R22 – Title IV-E waiver demonstration:** This request is for \$6.0 million cash funds for the Title IV-E Waiver Demonstration Project to allow counties to expand interventions that support children remaining in their homes. Funds will be used for support services, county staff, and travel.

**Annualize prior year budget actions:** This request includes the annualization of prior year budget actions in the FY 13-14 Long Bill, including additional funding for prevention services (SafeCare); community-based child abuse prevention services; food assistance administration; Nurse Family Partnerships; the workload study; and enhancements in child protection practices and transparency.

**Centrally Appropriated Line Items:** This request includes adjustments to centrally appropriated line items for salary survey and merit pay.

**Department reorganization:** This request includes a reduction of \$1.2 million General Fund in the Office of Early Childhood as a result of the Department’s requested reorganization (R23). R23 includes a request to move school-aged mental health services and its funding back to the Office of Behavioral Health. The reorganization was discussed by Megan Davisson at the briefing held on November 13, 2013.

**Annualize prior year legislation:** This request includes a decrease of \$525,350 total funds (\$542,092 General Fund) for the following legislation:

- H.B. 13-1271 – Child Abuse Reporting Hotline & Child Welfare Rules,
- S.B. 13-227 – Protect Rape Victim from Contact with Father,
- S.B. 13-260 – Financing of Public Schools,
- H.B. 13-1180 – Allocation of Tobacco Settlement Moneys.

## **Issue: Child Care Center Licensing Staff**

The Division of Early Care and Learning is responsible for the licensing and monitoring of child care facilities, managing the Child Care Assistance Program (CCCAP) for eligible families, administering child care grants and quality initiatives, and serving as the lead in implementing the federal child care programs. According to the Department, the goal of the Division is to promote quality, accessible, and affordable child care services.

### **SUMMARY:**

- Child care licensing ensures the health and safety of children in care and establishes minimum standards for child care center operations.
- The Division of Early Care and Learning currently experiences a 1:145 ratio of licensing specialist staff to licensed child care facilities, resulting in an average of one inspection every two years.
- It is recommended by Child Care Aware of America, a national child care resource organization, that the ratio in each state be improved to allow for at least one unannounced inspection per year. The Department estimates that in order to perform one announced and one unannounced inspection each year, Colorado’s ratio of licensing specialists to facilities would need to improve to 1:50.
- In an effort to move toward the recommendation, the Department is requesting an increase in funding to improve licensing specialist to facility ratio to 1:100.

### **RECOMMENDATION:**

Staff recommends that the committee request the Department to:

- Discuss the need for 1:100 ratio within the context of all types of inspections performed at a facility, including those performed by federal and local agencies and special districts.
- Describe the change in methodology for determining if an inspection is “timely” or “late.”
- Discuss the Department’s long-term plan to improve the licensing specialist staff to facility ratio to 1:50.
- Provide an update on the Department of Defense pilot project.

## **DISCUSSION:**

### **Background Information**

The National Association of Child Care Resource and Referral Agencies estimates that approximately 251,480 children in Colorado potentially need child care.<sup>1</sup> Currently Colorado is the home of nearly 6,000 licensed child care facilities; however according to the Division of Early Care and Learning, only 25% of children needing care are in facilities that are licensed.

Licensing specialists in Colorado are contracted by the Colorado Department of Human Services to perform child care licensing inspections and other duties within an assigned region. There are six categories of licenses, including: Child Care Center, both infant nursery and toddler nursery; Preschool; School-aged Child Care Center; Family Child Care Homes; and Children’s Resident Camps. Within the six license categories, there are 26 types of facilities, 25 percent of which are a day care home and 17 percent of which are a day care center. Licensing specialists in the Division are responsible for performing ten different types of licensing inspections, including but not limited to: pre-licensing consultation, supervisory inspections, complaint investigations, and injury report inspections. In addition to inspections, these specialists prepare written reports of inspections, complaint investigations, and state level II investigations; perform criminal, child abuse, and Colorado court database criminal background investigations; attend regional Early Childhood Council Meetings and committee meetings; attend monthly staff meetings; and are trained in the Administrative Procedures Act. Specialists also present at conferences and train on mandated child abuse reporting. State licensing inspectors are not the only individuals who perform inspections on child care facilities. These facilities may also be inspected by the appropriate local agency for building occupancy, sanitation, health, fire code, and others. Other governing bodies, including but not limited to Colorado Preschool Program, Denver Preschool Program, and Head Start may also perform inspections.

Child care licensing ensures the health and safety of children in care and establishes minimum standards for child care center operation. The Department reports that all centers are inspected regularly; however, child care centers that have had complaints or have been found to be out of compliance with licensing are inspected more frequently. C-Stat, the Department’s performance management process, identifies two of the primary measures used to evaluate the success of the Division of Early Care and Learning as the timeliness of supervisory inspections and the number of quality rated child care centers. For the purposes of this issue, the focus will remain on the timeliness of inspections.

Section 26-6-101.4, C.R.S., identifies regulation and licensing of child care facilities as contributing factors in providing for a safe and healthy environment for children. Such licensing is subject to standards prescribed and published by the Department. As of the current fiscal year, Colorado has 5,790 licensed child care facilities, approximately 1,700 of which are Colorado Child Care Assistance Program (CCCAP) providers. The Division currently has a total of 43 state FTE and contract licensing specialists, resulting in an individual caseload ratio of

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<sup>1</sup> 2013 *Child Care in the State of Colorado*. Retrieved December 5, 2013 from the National Association of Child Care Resource and Referral Agencies at [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/colorado\\_2013\\_state\\_fact\\_sheet.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2013/colorado_2013_state_fact_sheet.pdf).

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approximately 1:145. Individual workload per licensing staff is weighted and is determined by a formula that considers all responsibilities of a specialist, including but not limited to inspections, paperwork, and travel. Division resources required to complete an inspection vary depending upon the size of the facility and can range from one inspector for a few hours to multiple inspectors for one to three days. The Child Care and Development Block Grant (CCDBG) does not have any minimum inspection requirements for licensed facilities. Congress requires the Department of Defense to conduct quarterly inspections of its child care programs, but there is no similar federal requirement for civilian child care.<sup>2</sup> The Division reports that with the current staffing level, the frequency at which inspections are currently able to be conducted is an average of one inspection per facility every two years.

Child Care Aware of America reports that regular inspections aid in ensuring that minimum health and safety requirements are met in child care settings. A literature review by that organization yielded the following:

- Programs that are inspected more frequently are more likely to adhere to health and safety requirements;
- Child care inspections are associated with lower rates of accidents requiring medical attention;
- Frequent, unannounced inspections prevent providers from covering up violations, especially when there is a history of violations and/or sanctions or complaints;
- On-site guidance during inspections helps providers improve the level of care they offer; and
- There is increased accountability for how federal and state funds are spent.<sup>3</sup>

Based on the above review, the organization's recommendations include but are not limited to: requiring a state to demonstrate how they will measure child care provider compliance with state standards, laws, and policies; requiring all child care programs to have regular unannounced inspections at least once a year and preferably more often; requiring states to set reasonable caseloads per inspector.<sup>4</sup> The Department estimates that in order to achieve a "reasonable caseload per inspector" that would allow for two visits per year, including one unannounced, the licensing specialist to facility ratio would need to be 1:50. This ratio results in the need to increase the number of contract inspectors by 94 and state supervisory FTE by approximately seven. The estimated cost of a staffing increase of that magnitude would be approximately \$6.5 million. The Department reports that its budget request for \$1.3 million total funds (including \$1.26 million General Fund), 2.8 state FTE and 17 contract staff, will improve the staff to licensed facility ratio to 1:100.

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<sup>2</sup> *Effective Inspection Policies Promote Children's Safety and Healthy Development in Child Care*. Child Care Aware of America, August 2012. Retrieved from the National Association of Child Care Resource and Referral Agencies at

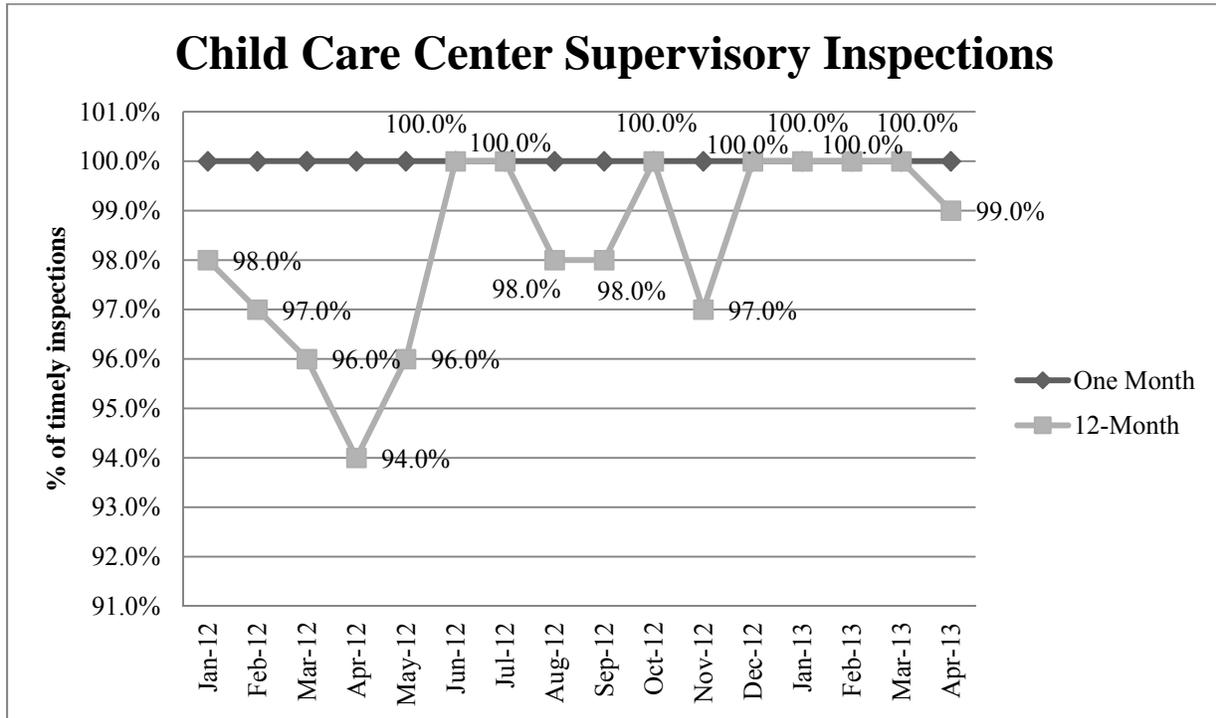
[http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2012/inspections\\_white\\_paper\\_august\\_31.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2012/inspections_white_paper_august_31.pdf).

<sup>3</sup> Ibid.

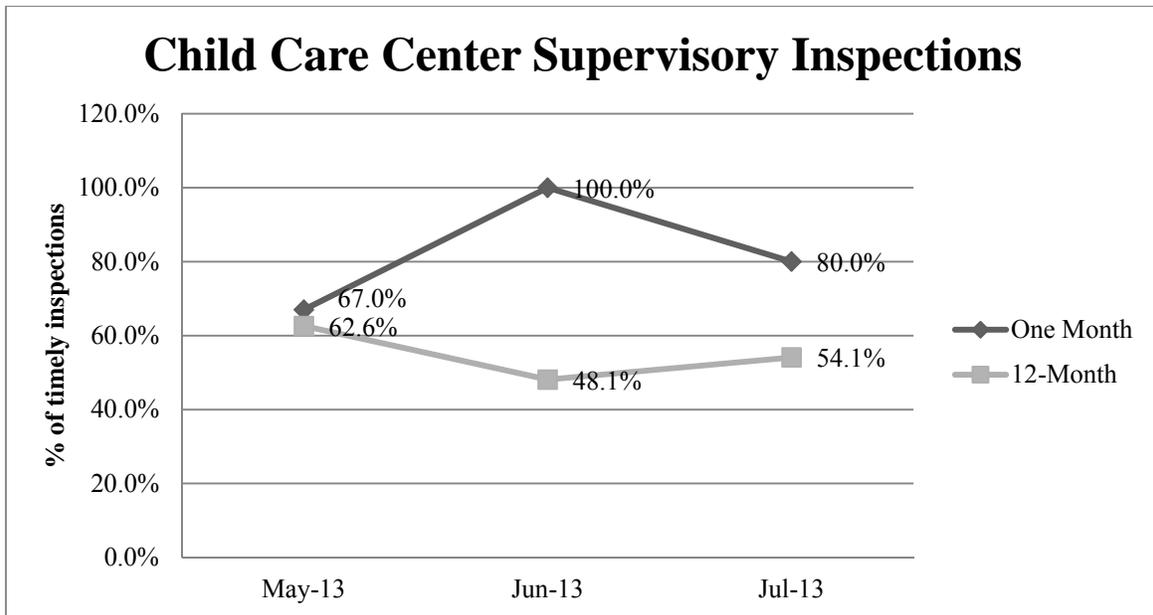
<sup>4</sup> Ibid.

**Data Analysis**

Data on the timeliness of supervisory inspections are provided in the Department’s quarterly C-stat report and include both one- and twelve-month inspections. For the period of January 2012 through April 2013, 98.3 percent of the twelve-month inspections were reported to be timely; and 100.0 percent of the one-month inspections were reported to be timely.



According to the most recent C-Stat report, in May 2013, the definitions for “late” and “timely” were changed resulting in a change in methodology for calculating the percent of timely supervisory inspections. Under the new methodology, the average percentage of timely one-month inspections dropped from 100 to 82.3 percent; and timely twelve-month visits dropped from 98.3 to 54.9 percent. According to the Department, timeliness of serious complaint visits fluctuated between 81.3% and 87.5% in 2013. The average performance rate is currently 84.6% (not reflected in the chart below).



In addition to the above data on timeliness of inspections, a five year analysis of staffing ratios was conducted. The Division has experienced an improvement in licensing specialist to facility ratio since FY 2009-10; however that is due to the decline in the number of licensed facilities in the state and not due to an increase in staff. If the number of facilities continues to decrease by the same average percentage rate of the previous years (4.2 percent), the ratio will still remain much higher than best practice would dictate. In addition, given the projected increase in the number of children age zero to two over the next five years, the decline in the number of licensed facilities and in the number of children in those facilities remains concerning.

**RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S PERFORMANCE PLAN:**

This briefing issue addresses the goals, objectives, and performance measures of the Department of Human Services in a way that promotes or increases the Department's effectiveness related to its performance plan. The Department's performance plan includes the goal of promoting quality, accessibility, and affordability of child care services for Colorado families.

## **Issue: Investing in Early Care Providers**

The Division of Early Care and Learning is responsible for the licensing and monitoring of child care facilities in the State of Colorado. In addition, it administers several federal and state programs designed to enhance the quality of child care, including the Race to the Top Early Learning Challenge, Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements, and the School-Readiness Quality Improvement Program.

### **SUMMARY:**

- Research indicates that focus on the quality of child care received by children, especially those from low income families living in poverty, will improve the cognitive and language development of children in care; and will lead to more positive outcomes during the teenage years.
- Colorado received a \$44.9 million Race to the Top Early Learning Challenge award to be used for quality rating all licensed child care facilities in the State of Colorado.
- The Department is requesting \$2.2 million in total funds (\$1.8 million General Fund) to provide quality improvement grants and technical assistance and coaching to quality rated Colorado Child Care Assistance Program (CCCAP) providers. It is anticipated that 33.3 percent (667) of CCCAP facilities will receive grants averaging \$1,782; and coaching will be provided to 8.7 percent (175) of CCCAP facilities at a frequency of one visit per week for 48 weeks.
- Grant awards will be provided through the local coaching network as determined by the quality improvement plan; and accountability for fund use and implementation of materials and training will be ensured through the ongoing coaching process.

### **RECOMMENDATION:**

It is the recommendation of staff that the committee request the Department respond to questions related to:

- The selection process of child care facilities to receive grants and coaching;
- The accountability process for ensuring the quality improvement of the remaining 492 facilities that are awarded grants but do not receive coaching and technical assistance; and
- The long-term sustainability and future cost of this initiative.

## **DISCUSSION:**

### **Background Information**

Though research into the impact of group care in early childhood development has been taking place for more than two decades, research into the change in quality of care over time in child care facilities and whether that care is related to “patterns of development of children’s cognitive and language skills during the first three years of life” began in approximately 2000.<sup>5</sup> One study performed by Margaret Burchinal, et al., indicated that a focus on the quality of child care received by children, especially those from low income families living in poverty, will improve the cognitive and language development of children in care.<sup>6</sup> Additionally, The National Association of Child Care Resource and Referral Agencies (NACCRRA) reports that “high-quality child care leads to more positive outcomes even during the teenage years.” Literature reviewed by NACCRRA indicates that measures associated with academic and cognitive achievement for children who received high-quality care in the first few years of life were higher than measures for children who did not. As 15 year olds, these children were also less likely to misbehave than those who were enrolled in lower quality child care.<sup>7</sup>

Data compiled by NACCRRA estimates that 251,480 of Colorado’s children may need care.<sup>8</sup> The Division of Early Care and Learning estimates that only 25 percent of children who need care in Colorado are in one of the 5,790 licensed facilities in the state. Of those facilities, nearly 2,000 are Colorado Child Care Assistance Program (CCCAP) providers; and as of August 2013, only 19 percent of the CCCAP providers are quality rated by a tool used to assess, improve, and promote quality in early child care and education. Combined with the \$44.9 million from the Race to the Top Early Learning Challenge award, the Department’s budget request of \$2.2 million (\$1.8 million General Fund) will fund the Tiered Quality Rating and Improvement System (QRIS) that will include an evaluation and rating of licensed facilities, and award grant funds to providers to improve the quality of care. This system will be embedded in child care licensing and result in a rating associated with each facility’s license. Race to the Top moneys will fund the evaluation and rating of facilities and establish measures to track the progress of children in rated care facilities through December 31, 2016. Ratings are typically valid for two to three years. The Department’s ongoing budget request will fund the quality improvement portion of the initiative, specifically in CCCAP facilities.

Quality improvement in the licensed facilities will result from: financial incentives for classroom materials and staff training; and coaching and technical assistance. Grant awards for classroom materials and training will be based on the demonstrated need of the facility, county demographics including the number of CCCAP families, and matching funds. The Department reports that grants are anticipated to range from \$1,075 to \$1,800 per classroom and estimates that 667 awards will be made on an annual basis. Coaching and technical assistance will be

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<sup>5</sup> Burchinal, Margaret R., et al. *Relating Quality of Center-Based Child Care to Early Cognitive and language Development Longitudinally*. Child Development, March/April 2000, vol. 71, no 2. Pg 339-357.

<sup>6</sup> Ibid.

<sup>7</sup> *2013 Child Care in the State of Colorado*. Retrieved Decmeber 5, 2013 from the National Association of Child Care Resource and Referral Agencies at [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/colorado\\_2013\\_state\\_fact\\_sheet.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2013/colorado_2013_state_fact_sheet.pdf)

<sup>8</sup> Ibid.

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provided to 175 facilities at a rate of one visit per week for up to one year. Allowing for holidays and vacations, this has been calculated at 48 visits per year. According to the Division, awards to providers will be made through the coaching network comprised of individuals contracted directly with the state and who work closely with the Early Childhood Councils at the local level. The Division explained that assurance of the purchase of appropriate materials and training with the grant funds will be guaranteed through the coaching process. This will include the development of a plan by the coach and provider, including the identification of materials and equipment that will lend to the enhancement of the facility's quality. Purchases will be made by the provider, and implementation of the materials and skills learned through technical assistance and training will be monitored by the coach. As a part of their regular duties, licensing specialists who have Early Childhood experience will offer coaching to those facilities that qualify up to level two in a five star rating system. Primary coaching and technical assistance for the quality rating system through the Race to the Top funds will not be done by the regulatory agent, however, but will be provided by contractors in the local community who will serve specifically as coaches.

**Analysis and Staff Concerns**

Research continues to support the positive impact of quality care in child development and learning, and while staff has no concerns about a request for funding to support an ongoing initiative associated with improving quality of early care facilities, the proposed method of implementation of such raises questions with respect to long-term effectiveness and sustainability.

The Department is requesting \$2.2 million total funds (\$1.8 million General Fund) to provide quality improvement grants and coaching to CCCAP providers in order to improve or sustain a quality rating in the QRIS. Of this, \$1.2 million total funds covers the quality improvement grants for the purchase of materials and training in 667 of the licensed CCCAP providers. An additional \$1.0 million total funds is requested to provide coaching and technical assistance to 175 facilities. The Division has indicated that the method through which the material and training needs of the facility will be determined, and the subsequent assurance that grant funds have been used appropriately by providers, will occur through coaching. This would dictate, then, that coaching must be provided to all facilities receiving a grant. The Department is, however, requesting funds to provide grants to 33.3 percent (667) of the CCCAP providers but only coaching funds for 8.7 percent (175) of the same. This disparity raises concerns about whether or not the program will be implemented in such a way as to ensure the integrity and fidelity of the model. It raises further concern about the degree of quality improvement planning and accountability among the remaining 492 CCCAP providers receiving grant funds. At a rate of 175 facilities per year, it would take approximately four years for each of the original 667 grantees to benefit from coaching and ongoing technical assistance. If no coaching or technical assistance is provided to those facilities, this will result in linear growth in the number of facilities that received grant funds but do not receive coaching and technical assistance.

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<b>Quality Child Care Improvement Grant Award Request</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Number of facilities receiving grants	667	667	667	667	667
Number of facilities receiving coaching	175	175	175	175	175
Grants awarded for which no coaching is provided	492	492	492	492	492
Total grants provided for which no coaching is provided (cumulative)	492	984	1476	1968	2460
Average grant award	\$1,783	\$1,783	\$1,783	\$1,783	\$1,783
Total value of grants awarded for which no coaching is provided	\$877,236	\$1,754,472	\$2,631,708	\$3,508,944	\$4,386,180
General Fund (80% of total value)	\$701,789	\$1,403,578	\$2,105,366	\$2,807,155	\$3,508,944

It can be argued that the licensing specialists can be used to mitigate a portion of the gap identified above through coaching provided to facilities with a quality rating of one or two stars. Because at this time, only 19 percent of the licensed facilities are quality rated, it is difficult to determine the number of facilities that would benefit from that coaching in the first year. The primary factor that greatly minimizes the impact on quality rating of coaching by licensing specialists is simply that quality ratings can be found to result in a one to two level improvement when coaching visits occur once a week for up to one year. As indicated in the previous issue brief, the Department does not have the capacity within its licensing specialist program to visit facilities this frequently. If the department were to provide coaching and technical assistance to all 667 facilities that received quality improvement grants, it would require an additional \$4.0 million General Fund per year. The table below provides a breakdown of the projected cost of providing coaching and technical assistance to all facilities to whom grants are awarded, including the projected cost of providing both grants and coaching to facilities to all CCCAP providers.

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# of Targeted Facilities	Quality Improvement Grants		Coaching and Technical Assistance			Total Cost	20% County Match	General Fund
	Average Grant Award	Total Cost, Grants	# of sessions /year	Cost per session	Total Cost Coaching and TA			
175	\$1,783	\$312,008	48	\$120	\$1,008,000	\$1,320,008	\$264,001.50	\$1,056,006.0
350	\$1,783	\$624,015	48	\$120	\$2,016,000	\$2,640,015	\$528,003.00	\$2,112,012.0
525	\$1,783	\$936,023	48	\$120	\$3,024,000	\$3,960,023	\$792,004.50	\$3,168,018.0
667	\$1,783	\$1,189,194	48	\$120	\$3,841,920	\$5,031,114	\$1,006,222.86	\$4,024,891.4
700	\$1,783	\$1,248,030	48	\$120	\$4,032,000	\$5,280,030	\$1,056,006.00	\$4,224,024.0
875	\$1,783	\$1,560,038	48	\$120	\$5,040,000	\$6,600,038	\$1,320,007.50	\$5,280,030.0
1050	\$1,783	\$1,872,045	48	\$120	\$6,048,000	\$7,920,045	\$1,584,009.00	\$6,336,036.0
1225	\$1,783	\$2,184,053	48	\$120	\$7,056,000	\$9,240,053	\$1,848,010.50	\$7,392,042.0
1400	\$1,783	\$2,496,060	48	\$120	\$8,064,000	\$10,560,060	\$2,112,012.00	\$8,448,048.0
1575	\$1,783	\$2,808,068	48	\$120	\$9,072,000	\$11,880,068	\$2,376,013.50	\$9,504,054.0
1925	\$1,783	\$3,432,083	48	\$120	\$11,088,000	\$14,520,083	\$2,904,016.50	\$11,616,066.0

Long-term sustainability of the quality improvement rating and monitoring process of new and existing facilities is also of concern. The Race to the Top award expires December 31, 2016 and while there may be an opportunity for Colorado to receive a second award, it is not guaranteed. With a quality rating lasting two to three years, and the cost of quality rating a classroom costing approximately \$1,000, at least a portion of those funds will need to be replaced with a different source of funding beginning the second half of FY 2016-17 to ensure the ongoing evaluation and rating of existing and newly licensed facilities. One source of funding that can be considered is the Child Care Block Funds (CCBF). States are allowed to spend up to 25.0 percent of the CCBF on quality; Colorado currently spends approximately 19.0 percent. A shift in this resource allocation may mitigate a portion of the gap created by the end of the Race to the Top grant term; however it will likely result in a reduction in the allocation to counties.

**RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S PERFORMANCE PLAN:**

This briefing issue addresses the goals, objectives, and performance measures of the Department of Human Services in a way that promotes or increases the Department's effectiveness related to its performance plan. The Department's performance plan includes the goal of promoting quality, accessibility, and affordability of child care services for Colorado families.

## **Issue: Title IV-E Waiver, Update**

Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. Colorado was awarded one of ten waivers from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18. This waiver will provide a guaranteed stream of capped federal Title IV-E funds for five years for foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination.

### **SUMMARY:**

- Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria.
- In addition to support for monthly payments on behalf of qualifying children, the Title IV-E program provides funds for case management activities, training, data collection, and other program administration costs. It does not provide reimbursement for services provided in order to keep a child in the family home.
- Colorado was awarded a waiver from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18.
- Colorado's negotiated agreement with the federal government totals \$489.1 million and will be distributed through scheduled quarterly draws beginning July 1, 2013 through April 1, 2018 for both foster care demonstration maintenance and demonstration administration.
- Anticipated savings are projected to total \$24.0 million, 50.0 percent of which will be deposited into the Title IV-E Waiver Demonstration Project Cash Fund created by S.B. 13-231.
- Pursuant to S.B. 13-231, moneys credited to this fund are subject to annual appropriation by the General Assembly to the Department for allocation to counties.

### **DISCUSSION:**

#### **Background Information**

Commonly called the Title IV-E program, Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. This program provides funds for case management activities, training, data collection, and other program administration costs, in addition to support for monthly payments on behalf of qualifying children. In order to receive funding, states must have a U.S. Department of Health

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and Human Services approved Title IV-E plan.<sup>9</sup> For qualified services, Colorado's reimbursement rate is 50.0 percent, and the state receives approximately \$80 million per year in federal Title IV-E revenue. Though increased emphasis is being placed on avoiding out-of-home placements, serving children and families in the home, and reunifying families if this can be done safely, Title IV-E does not provide reimbursement for services provided in order to keep a child in the family home. As a result of a decline in the number of out-of-home placements across the state and other factors, Colorado's Title IV-E revenue has been declining since FY 2006-07. The Department projected that Title IV-E revenue would continue to fall at the rate of 5.0 to 10.0 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

For the first time since 2006, Title IV-E waivers were authorized under the 2011 Child and Family Services Improvement and Innovation Act. Colorado was awarded one of ten waivers from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18. This waiver will provide Colorado with a guaranteed stream of capped federal Title IV-E funds for five years for major portions of its Title IV-E revenue stream: foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. A portion of the revenue stream, related to adoption assistance, training, some other administration costs, and computer systems is excluded and will continue to be reimbursed based on expenditures and federal reimbursement formulas.

Colorado faces particular difficulties in a number of areas, including the large number of older children and adolescents in extended out-of-home care (a substantially larger share than in other states), the number of these youth in congregate care (institutional) settings, and the number of families that are screened out without receiving services. The Department attributes this situation in large part to lack of attention to behavioral health needs. It also highlights problems with excessive short-term placements that could be prevented with front-end services, frequent moves in out-of-home care, and too many re-entries to out-of-home care after reunification.

The required Program Improvement Policies incorporated in Colorado's model are: (1) addressing the health and mental health needs of children in foster care; and (2) limiting use of congregate care. Colorado proposes to address these challenges along with the other issues raised in the waiver through designated interventions. The three core practices to be adopted by all counties include the following.

- Family engagement: The state will introduce precepts and processes targeted at engaging families in case planning and accessing services, through a combination of training, coaching, and peer mentoring. It will also modify non-safety certification for relative foster family homes to facilitate placement of children with relatives when out-of-home placement is necessary.

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<sup>9</sup> Stoltzfus, Emilie. *Child Welfare: State Plan Requirements under the Title IV-E Foster Care, Adoption Assistance, and Kinship Guardianship Assistance Program*. Congressional Research Service, Oct 2012. Retrieved on December 9, 2013 from [http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/2012/R42794\\_gb.pdf](http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/2012/R42794_gb.pdf)

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- Trauma-informed child assessments: The state will supplement existing child assessment processes and instruments with standardized tools that are geared toward children who have experienced trauma.
- Trauma-focused behavioral health treatment: Counties and behavioral health organizations (the state’s Medicaid behavioral health managed care entities) will increase the use of behavioral health treatments that have been shown to be effective with children who have experienced trauma.

Three additional practices may also be adopted by some counties include the following:

- Permanency roundtables: A program for engaging staff, the target youth, and others in creating and implementing a plan for a permanent family home setting for the youth and preparation for adulthood.
- Kinship supports: Programs for supporting kinship caregivers who are not certified as foster care providers, including support groups, referral networks, and additional financial assistance.
- Market segmentation: A tool for targeting recruitment of foster parents and adoptive parents.

The total amount of the award is \$489,140,110 and will be distributed through scheduled quarterly draws beginning July 1, 2013 and continuing through April 1, 2018 for both foster care demonstration maintenance and demonstration administration as indicated in the table below. To date, the Department has received the full amount for the first and second quarters, totaling \$48.5 million.

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<b>Fixed Schedule of Payments Colorado Title IV-E Waiver</b>				
<b>Qtr #</b>	<b>Date</b>	<b>Title IV-E Foster Care Demonstration Maintenance</b>	<b>Title IV-E Foster Care Demonstration Administration</b>	<b>Total</b>
1	7/1/2013	9,655,647	14,344,353	24,000,000
2	10/1/2013	9,839,506	14,617,494	24,457,000
3	1/1/2014	10,241,825	15,215,175	25,457,000
4	4/1/2014	10,241,825	15,215,175	25,457,000
5	7/1/2014	10,360,927	15,392,113	25,753,040
6	10/1/2014	10,360,927	15,392,113	25,753,040
7	1/1/2015	10,360,927	15,392,113	25,753,040
8	4/1/2015	10,360,927	15,392,113	25,753,040
9	7/1/2015	10,006,619	14,865,755	24,872,374
10	10/1/2015	10,006,619	14,865,755	24,872,374
11	1/1/2016	9,960,863	14,797,779	24,758,642
12	4/1/2016	9,960,863	14,797,779	24,758,642
13	7/1/2016	9,789,275	14,542,870	24,332,145
14	10/1/2016	9,606,354	14,271,125	23,877,479
15	1/1/2017	9,606,354	14,271,125	23,877,479
16	4/1/2017	9,606,354	14,271,125	23,877,479
17	7/1/2017	9,206,090	13,676,494	22,882,584
18	10/1/2017	9,206,090	13,676,494	22,882,584
19	1/1/2018	9,206,090	13,676,494	22,882,584
20	4/1/2018	9,206,090	13,676,494	22,882,584
<b>Total</b>		<b>196,790,172</b>	<b>292,349,938</b>	<b>489,140,110</b>

Pursuant to the legislation, a state shall be authorized to conduct a Title IV-E Demonstration Project if it is designed to accomplish at least one of three goals:

- Increasing permanency by reducing the time in foster placement;
- Increasing positive outcomes for youth in their homes and communities and improving safety and well-being; and/or
- Preventing child abuse and neglect and re-entry into foster care.

The state must identify changes it has made or plans to make in policies, procedures, or other elements of the state's child welfare program that will enable the state to successfully achieve the goal or goals of the project. The state must also demonstrate implemented or planned child welfare improvement policies within three years of the date of application (or two years after approval, whichever is later), including at least one policy that was not implemented prior to the application for a waiver. During the development of the IV-E Waiver process, the Department offered a bimonthly teleconference as a forum for counties to ask questions and provide input into the implementation plan. Subsequently, the Department convened interested and applicant counties on March 27, and June 6, 2013 to discuss the application process, chosen interventions,

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operations, and funding. Core components of each chosen intervention, including family engagement, permanency roundtables, and kinship supports, were established with county input.

As of July 30, 2013, 41 counties were awarded \$6.7 million. Upon signing the Memorandum of Understanding, these counties agreed to include the above core components in the implementation of intervention services. Training is being provided to all participant counties on each of the interventions through a partnership with local counties, the Annie E. Casey Foundation, and Casey Family Programs. Bi-monthly teleconferences on specific intervention strategies are hosted. Information can be found on the Department's website, including Frequently Asked Questions and maps indicating participating counties and chosen strategies. The weekly newsletter provides updates on the project, interventions, and upcoming activities. The IV-E Waiver incorporates federal, state, local, public, and private entities. The project's oversight committee meets quarterly and consists of 22 members: 7 state representatives, 7 county representatives, and 8 stakeholders. It contains five subcommittees, including Planning/Operations, Communication, Evaluation, Funding/Finance, and Judicial/Legal.

As part of the agreement with the federal government, the project must undergo rigorous evaluation by a third-party evaluator. In partnership with Colorado State University and Chapin Hall, Human Services Research Institute (HSRI) will evaluate Colorado's IV-E Waiver project and perform process, outcome, and cost evaluations. To ensure that all data elements are included in documentation, Trails is undergoing modification based on input from waiver counties, the evaluation team, Trails staff, and County Trails User Group. HSRI facilitated two regional meetings to introduce the evaluation plan and engage counties in the development of the project's logic models. On July 29, 2013, the Department's Initial Implementation and Design Report (IDIR) was accepted and shifted federal reporting requirements from quarterly to bi-annually. The next report is due March 1, 2014 and will cover the period between May 1, 2013 and January 31, 2014.

### **Projected Savings**

It is anticipated that the state will realize a savings as a result of the IV-E Waiver award and its implementation. The Department is currently in year one of the project and therefore is unable to report actual savings; however projected initial savings may be between \$6.0 and \$12.0 million with the total cost savings up to \$24.0 million. Department calculations are based on the potential savings should counties reduce the rate of congregate care to the 2011 national average of 15 percent. It is assumed that 50 percent of the cost savings is Title IV-E federal funding. As a county realizes project savings through placement avoidance, the county will retain one half of the Title IV-E portion of savings and the remainder will be deposited in the Title IV-E Waiver Demonstration Project Cash Fund created by S.B. 13-231. The use of the actual savings will be determined by a joint task group of the Child Welfare and Finance SubPACs. This group is comprised of state and county representatives, and subject matter experts.

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<b>Title IV-E Waiver Demonstration Project Cash Fund, FY 2014-15 Estimate</b>	
Reduction in Congregate Care	\$12.0 million
Additional Reduction in Care	\$12.0 million
Total Reduction	\$24.0 million
Estimated Title IV-E Portion	\$12.0 million
County Share	\$6.0 million
State Share (Cash Fund)	\$6.0 million

The Title IV-E Waiver Demonstration Project itself was created by Section 26-5-105.4, C.R.S. The statute defines the administrative process by which counties or groups of counties participate. Pursuant to the statute, moneys credited to this fund are subject to annual appropriation by the General Assembly to the Department for allocation to counties. These funds are intended to help defray the costs of performing functions as defined in each performance agreement.

**RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S PERFORMANCE PLAN:**

This briefing issue addresses the goals, objectives, and performance measures of the Department of Human Services in a way that promotes or increases the Department's effectiveness related to its performance plan. The Department's performance plan includes the goal of ensuring Colorado's children and youth have the opportunity to thrive in safe, nurturing and stable families.

## **Issue: Tony Grampsas Youth Services Program**

The Tony Grampsas Youth Services (TGYS) Program was established pursuant to H.B. 00-1342 and provides state funding for community-based programs that target youth and their families for intervention services designed to reduce child abuse and neglect and youth crime.

### **SUMMARY:**

- Prior to FY 2013-14, the TGYS Program was administered within the Department of Public Health and Environment; however pursuant to H.B. 13-1117, the program is now administered by the Department of Human Services.
- In the past seven years, the program has awarded 448 awards totaling \$26.0 million to 138 different organizations.
- Pursuant to H.B. 13-1239, the Department is to engage stakeholders in the development of a statewide youth development plan and is required to begin reporting on the development and implementation of the plan beginning in January 2015 and every January thereafter.

### **RECOMMENDATION:**

Staff recommends that the committee request from the Department an explanation of the evaluation process of the grant program's effectiveness; and how the success of each funded initiative is measured.

### **DISCUSSION:**

#### **Background Information**

Pursuant to Section 26-6.8-102 (1) (b), C.R.S., the Tony Grampsas Youth Services (TGYS) Program was established to provide state funding for community-based programs that target youth and their families for intervention services in an effort to reduce incidents of youth crime and violence. It also promotes prevention and education programs that are designed to reduce the occurrence and reoccurrence of child abuse and neglect and reduce the need for state intervention in child abuse and neglect prevention and education. Grant recipients and the award amounts are selected by the program board and, pursuant to H.B. 13-1117, the program is now administered by the Department of Human Services (CDHS).

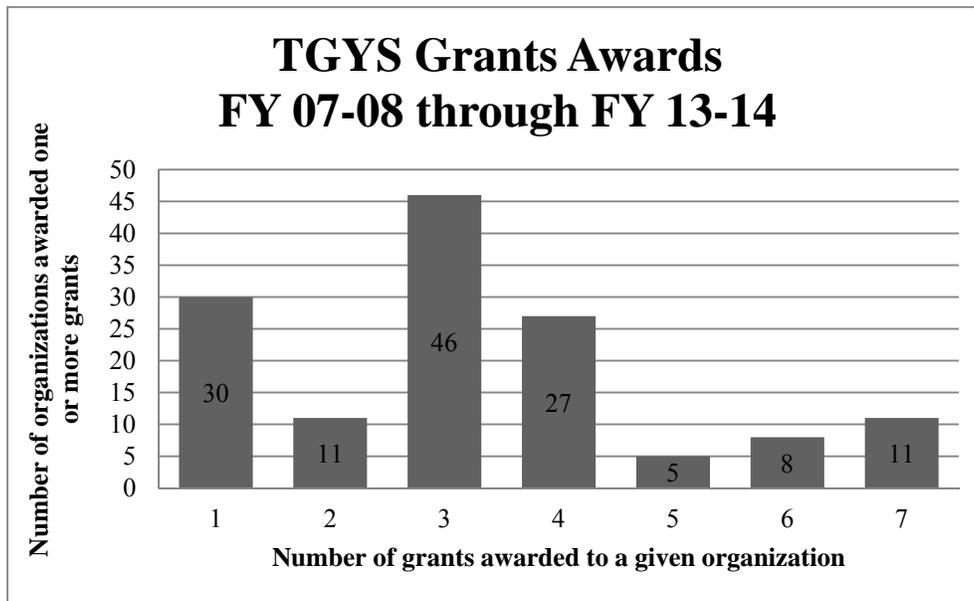
Eligible organizations, including local governments, Colorado public or nonsectarian secondary schools, groups of public or nonsectarian secondary schools, school districts or groups thereof, boards of cooperative services, institutions of higher education, the Colorado National Guard, state agencies, state-operated programs, or private nonprofit community-based organization, can apply for funding for programs within six categories: general violence prevention, school dropout prevention, before and after school programs, mentoring programs, restorative justice, and Early Childhood programs. Changes to the program have been minimal during the past ten years. The restorative justice category was added in FY 2006-07, and before and after school

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programs became eligible in FY 2007-08. Perhaps the most substantial changes occurred in FY 13-14 when the requirement that 20.0 percent of the TGYS funding be allocated to Early Childhood programs was removed; the creation of a statewide youth development plan was mandated (H.B. 13-1239); and the administration of the program was moved from the Department of Public Health and Environment to the CDHS (H.B. 1117).

TGYS Program awards are paid from the Youth Services Program Fund, the principal of which consists of tobacco litigation settlement moneys, or out of the general fund. From FY 2007-08 through FY 2013-14, via a total of 448 awards, the TGYS Program has awarded a total of \$26.0 million to 138 different organizations. During that period, 30 agencies received one-time funding; the remaining agencies received funding for multiple years. Please see the tables below for a breakdown of awards in each fiscal year.

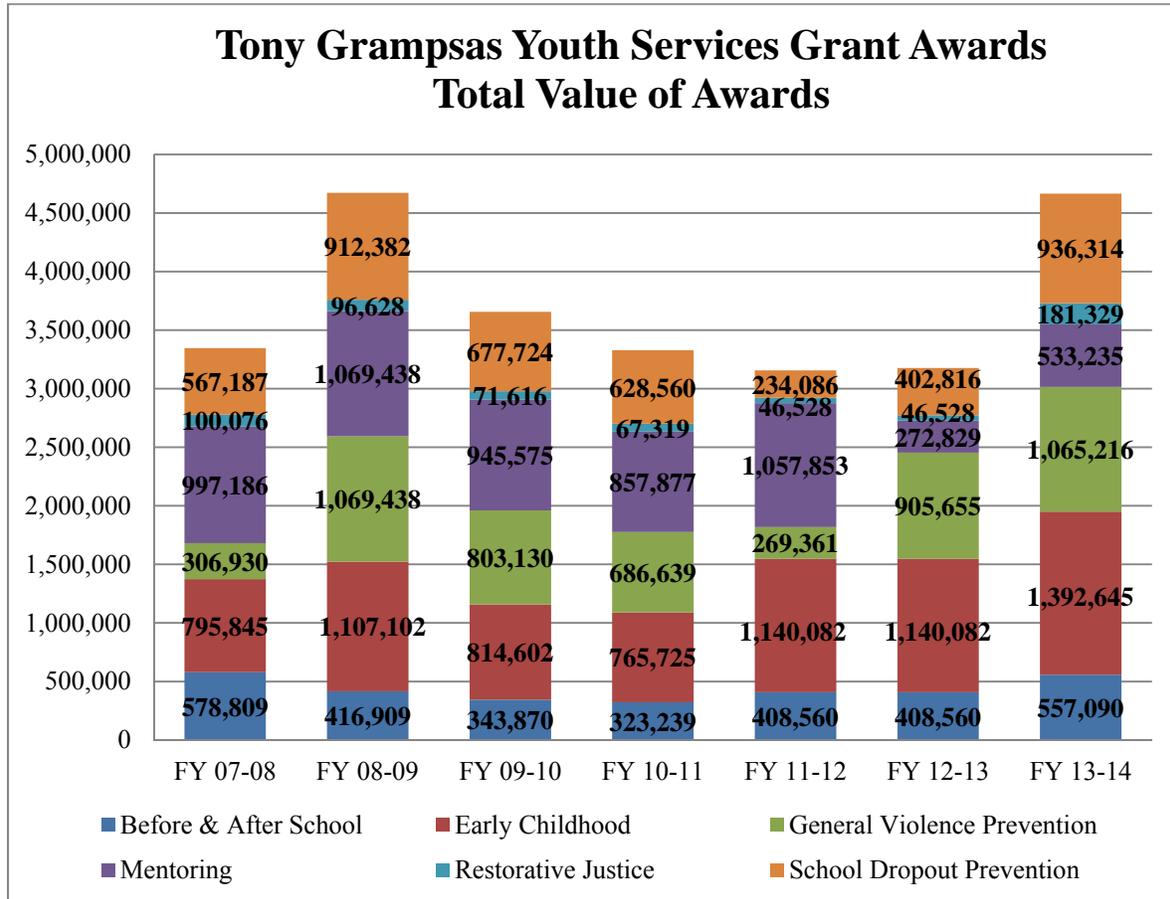
<b>Tony Grampsas Youth Services Program Grant Awards</b>		
<b>Award Year</b>	<b>Total Award Value</b>	<b>Total Number</b>
FY 2007-08	\$3,346,033	58
FY 2008-09	\$4,671,897	93
FY 2009-10	\$3,656,517	94
FY 2010-11	\$3,329,359	88
FY 2011-12	\$3,156,470	29
FY 2012-13	\$3,176,470	30
FY 2013-14	\$4,665,829	56
	\$26,002,575	448



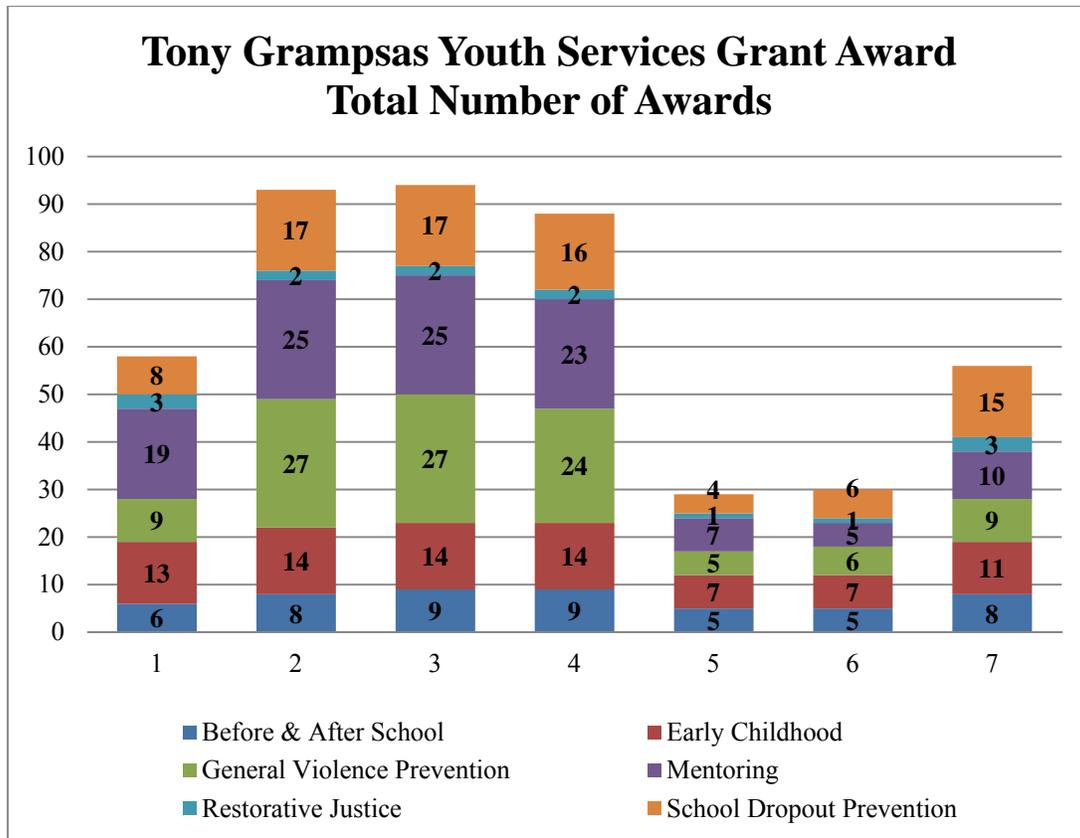
Program descriptions for each grant award during the past seven years were provided to staff and that information was used to determine the breakdown of awards in each of the six program

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areas. It must be noted that many of the funded initiatives cross program area lines; therefore staff assigned each award to the most appropriate category for the purposes of this analysis. The highest percentage (27.5 percent) of total funds over the past seven years has been awarded to initiatives in the Early Childhood category. This is followed by mentoring initiatives (22.1 percent); general violence prevention (19.6 percent); school dropout prevention (16.8 percent); before and after school programs (11.7 percent); and restorative justice (2.3 percent).



Of the 448 awards, the highest percentage was awarded to organizations that were implementing mentoring initiatives (25.4 percent). Second to those initiatives were those related to general violence prevention (23.9 percent); followed by school dropout prevention (18.5 percent); Early Childhood (17.0 percent); before and after school programs (11.2 percent); and restorative justice (3.1 percent).



Based on the program descriptions provided by the Department, 36 of the 448 awards were made to schools during the seven year period of this analysis. Multi-agency initiatives received 65 awards; with the remaining 347 awarded to state, county, and local governments, and nonprofit organizations. It is important to note that the analysis provided herein is based on program descriptions provided by the Department. In some cases, it was difficult to determine that legal structure of the organization receiving the funds.

Pursuant to Section 26-1-111.3, C.R.S., in collaboration with the TGYS board, the Department is to convene a group of interested stakeholders to create a Colorado State Youth Development Plan. This plan will define key issues affecting youth and align strategic efforts to achieve positive outcomes for all youth. Statute requires the plan to:

- Identify initiatives and strategies, organizations, and gaps in coverage that impact youth development outcomes;
- Identify services, funding, and partnerships needed to ensure that youth have the means and the social and emotional skills to successfully transition into adulthood;
- Determine the necessary community involvement and development to ensure youth succeed;
- Develop an outline of youth service organizations;
- Identify successful national and state youth development strategies that can be replicated by local level partners;
- Create a shared vision for strong youth development.
- Include a baseline measurement of youth activities.

The Department is required to complete the plan by September 30, 2014 and make updates biennially thereafter. A report of progress on the development and implementation of the plan is required beginning in January 2015 and every January thereafter.

**RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S PERFORMANCE PLAN**

This briefing issue addresses the goals, objectives, and performance measures of the Department of Human Services in a way that promotes or increases the Department's effectiveness related to its performance plan. The Department's performance plan includes the goal of ensuring Colorado's children and youth have the opportunity to thrive in safe, nurturing and stable families.

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**Appendix A: Number Pages**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
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**DEPARTMENT OF HUMAN SERVICES**  
**Reggie Bicha, Executive Director**

**(3) OFFICE OF CHILDREN, YOUTH AND FAMILIES**

**(A) Division of Child Welfare**

Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,726,781</u> *
FTE	0.0	0.0	0.0	61.8
General Fund	0	0	0	4,693,062
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	137,306
Federal Funds	0	0	0	896,413
Training	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,451,963</u> *
FTE	0.0	0.0	0.0	6.0
General Fund	0	0	0	3,253,049
Cash Funds	0	0	0	37,230
Federal Funds	0	0	0	3,161,684
Foster and Adoptive Parent Recruitment, Training, and Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>336,697</u> *
FTE	0.0	0.0	0.0	1.0
General Fund	0	0	0	269,303
Federal Funds	0	0	0	67,394

\*This line item includes a decision item.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
Child Welfare Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>336,300,448</u>	*
General Fund	0	0	0	176,527,759	
Cash Funds	0	0	0	63,082,276	
Reappropriated Funds	0	0	0	14,797,824	
Federal Funds	0	0	0	81,892,589	
Title IV-E Waiver Demonstration Interventions	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,800,000</u>	*
Cash Funds	0	0	0	6,000,000	
Federal Funds	0	0	0	6,800,000	
Title IV-E Waiver Evaluation	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,018</u>	*
General Fund	0	0	0	250,009	
Federal Funds	0	0	0	250,009	
Family and Children's Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,582,323</u>	*
General Fund	0	0	0	44,063,473	
Cash Funds	0	0	0	5,447,957	
Federal Funds	0	0	0	3,070,893	
Performance-based Collaborative Management					
Incentives	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,100,000</u>	*
Cash Funds	0	0	0	3,100,000	
Independent Living Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,826,582</u>	*
FTE	0.0	0.0	0.0	4.0	
Federal Funds	0	0	0	2,826,582	

\*This line item includes a decision item.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
Federal Child Abuse Prevention and Treatment Act Grant	<u>0</u>	<u>0</u>	<u>0</u>	<u>442,658</u>	*
FTE	0.0	0.0	0.0	3.0	
Federal Funds	0	0	0	442,658	
Community-based Child Abuse Prevention Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,403,969</u>	*
FTE	0.0	0.0	0.0	3.0	
General Fund	0	0	0	7,403,969	
Workforce Tools-Mobile Computing Technology	<u>0</u>	<u>0</u>	<u>0</u>	<u>723,000</u>	*
General Fund	0	0	0	600,090	
Federal Funds	0	0	0	122,910	
Workload Study	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	*
General Fund	0	0	0	0	
Federal Funds	0	0	0	0	
Interagency Prevention Programs Coordination	<u>0</u>	<u>0</u>	<u>0</u>	<u>133,284</u>	*
FTE	0.0	0.0	0.0	1.0	
General Fund	0	0	0	133,284	
Tony Gramsas Youth Services Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,060,499</u>	*
FTE	0.0	0.0	0.0	3.0	
General Fund	0	0	0	1,453,849	
Cash Funds	0	0	0	3,606,650	

\*This line item includes a decision item.

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	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>Request vs. Appropriation</b>
<b>TOTAL - (3) Office of Children, Youth and Families</b>	0	0	0	434,388,222	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>82.8</u>	<u>0.0%</u>
General Fund	0	0	0	238,647,847	0.0%
Cash Funds	0	0	0	81,274,113	0.0%
Reappropriated Funds	0	0	0	14,935,130	0.0%
Federal Funds	0	0	0	99,531,132	0.0%

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
<b>(6) OFFICE OF EARLY CHILDHOOD</b>					
<b>(A) Division of Early Care and Learning</b>					
Promoting Safe and Stable Families Program	<u>0</u>	<u>0</u>	4,456,680	4,467,622	
FTE	0.0	0.0	2.0	2.0	
General Fund	0	0	50,265	53,001	
Cash Funds	0	0	1,064,160	1,064,160	
Federal Funds	0	0	3,342,255	3,350,461	
Child Care Licensing and Administration	<u>0</u>	<u>0</u>	5,227,708	6,686,100	*
FTE	0.0	0.0	48.1	50.9	
General Fund	0	0	1,033,830	2,313,009	
Cash Funds	0	0	770,824	837,914	
Federal Funds	0	0	3,423,054	3,535,177	
Fine Assessed Against Licenses	<u>0</u>	<u>0</u>	20,000	20,000	
Cash Funds	0	0	20,000	20,000	
Child Care Assistance Program	<u>0</u>	<u>0</u>	75,456,123	76,582,416	*
General Fund	0	0	13,604,221	13,811,345	
Cash Funds	0	0	9,366,274	9,506,079	
Federal Funds	0	0	52,485,628	53,264,992	
Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements	<u>0</u>	<u>0</u>	6,473,633	8,670,827	*
FTE	0.0	0.0	1.0	1.0	
General Fund	0	0	3,000,000	4,757,755	
Cash Funds	0	0	0	439,439	
Federal Funds	0	0	3,473,633	3,473,633	

\*This line item includes a decision item.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
School-readiness Quality Improvement Program	<u>0</u>	<u>0</u>	<u>2,228,586</u>	<u>2,228,586</u>	
FTE	0.0	0.0	1.0	1.0	
Federal Funds	0	0	2,228,586	2,228,586	
Early Literacy Book Distribution Partnership	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u> *	
General Fund	0	0	0	100,000	
<b>SUBTOTAL - (A) Division of Early Care and Learning</b>	<b>0</b>	<b>0</b>	<b>93,862,730</b>	<b>98,755,551</b>	<b>5.2%</b>
<b>FTE</b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>52.1</u></b>	<b><u>54.9</u></b>	<b><u>5.4%</u></b>
General Fund	0	0	17,688,316	21,035,110	18.9%
Cash Funds	0	0	11,221,258	11,867,592	5.8%
Federal Funds	0	0	64,953,156	65,852,849	1.4%

**(B) Division of Community and Family Support**

Early Childhood Councils	<u>0</u>	<u>0</u>	<u>1,978,317</u>	<u>1,981,756</u>	
FTE	0.0	0.0	1.0	1.0	
General Fund	0	0	0	0	
Federal Funds	0	0	1,978,317	1,981,756	
Early Childhood Mental Health Services	<u>0</u>	<u>0</u>	<u>2,355,399</u>	<u>1,226,611</u> *	
FTE	0.0	0.0	0.2	0.2	
General Fund	0	0	2,355,399	1,226,611	

\*This line item includes a decision item.

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Early Intervention Services	<u>0</u>	<u>0</u>	<u>36,115,007</u>	<u>36,343,538</u>	*
FTE	0.0	0.0	6.5	6.5	
General Fund	0	0	17,177,707	17,406,238	
Cash Funds	0	0	10,895,900	10,895,900	
Federal Funds	0	0	8,041,400	8,041,400	
Early Intervention Services Case Management	<u>0</u>	<u>0</u>	<u>7,315,534</u>	<u>7,794,153</u>	*
General Fund	0	0	2,733,049	2,799,819	
Reappropriated Funds	0	0	4,582,485	4,994,334	
Colorado Children's Trust Fund	<u>0</u>	<u>0</u>	<u>1,114,514</u>	<u>1,114,514</u>	
FTE	0.0	0.0	1.5	1.5	
Cash Funds	0	0	470,914	470,914	
Federal Funds	0	0	643,600	643,600	
Nurse Home Visitor Program	<u>0</u>	<u>0</u>	<u>14,532,880</u>	<u>14,549,622</u>	
FTE	0.0	0.0	3.0	3.0	
Cash Funds	0	0	14,328,280	14,345,022	
Federal Funds	0	0	204,600	204,600	
<b>SUBTOTAL - (B) Division of Community and Family Support</b>	<u>0</u>	<u>0</u>	<u>63,411,651</u>	<u>63,010,194</u>	(0.6%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>12.2</u>	<u>12.2</u>	0.0%
General Fund	0	0	22,266,155	21,432,668	(3.7%)
Cash Funds	0	0	25,695,094	25,711,836	0.1%
Reappropriated Funds	0	0	4,582,485	4,994,334	9.0%
Federal Funds	0	0	10,867,917	10,871,356	0.0%

\*This line item includes a decision item.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
<b>TOTAL - (6) Office of Early Childhood</b>	0	0	157,274,381	161,765,745	2.9%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>64.3</u>	<u>67.1</u>	<u>4.4%</u>
General Fund	0	0	39,954,471	42,467,778	6.3%
Cash Funds	0	0	36,916,352	37,579,428	1.8%
Reappropriated Funds	0	0	4,582,485	4,994,334	9.0%
Federal Funds	0	0	75,821,073	76,724,205	1.2%

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
<b>(6) OFFICE OF ECONOMIC SECURITY</b>					
<b>(E) County Administration</b>					
County Administration	<u>0</u>	<u>0</u>	<u>0</u>	52,071,101	*
General Fund	0	0	0	18,338,116	
Cash Funds	0	0	0	9,588,366	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	24,144,619	
County Tax Base Relief	<u>0</u>	<u>0</u>	<u>0</u>	3,879,756	*
General Fund	0	0	0	3,879,756	
County Share of Offsetting Revenues	<u>0</u>	<u>0</u>	<u>0</u>	2,986,000	*
Cash Funds	0	0	0	2,986,000	
County Incentive Payments	<u>0</u>	<u>0</u>	<u>0</u>	4,113,000	*
Cash Funds	0	0	0	4,113,000	
<b>TOTAL - (6) Office of Economic Security</b>	<u>0</u>	<u>0</u>	<u>0</u>	63,049,857	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	22,217,872	0.0%
Cash Funds	0	0	0	16,687,366	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	24,144,619	0.0%

\*This line item includes a decision item.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
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**(4) COUNTY ADMINISTRATION**

This section contains appropriations for 64 county departments of social services to administer several programs including: the Supplemental Nutrition Assistance Program (Food Stamps), Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, and Child Support Enforcement. Administration for the Colorado Works program, child welfare, child care, and Old Age Pension programs are included in the respective sections for these programs. County administration for Medicaid programs is appropriated to the Department of Health Care Policy and Financing.

County Administration	<u>50,258,916</u>	<u>50,346,064</u>	<u>49,814,777</u>	<u>0</u>	*
General Fund	19,966,191	20,053,339	17,604,170	0	
Cash Funds	9,193,456	9,193,456	9,137,101	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	21,099,269	21,099,269	23,073,506	0	
Food Assistance Administration	<u>4,715,280</u>	<u>4,715,280</u>	<u>0</u>	<u>0</u>	
General Fund	1,414,584	1,414,584	0	0	
Cash Funds	943,056	943,056	0	0	
Federal Funds	2,357,640	2,357,640	0	0	
County Tax Base Relief	<u>1,000,000</u>	<u>1,762,511</u>	<u>2,697,803</u>	<u>0</u>	*
General Fund	1,000,000	1,762,511	2,697,803	0	
County Share of Offsetting Revenues	<u>3,357,152</u>	<u>2,963,460</u>	<u>2,986,000</u>	<u>0</u>	*
Cash Funds	3,357,152	2,963,460	2,986,000	0	
County Incentive Payments	<u>3,310,209</u>	<u>4,324,486</u>	<u>4,113,000</u>	<u>0</u>	*
Cash Funds	3,310,209	4,324,486	4,113,000	0	

\*This line item includes a decision item.

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	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>Request vs. Appropriation</b>
<b>TOTAL - (4) County Administration</b>	62,641,557	64,111,801	59,611,580	0	(100.0%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	22,380,775	23,230,434	20,301,973	0	(100.0%)
Cash Funds	16,803,873	17,424,458	16,236,101	0	(100.0%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	23,456,909	23,456,909	23,073,506	0	(100.0%)

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	Request vs. Appropriation
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**(5) DIVISION OF CHILD WELFARE**

This division provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. Funding also supports training for county and state staff, direct care service providers (e.g. foster parents), and court personnel. Cash funds sources include county tax revenues, grants and donations, federal Title IV-E funds, and amounts from the Collaborative Management Incentives Cash Fund (primarily from civil docket fees). Reappropriated funds are Medicaid funds transferred from the Department of Health Care Policy and Financing.

Administration	<u>3,354,392</u>	<u>1,677,810</u>	<u>6,441,717</u>	<u>0</u> *
FTE	39.2	36.4	61.6	0.0
General Fund	2,553,301	865,048	5,438,889	0
Reappropriated Funds	118,108	119,414	133,070	0
Federal Funds	682,983	693,348	869,758	0
Training	<u>5,845,188</u>	<u>5,492,238</u>	<u>6,444,548</u>	<u>0</u> *
FTE	5.1	4.7	6.0	0.0
General Fund	2,772,564	2,379,989	3,248,229	0
Cash Funds	37,230	37,230	37,230	0
Federal Funds	3,035,394	3,075,019	3,159,089	0
Foster and Adoptive Parent Recruitment, Training, and Support	<u>298,329</u>	<u>296,698</u>	<u>335,562</u>	<u>0</u> *
FTE	0.6	1.1	1.0	0.0
General Fund	231,460	229,531	268,395	0
Federal Funds	66,869	67,167	67,167	0

\*This line item includes a decision item.

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	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>Request vs. Appropriation</b>
Child Welfare Services	<u>324,267,006</u>	<u>326,528,095</u>	<u>338,029,998</u>	<u>0</u>	*
General Fund	149,942,752	167,853,109	172,690,086	0	
Cash Funds	60,805,148	60,730,814	62,068,186	0	
Reappropriated Funds	10,935,478	8,427,164	14,579,137	0	
Federal Funds	102,583,628	89,517,008	88,692,589	0	
Excess Federal Title IV-E Distributions for Related County Administrative Functions	<u>0</u>	<u>17</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	17	0	0	
Title IV-E Waiver and Evaluation Development	<u>0</u>	<u>129,860</u>	<u>500,018</u>	<u>0</u>	*
General Fund	0	64,930	250,009	0	
Federal Funds	0	64,930	250,009	0	
Family and Children's Programs	<u>46,118,134</u>	<u>46,067,087</u>	<u>51,805,244</u>	<u>0</u>	*
General Fund	30,296,537	34,923,362	43,441,810	0	
Cash Funds	5,113,437	5,113,437	5,292,541	0	
Federal Funds	10,708,160	6,030,288	3,070,893	0	
Performance-based Collaborative Management Incentives	<u>3,216,580</u>	<u>3,038,786</u>	<u>3,100,000</u>	<u>0</u>	*
Cash Funds	3,216,580	3,038,786	3,100,000	0	
Independent Living Programs	<u>3,321,848</u>	<u>3,388,389</u>	<u>2,826,582</u>	<u>0</u>	*
FTE	3.7	3.7	4.0	0.0	
Federal Funds	3,321,848	3,388,389	2,826,582	0	

\*This line item includes a decision item.

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Promoting Safe and Stable Families Program	<u>4,324,199</u>	<u>4,691,474</u>	<u>0</u>	<u>0</u>	
FTE	1.7	2.1	0.0	0.0	
General Fund	34,183	46,288	0	0	
Cash Funds	1,064,160	1,064,160	0	0	
Federal Funds	3,225,856	3,581,026	0	0	
Federal Child Abuse Prevention and Treatment Act Grant	<u>272,931</u>	<u>365,572</u>	<u>436,054</u>	<u>0</u>	*
FTE	2.4	3.2	3.0	0.0	
Federal Funds	272,931	365,572	436,054	0	
Community-based Child Abuse Prevention Services	<u>0</u>	<u>692,935</u>	<u>4,879,297</u>	<u>0</u>	*
FTE	0.0	0.0	2.8	0.0	
General Fund	0	692,935	4,879,297	0	
Workforce Tools - Mobile Computing Technology	<u>0</u>	<u>0</u>	<u>723,000</u>	<u>0</u>	*
General Fund	0	0	600,090	0	
Federal Funds	0	0	122,910	0	
Workload Study	<u>0</u>	<u>0</u>	<u>468,555</u>	<u>0</u>	*
General Fund	0	0	388,901	0	
Federal Funds	0	0	79,654	0	
Interagency Prevention Programs Coordination	<u>0</u>	<u>0</u>	<u>133,284</u>	<u>0</u>	*
FTE	0.0	0.0	1.0	0.0	
General Fund	0	0	133,284	0	

\*This line item includes a decision item.

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	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>Request vs. Appropriation</b>
Tony Grampas Youth Services Program	<u>0</u>	<u>0</u>	<u>5,060,499</u>	<u>0</u> *	
FTE	0.0	0.0	3.0	0.0	
General Fund	0	0	1,453,849	0	
Cash Funds	0	0	3,606,650	0	
<b>TOTAL - (5) Division of Child Welfare</b>	391,018,607	392,368,961	421,184,358	0	(100.0%)
<b>FTE</b>	<u>52.7</u>	<u>51.2</u>	<u>82.4</u>	<u>0.0</u>	<u>(100.0%)</u>
General Fund	185,830,797	207,055,192	232,792,839	0	(100.0%)
Cash Funds	70,236,555	69,984,444	74,104,607	0	(100.0%)
Reappropriated Funds	11,053,586	8,546,578	14,712,207	0	(100.0%)
Federal Funds	123,897,669	106,782,747	99,574,705	0	(100.0%)

\*This line item includes a decision item.

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**(6) DIVISION OF CHILD CARE**

This section provides funding and state staff associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP), through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this section provides funding and state staff for the administration of various child care grant programs, and for licensing and monitoring child care facilities. Cash funds appropriations reflect expenditures by counties and fees and fines associated with the licensing of child care facilities. Federal funds primarily reflect Child Care Development Funds, which the General Assembly has authority to appropriate pursuant to federal law.

Child Care Licensing and Administration	<u>6,423,269</u>	<u>6,413,070</u>	<u>0</u>	<u>0</u>
FTE	60.9	59.8	0.0	0.0
General Fund	2,203,572	2,240,687	0	0
Cash Funds	696,602	639,539	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	3,523,095	3,532,844	0	0
Fines Assessed Against Licensees	<u>0</u>	<u>51</u>	<u>0</u>	<u>0</u>
Cash Funds	0	51	0	0
Child Care Assistance Program	<u>69,554,629</u>	<u>68,342,157</u>	<u>0</u>	<u>0</u>
General Fund	13,510,673	13,604,221	0	0
Cash Funds	9,182,622	9,182,622	0	0
Federal Funds	46,861,334	45,555,314	0	0
Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements	<u>3,473,633</u>	<u>3,473,633</u>	<u>0</u>	<u>0</u>
Federal Funds	3,473,633	3,473,633	0	0

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Early Childhood Councils	<u>1,978,317</u>	<u>1,978,317</u>	<u>0</u>	<u>0</u>	
FTE	0.9	1.9	0.0	0.0	
Federal Funds	1,978,317	1,978,317	0	0	
School-readiness Quality Improvement Program	<u>2,226,745</u>	<u>2,228,586</u>	<u>0</u>	<u>0</u>	
FTE	1.0	0.4	0.0	0.0	
Federal Funds	2,226,745	2,228,586	0	0	
<b>TOTAL - (6) Division of Child Care</b>	83,656,593	82,435,814	0	0	0.0%
<i>FTE</i>	<u>62.8</u>	<u>62.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	15,714,245	15,844,908	0	0	0.0%
Cash Funds	9,879,224	9,822,212	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	58,063,124	56,768,694	0	0	0.0%
<b>TOTAL - Department of Human Services</b>	537,316,757	538,916,576	638,070,319	659,203,824	3.3%
<i>FTE</i>	<u>115.5</u>	<u>113.3</u>	<u>146.7</u>	<u>149.9</u>	<u>2.2%</u>
General Fund	223,925,817	246,130,534	293,049,283	303,333,497	3.5%
Cash Funds	96,919,652	97,231,114	127,257,060	135,540,907	6.5%
Reappropriated Funds	11,053,586	8,546,578	19,294,692	19,929,464	3.3%
Federal Funds	205,417,702	187,008,350	198,469,284	200,399,956	1.0%

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

**(Child Welfare, County Administration, Early Childhood)**

### **2012 Session Bills**

**H.B. 12-1246 (Reverses Payday Shift State Employees Paid Biweekly):** Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the Department by \$984,145 total funds (including \$726,924 General Fund) in FY 2012-13.

**H.B. 12-1335 (Long Bill):** General appropriations act for FY 2012-13.

### **2013 Session Bills**

**S.B. 13-047 (Youth in Foster Care and Identity Theft Protection):** Clarifies and expands the role of counties and the Department in obtaining and remediating inaccuracies in credit reports for youths in foster care. Appropriates \$26,200 total funds, of which \$19,650 is General Fund to the Department.

Creates a new class of protections for at-risk elders and requires mandatory reporters listed in statute to report known or suspected abuse within 24 hours. Classifies the failure to make a report as a class 3 misdemeanor and requires law enforcement agencies to complete a criminal investigation when appropriate. Requires the Peace Officer Standards Training (P.O.S.T.) Board in the Department of Law to develop and implement a training curriculum to assist peace officers in recognizing and responding to incidents. Appropriates \$3,286,208 General Fund and 1.0 FTE to DHS in FY 2013-14 for the following:

- \$2.2 million for the reduction of county adult protective services caseworker caseloads;
- \$800,000 for the county provision of adult protective services to at-risk adults;
- \$86,208 and 1.0 FTE for adult protective services training and quality assurance activities; and
- \$85,000 for the provision of training to county adult protective services workers and other persons who are required to report the abuse or exploitation of an at-risk elder.

**S.B. 13-227 (Protect Rape Victim From Contact With Father):** Establishes a process for victims who conceive a child as a result of a sexual assault to file a petition with the court to prevent future contact with the parent who committed the sexual assault and terminate the legal parent-child relationship of the parent who committed the sexual assault. Creates a task force on children conceived by rape to study various issues and to make recommendations for protecting rape victims. Appropriates \$9,000 General Fund to the Department in FY 2013-14 for temporary staff to assist the task force.

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

**S.B. 13-255 (Statutory Changes to Child Fatality Review Teams):** Extends the look-back period for the Department of Human Services child fatality review teams determining previous involvement with the child welfare system from 2 to 3 years and defines "previous involvement" to include the provision of child welfare services as defined in state law. Expands the time period from 30 days to 55 days for DHS to complete case reviews and submit a confidential, case-specific draft report to counties involved. Requires the DHS review team to include system recommendations in its annual report to the General Assembly and the public. Appropriates \$63,755 and 1.0 FTE to the Department of Human Services for costs associated with the review of additional child fatality cases under the expanded look-back period.

**S.B. 13-260 (Financing of Public Schools):** Changes the "Public School Finance Act of 1994" by modifying the funding for K-12 public schools. Appropriates \$43,898 General Fund and 0.7 FTE to the Department of Human Services for FY 2013-14 to license and inspect new preschool facilities. For additional information on S.B. 13-260, see the "Recent Legislation" section at the end of the Department of Education.

**H.B. 13-1117 (Alignment of Child Development Programs):** Transfers and consolidates various child development programs into the Department of Human Services, with no impact on the current level of state spending (\$19.9 million) for these programs. Increases spending of federal funds, at the discretion of the Governor, by continuing the Early Childhood Leadership Council. Rearranges several budget line items within the 2013 Long Bill to reflect the organizational structure in DHS following the transfer. The programs transferred include the Early Childhood Leadership Council in the Governor's Office and the following programs from the Department of Public Health and Environment:

- The Nurse Home Visitor Program;
- The Tony Grampsas Youth Services Program;
- The Colorado Student Dropout Prevention and Intervention Program;
- The Colorado Before-and-After School Project;
- The Colorado Children's Trust Fund and its board; and
- The Family Resource Center Program.

**H.B. 13-1239 (Creation of a Statewide Youth Development Program):** Requires the board of the Tony Grampsas Youth Services Program to convene a group of interested parties to create a statewide youth development plan that identifies key issues and aligns strategic efforts to achieve positive outcome for all youths. Transfers the resources required for the youth development plan to DHS for FY 2013-14, resulting in an increase of \$133,284 General Fund and 1.0 FTE in the Department of Human Services and a decrease of \$133,284 General Fund and 2.0 FTE in the Department of Public Health and Environment.

**H.B. 13-1271 (Child Abuse Reporting Hotline and Child Welfare Rules):** Requires the Department of Human Services to establish a steering committee to develop an implementation plan for a statewide child abuse reporting hotline and specifies that the committee submit its recommendations to the executive director of the Department of Human Services and the State Board of Human Services by July 1, 2014. Requires the hotline to be operational and publicized

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statewide no later than January 1, 2015. Appropriates \$200,000 General Fund to the Department of Human Services in FY 2012-13, with roll-forward authority to FY 2013-14, and \$529,800 to DHS in FY 2013-14, of which the entire amount is reappropriated to the Governor's Office of Information Technology.

**H.B. 13-1180 (Allocation of Tobacco Litigation Settlement Moneys):** Restores the distribution of tobacco master settlement agreement moneys to the Nurse Home Visitor Program, less amounts that are redirected to the Defense Account of the Tobacco Litigation Settlement Cash Fund. Appropriates \$803,330 Nursing Home Visitor Program Fund moneys to DHS in FY 2013-14.

**H.B. 13-1291 (Colorado Early Head Start Grant Program):** Creates the Colorado Infant and Toddler Quality and Availability Grant Program in the Department of Human Services. Appropriates \$3.0 million General Fund and 1.0 FTE to allow early childhood programs to implement a tiered reimbursement pay structure providing an increased rate of reimbursement for early childhood programs that receive moneys through the Colorado Child Care Assistance Program (CCCAP).

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

### **Long Bill Footnotes**

- 21 Department of Human Services, County Administration, County Share of Offsetting Revenues** – It is the intent of the General Assembly that, pursuant to Section 26-13-108, C.R.S., the Department utilize recoveries to offset the costs of providing public assistance. This appropriation represents an estimate of the county share of such recoveries and, if the amount of the county share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to disburse an amount in excess of this appropriation to reflect the actual county share of such recoveries.

**Comment:** For FY 2012-13, the county 20-percent share of offsetting revenue was \$2,963,460. Note that counties have considerable authority to “forgive” amounts that would otherwise be recovered for the county, state, and federal governments as they work to improve timely payment of child support by non-custodial parents.

- 23 Department of Human Services, Division of Child Welfare** – It is the intent of the General Assembly to encourage counties to serve children in the most appropriate and least restrictive manner. For this purpose, the Department may transfer funds among all line items in this Long Bill group total for the Division of Child Welfare, except that the Department may not transfer funds from non-custodial line items to the Child Welfare Administration line item to increase funding for personal services.

**Comment:** The Department has annually transferred moneys when necessary.

- 24 Department of Human Services, Division of Child Welfare, Child Welfare Services** – It is the intent of the General Assembly that the Department may hold out up to \$1,000,000 total funds in this line item for activities designed to maximize Colorado's receipt of federal funds under Title IV-E of the Social Security Act. Expenditures may include, but need not be limited to, distributions to counties for Title-IV-E-related administrative costs, incentive payments to counties for improved Title IV-E claiming, automated system changes, and/or purchase of contract services designed to help the state in maximizing Title IV-E receipts. Funds held out pursuant to this footnote shall be in addition to other amounts authorized to be held out from county child welfare services allocations.

**Comment:** The flexibility provided by this footnote provides an opportunity for the Department to maximize federal Title IV-E revenue and implement the Title IV-E waiver.

- 25 Department of Human Services, Division of Child Welfare, Family and Children's Programs** – It is the intent of the General Assembly that \$4,006,949 of the funds appropriated for this line item be used to assist county departments of social services in implementing and expanding family- and community-based services for adolescents. It is the intent of the General Assembly that such services be based on a program or programs that have been demonstrated to be effective in reducing the need for higher cost residential services.

**Comment:** This targeted funding was added by the General Assembly between FY 2003-04 and FY 2005-06 with the intent of ensuring that new child welfare funding be used as effectively as possible. The Governor has vetoed this footnote in the past (FY 2010-11) on the grounds that it violates separation of powers but also directed the Department to comply with the intent.

- 32 Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Early Intervention Services --** It is the intent of the General Assembly that expenditures for these services be recorded only against the Long Bill group total for Early Intervention Services.

**Comment:** This footnote was eliminated through the appropriation clause included in H.B.13-1117. The footnote was in conflict with the appropriation because the Early Intervention Subdivision was not bottom line funded. In order to maintain the transparency and intent of the appropriation to show the specific amounts appropriated for early intervention services verses early intervention case management, the footnote was struck in the appropriation clause.

## **Requests for Information**

### *Requests Applicable to Multiple Departments*

- 2. Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Behavioral Health Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation** – State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.

**Comment:** The divisions addressed in this briefing are not impacted by this request for information. The response for this footnote was included in the Department briefing by Carolyn Kampman on December 10, 2013.

*Requests Applicable to the Department of Human Services*

2. **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Early Intervention Services –** The Department is requested to notify the Joint Budget Committee before implementing any funding methodology changes and/or cost containment strategies. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.

**Comment:** The Division of Community and Family Response is not currently considering implementing any funding changes. The Department will update the committee should any funding methodology changes or cost containment strategy changes be considered. The Department is in compliance with this request.

3. **Department of Human Services, Division of Child Welfare; and Totals –** The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the state for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S.

**Comment:** In compliance with this request, the Department has provided the following information:

- The total amount of federal revenues earned by the state in FY 2012-13 is \$73,895,396;
- The amount credited to the Excess Federal Title IV-E Reimbursements Cash Fund is \$454;
- The breakdown and purpose of expenditures is provided in the table on page 68.

4. **Department of Human Services, Totals –** The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the

**JBC Staff Budget Briefing – FY 2014-15**  
**Staff Working Document – Does Not Represent Committee Decision**

---

federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

**Comment:** The Department is in compliance with this request. The information is provided in the tables found on pages 71-76.

- 5. Department of Human Services, Division of Child Welfare, Child Welfare Services -** The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, such data should include the following: (a) program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.

**Comment:** The Department has provided the following information in compliance with this request. A comparison of data for the past five years is provided on page 80.

	<b>STATE TOTALS</b>	<b>FY 2012-13</b>
	Child Population Ages 0-17	1,256,840
	Referrals (Families)	83,045
	Assessments	57,069
	Total New Involvements	12,237
	Open Involvements	37,524
	Out-of-Home Open Involvements	9,687
	Average Days per Year for Out-of-Home Open Involvements	138
b	Total Out-of-Home Placement Care Expenditures	\$94,697,249
	Total Paid days for all Out-of-Home	1,335,518
b	Average Cost per Day for all Out-of-Home Care	\$70.91
a	Program Services Expenditures	\$180,859,829
a	Average Program Service Cost per Open Involvement	\$4,820
	Number of Children Receiving Adoption Subsidy	11,536
c	Average Cost per Child per Day for Adoption Subsidy	\$14.04
	Total Annual Adoption Subsidy Paid Days	3,126,518
c	Total Annual Subsidized Adoption Expenditures	\$43,881,743

- 6. Department of Human Services, Division of Child Welfare --** The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.

**JBC Staff Budget Briefing – FY 2014-15**  
**Staff Working Document – Does Not Represent Committee Decision**

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**Comment:** In compliance with this request, the Department has provided the following information:

<b>Payment Type</b>	<b>FY 2011-12</b>	<b>FY 2012-13**</b>
Social Security Income	\$5,381,836	\$2,838,441
Provider Recovery Revenue	\$152,683	\$76,390
Interface Income (SSI, SSDI, SSA, Provider Recovery)*	\$0	\$2,347,302
Child Support	\$2,120,928	\$1,817,526
Parental Fees	\$3,175,972	\$3,038,179
Veteran's Benefits	\$0	\$750
Parental Medical Adjustment Paid to County	\$1,238	\$627
Other Sources*	\$25,627	\$34,844
<b>Total</b>	<b>\$10,858,284</b>	<b>\$10,154,059</b>

\*Interface Income includes Supplemental Security Income (SSI), Social Security Disability (SSDI) and Social Security Administration (SSA). Specific detail by revenue source is not available for the Interface Income and Other Sources payment type categories.

\*\*As a result of the implementation of a new interface, FY 2012-13 has additional payment types, not available in past years. In the past years the Social Security Income payment type included the Interface Income.

# STATE OF COLORADO



**Colorado Department of Human Services**

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John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

September 30, 2013

The Honorable Pat Steadman  
Chair, Joint Budget Committee  
Legislative Services Building, 3<sup>rd</sup> Floor  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203

Dear Senator Steadman:

The Colorado Department of Human Services, in response to the Long Bill fiscal year FY 2013-14 Request for Information #3 (RFI #3), respectfully submits the attached information detailing FY 2012-13 Title IV-E expenditures and revenue. RFI #3 requests the Department "to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S."

If you have any questions, please contact Julie Krow, Director of the Office of Children, Youth and Families at 303-866-5414.

Sincerely,

A handwritten signature in black ink that reads 'Reggie Bicha'.

Reggie Bicha  
Executive Director

cc:

Representative Claire Levy, Vice-Chair, Joint Budget Committee  
Senator Mary Hodge, Joint Budget Committee  
Senator Kent Lambert, Joint Budget Committee  
Representative Crisanta Duran, Joint Budget Committee  
Representative Cheri Gerou, Joint Budget Committee

Senator Pat Steadman

September 30, 2013

Page 2

Mr. John Ziegler, Staff Director, Joint Budget Committee

Ms. Robin Smart, Joint Budget Committee Staff

Mr. Henry Sobanet, Director, Office of State Planning & Budgeting

Ms. Ann Renaud, Office of State Planning & Budgeting

Ms. Nikki Hatch, Deputy Executive Director of Operations

Ms. Dee Martinez, Deputy Executive Director of Enterprise Partnerships

Mr. Will Kugel, Budget Director, Colorado Department of Human Services

Ms. Julie Krow, Director, Office of Children, Youth, & Families

Mr. Robert Werthwein, Director, Division of Child Welfare

Ms. Sarah Sills, CDHS Legislative Liaison

Colorado Department of Human Services  
 RFI #3: HB 04-1414 Report  
 Expenditures and Revenue for State Fiscal Year 2012-13

**Cash Fund Balance on July 1, 2012** \$42,076

<b>FY 2012-13 Expenditures</b>	
IV-E Eligibility Determination Services At The County Level	\$0
Assistance Payments (TANF MOE Eligible)	\$0
Excess Title IV-E Reimbursements (Assistance Payments)	\$0
Fees	\$17
<b>Total FY 2012-13 Expenditures</b>	<b>\$17</b>

<b>FY 2012-13 Revenue</b>	
FY 2011-12 Excess Federal Revenue	\$0
Interest Income	\$454
<b>Total Revenue To Excess Title IV-E Reimbursement Cash Fund (17W)</b>	<b>\$454</b>

<b>Excess Title IV-E Reimbursement Cash Fund Balance July 1, 2013</b>	<b>\$42,513</b>
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Colorado Department of Human Services  
RFI #3  
State Fiscal Year 2012-13 Application of IV-E Revenue

Appropriation Number	Appropriation Description	FY 2012-13		FY 2012-13		FY 2012-13
		IV-E Revenue Target	IV-E Revenue Actuals	IV-E Revenue Actuals	IV-E Revenue Over/(Under) Earnings [Actuals - Target]	
P21	Countywide Cost Allocation Plans - Pass Through	\$2,935,232	\$2,935,232		\$0	
P22	County Automated Data Processing - Pass Through	\$206,294	\$206,294		\$0	
P23	County Training - Pass Through	\$8	\$8		\$0	
P24	County Only Federal Pass Through	\$21,037	\$21,037		\$0	
001	Departmental Administration	\$1,315,897	\$1,315,897		\$0	
005	Workers' Compensation Premiums	\$24,073	\$24,073		\$0	
009	Risk Management	\$5,907	\$5,907		\$0	
013/AJA	ADM-Purchase Services-GGCC	\$1,142,600	\$1,142,600		\$0	
018	Administrative Review Unit	\$817,895	\$500,268		(\$317,627)	
024	Child Care Licensing and Administration	\$150,000	\$239,197		\$89,197	
068	Child Welfare Administration	\$814,837	\$570,707		(\$244,130)	
070	Child Welfare Services	\$59,865,419	\$57,494,552		(\$2,370,867)	
072	Family and Children's Programs	\$3,030,288	\$3,142,296		\$112,008	
074	Title IV-E Related County Administration	\$0	\$0		\$0	
075	Foster and Adoptive Parent Recruitment, Training, and Support	\$69,894	\$49,460		(\$20,434)	
079	Title IV-E Waiver and Evaluation Development	\$64,930	\$64,930		\$0	
092/AMA	Leased Space	\$25,344	\$25,344		\$0	
098	Colorado Trails*	\$1,626,074	\$1,455,133		(\$170,941)	
107/114	Management and Admin of OIT including Multi-Use Network Payments	\$5,938	\$5,938		\$0	
125/AMA	Vehicle Lease Payments	\$14,650	\$14,650		\$0	
288	Child Welfare Staff Training	\$2,879,036	\$2,509,294		(\$369,742)	
293	Electronic Benefit Transfer Services	\$5,094	\$5,094		\$0	
250	DYC/Community Programs - Purchase of Contract Placements	\$721,634	\$761,706		\$40,072	
103/480	DYC/Community Programs - Personal Services and Parole Program Services	\$1,186,535	\$1,270,787		\$84,252	
460	Child Welfare Services Roll-forward for Data Tools	\$134,990	\$134,990		\$0	
	<b>Grand Totals</b>	<b>\$77,063,606</b>	<b>\$73,895,396</b>		<b>(\$3,168,210)</b>	

\* Under earned revenue in Colorado Trails is not included in the close out process. Total under earned revenue for close out is \$2,997,269 (\$3,168,210 - \$170,941).

# STATE OF COLORADO



**Colorado Department of Human Services**

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John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

November 1, 2013

The Honorable Pat Steadman  
Chair, Joint Budget Committee  
Legislative Services Building, 3<sup>rd</sup> Floor  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203

Dear Senator Steadman:

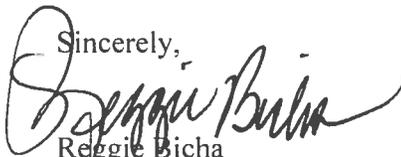
The Colorado Department of Human Services, in response to the Long Bill FY 2012-13 Request for Information #4 (RFI #4), respectfully submits the attached information update detailing Child Care Development Fund (CCDF) spending. RFI #4 requests the Department “to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2012-13, 2013-14, and 2014-15 (the actual, estimate, and request years): (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.”

The requested information can be found in the two attached tables. Table A identifies the amount of federal funds anticipated to be available for the upcoming budget year, FY 2014-15. It also includes the most current federal fiscal year 2013 (FFY 2013) grant awards to Colorado. Table B provides details of the anticipated expenditures in FY 2014-15 by Long Bill line item appropriation.

Senator Steadman  
November 1, 2013  
Page 2

The grant award amounts provided in Table A are current with the most recent award letter, dated July 1, 2013. At the end of the federal fiscal year, Colorado often receives a share of the other states' unspent CCDF moneys through the reallocation process.

If you have any questions, please contact Mary Anne Snyder, Director of the Office of Early Childhood, at 303-866-5979.

Sincerely,  
  
Reggie Bicha  
Executive Director

cc: Senator Mary Hodge, Joint Budget Committee  
Senator Kent Lambert, Joint Budget Committee  
Representative Crisanta Duran, Vice-Chair, Joint Budget Committee  
Representative Jenise May, Joint Budget Committee  
Representative Cheri Gerou, Joint Budget Committee  
Mr. John Ziegler, Staff Director, Joint Budget Committee  
Ms. Robin Smart, Joint Budget Committee Staff  
Mr. Henry Sobanet, Director, Office of State Planning and Budgeting  
Ms. Melodie Beck, Office of State Planning and Budgeting  
Ms. Nikki Hatch, Deputy Executive Director of Operations  
Ms. Dee Martinez, Deputy Executive Director of Enterprise Partnerships  
Ms. Charissa Hammer, Interim Director, Office of Performance and Strategic Outcomes  
Mr. Will Kugel, Budget Director, Colorado Department of Human Services  
Ms. Mary Anne Snyder, Director, Office of Early Childhood  
Ms. Sarah Sills, CDHS Legislative Liaison

**Request For Information # 4**

**Federal Child Care Development Funds**

State Fiscal Years 2012-13, 2013-14, and 2014-15

CCDF Federal Funds Available by Fund Type Including Roll Forward

Table A

	FY 2012-13	FY 2013-14	FY 2014-15
Federal CCDF Funds	Actual	Estimate	Request
CCDF Federal Grant (Unspent Balance)	\$ 11,901,873	\$ 18,113,665	\$ 17,224,206
New Annual CCDF Award <sup>1</sup>	\$ 66,818,418	\$ 66,415,153	\$ 66,335,963
Total Funds Available <sup>2</sup>	\$ 78,720,291	\$ 84,528,818	\$ 83,560,169
Expenditures	\$ 60,606,626	\$ 67,304,612	\$ 67,304,612
Roll Forward Balance <sup>3</sup>	\$ 18,113,665	\$ 17,224,206	\$ 16,255,557
<u>Funds Available by Type</u>			
Mandatory Funds	\$ 10,173,980	\$ 10,173,800	\$ 10,173,800
Discretionary Funds	\$ 31,695,845	\$ 39,781,297	\$ 32,895,937
Matching Funds	\$ 36,850,466	\$ 34,573,721	\$ 40,490,432
Total	\$ 78,720,291	\$ 84,528,818	\$ 83,560,169

1 Grant amounts are calculated as 75% of the current award and 25% of prior award year.

2 Matching funds require 100% match.

3 A roll forward balance is needed each year to ensure the cash solvency of the grant. The roll forwards show here reflect approximately a 4 months of actual spending.

**Request For Information # 4**

**Child Care Development Fund Expenditures**

State Fiscal Years 2012-13, 2013-14, and 2014-15

CCDF Expenditures Organized by Long Bill Line Item

Table B

	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Request
<b>Long Bill Line Item</b>			
Executive Director's Office - Personal Services	\$ 280,000	\$ 280,000	\$ 280,000
Office of Information Technology Services (ITS) - Purchase of Services from Computer Center	\$ 494,900	\$ 494,900	\$ 494,900
ITS - Colorado Trails	\$ 25,811	\$ 32,246	\$ 32,246
ITS - Operating Expenses	\$ 13,260	\$ 13,260	\$ 13,260
ITS - Child Care Automated Tracking System (CHATS)	\$ 2,619,412	\$ 2,709,933	\$ 2,709,933
Office of Operations (OPS) - Vehicle Lease Payment	\$ 3,172	\$ 3,172	\$ 3,172
OPS- (A) Administration	\$ 396,828	\$ 396,828	\$ 396,828
Office of Early Childhood (OEC) - Child Care Licensing and Administration	\$ 3,610,397	\$ 3,273,054	\$ 3,273,054
OEC - Child Care Assistance Program	\$ 45,455,314	\$ 52,385,628	\$ 52,385,628
OEC-Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements	\$ 3,473,633	\$ 3,473,633	\$ 3,473,633
OEC-Early Childhood Councils	\$ 1,997,317	\$ 1,978,317	\$ 1,978,317
OEC-School-readiness Quality Improvement Program	\$ 2,228,066	\$ 2,228,066	\$ 2,228,066
Office of Self-Sufficiency- Electronic Benefits Transfer Service	\$ 12,850	\$ 35,575	\$ 35,575
Prior Year Accounts Payable Reversion	\$ (797)	\$ 0	\$ 0
Adjustments - Audit and Other Miscellaneous	\$ (3,537)	\$ 0	\$ 0
<b>Total</b>	\$ 60,606,626	\$ 67,304,612	\$ 67,304,612

**Request For Information # 4**  
**Child Care Development Funds**  
 State Fiscal Years 2012-13, 2013-14, and 2014-15  
 MOE and Matching Sources Organized by Long Bill Line Item

Table C

Source of Matching Funds By Long Bill Line Item	Matching Amount		
	SFY 2012-13 Actual	SFY 2013-14 Estimate	SFY 2014-15 Request
<b>Long Bill Line Item</b>			
Executive Director's Office (EDO) - Indirects	\$ 481,118	\$ 481,118	\$ 481,118
EDO - Workers' Comp	\$ 71,747	\$ 71,747	\$ 71,747
EDO - Payment to Risk Management and Property Funds	\$ 17,457	\$ 17,457	\$ 17,457
EDO - Office of Performance Improvement	\$ 51,587	\$ 51,587	\$ 51,587
Office of Early Childhood (OEC) - Child Care Licensing and Administration	\$ 1,591,395	\$ 1,591,395	\$ 1,591,395
OEC - Fines Assessed Against Licensees	\$ -	\$ -	\$ -
OEC - Child Care Assistance Program	\$ 14,359,127	\$ 14,359,127	\$ 14,359,127
OEC - Early Childhood Councils	\$ -	\$ -	\$ -
Division of Child Welfare - Child Welfare Services	\$ 3,951,997	\$ 3,951,997	\$ 3,951,997
Office of Operations (OPS) - Leased Space	\$ 5,694	\$ 5,694	\$ 5,694
OPS - Vehicle Lease Payment	\$ 3,311	\$ 3,311	\$ 3,311
Office of Information Technology Services (ITS) - Purchase of Services from Computer Center	\$ 108,930	\$ 108,930	\$ 108,930
Subtotal	\$ 20,642,363	\$ 20,642,363	\$ 20,642,363
<u>Detailed Breakdown of Matching Funds (Other sources)</u>			
Mile High United Way	\$ 3,323,805	\$ 3,323,805	\$ 3,323,805
General Fund - Special Education	\$ 3,726,809	\$ 3,726,809	\$ 3,726,809
General Fund - Colorado Preschool Program (CDE)	\$ 1,825,451	\$ 1,825,451	\$ 1,825,451
Subtotal	\$ 8,876,065	\$ 8,876,065	\$ 8,876,065
Total Matching from all Sources	\$ 29,518,428	\$ 29,518,428	\$ 29,518,428
<b>Source of Maintenance of Effort (MOE)</b>			
<b>Long Bill Line Item</b>			
County MOE	\$ 8,572,306	\$ 7,615,847	\$ 7,615,847
County Required 20% Share of Administration Costs	\$ 1,934,802	\$ 1,555,649	\$ 1,555,649
Total	\$ 10,507,108	\$ 9,171,496	\$ 9,171,496

**Request For Information # 4**  
**Child Care Development Funds**  
 State Fiscal Years 2012-13, 2013-14, and 2014-15  
**Activities to Improve the Quality of Child Care 4% Federal Requirement**

Table D

Federal regulations state not less than 4% of the Child Care Development Funds (CCDF) a state receives shall be expended on activities that are designed to provide comprehensive consumer education to parents and the public, activities to increase parental choice, and activities designed to improve the quality and availability of child care. The 4% requirement applies to the expenditures of Discretionary, Mandatory, and both the State and Federal share of the Match grant. This includes any funds transferred to the CCDF Discretionary grant from the Temporary Assistance to Needy Families Block Grant.

**State Fiscal Year 2012-13, 2013-14, and 2014-15 4% Quality Requirement**

	FFY 2012	FFY 2013	Actual SFY 2012-13 <sup>1</sup>	Estimate SFY 2013-14	Request SFY 2014-15
CCDF Mandatory Award	\$ 10,173,800	\$ 10,173,800	\$ 10,173,800	\$ 10,173,800	\$ 10,173,800
CCDF Match Award (Federal Share)	\$ 28,699,260	\$ 28,750,247	\$ 28,737,500	\$ 28,737,500	\$ 28,433,488
Match (State Share)	\$ 28,699,260	\$ 28,750,247	\$ 28,737,500	\$ 28,737,500	\$ 28,433,488
CCDF Discretionary Award	\$ 28,442,448	\$ 27,728,675	\$ 27,907,118	\$ 27,728,675	\$ 27,728,675
CCDF/TANF Transfer			\$ 870,062		
Total CCDF Funds	\$ 96,014,768	\$ 95,402,969	\$ 96,425,980	\$ 95,377,475	\$ 94,769,451

**Total Required to Meet 4%**

\$ 3,857,039 \$ 3,815,099 \$ 3,790,778

<sup>1</sup> Calculated with 25% of FFY12 and 75% of FFY13, shown in columns to the left for reference.

**Actual and Estimated Spending On 4% Quality Requirement**

Organized By Long Bill Line Item

	Actual SFY 2012-13	Estimate SFY 2013-14	Request SFY 2014-15
Office of Operations (OPS) - Personal Services	\$ 1,141	\$ 1,141	\$ 1,141
Executive Director's Office (EDO)-Payment to Risk Management and Property F	\$ 68,637	\$ 68,637	\$ 68,637
Office of Early Childhood (OEC) - Child Care Licensing and Administration	\$ 4,113,477	\$ 4,113,477	\$ 4,113,477
OEC - Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements	\$ 962,681	\$ 947,222	\$ 947,222
OEC - Early Childhood Councils	\$ 302,031	\$ 302,031	\$ 302,031
OEC - School-readiness Quality Improvement Program	\$ 2,228,066	\$ 2,228,066	\$ 2,228,066
Pass-through Account (TANF) transfer Child Care Reserves	\$ 870,062		
<b>Total Spending on Quality Activities</b>	<b>\$ 8,546,095</b>	<b>\$ 7,660,574</b>	<b>\$ 7,660,574</b>

**Request For Information # 4**

**Child Care Development Funds**

State Fiscal Year 2012-13

Targeted Funds Spending

Table D1

FY 2012-13 Targeted Spending by Long Bill Line Item by Targeted Category

Long Bill Line Item	FY 2012-13 Actual Expenditures
<b>CC - Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements</b>	
Quality Expansion Targeted	\$ 1,257,611
School Age Resource and Referral	\$ 230,042
Infant/Toddler	\$ 1,023,298
Subtotal	\$ 2,510,951
<b>CC - Early Childhood Councils</b>	
Quality Expansion Targeted	\$ 1,285,013
School Age Resource and Referral	\$ 0
Infant/Toddler	\$ 410,272
Subtotal	\$ 1,695,285
Total	\$ 4,206,236
<b>Totals by Targeted Category</b>	
Quality Expansion Targeted	\$ 2,542,624
School Age Resource and Referral	\$ 230,042
Infant/Toddler	\$ 1,433,570
Total	\$ 4,206,236

**Request For Information # 4  
Child Care Development Funds**

State Fiscal Years 2013-14 and 2014-15

Estimated Expenditures to Comply with Federal Targeted Funds Requirement

Table D2

**FY 2013-14 Targeted Funds Requirement (Estimated Expenditures)**

	Quality Expansion	Infant Toddler	School Age Resource and Referral	Total
Open Federal CCDF Targeted Funds as of July 1, 2013	\$ 359,408	\$ 273,302	\$ -	\$ 632,710
Additional Targeted Funds Open During FY 2013-14 (75% of Estimated FFY 2012 Targeted Funds)	\$ 1,725,941	\$ 1,002,035	\$ 165,297	\$ 2,893,273
<b>Total Targeted Funds Open in FY 2013-14</b>	<b>\$ 2,085,349</b>	<b>\$ 1,275,337</b>	<b>\$ 165,297</b>	<b>\$ 3,525,983</b>
<b>Total Projected Spending by LBLI:</b>				
Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements and Early Childhood Councils	\$ 2,085,349	\$ 1,275,337	\$ 165,297	\$ 3,525,983
Total FY 2013-14 Estimated Spending	\$ 2,085,349	\$ 1,275,337	\$ 165,297	\$ 3,525,983
Targeted Funds Balance After FY 2013-14 Spending	\$ 0	\$ 0	\$ 0	\$ 0

**FY 2014-15 Targeted Funds Requirement (Estimated)**

	Quality Expansion	Infant Toddler	School Age Resource and Referral	Total
Estimated Open Targeted Funds as of July 1, 2014	\$ 575,314	\$ 334,012	\$ 55,099	\$ 964,425
Additional Targeted Funds Open During FY 2014-15 (75% of Estimated FFY 2014 Targeted Funds)	\$ 1,725,941	\$ 1,002,035	\$ 165,297	\$ 2,893,273
<b>Total Targeted Funds Open in FY 2014-15</b>	<b>\$ 2,301,255</b>	<b>\$ 1,336,047</b>	<b>\$ 220,396</b>	<b>\$ 3,857,698</b>
<b>Total Projected Spending by LBLI:</b>				
Federal Discretionary Child Care Funds Targeted Funds for Certain Purposes	\$ 2,301,255	\$ 1,336,047	\$ 220,396	\$ 3,857,698
Total FY 2014-15 Estimated Spending	\$ 2,301,255	\$ 1,336,047	\$ 220,396	\$ 3,857,698
Targeted Funds Balance After FY 2014-15 Spending	\$ 0	\$ 0	\$ 0	\$ 0

# STATE OF COLORADO



## Colorado Department of Human Services

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[www.cdhs.state.co.us](http://www.cdhs.state.co.us)



John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

November 1, 2013

The Honorable Pat Steadman  
Chair, Joint Budget Committee  
Legislative Services Building, 3<sup>rd</sup> Floor  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203

Dear Senator Steadman:

The Colorado Department of Human Services, in response to fiscal year FY 2013-14 Request for Information #5 (RFI #5), respectfully submits the attached information detailing FY 2012-13 expenditure and client data for the Child Welfare Services line item. RFI #5 requests the Department "to provide to the Joint Budget Committee, by November 1 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, such data should include the following: (a) program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day."

If you have any questions, please contact Julie Krow, Director of the Office of Children, Youth and Families at 303-866-5414.

Sincerely,

Reggie Bicha  
Executive Director

cc:

Representative Crisanta Duran, Vice-Chair, Joint Budget Committee  
Senator Mary Hodge, Joint Budget Committee  
Senator Kent Lambert, Joint Budget Committee  
Representative Cheri Gerou, Joint Budget Committee  
Representative Jenise May, Joint Budget Committee

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John Ziegler, Staff Director, Joint Budget Committee  
Henry Sobanet, Director, Office of State Planning & Budgeting  
Ann Renaud, Office of State Planning & Budgeting  
Nikki Hatch, Deputy Executive Director of Operations  
Dee Martinez, Deputy Executive Director of Enterprise Partnerships  
Will Kugel, Budget Director, Colorado Department of Human Services  
Julie Krow, Director, Office of Children, Youth, & Families  
Robert Werthwein, Director, Division of Child Welfare  
Sarah Sills, CDHS Legislative Liaison

Attachment

**CDHS Child Welfare Data**  
**Use of Funds**  
**Year by Year Comparison**  
**RFI # 5**

**Legend:**

- a - Program Services Expenditures and Average Cost Per Open Involvement Per Year
- b - Out-of-Home Placement Care Expenditures and Average Cost Per Child Per Day
- c - Subsidized Adoption Expenditures and Average Payment Per Child Per Day

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
<b>STATE TOTALS</b>					
Child Population Ages 0-17	1,258,823	1,281,607	1,274,619	1,250,366	1,256,840
Referrals (Families)	76,144	76,628	80,094	81,734	83,045
Assessments	64,745	65,947	60,791	58,660	57,069
Total New Involvements	14,459	13,947	12,142	13,153	12,237
Open Involvements	41,918	41,848	39,403	39,177	37,524
Out-of-Home Open Involvements	12,342	11,905	11,246	10,503	9,687
Average Days per Year for Out-of-Home Involvements	155	146	144	138	138
Total Out-of-Home Placement Care Expenditures	\$130,760,470	\$119,784,207	\$110,418,858	\$104,895,302	\$94,697,249
Total Paid Days for all Out-of-Home	1,912,476	1,740,892	1,616,767	1,448,380	1,335,518
Average Cost per Day for all Out-of-Home Care	\$68.37	\$68.81	\$68.30	\$72.42	\$70.91
Program Services Expenditures	\$174,268,650	\$171,246,045	\$171,361,257	\$175,671,726	\$180,859,829
Average Program Service Cost per Open Involvement	\$4,157	\$4,092	\$4,349	\$4,484	\$4,820
Number of Children Receiving Adoption Subsidy	10,560	10,989	11,156	11,363	11,536
Average Cost Per Child per Day for Adoption Subsidy	\$15.14	\$14.93	\$14.69	\$14.52	\$14.04
Total Annual Adoption Subsidy Paid Days	2,956,789	3,035,288	3,043,501	3,053,292	3,126,518
Total Annual Subsidized Adoption Expenditures	\$44,770,265	\$45,327,396	\$44,705,407	\$44,321,213	\$43,881,743

# STATE OF COLORADO



**Colorado Department of Human Services**

*people who help people*

1575 Sherman Street  
Denver, Colorado 80203-1714  
Phone 303-866-5700  
[www.cdhs.state.co.us](http://www.cdhs.state.co.us)



John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

November 1, 2013

The Honorable Pat Steadman  
Chair, Joint Budget Committee  
Legislative Services Building, 3<sup>rd</sup> Floor  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203

Dear Senator Steadman:

The Colorado Department of Human Services, in response to the FY 2013-14 Request for Information #6 (RFI #6), respectfully submits the attached information detailing payments by funding source to service providers in FY 2011-2012 and FY 2012-13. RFI #6 requests the Department "to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years."

If you have any questions, please contact Julie Krow, Director of the Office of Children, Youth and Families at 303-866-5414.

Sincerely,

Reggie Bicha  
Executive Director

cc:

Representative Crisanta Duran, Vice-Chair, Joint Budget Committee  
Senator Mary Hodge, Joint Budget Committee  
Senator Kent Lambert, Joint Budget Committee  
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Sarah Sills, CDHS Legislative Liaison

Attachment

**Gross Amounts Paid to Child Welfare Service Providers  
By Funding Source**

Payment Type	FY 2011-2012	FY 2012-2013**
Social Security Income	\$5,381,836	\$2,838,441
Provider Recovery Revenue	\$152,683	\$76,390
Interface Income (SSI, SSDI, SSA, Provider Recovery)*	\$0	\$2,347,302
Child Support	\$2,120,928	\$1,817,526
Parental Fees	\$3,175,972	\$3,038,179
Veteran's Benefits	\$0	\$750
Parental Medical Adjustment Paid to County	\$1,238	\$627
Other Sources*	\$25,627	\$34,844
<b>Total</b>	<b>\$10,858,284</b>	<b>\$10,154,059</b>

\*Interface Income includes Supplemental Security Income (SSI), Social Security Disability Income (SSDI) and Social Security Administration (SSA). Specific detail by revenue source is not available for the Interface Income and Other Sources payment type categories.

\*\*As a result of the implementation of a new interface, FY 2012-13 has additional payments types, not available in past years. In the past years the Social Security Income payment type included the Interface Income.

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

This appendix was included in the briefing presentation for the Department of Human Services, Executive Director's Office and Office of Operations.

## Appendix E: Change Requests' Relationship to Measures

This appendix will show, *for those divisions and requests covered in this briefing packet*, how the Department of Human Services indicates each change request ranks in relation to the Department's top priorities and what performance measures the Department is using to measure success of the request.

<b>Change Requests' Relationship to Measures</b>			
<b>R</b>	<b>Change Request Description</b>	<b>Goals / Objectives</b>	<b>Performance Measures</b>
1	Increased staffing for child care licensing - \$1.3 million total fund, 2.8 state FTE, and 17 contract staff increases to improve the Department's child care licensing function	Improve the safety and integrity of the childcare licensing functions, including: improved compliance, timely routine and emergency inspections, added coaching and consultation for providers, and fraud deterrence. The result will be safer facilities for children.	<ul style="list-style-type: none"> <li>•Improve Colorado's facility to licensing staff ratio of 1:145 to 1:100.</li> <li>•Increase the frequency of supervisory licensing inspections.</li> <li>•Reduce the number of critical incidents and violations.</li> </ul>
2	Investing in early care providers - \$2.2 million to provide grant funding for materials and training for Colorado Child Care Assistance Program (CCCAP)	Improve the quality of child care by providing grants to CCCAP providers for developmental materials for children and training and technical assistance to child care providers.	Increase the number of Colorado child care facilities that receive support for quality improvement.
3	Early literacy book distribution partnership - \$100,000 to provide grant funding to organizations that promote early literacy	Encourage early literacy by providing books to young children during routine medical exams.	Increase the number of health care providers serving low-income children who join the Reach Out and Read Colorado program.
12	1.5% Community provider rate increase - \$10.7 million increase for contracted community provider services	Enable providers to address the rising costs of labor and supplies.	No measure indicated
13	Fully fund county tax base relief - \$1.2 million increase to fully fund the estimated need in the County Tax Base Relief (CTBR) line item	Provide counties qualifying for CTBR with the necessary resources to cover the obligations needed for the county share of the public assistance services being provided.	No measure indicated
22	Title IV-E waiver cash fund spending authority - \$6.0 million for the Title IV-E Waiver Demonstration Project	Allow counties to expand interventions that support children remaining in their homes; and prevent families from experiencing deeper involvement in the child welfare system.	Improve C-Stat measures, including: Absence of institutional abuse or neglect; Children who remain home safely throughout duration of case; Children in care for more than 24 months; No more than 2 placements; Reunification occurring within 12 months; Absence of maltreatment recurrence; Children who do not re-enter care within 12 months of discharge; Children in out-of-home care for greater than 24 months; Legally freed children discharged to a permanent home prior to their 18 <sup>th</sup> birthday.