

MEMORANDUM

FROM: Robin J. Smart, Joint Budget Committee Staff

SUBJECT: Department of Human Services Figure Setting

DATE: February 29, 2016

This document contains the FY 2016-17 Joint Budget Committee Staff Figure Setting Recommendations for the Department of Human Services, Office of Operations, Division of Child Welfare, and Office of Early Childhood. It also contains a Staff memo to the members of the Joint Budget Committee with an amended recommendation for legislation to address the child welfare funding mechanism.

MEMORANDUM

TO: Joint Budget Committee Members

FROM: Robin J. Smart, Joint Budget Committee Staff

SUBJECT: Amended JBC Staff Recommendation for Legislation

DATE: February 29, 2016

In the Joint Budget Committee (JBC) Staff Figure Setting recommendation for the Division of Child Welfare, Staff recommended that the Joint Budget Committee sponsor legislation that would consolidate the three existing line items that fund block allocations to counties into two lines items that would fund a block allocation for county level staffing (funded up to 85.0 percent with state and federal funds), and a block allocation for direct services (funded up to 80.0 percent with state and federal funds).

Subsequent to submitting this figure setting document, Staff met with representatives of three counties to discuss the challenges inherent in this recommendation. County representatives indicated that they would like to see a restructuring of the child welfare mechanism that would allow for greater transparency and simplicity, but shared some concerns about the timeline associated with Staff's recommendation, primarily the need to develop a new child welfare allocation formula and the time it will take for that to occur.

Based on this input, Staff submits the following amended recommendation for the Committee's consideration:

Staff recommends that the Committee consider sponsoring legislation that directs:

- Stakeholders, including representatives from counties, the Department of Human Services, providers, and the General Assembly, to define the restructuring of the child welfare funding mechanism by January 1, 2017. (This may result in the need for further legislation during the 2017 legislative session.)
- The Child Welfare Allocations Committee to develop an allocation model based on this new mechanism by June 15, 2017, and implement the model beginning July 1, 2017.
- Stakeholders to include in this mechanism a funding structure that includes:
 - Funding for county level staff, services, child welfare related operational expenses, and administrative and support functions;
 - A rate setting process for provider compensation;
 - Allocations and rates that support current child welfare practice;
 - Appropriate supervision by the state department; and
 - Evaluation and reporting on the allocation, use, and effectiveness of funding and services funded through line items from which allocations are made to counties, including a report submitted annually to the Joint Budget Committee, the House Public Health Care and Human Services Committee, and the Senate Health and Human Services Committee by January 1.

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Prior to meetings with these county representatives, Staff has met with representatives from provider organizations and the Department. In addition, Staff has discussed this amended recommendation with Department.

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES**

(Office of Operations, Division of Child Welfare, Office of Early Childhood)

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

**Prepared By:
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February 29, 2016**

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How to Use this Document

This Document contains the Joint Budget Committee (JBC) Staff recommendation for the Department of Human Services Long Bill figure setting. The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each change. A similar overview table is provided for each division, but descriptions of incremental changes are not repeated. Department budget requests are discussed at the beginning of the division that is impacted by the request. Requests that affect multiple divisions are discussed prior to division sections. Within each section, budget requests are listed in the requested priority order, if applicable. Specific recommendations for each line item in the Department’s budget can be found in the sections entitled “Line Item Detail” within each division.

This packet includes recommendations for selected line items in the Executive Director's Office that are directly related to Child Welfare programs. Other Executive Director's Office line items are set as part of other Department of Human Services figure setting presentations. It also includes all line items in the Office of Operations, the Division of Child Welfare, and the Office of Early Childhood.

Certain programs within the Department of Human Services (DHS) receive funding through the Medicaid program. The federal Medicaid funds that support DHS programs and any state matching funds are first appropriated to the Department of Health Care Policy and Financing (HCPF), then reappropriated to DHS for various programs. Within the HCPF budget, these funds are reflected in the section entitled: Department of Human Services Medicaid-Funded Programs (Section 7). The final section of this narrative includes staff recommendations line items in this Section that relate to the programs outlined in this document. The following programs/divisions in this document receive Medicaid Funds: Office of Operations line items; Division of Child Welfare, Administration, Child Welfare Services, and Family and Children’s Programs line items; and Division of Community and Family Supports Early Intervention Services Case Management line item. Line items in the Department of Human Services that receive reappropriated funds from HCPF include a *Net General Fund* appropriation to reflect the total General Fund impact when the HCPF appropriations are included.

It is Staff's practice to review the Department's SMART ACT Performance Plan and Evaluation Reports and utilize any relevant performance measures in the analysis of the budget. Reference to initiatives, goals, and measures will only be found in sections of this document to which these components of the SMART Act plan are relevant. If no reference is made in a division description or a decision item or line item analysis to the Department's SMART Act Performance Plan or its associated initiatives, goals, and measures, it is either not relevant to the budget analysis of such, or it is not referenced in the SMART Act documents.

Department Overview

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.

- **Executive Director’s Office – 3 Line Items:** This document includes two line items in the Executive Director’s Office that are directly related to Child Welfare programs, including Administrative Review Unit and Records and Reports of Child Abuse or Neglect; and one line item that is directly related to Office of Early Childhood programs.

- The **Office of Operations** Long Bill group, functionally within the *Office of Administrative Solutions*, provides Department-wide facility maintenance and management, accounting, payroll, contracting, purchasing, and field audits.

- **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. Nearly 90.0 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 child’s best interest.

- **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 Early Intervention Services and the Nurse Home Visitor Program.

SUMMARY OF STAFF RECOMMENDATIONS

(Items covered in this document are highlighted in the following table.)

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$1,903,744,311	\$802,237,866	\$349,568,539	\$130,173,226	\$621,764,680	4,967.7
HB 16-1242 (Supplemental Bill)	5,370,465	4,257,249	1,472,687	56,461	(415,932)	4.9
Other legislation	<u>14,414,847</u>	<u>12,167,342</u>	<u>(943,585)</u>	<u>2,550,000</u>	<u>641,090</u>	<u>3.2</u>
TOTAL	\$1,923,529,623	\$818,662,457	\$350,097,641	\$132,779,687	\$621,989,838	4,975.8
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$1,923,529,623	\$818,662,457	\$350,097,641	\$132,779,687	\$621,989,838	4,975.8
R1 County child welfare staff - phase 2	6,064,149	5,428,510	606,415	0	29,224	0.0
R2 DYC security staffing in facilities - Phase 2	2,185,126	2,185,126	0	0	0	36.3
R4 Annual child care licensing visits	673,524	0	0	0	673,524	0.8
R5 Early intervention caseload growth	3,803,626	2,207,911	961,045	634,670	0	0.0
R6 Children's savings accounts	0	0	0	0	0	0.0
R7 Continuation of child care quality initiatives	1,431,255	0	0	0	1,431,255	7.3
R8 Title IV-E Waiver cash funds	6,000,000	0	6,000,000	0	0	0.0
R9 Indirect cost recovery offset for DVR transfer to CDLE	1,094,283	1,094,283	0	0	0	0.0
R10 Tribal placements funding waiver	0	0	0	0	0	0.0
R15 Utilities cost increase request	0	0	0	0	0	0.0
R17 DYC Title IV-E technical correction	0	0	0	0	0	0.0
R19 Community provider rate adjustment	(1,132,227)	(1,105,950)	(9,041)	(17,236)	0	0.0
R20 Realignment of Office of Early Childhood Programs	0	0	0	0	0	0.0
BA1 Early childhood mental health specialists	1,713,580	0	0	0	1,713,580	0.5
BA3 Increasing Spending Authority in Senior Services	0	0	0	0	0	0.0
BA7 Technical correction to DOC transfer spending authority	0	0	0	0	0	0.0
BA8 Child Welfare Training note change	0	0	0	0	0	0.0
BA9 Division of Youth Corrections caseload adjustment	(2,226,338)	(2,007,362)	0	(129,427)	(89,549)	0.0
BA10 Mental health institutes electronic health record funding adjustment	0	0	0	0	0	0.0

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Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
JBC staff-initiated Old Age Pension true-up	18,936,099	0	18,936,099	0	0	0.0
JBC staff-initiated SNAP oversight increase	825,000	412,500	0	0	412,500	7.0
JBC staff-initiated increase for County adult protective services training	65,000	65,000	0	0	0	0.0
JBC staff-initiated informational line item elimination	(30,626,461)	0	0	0	(30,626,461)	0.0
JBC staff-initiated base change - Kevin	(8,103,214)	(568,442)	769,693	(22,463)	(8,282,002)	(0.8)
JBC staff-initiated Federal Supplemental Security Income Application Pilot Program extension	(74,889)	(74,889)	0	0	0	0.0
Tobacco Master Settlement adjustment	768,420	0	768,420	0	0	0.0
NP1 CBMS/PEAK annual base adjustment	12,294,796	11,572,771	722,025	0	0	0.0
NP4 Annual fleet vehicle request	72,599	45,281	2,410	15,942	8,966	0.0
NP6 Secure Colorado	163,481	88,070	1,994	5,210	68,207	0.0
NP7 CBMS training staff technical adjustments	35,791	14,667	1,162	0	19,962	0.0
NP BA Marijuana data coordination	73,975	0	73,975	0	0	0.0
Annualize prior year budget actions	318,515	(148,382)	391,827	(46,244)	121,314	0.6
Technical adjustment	112,055	59,737	9,035	17,655	25,628	0.0
Annualize prior year legislation	(51,967,474)	(5,277,301)	(2,163,326)	(5,939,144)	(38,587,703)	(234.0)
Centrally appropriated line items	(1,099,319)	(588,715)	(20,965)	(39,198)	(450,441)	0.0
TOTAL	\$1,884,930,975	\$832,065,272	\$377,148,409	\$127,259,452	\$548,457,842	4,793.5
Increase/(Decrease)	(\$38,598,648)	\$13,402,815	\$27,050,768	(\$5,520,235)	(\$73,531,996)	(182.3)
Percentage Change	(2.0%)	1.6%	7.7%	(4.2%)	(11.8%)	(3.7%)
FY 2016-17 Executive Request	\$1,909,356,268	\$836,708,863	\$361,323,272	\$127,362,800	\$583,961,333	4,838.5
Request Above/(Below) Recommendation	\$24,425,293	\$4,643,591	(\$15,825,137)	\$103,348	\$35,503,491	45.0

Description of Incremental Changes

FY 2015-16

Long Bill supplemental: The recommendation includes changes associated with the Department of Human Services FY 2015-16 supplemental bill (H.B. 16-1242).

FY 2016-17

R1 County child welfare staff- phase 2: The recommendation includes an increase of \$6,064,149 total funds, including \$5,428,510 General Fund, for the phase 2 increase of county level child welfare case aides, case workers, and supervisors in response to the 2014 Child Welfare Workload Study performed by the Office of the State Auditor.

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

R5 Early intervention caseload growth: The recommendation includes an increase of \$3,803,626 total funds, including \$2,207,911 General Fund, for Early Intervention direct services and case management.

R6 Children's savings accounts: The recommendation includes no change to existing line item appropriations referenced in the Department's request.

R7 Continuation of child care quality initiatives: The recommendation includes an increase of \$1,431,255 federal Child Care Development Funds and 7.3 FTE to support ongoing sustainability of the Colorado Shines child care quality rating program and the associated technology systems that were initially funded through the Race to the Top Early Learning Challenge grant.

R8 Title IV-E Waiver cash funds: The recommendation includes an increase of \$6,000,000 cash fund, from the Title IV-E Waiver Demonstration Project Cash Fund for prevention and intervention services and continued expansion of IV-E Waiver interventions.

R9 Indirect cost recovery offset for DVR transfer to CDLE: The recommendation is pending Committee action on line items impacted by the transfer of the Division of Vocational Rehabilitation to the Department of Labor and Employment pursuant to S.B. 15-239 during the figure setting presentation scheduled for March 17, 2016.

R10 Tribal placements funding waiver: The recommendation includes a change to the letter note associated with the Child Welfare Services line item in the Division of Child Welfare. This change directs funding for Native American children to include Department-approved child welfare services rather than be limited to only tribal placements. This recommendation has no fiscal impact.

R15 Utilities cost increase: The recommendation includes continuation funding for this line item.

R19 Community provider rate adjustment: The recommendation for line items included in this document is consistent with the Committee's preliminary decision to apply no common policy provider rate adjustment. This recommendation has no fiscal impact. If the Committee elects to apply a common policy community provider rate adjustment in the FY 2016-17 budget, Staff recommends that no adjustment be made to line items addressed in this document, because those line items are also affected by decision item requests for increased funding.

R20 Realignment of Office of Early Childhood Programs: The recommendation includes a reorganization of three Long Bill lines in the Department's FY 2017-18 Long Bill. Specifically,

it will: move the Community-based Child Abuse Prevention Services line item from the Division of Child Welfare to the Division of Early Care and Learning in the Office of Early Childhood; move the Promoting Safe and Stable Families line item from the Division of Early Care and Learning to the Division of Community and Family Support in the Office of Early Childhood; and move the Early Childhood Councils line item from the Division of Community and Family Support to the Division of Early Care and Learning. This recommendation has no fiscal impact.

BA1 Early childhood mental health specialists: Per the Joint Budget Committee’s previous action during the supplemental process for FY 2015-16, the recommendation includes an increase of \$1,713,580 federal Child Care Development Funds and 0.5 FTE to expand the Early Childhood Mental Health Services program in the Division of Community and Family Support.

BA8 Child Welfare Training note change: Per the Joint Budget Committee’s previous action during the supplemental process for FY 2015-16, the recommendation includes the elimination of the (M) notation on the General Fund appropriation and a change to the letter note associated with federal funds in the Training line item in the Division of Child Welfare. This recommendation has no fiscal impact.

Tobacco Master Settlement adjustment: The recommendation includes an increase of \$768,420 cash funds for programs receiving Tobacco Master Settlement monies. This includes the Tony Grampas Youth Services Program in the Division of Child Welfare and the Nurse Home Visitor Program in the Office of Early Childhood, Division of Community and Family Support.

NP4 Annual fleet vehicle request: The recommendation includes the Department’s share of annual fleet vehicle replacement adjustments. The recommendation is pending Committee decision on the common policy recommendations to be presented February 25, 2016.

Annualize prior year budget actions: The recommendation includes adjustments related to prior year budget actions, including decision items related to the following: hotline for child abuse and neglect, child welfare public awareness campaign, modernizing child welfare case management, leap year adjustments, and child care automated tracking system.

Annualize prior year legislation: The recommendation includes adjustments related to prior year legislation including: S.B. 15-239 (Transfer Vocational Rehab from DHS to CDLE), S.B. 15-241 (Collaborative Management Program), S.B. 15-242 (Child Welfare Staff Funding Allocation), H.B. 15-1248 (Safe placements), H.B. 15-1367 (Proposition BB), H.B. 14-1317 (Colorado Child Care Assistance Program), and H.B. 14-1368 (Transition of IDD Youth).

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

recommendation is pending Committee decision on the common policy recommendations to be presented February 25, 2016.

Primary Differences from the Request

The primary difference between the Staff recommendations included in the document and the Department's FY 2016-17 requests are due to the differences in the annualization of prior year legislation. Specific differences that require the Committee's attention are included as decision items in the relevant division.

Decision Items Affecting Multiple Divisions

➔ R19 Community Provider Rate Adjustment

Request: The Department proposes a reduction of 1.0 percent for line items that fund contracts with direct service providers. For the line items included in this document, this reduction is \$5.6 million total funds, including \$2.8 million General Fund, \$956,696 cash funds, \$214,617 reappropriated funds, and \$1.6 million federal funds.

Recommendation: As of the date of this presentation, the Committee has made a preliminary decision to deny the Department’s R19 budget request; however this request may be revisited during the Long Bill figure setting process and an adjustment may still occur. Because this provider rate adjustment combines with independent budget requests for increases in funding, a net increase will be reflected on some line items and a refinancing of fund sources or program areas will be reflected in others. Staff recommends that the Committee deny the Department’s request for a provider rate decrease for all line items addressed in this document regardless of whether or not a community provider rate decrease is approved for other line items in the State budget.

Analysis:

The Joint Budget Committee has historically made a determination on a common figure setting policy to be applied for community provider rate adjustments. The "community provider" common policy applies to selected line items in the Department of Human Services that are used to fund services that might otherwise be delivered by State FTE. In some divisions of the Department of Human Services, including the Division of Child Welfare and the Office of Early Childhood, adjustments are applied to line items that are distributed through: county block grants, or contracts with non-profit or for profit entities. These line items include Child Welfare Services, County Level Child Welfare Staffing, Family and Children’s Programs, Child Care Licensing and Administration, Child Care Assistance Program, Early Childhood Mental Health Services, Early Intervention Services, and Early Intervention Services Case Management. The following provider rate adjustments have been approved by the General Assembly in the past eight years:

Provider Rate Adjustments		
Fiscal Year	Adjustment	Rate of Inflation
FY 2009-10	0.0%	n/a
FY 2010-11	(2.0%)	1.6%
FY 2011-12	0.0%	3.2%
FY 2012-13	0.0%	2.1%
FY 2013-14	1.5%	1.5%
FY 2014-15	2.0%	1.6%
FY 2015-16	1.7%	0.5%

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Provider Rate Adjustments		
Fiscal Year	Adjustment	Rate of Inflation
FY 2016-17 (requested)	(1.0%)	1.2%
Cumulative impact	2.2%	11.7%

The Department’s R19 request is for a 1.0 percent provider rate decrease for every line item in the Department that funds contracts with direct service providers. The Department has requested that the provider rate adjustment be applied to the following line items:

Division of Child Welfare and Office of Early Childhood Department’s R19 Budget Request 1.0 percent Community Provider Rate Decrease						
Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
			Medicaid General Fund	Medicaid Federal Funds		
Child Welfare Services	(\$1,806,485)	(\$680,688)	(\$75,474)	(\$76,752)	(\$902,004)	(\$3,541,403)
Family and Children's Programs	(452,340)	(56,459)	0	0	(31,231)	(540,030)
Child Care Licensing and Administration	0	0	0	0	(39,191)	(39,191)
Child Care Assistance Program	(239,319)	(97,625)	0	0	(558,989)	(895,933)
Early Childhood Mental Health Services	(12,412)	0	0	0	0	(12,412)
Early Intervention Services	(230,079)	(121,924)	0	0	(81,426)	(433,429)
Early Intervention Services Case Management	(45,974)	0	(30,933)	(31,458)	0	(108,365)
Fund Totals	(\$2,786,609)	(\$956,696)	(\$106,407)	(\$108,210)	(\$1,612,841)	(\$5,570,763)

Because it is the policy of the Committee to apply the provider rate adjustment to all line items that fund block allocations to counties, the Department should have applied the 1.0 percent provider rate decrease to the County Level Child Welfare Staffing line item in addition to the line items identified above. The full impact of the provider rate adjustment is indicated in the table below.

Division of Child Welfare and Office of Early Childhood Impact of 1.0 percent Community Provider Rate Decrease Per Joint Budget Committee Policy							
Req.	Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
				Medicaid General Fund	Medicaid Federal Funds		
DIVISION OF CHILD WELFARE							
R19	Child Welfare Services	(\$1,806,485)	(\$680,688)	(\$75,474)	(\$76,752)	(\$902,004)	(\$3,541,403)
R19	Family and Children's Programs	(452,340)	(56,459)	0	0	(31,231)	(540,030)

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Division of Child Welfare and Office of Early Childhood Impact of 1.0 percent Community Provider Rate Decrease Per Joint Budget Committee Policy							
Req.	Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
				Medicaid General Fund	Medicaid Federal Funds		
R19	County Level Child Welfare Staffing	(54,285)	(6,064)	0	0	(292)	(60,641)
Total Division of Child Welfare		(\$2,313,110)	(\$743,211)	(\$75,474)	(\$76,752)	(\$933,527)	(\$4,142,074)
OFFICE OF EARLY CHILDHOOD, CHILD CARE							
R19	Child Care Licensing and Administration	\$0	\$0	\$0	\$0	(\$39,191)	(\$39,191)
R19	Child Care Assistance Program	(239,319)	(97,625)	0	0	(558,989)	(895,933)
Total Office of Early Childhood, Child Care		(\$239,319)	(\$97,625)	\$0	\$0	(\$598,180)	(\$935,124)
OFFICE OF EARLY CHILDHOOD, MENTAL HEALTH SERVICES							
R19	Early Childhood Mental Health Services	(\$12,412)	\$0	\$0	\$0	\$0	(\$12,412)
Total Office of Early Childhood, Mental Health		(\$12,412)	\$0	\$0	\$0	\$0	(\$12,412)
OFFICE OF EARLY CHILDHOOD, EARLY INTERVENTION SERVICES							
R19	Early Intervention Services	(\$230,079)	(\$121,924)	\$0	\$0	(\$81,426)	(\$433,429)
R19	Early Intervention Services Case Management	(45,974)	0	(30,933)	(31,458)	0	(108,365)
Total Office of Early Childhood, Early Intervention		(\$276,053)	(\$121,924)	(\$30,933)	(\$31,458)	(\$81,426)	(\$541,794)
Total Office of Early Childhood		(\$527,784)	(\$219,549)	(\$30,933)	(\$31,458)	(\$679,606)	(\$1,489,330)
TOTAL IMPACT OF 1.0 PERCENT DECREASE		(\$2,840,894)	(\$962,760)	(\$106,407)	(\$108,210)	(\$1,613,133)	(\$5,631,404)

The Department's R19 request for the 1.0 percent provider rate decrease is applied to line items for which the Department has submitted independent budget requests for increased funding. The line items and corresponding increases are provided in the table below.

Division of Child Welfare and Office of Early Childhood Department Budget Request Increases for Line Items Impacted by the 1.0 percent Community Provider Rate Decrease							
Req.	Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
				Medicaid General Fund	Medicaid Federal Funds		
DIVISION OF CHILD WELFARE							
none	Child Welfare Services	\$0	\$0	\$0	\$0	\$0	\$0
none	Family and Children's Programs	0	0	0	0	0	0
R1	County Level Child Welfare	5,946,896	614,959	0	0	153,738	6,715,593

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Division of Child Welfare and Office of Early Childhood							
Department Budget Request Increases for Line Items Impacted by the 1.0 percent Community Provider Rate Decrease							
Req.	Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
				Medicaid General Fund	Medicaid Federal Funds		
	Staffing						
Total Division of Child Welfare		\$5,946,896	\$614,959	\$0	\$0	\$153,738	\$6,715,593
OFFICE OF EARLY CHILDHOOD, CHILD CARE							
R4	Child Care Licensing and Administration	\$0	\$0	\$0	\$0	\$673,524	\$673,524
none	Child Care Assistance Program	0	0	0	0	0	0
Total Office of Early Childhood, Child Care		\$0	\$0	\$0	\$0	\$673,524	\$673,524
OFFICE OF EARLY CHILDHOOD, MENTAL HEALTH SERVICES							
BA1	Early Childhood Mental Health Services	\$0	\$0	\$0	\$0	\$1,703,436	\$1,703,436
Total Office of Early Childhood, Mental Health		\$0	\$0	\$0	\$0	\$1,703,436	\$1,703,436
OFFICE OF EARLY CHILDHOOD, EARLY INTERVENTION SERVICES							
R5	Early Intervention Services	\$1,784,797	\$961,045	\$0	\$0	\$0	\$2,745,842
R5	Early Intervention Services Case Management	423,114	0	314,669	320,001	0	1,057,784
Total Office of Early Childhood, Early Intervention		\$2,207,911	\$961,045	\$314,669	\$320,001	\$0	\$3,803,626
Total Office of Early Childhood		\$2,207,911	\$961,045	\$314,669	\$320,001	\$2,376,960	\$6,180,586
TOTAL IMPACT OF DEPARTMENT'S R1, R4, R5, AND BA1 REQUESTS		\$8,154,807	\$1,576,004	\$314,669	\$320,001	\$2,530,698	\$12,896,179

The net impact of the Department's requests, including those for line item increases combined with the community provider rate adjustment, is detailed in the table below.

Division of Child Welfare and Office of Early Childhood							
Net Impact of Department Requests							
Req.	Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
				Medicaid General Fund	Medicaid Federal Funds		
DIVISION OF CHILD WELFARE							
R19	Child Welfare Services	(\$1,806,485)	(\$680,688)	(\$75,474)	(\$76,752)	(\$902,004)	(\$3,541,403)
R19	Family and Children's Programs	(452,340)	(56,459)	0	0	(31,231)	(540,030)
R1 R19	County Level Child Welfare Staffing	5,892,611	608,895	0	0	153,446	6,654,952

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Division of Child Welfare and Office of Early Childhood Net Impact of Department Requests							
Req.	Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds	Line Item Total Funds
				Medicaid General Fund	Medicaid Federal Funds		
Total Division of Child Welfare		\$3,633,786	(\$128,252)	(\$75,474)	(\$76,752)	(\$779,789)	\$2,573,519
OFFICE OF EARLY CHILDHOOD, CHILD CARE							
R4 R19	Child Care Licensing and Administration	\$0	\$0	\$0	\$0	\$634,333	\$634,333
R19	Child Care Assistance Program	(239,319)	(97,625)	0	0	(558,989)	(895,933)
Total Office of Early Childhood, Child Care		(\$239,319)	(\$97,625)	\$0	\$0	\$75,344	(\$261,600)
OFFICE OF EARLY CHILDHOOD, MENTAL HEALTH SERVICES							
BA1 R19	Early Childhood Mental Health Services	(\$12,412)	\$0	\$0	\$0	\$1,703,436	\$1,691,024
Total Office of Early Childhood, Mental Health		(\$12,412)	\$0	\$0	\$0	\$1,703,436	\$1,691,024
OFFICE OF EARLY CHILDHOOD, EARLY INTERVENTION SERVICES							
R5 R19	Early Intervention Services	\$1,554,718	\$839,121	\$0	\$0	(\$81,426)	\$2,312,413
R5 R19	Early Intervention Services Case Management	377,140	0	283,736	288,543	0	949,419
Total Office of Early Childhood, Early Intervention		\$1,931,858	\$839,121	\$283,736	\$288,543	(\$81,426)	\$3,261,832
Total Office of Early Childhood		\$1,680,127	\$741,496	\$283,736	\$288,543	\$1,697,354	\$4,691,256
NET IMPACT OF DEPT. REQUESTS (R1, R4, R5, R19, AND BA1)		\$5,313,913	\$613,244	\$208,262	\$211,791	\$917,565	\$7,264,775

As indicated in the above table, the provider rate decrease affects each line item in a unique way:

- For line items that provide child welfare block allocations to counties (Child Welfare Services, County Level Child Welfare Staffing, and Family and Children’s Programs), the decrease is applied to the Child Welfare, Core Services, and County Staffing block grants. The Department’s R1 budget request is applied to only the County Staffing block grant, essentially refinancing funds that can be used for both staff and services into a more restrictive line item that can only be used for staff filling newly created positions.
- For the line item that funds child care licensing (Child Care Licensing and Administration), the reduction is applied only to federal Child Care Development Funds, and while the General Assembly has the authority to appropriate these funds, applying the provider rate decrease to only federal dollars will not aid in addressing a budgetary shortfall.
- For the Colorado Child Care Assistance Program (CCCAP), the adjustment is applied to all sources of funding and may be helpful in addressing a budgetary shortfall, however as a result of H.B. 14-1317, several components were added to the program that are to be implemented upon available funding. Rather than supporting the expansion of the CCCAP, a

reduction in this line item will restrict the ability of counties to provide the additional services.

- Though the impact on Early Childhood Mental Health is minimal, because the Department is requesting an increase in funding for this line item in the form of federal Child Care Development Funds in its BA1 request, a reduction in the General Fund appropriation will be refinanced as federal funds for this program.
- For line items that fund early intervention services and case management, the decrease is applied to all fund sources and provides a \$542,000 total funds offset (including \$276,000 General Fund) to the Department's R5 request for an increase in funding associated with caseload growth. Because providing early intervention services and case management to all eligible children is federally required in order for the State to receive approximately \$7.0 million in Part C of the Individuals with Disabilities Education Act (IDEA), a provider rate decrease in these line items may reduce the number of children that can be served through the program, resulting in a possible waitlist and subsequently jeopardizing federal funding that comprises nearly 16.0 percent of the program budget.

Though not specifically addressed in the Department's SMART Act Performance Plan, community provider rate adjustments have an impact on the strategic policy initiatives of: ensuring child safety through improved prevention, access, and permanency; and improving kindergarten readiness through quality early care and learning options for all Coloradans. Two measures associated with these initiatives are related to funding appropriated in five of the eight line items identified above, including: 1) Percentage of infants and toddlers with growth in skills; 2) Compliance with the statutory requirement related to timeliness of assessment closure; and 3) Percentage of children and youth in congregate care settings. The first two measures are affected by provider rate adjustments because these adjustments are applied to line items that fund county level staff and early intervention services and case management. Adjustments to line items that are used to allocate funds to Community Centered Boards for early intervention services or to counties for child welfare staff directly impact contract provider rates, staffing levels, and the number of children and families who can be served. For FY 2014-15, the Department reports that 73.5 percent of infants and toddlers who received services exhibited growth in skills. This is a slight decrease from FY 2013-14 in which 76.4 percent of children indicated growth. For FY 2014-15, the Department reports an 87.3 percent compliance rate with the statutory assessment timeliness requirement. In the first quarter of FY 2015-16, it reports a compliance rate of 89.7 percent. The Department's long term goal for this compliance measure is 95.0 percent.

The provider rate adjustment does not directly affect the percentage of children and youth in congregate care; however it does impact the amount of funding allocated to counties to pay for services and as a result affects the rates that counties negotiate with the providers of those services. In FY 2014-15, the Department reported that 20.0 percent of the open child welfare involvements were children and youth in congregate care settings. In the first quarter of FY 2015-16, this number experienced a slight decrease to 19.7 percent. The Department's long-term goal is 15.0 percent for this measure.

As of the date of this presentation, the Committee has made a preliminary decision to deny the Department's R19 budget request; however this request may be revisited during the Long Bill

figure setting process and an adjustment may still occur. Because this provider rate adjustment combines with independent budget requests for increases in funding, a net increase will be reflected in some line items and a refinancing of fund sources or program areas will be reflected in others. Staff recommends that the Committee deny the Department's request for a provider rate decrease for all line items identified above regardless of whether or not a community provider rate decrease is approved for other line items in the State budget.

(1) Executive Director’s Office

This figure setting document contains staff recommendations for three line items within the Executive Director’s Office, including Administrative Review Unit, Records and Reports of Child Abuse and Neglect, and Children’s Savings Accounts. The other line items in this division are addressed in separate staff figure setting presentations.

DECISION ITEMS – EXECUTIVE DIRECTOR’S OFFICE

➔ R6 Children’s Savings Accounts

Request: The Department requests a reduction of \$100,000 General Fund from the Child Support Enforcement, Automated Child Support Enforcement System, and a corresponding increase in the Colorado Children’s Savings Accounts new line item in FY 2016-17, for the purpose of providing initial deposits to college savings accounts for children.

Recommendation: Staff recommends rejecting the request due to a 2016 legislative session bill, H.B. 16-1196 (Aspire to College Colorado Pilot Program), that seeks to create the pilot program for which funding is requested in this decision item. The bill indicates that the pilot program is to be created within existing appropriations. In addition, though the Department has included the strategic policy initiative of “prepare for education success throughout their lives,” in its FY 2015-16 SMART Act Performance Plan, this program does not support the goal of “[improving] kindergarten readiness through quality early care and learning options for all Coloradans” that is associated with the initiative.

LINE ITEM DETAIL – (1) EXECUTIVE DIRECTOR’S OFFICE

(B) Special Purpose

Administrative Review Unit

This line item provides funding for the Department’s Administrative Review Unit (ARU), which is responsible for implementing a wide variety of federal requirements related to quality assurance for the child welfare system and some youth corrections placements. The line item supports 26.2 FTE, and is responsible for ensuring that the state has a child welfare quality assurance system that operates throughout the state and is able to: identify service adequacy, quality, strengths, and needs; report on areas needing improvement; and evaluate the effectiveness of system improvement efforts.

The majority of ARU staff time is devoted to providing federally-mandated on-site case reviews of children and youth who are placed in out-of-home residential care. These reviews take place every six months for as long as a child remains in out-of-home placement and are intended to ensure that: the child or youth is safe and receiving services identified in the case plan; the placement of the child or youth is necessary, the setting is appropriate, and progress is being made to either return the child or youth home safely or achieve permanency through another

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means; and the county has appropriately determined the child or youth’s eligibility for federal Title IV-E funds. These reviews by ARU staff are open to participation by all involved parties, including the child's birth parents, foster parents, guardian ad litem, probation officer, caseworker, etc. Federal law requires that these face-to-face reviews be conducted by an independent entity, separate from a state’s child welfare division.

ARU staff also conducts periodic desk-audit reviews of a random sample of individual cases (in a single county or a group of smaller counties) to examine initial assessments and in-home and out-of-home placement decisions and activities. Finally, the ARU evaluates various systemic data indicators that are used for quality-review purposes by counties, the state and federal authorities. It publishes quarterly data reports by county on various Child and Family Services Review of safety, permanency, and well-being outcome measures and prepares topical reports on key system-wide issues such as Colorado child fatalities, appropriateness of county decisions to screen out (not assess) certain cases, and the implementation of Colorado’s child welfare risk assessment tool.

Statutory Authority: Sections 26-1-111 (2) (d) (II) (B), 19-3-502 (3) (c), and 19-3-702, C.R.S.

Request: The Department requests an appropriation of \$2,439,709 total funds, including \$1,669,254 General Fund and \$770,455 federal funds, and 26.2 FTE. This includes an increase of \$39,756 total funds, including \$33,792 General Fund, for the annualization of merit pay and salary survey.

Recommendation: Staff recommends an appropriation of \$2,439,709 total funds, including \$1,669,254 General Fund, and 26.2 FTE.

Executive Director's Office, Special Purpose, Administrative Review Unit				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$2,399,953</u>	<u>\$1,635,462</u>	<u>\$764,491</u>	<u>26.2</u>
TOTAL	\$2,399,953	\$1,635,462	\$764,491	26.2
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$2,399,953	\$1,635,462	\$764,491	26.2
Annualize prior year budget actions	<u>39,756</u>	<u>33,792</u>	<u>5,964</u>	<u>0.0</u>
TOTAL	\$2,439,709	\$1,669,254	\$770,455	26.2
Increase/(Decrease)	\$39,756	\$33,792	\$5,964	0.0
Percentage Change	1.7%	2.1%	0.8%	0.0%
FY 2016-17 Executive Request:	\$2,439,709	\$1,669,254	\$770,455	26.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Records and Reports of Child Abuse or Neglect

This line item provides funding for the Department to maintain records of abuse and neglect and to perform related functions. The Department of Human Services uses records and reports of child abuse or neglect for the purpose of conducting background screening checks (generally requested by employers and agencies to screen potential child care employees, child care facility license applicants, and prospective adoptive parents). Fees paid for screening checks are used to cover the direct and indirect costs of performing background checks and administering provisions related to the appeals process and the release of information contained in records and reports. Functions related to records and reports of abuse and neglect are currently performed as follows:

- County departments of social services enter confirmed reports of child abuse or neglect in the Department's automated system (Colorado Trails) within 60 days of receiving the complaint.
- County departments of social services provide notice to a person responsible in a confirmed report of child abuse or neglect of the person's right to appeal the county department's finding to the state Department within 90 days.
- Such a person may request: 1) a paper review of the county's confirmed report and record by the Department of Personnel and Administration, Division of Administrative Hearings; or 2) a fair hearing (either by telephone or in person) by the Division of Administrative Hearings before an administrative law judge, at which the state Department would bear the burden of proof. The notice includes information as to how the individual can access the county department's dispute resolution process.
- The state Department's Office of Appeals issues final agency decisions upon review of an administrative law judge's final decision. The final agency decision continues to advise the individual who filed the appeal of his/her right to seek judicial review in the state district court.

In FY 2007-08, 1.3 FTE was added to this line item to help address the backlog in child abuse dispute reviews and to avoid a backlog for background checks. Though there has been an increase in requests for background checks in the previous year, this increase has been managed using existing resources. The process improvements and subsequent increased processing of requests resulted in an accumulated fund balance in FY 2012-13 and as a result, the fee for a background check was reduced from \$33 to \$25 as of November 1, 2013, and again to \$15 as of February 15, 2015. Based on the FY 2015-16 beginning fund balance of \$71,930 and the FY 2015-16 projections, the fee was raised to \$28 on November 16, 2015 in order to cover the direct and indirect costs associated with the background check and child abuse and neglect dispute review section functions.

Statutory Authority: Sections 19-1-307 (2.5) and 19-3-315.5, C.R.S

Request: The Department requests funding of \$618,817 cash funds spending authority and 7.5 FTE, including an increase of \$7,283 cash funds for the annualization of merit pay and salary survey.

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Recommendation: Staff recommends continuation funding in the amount of \$618,817 cash funds from the Records and Reports Fund and 7.5 FTE, including an increase of \$7,283 cash funds for the annualization of merit pay and salary survey.

Executive Director's Office, Special Purpose, Records and Reports of Child Abuse or Neglect				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$611,534</u>	<u>\$0</u>	<u>\$611,534</u>	<u>7.5</u>
TOTAL	\$611,534	\$0	\$611,534	7.5
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$611,534	\$0	\$611,534	7.5
Annualize prior year budget actions	<u>7,283</u>	<u>0</u>	<u>7,283</u>	<u>0.0</u>
TOTAL	\$618,817	\$0	\$618,817	7.5
Increase/(Decrease)	\$7,283	\$0	\$7,283	0.0
Percentage Change	1.2%	n/a	1.2%	0.0%
FY 2016-17 Executive Request:	\$618,817	\$0	\$618,817	7.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Children’s Savings Accounts (new line item)

This new line item is requested as part of the Department’s R6 budget request. It is intended to fund a Children’s Savings Account Pilot Program for low-income, preschool-age children, served in Head Start settings across the State for the purpose of increasing low-income children’s college aspirations and enrollment.

Statutory Authority: None.

Request: The Department requests a reduction of \$100,000 General Fund from the Child Support Enforcement, Automated Child Support Enforcement System line item, and a corresponding increase in the Colorado Children’s Savings Accounts new line item in FY 2016-17, for the purpose of providing initial deposits to college savings accounts for children.

Recommendation: Staff recommends rejecting the request due to a 2016 legislative session bill, H.B. 16-1196 (Aspire to College Colorado Pilot Program), that seeks to create the pilot program for which funding is requested in this decision item. The bill indicates that the pilot program is to be created within existing appropriations.

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Executive Director's Office, Special Purpose, Children's Savings Accounts			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
HB 16-1240 (Supplemental)	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	\$0	\$0	0.0
R6 Children's savings accounts	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a
FY 2016-17 Executive Request:	\$100,000	\$100,000	0.0
Request Above/(Below) Recommendation	\$100,000	\$100,000	0.0

(3) Office of Operations

The Office of Operations provides Department-wide facility maintenance and management, accounting, payroll, contracting, purchasing, and field audits. The Office is organized into the following units: Division of Accounting, Division of Facilities Management, Division of Procurement, and the Division of Contract Management.

- The Division of Accounting includes approximately 25 percent of the staff in the Office of Operations. The Division manages all departmental financial operations and resources, including payments to counties and service providers throughout the state for human services programs, Medicaid, Medicare and private party billing for the Department's various community and institutional programs, and overall accounts and controls over expenditures and revenues from multiple state and federal sources.
- The Division of Facilities Management accounts for nearly 70 percent of the staff in the Office of Operations. The Division is responsible for operating, cleaning, and maintaining all Department office buildings and facilities, including youth correctional facilities, the campuses of the two State mental health institutes, and three regional centers for the developmentally disabled. Overall, the Division operates 330 buildings and over 3.7 million gross square feet of space. It is also responsible for acquisition, operation and management of utility services, planning, design and construction of capital construction and controlled maintenance projects, and the Department's commercial and vehicle leases.
- The Procurement Division includes approximately five percent of the Office of Operations appropriated staff. The Purchasing Unit has been delegated autonomous authority by the Department of Personnel and is responsible for purchasing goods and services for Departmental programs in excess of \$35.0 million per year. The Materials Management Unit is responsible for warehousing and distribution of all goods associated with Department programs delivered to direct care clients. This includes ordering and inventory control of food and non-food items through three primary warehouse and office facilities throughout the State.
- The Contract Management Unit consists of less than one percent of Office of Operations staff. It is responsible for managing the contracting process in the Department including development, approval, and oversight of performance of all Department contracts.

This Division is bottom line funded through a mixture of General Fund, cash funds, reappropriated funds, and federal funds. Cash funds include patient cash collected by the Mental Health Institutes, the Early Intervention Services Trust Fund, and the Old Age Pension Fund. Reappropriated funds include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF), funds transferred from the Department of Corrections, patient fees collected by the mental Health Institutes that represent Medicaid revenues, the Central Fund for Veterans Community Living Centers, and Medicaid indirect costs transferred from HCPF. Due to the Office's provision of facility housekeeping and maintenance services, the budget for the Office of Operations is driven by legislative decisions to open or close new Department facilities or units. The budget is also affected by trends in utilities costs, Department efficiency initiatives, and by Statewide common policy decisions related to vehicle lease payments and leased space costs for buildings in the Capitol Complex. Though the Department's FY 2015-16 SMART Act Performance Plan does not specifically include

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initiatives, goals, or measures associated with duties of this division, these responsibilities support the Department in achieving identified goals in the plan by ensuring that the Department and its programs are operational.

Office of Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$44,435,292	\$26,212,610	\$3,524,663	\$9,974,479	\$4,723,540	441.6
HB 16-1242 (Supplemental Bill)	<u>134,175</u>	<u>0</u>	<u>0</u>	<u>134,175</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,569,467	\$26,212,610	\$3,524,663	\$10,108,654	\$4,723,540	441.6
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$44,569,467	\$26,212,610	\$3,524,663	\$10,108,654	\$4,723,540	441.6
R9 Indirect cost recover offset for DVR transfer to CDLE	1,094,283	1,094,283	0	0	0	0.0
R15 Utilities cost increase request	0	0	0	0	0	0.0
BA7 Technical correction to DOC transfer spending authority	0	0	0	0	0	0.0
NP2 FMAP decrease	0	0	0	0	0	0.0
NP4 Annual fleet vehicle request	72,599	45,281	2,410	15,942	8,966	0.0
Annualize prior year budget actions	473,704	260,048	50,754	127,582	35,320	0.0
Annualize prior year legislation	(1,357,502)	(429,590)	(4,424)	0	(923,488)	(3.4)
Centrally appropriated line items	<u>(223,185)</u>	<u>(117,162)</u>	<u>(10,516)</u>	<u>(11,413)</u>	<u>(84,094)</u>	<u>0.0</u>
TOTAL	\$44,629,366	\$27,065,470	\$3,562,887	\$10,240,765	\$3,760,244	438.2
Increase/(Decrease)	\$59,899	\$852,860	\$38,224	\$132,111	(\$963,296)	(3.4)
Percentage Change	0.1%	3.3%	1.1%	1.3%	(20.4%)	(0.8%)
FY 2016-17 Executive Request:	\$44,935,334	\$27,319,423	\$3,562,887	\$10,292,780	\$3,760,244	438.2
Request Above/(Below) Recommendation	\$305,968	\$253,953	\$0	\$52,015	\$0	0.0

DECISION ITEMS - OFFICE OF OPERATIONS

➔ R9 Indirect Cost Recovery Offset for Transfer of the Division of Vocational Rehabilitation to the Department of Labor and Employment

Request: The Department requests an increase of \$1,094,283 General Fund in FY 2016-17 and beyond in order to subsidize the Department’s reduction of indirect cost recoveries as a result of the transfer of the Division of Vocational Rehabilitation to the Department of Labor and Employment.

Recommendation: Staff recommendation is pending the Committee’s decision regarding all budgetary impacts of the transfer of the Division of Vocational Rehabilitation to the Department of Labor and Employment. The Department’s R9 request will be addressed during the figure setting presentation for the Executive Director’s Office and Services for People with Disabilities on March 17, 2016. Staff requests permission to apply the Committee’s decision to affected line items in the Office of Operations.

Analysis:

Pursuant to Joint Budget Committee (JBC) bill S.B. 15-239, the Division of Vocational Rehabilitation is transferring its administration from the Department of Human Services to the Department of Labor and Employment effective July 1, 2016. For the FY 2016-17 budget process, requests affecting the Division of Vocational Rehabilitation cross three JBC staff analyst responsibilities. All line items affected by this transfer will be addressed during the figure setting presentation for the Executive Director’s Office and Services for People with Disabilities on March 17, 2016.

➔ R15 Utilities Cost Increase Request

Request: The Department requests an increase of \$305,968 total funds, including \$253,953 General Fund and \$52,015 reappropriated funds, to cover the increased cost of utility commodities for all DHS owned and operated buildings.

Recommendation: Staff recommends denial of the Department’s request.

Analysis:

The Utilities line item in the Office of Operations is used to cover the cost of all types of utilities in all Department owned and operated buildings. These utilities include: electricity, water, sewer, coal, and natural gas. The Department reports that the usage of the utility commodities has remained flat in the past year, and bases this request on the cost variance of individual commodities. Data provided by the Department in its budget request, however, indicates that though the unit cost of each utility type has increased between FY 2013-14 and FY 2015-16, the usage for all types, except Natural Gas, has decreased. The table below contains data from the State’s energy management system EnergyCap and indicates the usage and cost of each utility commodity.

Cost and Usage of Utilities Fiscal Year Comparison									
Type of Commodity	FY 2013-14			FY 2014-15			Annual Change		
	Actuals	Usage	Average Rate	Actuals	Usage	Average Rate	Actuals	Usage	Average Rate
Electric (KWH)	\$3,461,800	34,275,507	\$0.10	\$3,399,934	31,011,609	\$0.11	(1.8%)	(9.5%)	10.0%
Water (Kgal)	\$743,385	240,317	\$3.09	\$603,423	188,994	\$3.19	(18.8%)	(21.4%)	3.2%
Sewer (Kgal)	\$430,000	201,721	\$2.13	\$401,968	161,309	\$2.49	(6.5%)	(20.0%)	16.9%

JBC Staff Figure Setting: FY 2016-17
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Cost and Usage of Utilities Fiscal Year Comparison									
Type of Commodity	FY 2013-14			FY 2014-15			Annual Change		
	Actuals	Usage	Average Rate	Actuals	Usage	Average Rate	Actuals	Usage	Average Rate
Nat. Gas (DTH)	\$1,340,083	195,566	\$6.85	\$1,744,206	265,733	\$6.56	30.2%	35.9%	(4.2%)
Coal/Ash (Tons)	\$719,626	7,484	\$96.16	\$496,362	4,961	\$100.05	(31.0%)	(33.7%)	4.0%

The Department provides data on the average change in cost for each commodity between FY 2013-14 and FY 2015-16 (see table below). Data for the previous two fiscal years indicate that usage has gone down, however, for the projected cost of utilities for FY 2016-17, the Department indicates that usage is anticipated to go up. Because it is unclear to Staff how the Department determined the projected usage rate of each commodity, Staff has performed her own calculations based on the following assumptions: 1) usage rate will remain the same in FY 2016-17 as those reported by the Department in FY 2014-15 (though the Department reports that it has gone down); 2) the average rate per unit for each commodity will increase or decrease by the percentage reported by the Department in the budget request; and 3) because the Department provided no basis for the increase in the cost of the building automation system/TSP, performance contract debt service, and other miscellaneous utility fees, this will remain the same in FY 2016-17. The following table provides Staff's calculations and projected utilities costs for FY 2016-17.

JBC Staff FY 2016-17 Projected Utilities Costs FY 2016-17				
Type of Commodity	Estimated Cost	Usage	Average Rate	Change in cost of commodity
Electric (KWH)	\$3,473,300	31,011,609	\$0.11	12.4%
Water (Kgal)	626,704	188,994	3.32	7.3%
Sewer (Kgal)	454,569	161,309	2.82	32.3%
Nat. Gas (DTH)	1,350,721	265,733	5.08	(25.8%)
Coal/Ash (Tons)	475,621	4,961	95.87	(0.3%)
Total Estimated Cost	\$6,380,915			
Additional Fees	284,223			
Total	\$9,223,149			
FY 2015-16 Appropriation	9,418,424			
Variance	(\$195,275)			

The Department's budget request indicates that an additional \$305,968 total funds, including \$253,953 General Fund, is needed to cover the projected cost of utilities in FY 2016-17, however data provided by the Department does not support this premise. Staff calculations indicate that projected utilities costs for the fiscal year will be less than the current appropriation by \$195,275 total funds. Simply stated, the Department's request for additional funds is based on a projected

increase in usage of all commodities types except sewer; however data provided by the Department indicates that most commodity usage rates have been going down.

Based on Staff calculations in the table above, Staff recommends denial of the Department's request. Staff believes any over-expenditures in this line item can be addressed during the supplemental process in FY 2016-17. In making a decision about whether or not a true-up is necessary, however, it is important to note that this division is bottom-line funded and therefore any under-expenditures in other division line items may be used to cover over-expenditures in the Utilities line item.

➔ BA7 Technical Correction – Reappropriated Spending Authority

Request: In conjunction with the S12 FY 2015-16 supplemental request, the Department requests a transfer of \$134,175 reappropriated funds spending authority from the Mental Health Institute-Pueblo, Operating Expenses line item to the Office of Operations, Operating Expenses line item.

Recommendation: This request is for FY 2015-16 and ongoing and was approved by the Committee during the supplemental figure setting process. This transfer is reflected in the FY 2016-17 base appropriation for the Division.

➔ NP4 Annual Fleet Vehicle Request

Request: The Department requests an increase of \$72,599 total funds, including \$45,281 General Fund, \$2,410 cash funds, \$15,942 reappropriated funds, and \$8,966 federal funds for the annual fleet vehicle common policy adjustment.

Recommendation: Staff recommends that the Committee apply the decision made during the Department of Personnel figure setting.

LINE ITEM DETAIL – (3) OFFICE OF OPERATIONS

(A) Administration

Personal Services

The Personal Services line item provides funding for employees' salaries and wages, as well as the associated State contribution to PERA and the State share of federal Medicare taxes. This line item also provides funding for contracted professional and temporary services.

Statutory Authority: Section 24-1-120, C.R.S.

Request: The Department requests an appropriation of \$25,775,305 total funds, including \$14,817,110 General Fund, \$2,285,779 cash funds, \$6,704,280 reappropriated funds, \$1,968,136 federal funds, and 429.1 FTE for FY 2016-17. This reflects an increase of \$1,377,176 total

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funds, including \$1,170,257 General Fund, for the Department’s R9 budget request and the annualization of prior year legislation and budget actions.

Recommendation: Staff’s recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee’s actions on March 17, 2016 related to this transfer.

Office of Operations, Administration, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$24,398,129	\$13,646,853	\$2,238,394	\$6,580,066	\$1,932,816	432.5
HB 16-1242 (Supplemental Bill)	0	0	0	0	0	0.0
TOTAL	\$24,398,129	\$13,646,853	\$2,238,394	\$6,580,066	\$1,932,816	432.5
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$24,398,129	\$13,646,853	\$2,238,394	\$6,580,066	\$1,932,816	432.5
R9 Indirect cost recover offset for DVR transfer to CDLE	1,094,283	1,094,283	0	0	0	0.0
Annualize prior year budget actions	466,967	260,048	47,385	124,214	35,320	0.0
NP2 FMAP decrease	0	0	0	0	0	0.0
Annualize prior year legislation	(184,074)	(184,074)	0	0	0	(3.4)
TOTAL	\$25,775,305	\$14,817,110	\$2,285,779	\$6,704,280	\$1,968,136	429.1
Increase/(Decrease)	\$1,377,176	\$1,170,257	\$47,385	\$124,214	\$35,320	(3.4)
Percentage Change	5.6%	8.6%	2.1%	1.9%	1.8%	(0.8%)
FY 2016-17 Executive Request:	\$25,775,305	\$14,817,110	\$2,285,779	\$6,704,280	\$1,968,136	429.1
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

The Operating Expenses line item provides for most of the non-personal services costs of the Office with the exception of leased space, leased vehicles and utilities. The expenses include the materials and supplies needed by the Office of Operations Divisions of Facilities Management, Accounting, and Procurement.

Statutory Authority: Section 24-102-302, C.R.S.

Request: The Department requests an appropriation of \$3,747,713 total funds, including \$2,690,599 General Fund, \$11,422 cash funds, \$846,073 reappropriated funds, and \$199,619 federal funds, for FY 2016-17.

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Recommendation: Staff’s recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee’s actions on March 17, 2016 related to this transfer.

In addition, this line item is affected by the Department’s BA7 budget request. This decision item will be presented for Committee decision on March 3, 2016.

Office of Operations, Administration, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$3,613,538	\$2,690,599	\$11,422	\$711,898	\$199,619	0.0
HB 16-1242 (Supplemental Bill)	<u>134,175</u>	<u>0</u>	<u>0</u>	<u>134,175</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,747,713	\$2,690,599	\$11,422	\$846,073	\$199,619	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$3,747,713	\$2,690,599	\$11,422	\$846,073	\$199,619	0.0
BA7 Technical correction to DOC transfer spending authority	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,747,713	\$2,690,599	\$11,422	\$846,073	\$199,619	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
FY 2016-17 Executive Request:	\$3,747,713	\$2,690,599	\$11,422	\$846,073	\$199,619	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Vehicle Lease Payments

This line item provides funding for annual payments to the Department of Personnel for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles. The vehicle lease payment line item provides for the fixed portion of the vehicle leases from fleet management. The Department currently has approximately 465 vehicles.

Statutory Authority: Sections 24-30-1104 (2) and 24-30-1117, C.R.S.

Request: The Department requests an appropriation of \$1,152,105 total funds, including \$593,025 General Fund, \$78,198 cash funds, \$301,738 reappropriated funds, and \$179,144 federal funds, for FY 2016-17. This includes an increase of \$72,599 total funds, including \$45,281 General Fund, for the Department’s NP4 annual fleet vehicle request.

Recommendation: Staff’s recommendation is pending Committee action on common policy

JBC Staff Figure Setting: FY 2016-17
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figure setting recommendations on February 25, 2016. In addition, Staff’s recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee’s actions on March 17, 2016 related to this transfer.

Office of Operations, Administration, Vehicle Lease Payments						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$1,079,506	\$547,744	\$75,788	\$285,796	\$170,178	0.0
HB 16-1242 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,079,506	\$547,744	\$75,788	\$285,796	\$170,178	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$1,079,506	\$547,744	\$75,788	\$285,796	\$170,178	0.0
NP4 Annual fleet vehicle request	<u>72,599</u>	<u>45,281</u>	<u>2,410</u>	<u>15,942</u>	<u>8,966</u>	<u>0.0</u>
TOTAL	\$1,152,105	\$593,025	\$78,198	\$301,738	\$179,144	0.0
Increase/(Decrease)	\$72,599	\$45,281	\$2,410	\$15,942	\$8,966	0.0
Percentage Change	6.7%	8.3%	3.2%	5.6%	5.3%	n/a
FY 2016-17 Executive Request:	\$1,152,105	\$593,025	\$78,198	\$301,738	\$179,144	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Leased Space

The appropriation for this line item provides funding for 40 commercial space leases throughout the state associated with nine major program areas, including Alcohol and Drug Abuse Services, Child Care, Disability Determination, Vocational Rehabilitation, and Youth Corrections. The Department leases approximately 160,560 square feet.

Statutory Authority: Section 24-102-302, C.R.S.

Request: The Department requests an appropriation of \$1,237,487 total funds, including \$343,243 General Fund, \$32,992 cash funds, \$22,527 reappropriated funds, and \$838,725 federal funds, for FY 2016-17. This includes a decrease of \$1,173,428 total funds, including \$245,516 General Fund, for the annualization of prior year legislation.

Recommendation: Staff’s recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee’s actions on March 17, 2016 related to this transfer.

JBC Staff Figure Setting: FY 2016-17
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Office of Operations, Administration, Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	<u>\$2,410,915</u>	<u>\$588,759</u>	<u>\$37,416</u>	<u>\$22,527</u>	<u>\$1,762,213</u>	<u>0.0</u>
TOTAL	\$2,410,915	\$588,759	\$37,416	\$22,527	\$1,762,213	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$2,410,915	\$588,759	\$37,416	\$22,527	\$1,762,213	0.0
Annualize prior year legislation	<u>(1,173,428)</u>	<u>(245,516)</u>	<u>(4,424)</u>	<u>0</u>	<u>(923,488)</u>	<u>0.0</u>
TOTAL	\$1,237,487	\$343,243	\$32,992	\$22,527	\$838,725	0.0
Increase/(Decrease)	(\$1,173,428)	(\$245,516)	(\$4,424)	\$0	(\$923,488)	0.0
Percentage Change	(48.7%)	(41.7%)	(11.8%)	0.0%	(52.4%)	n/a
FY 2016-17 Executive Request:	\$1,237,487	\$343,243	\$32,992	\$22,527	\$838,725	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Capitol Complex Leased Space

Capitol Complex Leased Space is appropriated based on usable square footage used by each state department. Currently, for the Department, this includes 99,087 square feet at 1575 Sherman Street in Denver and 3,104 square feet at the State Office Building in Grand Junction.

Statutory Authority: Section 24-82-101 (2), C.R.S.

Request: The Department requests an appropriation of \$1,525,054 total funds, including \$800,586 General Fund, \$71,858 cash funds, \$77,990 reappropriated funds, and \$574,620 federal funds, for FY 2016-17. This includes a decrease of \$223,185 total funds, including \$117,162 General Fund, for the Capitol Complex Lease Space adjustment.

Recommendation: Staff’s recommendation is pending Committee action on common policy figure setting recommendations on February 25, 2016. In addition, Staff’s recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee’s actions on March 17, 2016 related to this transfer.

Office of Operations, Administration, Capitol Complex Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Office of Operations, Administration, Capitol Complex Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-234 (Long Bill)	<u>\$1,748,239</u>	<u>\$917,748</u>	<u>\$82,374</u>	<u>\$89,403</u>	<u>\$658,714</u>	<u>0.0</u>
TOTAL	\$1,748,239	\$917,748	\$82,374	\$89,403	\$658,714	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$1,748,239	\$917,748	\$82,374	\$89,403	\$658,714	0.0
Centrally appropriated line items	<u>(223,185)</u>	<u>(117,162)</u>	<u>(10,516)</u>	<u>(11,413)</u>	<u>(84,094)</u>	<u>0.0</u>
TOTAL	\$1,525,054	\$800,586	\$71,858	\$77,990	\$574,620	0.0
Increase/(Decrease)	(\$223,185)	(\$117,162)	(\$10,516)	(\$11,413)	(\$84,094)	0.0
Percentage Change	(12.8%)	(12.8%)	(12.8%)	(12.8%)	(12.8%)	n/a
FY 2016-17 Executive Request:	\$1,525,054	\$800,586	\$71,858	\$77,990	\$574,620	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Utilities

This line item funds utilities expenditures including natural gas, electricity, water and waste water expenses for the Department's residential facilities (Division of Youth Corrections, Mental Health Institutes, and Regional Centers for Persons with Developmental Disabilities) and other facilities supported by the Office of Operations on the Fort Logan and Pueblo campuses. Utility costs for Department office space, excluding the space on the two Department campuses or within residential facilities, is incorporated into Capitol Complex and leased space rates.

Statutory Authority: Sections 24-82-602 and 24-30-2002, C.R.S.

Request: The Department requests an appropriation of \$9,724,392 total funds, including \$8,074,860 General Fund, \$50,000 cash funds, and \$1,599,532 reappropriated funds, for FY 2016-17. This includes an increase of \$305,968 total funds, including \$253,953 General Fund, for the Department's R15 request.

Recommendation: Staff recommends an appropriation of \$9,418,424 total funds, including \$7,820,907 General Fund, \$50,000 cash funds from various sources, and \$1,547,517 reappropriated funds transferred from the Department of Health Care Policy and Financing and various sources.

Office of Operations, Administration, Utilities					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$9,418,424</u>	<u>\$7,820,907</u>	<u>\$50,000</u>	<u>\$1,547,517</u>	<u>0.0</u>

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Office of Operations, Administration, Utilities					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
TOTAL	\$9,418,424	\$7,820,907	\$50,000	\$1,547,517	0.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$9,418,424	\$7,820,907	\$50,000	\$1,547,517	0.0
R15 Utilities cost increase request	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,418,424	\$7,820,907	\$50,000	\$1,547,517	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	n/a
FY 2016-17 Executive Request:	\$9,724,392	\$8,074,860	\$50,000	\$1,599,532	0.0
Request Above/(Below) Recommendation	\$305,968	\$253,953	\$0	\$52,015	0.0

(B) Special purpose

Buildings and Grounds Rental

The appropriation for this line item provides cash fund spending authority for FTE and operating expenses associated with the maintenance, repair, and upkeep of the Departments' facilities and grounds that are leased to public and private agencies pursuant to Section 26-1-133.5, C.R.S. The Department leases space to other State agencies or non-profit organizations for offices or for the direct provision of services.

Most of these rentals are at the Colorado Mental Health Institute at Fort Logan with agencies having missions compatible with the Department. Rents collected are deposited into the Buildings and Grounds Cash Fund to be used for the operating, maintaining, remodeling or demolishing of the rental properties. The rates paid by agencies are based on the Department's calculated costs for maintenance, repair, and upkeep of the rented spaces. Spending authority for this line item is based on anticipated revenue from the leasing agencies.

Statutory Authority: Section 26-1-133.5 (2), C.R.S.

Request: The Department requests an appropriation of \$1,032,638 cash funds and 6.5 FTE for FY 2016-17. This includes an increase of \$3,369 cash funds for the annualization of prior year budget actions.

Recommendation: Staff's recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee's actions on March 17, 2016 related to this transfer.

JBC Staff Figure Setting: FY 2016-17
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Office of Operations, Special Purpose, Buildings and Grounds Rental				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$1,029,269</u>	<u>\$0</u>	<u>\$1,029,269</u>	<u>6.5</u>
TOTAL	\$1,029,269	\$0	\$1,029,269	6.5
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$1,029,269	\$0	\$1,029,269	6.5
Annualize prior year budget action	<u>3,369</u>	<u>0</u>	<u>3,369</u>	<u>0.0</u>
TOTAL	\$1,032,638	\$0	\$1,032,638	6.5
Increase/(Decrease)	\$3,369	\$0	\$3,369	0.0
Percentage Change	0.3%	n/a	0.3%	0.0%
FY 2016-17 Executive Request:	\$1,032,638	\$0	\$1,032,638	6.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

State Garage Fund

The Department has an agreement with the Department of Personnel to operate vehicle maintenance and fueling stations at three State facilities, including the Mental Health Institutes at Fort Logan and Pueblo, and the Grand Junction Regional Center. The Office is reimbursed by divisions within the Department and by other State agencies (Department of Transportation and the Colorado State Patrol) for maintenance, repair, storage and fueling of State-owned passenger motor vehicles. Revenues are deposited into the State Garage Fund. This line item provides the spending authority for the Department to receive and spend such reimbursement.

Statutory Authority: Section 24-30-1104 (2) (b), C.R.S.

Request: The Department requests an appropriation of \$740,640 reappropriated funds and 2.6 FTE for FY 2016-17. This reflects an increase of \$3,368 reappropriated funds for the annualization of prior year budget actions.

Recommendation: Staff’s recommendation is pending Committee decision on requests related to the transfer of the Division of Vocational Rehabilitation from this Department to the Department of Labor and Employment. Staff requests permission to adjust the line item based on the Committee’s actions on March 17, 2016 related to this transfer.

JBC Staff Figure Setting: FY 2016-17
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Office of Operations, Special Purpose, State Garage Fund				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$737,272</u>	<u>\$0</u>	<u>\$737,272</u>	<u>2.6</u>
TOTAL	\$737,272	\$0	\$737,272	2.6
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$737,272	\$0	\$737,272	2.6
Annualize prior year budget action	<u>3,368</u>	<u>0</u>	<u>3,368</u>	<u>0.0</u>
TOTAL	\$740,640	\$0	\$740,640	2.6
Increase/(Decrease)	\$3,368	\$0	\$3,368	0.0
Percentage Change	0.5%	n/a	0.5%	0.0%
FY 2016-17 Executive Request:	\$740,640	\$0	\$740,640	2.6
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

(5) Division of Child Welfare

The Division of Child Welfare supervises the child welfare programs that are administered by Colorado's 64 counties. The Department of Human Services also conducts periodic on-site reviews of children who are in residential care. County responsibilities include: 1) receiving and responding to reports of potential child abuse or neglect; and 2) providing necessary and appropriate child welfare services to the child and the family, including providing for the residential care of a child when a court determines that it is necessary and in the best interests of the child and community to remove the child from the home.

Colorado's child welfare system is funded through appropriations made to the Department of Human Services and subsequently allocated to counties through an allocation formula developed by the Child Welfare Allocations Committee. These allocations are made to counties in the form of block grants including: the Child Welfare Block Grant from funds appropriated to the Child Welfare Services line item; the County Staffing Block Grant from funds appropriated to the County Level Child Welfare Staffing line item; and the Core Services Block Grant from funds appropriated to the Family and Children's Programs line item. Use of each source of funds is statutorily identified and each block allocation is funded with state and federal dollars up to a statutorily defined amount. The Child Welfare Block Grant and Core Services Block Grants are funded up to 80.0 percent with state and federal funds; and the County Staffing Block Grant requires a 10.0 percent county match unless the county qualifies for the purposes of tier 1 or tier 2 County Tax Base Relief, in which case, the county is funded at 100.0 percent.

Title IV-E Waiver. Title IV-E of the Social Security Act 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. In Colorado, the reimbursement rate is 50 percent for most qualified expenditures.

Title IV-E Revenue Decline. As in many other states, 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. County and state administrative issues have also had an impact. Title IV-E does not provide reimbursement for services provided to keep a child in the family home, even though the federal legal and regulatory environment places increasing emphasis on avoiding out of home placements, serving children and families in the family home, and reunifying families if this can be done safely. 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 to 10 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

Waivers under the 2011 Child and Family Services Improvement and Innovation Act. The Child and Family Services Improvement and Innovation Act of 2011 was signed into law on September 30, 2011. The bill authorized 10 new Title IV-E demonstration waivers per year between 2012 and FFY 2014. Title IV-E waivers were first authorized in 1994, and 23 states (including Colorado) have had waivers to test various innovations in the past. This Act represents the first time new waivers have been authorized since 2006.

Colorado's Title IV-E Waiver. During the summer of 2012, Colorado submitted its waiver application to federal authorities. It negotiated and reached an agreement with federal authorities in September and October of the same year. As described in the waiver application, 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 while in out-of-home care, and too many re-entries to out-of-home care after reunification.

The 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. Over the last four actual years, revenue for the categories to be included in the cap has represented 51 to 56 percent of Colorado's total IV-E revenue.

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.

Hotline for Child Abuse and Neglect. As part of the Governor's *Keeping Kids Safe and Families Healthy 2.0* plan, the Department began its work to ensure consistent decision making in the area of child protection. A portion of this initiative includes the development of a statewide child abuse reporting hotline and an associated public awareness campaign. Pursuant to H.B. 13-1271, the hotline system will be available 24 hours a day, 7 days a week and serve as a direct, immediate, and efficient route of notification to the entity responsible for accepting a report of abuse and neglect and responding to an inquiry about services. The hotline is intended to enhance the current child welfare system and to provide an additional option for the public to make an initial report of suspected or known child abuse or neglect or to make an inquiry. The hotline became operational and began being publicized statewide in January 2015.

The Department includes one goal related to child welfare in its FY 2015-16 SMART Act Performance Plan that supports the strategic policy initiative entitled "Thrive in a community of their choice." The goal and associated measures are: Ensure child safety through improved prevention, access and permanency by 1) improving compliance with the statutory requirement related to timeliness of assessment closure to 92.0 percent; and 2) reducing the percentage of children and youth in congregate care settings to 18.4 percent. As of October 2015, the Department reports an 89.7 percent compliance rate for the timeliness measure; and a 19.7 percent congregate care placement rate. Though the Department's goal has not yet been achieved in either measure, the measures have improved since the end of the previous fiscal year. These measures cannot be specifically attributed to a given line item appropriation in the Division. Programs supervised by the Department and administered by county agencies that are

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funded through appropriations in this Division support the strategic policy initiative and the achievement of these two goals.

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$455,498,809	\$250,757,278	\$88,294,475	\$15,363,412	\$101,083,644	91.5
Other legislation	11,285,320	9,591,201	606,415	1,000,000	87,704	2.9
HB 16-1242 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$466,784,129	\$260,348,479	\$88,900,890	\$16,363,412	\$101,171,348	94.4
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$466,784,129	\$260,348,479	\$88,900,890	\$16,363,412	\$101,171,348	94.4
R1 County child welfare staff - phase 2	6,064,149	5,428,510	606,415	0	29,224	0.0
R8 Title IV-E Waiver cash funds	6,000,000	0	6,000,000	0	0	0.0
R10 Tribal placements funding waiver	0	0	0	0	0	0.0
R19 Community provider rate adjustment	0	0	0	0	0	0.0
R20 Realignment of Office of Early Childhood Programs	0	0	0	0	0	0.0
BA8 Child Welfare Training note change	0	0	0	0	0	0.0
Tobacco Master Settlement adjustment	(43,668)	0	(43,668)	0	0	0.0
NP2 FMAP decrease	0	0	0	0	0	0.0
Technical adjustment	0	0	0	0	0	0.0
Annualize prior year legislation	(5,518,666)	(2,600,290)	(1,869,586)	(1,000,000)	(48,790)	0.1
Annualize prior year budget action	<u>(1,916,258)</u>	<u>(1,856,986)</u>	<u>(63,967)</u>	<u>(23,070)</u>	<u>27,765</u>	<u>0.3</u>
TOTAL	\$471,369,686	\$261,319,713	\$93,530,084	\$15,340,342	\$101,179,547	94.8
Increase/(Decrease)	\$4,585,557	\$971,234	\$4,629,194	(\$1,023,070)	\$8,199	0.4
Percentage Change	1.0%	0.4%	5.2%	(6.3%)	0.0%	0.4%
FY 2016-17 Executive Request:	\$471,812,951	\$262,408,860	\$93,845,149	\$15,188,116	\$100,370,826	97.5
Request Above/(Below) Recommendation	\$443,265	\$1,089,147	\$315,065	(\$152,226)	(\$808,721)	2.7

DECISION ITEMS – DIVISION OF CHILD WELFARE

➔ R1 County Child Welfare Staff – Phase 2

Request: The Department requests \$6,753,852 total funds, including \$5,978,651 General Fund, \$614,959 cash funds, and \$160,242 federal funds, and 2.7 FTE in FY 2016-17 to increase county staffing in response to a workload study performed by the Colorado Office of the State Auditor.

This request annualized to \$6,760,069 total funds, including \$5,983,811 General Fund, \$614,959 cash funds, and \$161,299 federal funds, and 3.0 FTE in FY 2017-18.

Recommendation: Staff recommends:

- An appropriation of \$6,064,149, including \$5,428,510 General Fund, \$606,415 cash funds from local sources, and \$29,224 federal funds from Title IV-E of the Social Security Act, and 0.0 FTE in FY 2016-17. This appropriation is for the purpose of providing a staffing block allocation to counties specifically for hiring county level child welfare case aides, case workers, and supervisors. Funding is equivalent to the cost of 100.0 FTE calculated at a State compensation rate. This recommendation annualizes to \$5,664,149 total funds, including \$5,068,510 General Fund, \$566,415 cash funds from local sources, and \$29,224 federal funds in FY 2017-18.

- That the following footnote be added to the County Level Child Welfare Staffing line item:

THESE FUNDS SHALL BE ALLOCATED TO COUNTIES FOR THE PURPOSE OF INCREASING THE NUMBER OF COUNTY LEVEL CHILD WELFARE CASE AIDES, CASE WORKERS, AND SUPERVISORS.

- Denial of the portion of the Department's request for funding for county level ancillary staff, for Department FTE, and for funding for educational stipends.

Note: Staff's recommendation for the Department's request is based solely on its own merit. As of this date, the Committee has made a preliminary decision to deny the R19 request for a 1.0 percent provider rate decrease that would be applied to line items that fund child welfare staffing and services, including the Child Welfare Services, County Level Child Welfare Staffing, and Family and Children's Programs line items. If the Committee elects to approve a provider rate decrease for budget balancing purposes, Staff recommends that no provider rate decrease be applied to these line items in the Division of Child Welfare, and that the Department's R1 request be partially funded as identified in the following alternate recommendation.

Alternate Recommendation: Staff recommends:

- An appropriation of \$2,650,339, including \$2,274,894 General Fund, \$254,134 cash funds from local sources, and \$12,312 federal funds from Title IV-E of the Social Security Act, and 0.0 FTE in FY 2016-17. This appropriation is for the purpose of providing a staffing block allocation to counties specifically for hiring county level child welfare case aides, case workers, and supervisors. Funding is equivalent to the cost of 42.0 FTE calculated at a State compensation rate. This recommendation annualizes to \$2,482,339 total funds, including \$2,123,694 General Fund, \$237,334 cash funds from local sources, and \$12,312 federal funds in FY 2017-18.

- That the following footnote be added to the County Level Child Welfare Staffing line item:

THESE FUNDS SHALL BE ALLOCATED TO COUNTIES FOR THE PURPOSE OF INCREASING THE NUMBER OF COUNTY LEVEL CHILD WELFARE CASE AIDES, CASE WORKERS, AND SUPERVISORS.

- Denial of the portion of the Department’s request for funding for county level ancillary staff, for Department FTE, and for funding for educational stipends.

Recommendation for legislation: Based on the analysis of the child welfare funding structure provided at briefing, Staff recommends that the Committee sponsor legislation to change the funding structure for the delivery of child welfare services, including:

- Consolidating the three line items and corresponding block allocations into two line items with corresponding block allocations. Suggested line items:
 - County Level Child Welfare Staffing – to provide a county block allocation for all child welfare staff, administrative and support functions, and child welfare related operational expenses; establish a county match rate of 15.0 percent; eliminate the January 1, 2015 hire date language in statute.
 - Child Welfare and Family Preservation Services – to provide a county block allocation for all direct services delivered through contract providers; require that a minimum of 13.0 percent of the funds be spent on Family Preservation Services pursuant to Sections 26-5.5-102 through 106, C.R.S.; establish a county match rate of 20.0 percent.
- Requiring an annual evaluation of each new line item consistent with the currently required Core Services annual report.

Analysis:

In August 2014, the Office of the State Auditor released the Colorado Child Welfare County Workload Study. The study was conducted pursuant to Section 2-3-103, C.R.S., which authorized the State Auditor to conduct audits of all departments, institutions, and agencies of State government. The purpose of the study was to “establish a comprehensive picture of the state’s county child welfare workload, case management, and staffing levels and identify estimated workload and staffing levels to accomplish child welfare goals.” It focused on actual time spent by case aides, case workers, and supervisors on tasks in order to evaluate efficiencies, develop workload standards, and determine the need for additional resources. The study indicated that county level child welfare staffing needs to increase by 576.0 case worker/aid FTE and 122.0 supervisor FTE. This was based on a 1:10 case worker to case ratio and a 1:5 supervisor to case worker ratio.

During the 2015 legislative session, the Joint Budget Committee sponsored S.B. 15-242 to increase the funding allocated to counties specifically for the purpose of hiring additional child welfare case workers, case aides, and supervisors. This bill appropriated \$6.1 million total funds, including \$5.4 million General Fund, in a new line item specifically designated to increase county level child welfare FTE. This funding is equivalent to the cost of 100.0 FTE calculated using State compensation rates. The bill also appropriated funds to the Department for the purpose of conducting a caseload study in order to determine the appropriate case worker to case ratio. The Department has requested phase 2 funding equivalent to the cost of increasing county-level staff by another 100.0 FTE.

The Department’s R1 request is for \$6.8 million total funds, including \$6.0 million General Fund, and 2.7 FTE in FY 2016-17 with an annualization of \$6.8 million total funds, including \$6.0 million General Fund, and 3.0 FTE in FY 2017-18, to: 1) increase county level staffing by 100.0 FTE, including 80.0 child welfare staff (case workers, case aides and supervisors) and 20.0 ancillary staff (nurses, educational specialists, and housing coordinators); 2) increase Department oversight; and 3) provide educational stipends to attract interested child welfare professional candidates. This phase 2 request is a 100.0 percent increase in appropriation to the County Level Child Welfare Staffing line item created in FY 2015-16.

County Level Child Welfare Staff. The 2014 child welfare workload study¹ indicated that county level child welfare staffing needs to increase by 576.0 case worker/aid FTE and 122.0 supervisor FTE in order for counties to ensure that staff is allowed to manage a more appropriate number of cases. The study evaluated the workload and case management of county caseworkers, supervisors, and other frontline staff statewide (identified in the table below), and included a time study to determine the amount of time county caseworkers, supervisors and other staff spend on job duties, including child welfare and non-child welfare tasks. Of those who participated in the study, 61.0 percent were child welfare caseworkers; 17.0 percent were supervisors, managers and executives; 15.0 percent were child welfare support staff; and 7.0 percent were other staff.

County Child Welfare Time Study Examples of Job Positions			
Caseworker	Supervisor/Manager	Support	Other (e.g. Specialized)
<ul style="list-style-type: none"> • Caseworker • Social caseworker • Senior social caseworker • Lead caseworker 	<ul style="list-style-type: none"> • Casework supervisor • Unit supervisor • Program manager • Child and family supervisor • Director • Deputy director administrator, child welfare • Social services supervisor 	<ul style="list-style-type: none"> • Case aide • Case services aide • Administrative assistant • Secretary • Business associate • Screener • Hotline operator 	<ul style="list-style-type: none"> • Adoption assistance specialist • Child protection community liaison • Facilitator/mediator • Family advocate • Family engagement specialist/facilitator • Foster care specialist • Kinship navigator • Visitation facilitator • Volunteer coordinator

Source: ICF International’s analysis of data collected during the February 2014 time study of county child welfare workers.

Workload standards were established and were based on the estimated amount of time necessary to perform a service for a case in a month if all federal and state law, policy, and good practices are met. These workload standards are summarized in the following table.

¹ The report is posted on the website of the Office of the State Auditor and can be accessed at the following link: [http://www.leg.state.co.us/OSA/coauditor1.nsf/All/E5214710B77C878487257D320050F29A/\\$FILE/1354S%20-%20Colorado%20Childrens%20Welfare%20Workload%20Study%20Report%20August%202014.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/E5214710B77C878487257D320050F29A/$FILE/1354S%20-%20Colorado%20Childrens%20Welfare%20Workload%20Study%20Report%20August%202014.pdf).

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Actual Measured and Estimated Hours per Case by Service for Colorado Child Welfare Caseworkers			
Service	Actual measured hours per case per time study results	Estimated hours per case to achieve objectives and meet requirements¹	Percent change
Screening/intake/hotline	2.8	3.3	18%
Family meetings	4.1	9.5	132%
Assessments	5.3	8.3	57%
Ongoing in-home	5.5	8.1	47%
Ongoing out-of-home	7.2	14.3	99%
Visitation	6.1	13.9	128%
Adoption	4.9	12.6	157%
Licensing	5.1	11.6	127%

Source: ICF International's analysis of February 2014 Colorado county child welfare workers' time study results, information obtained from focus groups, and workload results from other states.
¹ *The estimated hours per case were established from qualitative analysis of the information provided by experienced caseworkers during focus group meetings, workload results from other states, and review by subject matter experts.*

By utilizing the workload data above and combining it with information on the number of actual cases to be served, ICF developed a workload model. According to the report, the primary reasons *estimated service time* amounts are higher than the *actual measured* number of hours spent per case, include:

- Additional time is necessary to meet all mandated service requirements, on average, across cases. The actual time is lower than the estimated needed time because child welfare workers are not able to dedicate as much time to the services as required.
- More cases should receive the service each month; however due to a variety of factors (large caseloads, weather, scheduling, travel time), the proper amount of cases did not receive the service.
- The actual measured time did not accurately reflect the actual amount of time it takes to complete the task.
- More time should be dedicated to some task categories to fully meet the needs of the client.
- Time study averages may not be accurate for every month of the year.

The staffing model was used to calculate the number of additional FTE needed to cover the difference between the estimated hours per case per service at the level of the workload standard and the actual number of hours per case per service at the current staffing level. The following table provides a breakdown of these calculations. The study determined that an additional 576.0 FTE were needed in order to adequately meet service requirements for each case.

Caseworker Staffing Model and FTE Projections for the Time Study Participants						
Service	Monthly caseload	Actual monthly hours per case	Actual case-related FTE	Estimated monthly hours per case	Estimated case-related FTE	Additional FTE needed
Screening/intake/hotline	6851	2.8	177	3.3	209	32
Family meetings	1464	4.1	55	9.5	128	73
Assessments	2929	5.3	143	8.3	224	81

*JBC Staff Figure Setting: FY 2016-17
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Caseworker Staffing Model and FTE Projections for the Time Study Participants						
Service	Monthly caseload	Actual monthly hours per case	Actual case-related FTE	Estimated monthly hours per case	Estimated case-related FTE	Additional FTE needed
Ongoing in-home	2077	5.5	105	8.1	155	50
Ongoing out-of-home	2768	7.2	184	14.3	365	181
Visitation	740	6.1	42	13.9	95	53
Adoption	951	4.9	43	12.6	111	68
Licensing	639	5.1	30	11.6	68	38
Total			780		1357	576

Source: ICF International's analysis of time study case data, time study measured actual monthly hours per case data, and subject matter expert review to determine recommended hours data.

This phase 2 request for funding to increase county level child welfare staff is based on the Department's assumption that it will take five years for counties to increase capacity enough to support the overall staffing increase recommended in the workload study. Phase 1 of this capacity building plan was accomplished through appropriations made in S.B. 15-242. The purpose of the staffing increase is to allow case workers to manage a more appropriate number of cases. For FY 2016-17, the Department requests an additional \$4.8 million total funds, including \$4.3 million General Fund, to provide funding to counties equivalent to the cost of 80.0 FTE (3.0 case aide FTE, 68.0 case worker FTE, and 9.0 supervisor FTE). County allocations for this request are intended to be from the County Level Child Welfare Staffing line item and pursuant to S.B. 15-242 require a 10.0 percent county match unless the county qualifies for tier 1 or tier 2 County Tax Base Relief, in which case the county is funded up to 100.0 percent. Staff is concerned that this request will be insufficient to achieve the desired staffing increase over the next four years. Staff recommends an appropriation equivalent to the cost of 100.0 FTE calculated at a State compensation rate for allocation to counties for newly created child welfare case aides, case workers, and supervisors.

County Level Ancillary Staff. In addition to the funding requested for child welfare professionals, the Department requests \$1.4 million total funds, including \$1.2 million General Fund, in order to expand the reach of professionals by giving the counties the option of hiring nurses, educational liaisons, and other positions. Funding is equivalent to the cost of 10.0 nurses, 5.0 educational specialists, and 5.0 housing coordinators. County allocations for this portion of the request are intended to be from the County Level Child Welfare Staffing line item and include a 10.0 percent county match pursuant to S.B. 15-242. These position types were not addressed in the workload study and as such there is no basis for this portion of the request. In addition, the intent of the funding appropriated to the County Level Child Welfare Staffing line item was for the hiring of county level child welfare case aides, case workers, and supervisors in order to support the Department's five year plan to increase county capacity and staff consistently. Though nothing precludes counties from hiring ancillary staff or from using the Child Welfare Block to fund those positions, Staff does not believe that funding ancillary positions through the County Level Child Welfare Staffing line item aligns with the workload study or the intended use of funding appropriated in this line item; nor does Staff believe that this request is supported by any evaluative mechanism.

Department FTE. The Department requests 2.7 FTE in FY 2016-17, annualizing to 3.0 FTE in FY 2017-18 and beyond, for the Division of Child Welfare. The positions include two Child Protection Services Specialists and one training Certification Specialist and will provide technical assistance and oversight to county child welfare staff. The request is for \$220,815 total funds, including \$183,277 General Fund. The responsibilities of a Child Protective Services Specialist (GP IV) include, but are not limited to: monitoring, supervising, and providing oversight of county department practice; ensuring the successful roll out of the revised Colorado Family Safety and Risk Assessment Tools; ensuring the successful expansion of differential response; and providing training, coaching, and technical assistance to county departments. The responsibilities of the Training Certification Specialist (GP III) include but are not limited to: facilitating courses as assigned by the Training Center Coordinator; setting up classrooms and systems; ensuring learning experiences are culturally inclusive for all learners; executing training logistics before, during, and after training; and participating in continuous quality improvement assessment, feedback, and coaching processes to guarantee best training facilitation practices.

The Department's request is based on the premise that an increase in the county staffing level will result in the need for additional Department staff to provide technical assistance and oversight, however there is currently no methodology used by the Department to determine the appropriate ratio of Department FTE to county level staff. Because of this, Staff is unable to determine if the Department's current workload requires additional FTE and as a result recommends denial of this portion of the request.

Educational Stipends. The Department's request includes \$310,500 total funds, including \$211,140 General Fund, for the purpose of increasing the number of accredited educational institutions and/or private universities with available stipends in order to expand the program beyond the Denver Metro area. Currently, stipends are offered by Metropolitan State University (MSU) and the University of Denver (DU) to students pursuing a career in public child welfare. These stipends range from \$8,000 to \$18,000 and support coursework for bachelors or Master's degree students. Stipends are also offered through MSU in the amount of \$2,000 to support coursework relevant to a case aide certification. These stipends originate as state funds (68.0 percent) appropriated in the Training line item in the Division of Child Welfare and are eligible for a federal Title IV-E draw down (32.0 percent). Stipend recipients enter into a contract to work in Colorado public child welfare for one year for every year the individual received the stipend.

According to the Department, educational stipends for those intending to pursue a career in child welfare may be either a general stipend or a rural stipend. Though the stipends are similar, a student receiving a rural stipend must work in a rural county upon graduation. If at the time of hire, there are no job openings in a rural county, the rural employment requirement is waived. The Department indicates that it currently leads a stipend committee made up of institutions that have an award and that the stipends are funded through State and federal (Title IV-E) funds. Funds for educational stipends are appropriated in the Training line item in the Division of Child Welfare.

The Department's request cites projected workforce needs as the reason funding is needed for additional stipends. Staff believes this request is premature and is better addressed in the future when data is available that identifies specific workforce challenges in child welfare. As of the date of this document, counties have created approximately 102 new child welfare case aide, case worker, and supervisor positions with the appropriation made through S.B. 15-242. Though Staff agrees that there may be a shortage of qualified child welfare professionals in the future, especially in rural communities, the information provided by counties and the Department do not indicate difficulty in filling new positions.

Staff's recommendation for the Department's request is based solely on its own merit. As of this date, the Committee has made a preliminary decision to deny the R19 request for a 1.0 percent provider rate decrease that would be applied to line items that fund child welfare staffing and services, including the Child Welfare Services, County Level Child Welfare Staffing, and Family and Children's Programs line items. If the Committee elects to approve a provider rate decrease for budget balancing purposes, Staff recommends that no provider rate decrease be applied to these line items in the Division of Child Welfare, and that the Department's R1 request be partially funded including an appropriation of \$2,650,339, including \$2,274,894 General Fund, \$254,134 cash funds from local sources, and \$12,312 federal funds from Title IV-E of the Social Security Act, and 0.0 FTE in FY 2016-17. This appropriation is for the purpose of providing a staffing block allocation to counties specifically for hiring county level child welfare case aides, case workers, and supervisors. Funding is equivalent to the cost of 42.0 FTE calculated at a State compensation rate. This recommendation annualizes to \$2,482,339 total funds, including \$2,123,694 General Fund, \$237,334 cash funds from local sources, and \$12,312 federal funds in FY 2017-18.

R8 Title IV-E Waiver Cash Funds

Request: The Department requests an increase of \$6,000,000 cash funds from the Title IV-E Waiver Demonstration Cash Fund for FY 2016-17 through FY 2019-20 for the Title IV-E Waiver Demonstration Project.

Recommendation: Staff recommends approval of the Department's request.

Analysis:

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 and Human Services approved Title IV-E plan.² For qualified services, Colorado's

² 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

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.

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. Colorado focuses this funding on five interventions, including: family engagement, permanency round tables, trauma-informed assessment, and treatment and kinship support.

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 the Title IV-E Demonstration Cash Fund are subject to annual appropriation by the General Assembly for allocation to counties and are intended to help defray the costs of performing functions as defined in the county's performance agreement. The IV-E waiver allows the Department to free up General Fund that has been used to fund Title IV-B services as well. These funds are deposited into the cash fund to be used to expand child welfare services. In addition, Title IV-E Waiver funds that resulted from the Department negotiating excess federal funding for implementation of the waiver project and reducing costs as the counties shift practice are deposited into the cash fund. When costs incurred are below the negotiated federal waiver amount, the State is allowed to utilize excess Title IV-B expenditures to draw down appropriated Title IV-E Waiver funds. The Department reports that the additional funds will be used through FY 2019-20 to increase prevention and intervention services and expansion of Title IV-E waiver interventions. According to the waiver, if the Department does not use the funding in the cash fund for the defined purpose, the funding reverts back to its original source.

The Department requests an increase in spending authority for funds in the Title IV-E Waiver Demonstration Project Cash Fund from \$6.0 million to \$12.0 million. There is currently \$12.0 million in the cash fund, but with the spending authority limited to \$6.0 million, the State is at risk of being unable to fully expend the funds before the waiver ends. The State may request an extension and if granted the funds will remain available to the State for one or more years; however unspent funds will revert to the federal government. The Department intends to expand intervention funding from \$6.8 million to \$10.0 million. The remaining \$2.0 million will be made available to counties for the expansion of the project to include providing child care supplements to kinship placements that are not eligible for the Colorado Child Care Assistance Program.

Finally, in addition to ensuring sustainability of the waiver interventions, Colorado will need to improve the stability of Title IV-E funding after the project has ended. There are discussions at the federal level regarding child welfare finance reform that may include establishing a base amount of Title IV-E federal funding in the future. This base may be determined by using the two-year average of Title IV-E expenditures. Increased spending authority will allow the State to increase the amount of federal Title IV-E funds that are drawn down through the waiver and increase the suggested base for the future. This increased spending authority will also allow the State to continue to use eligible Title IV-B expenditures in excess of the \$4.0 million grant to draw down Title IV-E funding. Staff recommends approval of the Department's request.

R10 Tribal Placements Funding Waiver

Request: The Department requests a change in the letter note associated with the Child Welfare Services line item in the Division of Child Welfare. This change will direct funding for Native American children to be available for Department-approved child welfare services rather than be limited to only tribal placements.

Recommendation: Staff recommends approval of the Department's request.

Analysis:

In August 2015, the Department and the two federally recognized Native American Tribes met in the second annual formal Tribal Consultation in order to strengthen relationships and set forth guidelines for ongoing communication and cooperation. The first formal Tribal Consultation was conducted in 2014. The Ute Mountain Ute Tribe (UMUIT) and Southern Ute Indian Tribe (SUIT) each have a child welfare division within the tribal government and child welfare workers for the tribes are employed as a part of that division. Native American children, whether they live on the reservation or not, are served through the tribal child welfare division. Native American children who do not meet blood line quantifications are served through county human services departments within the county in which they reside. The tribal court can take jurisdiction over any enrolled or eligible for enrollment child welfare case.

According to the Bureau of Indian Affairs guidelines released in February 2015, custody is defined as: physical and/or legal custody under any applicable tribal law or tribal custom or

State law. A party may demonstrate the existence of custody by looking to tribal law or tribal custom or State law. Placements are defined as

- Foster care placement: any action removing an Indian child from his or her parent or Indian custodian for temporary placement in a foster home or institution or the home of a guardian or conservator or where the parent or Indian custodian cannot have the child returned upon demand, although parent rights have not been terminated.
- Pre-adoptive placement: the temporary placement of an Indian child in a foster home or institution after the termination of parental rights, but prior to or in lieu of adoptive placement.
- Adoptive placement: the permanent placement of an Indian child for adoption, including any action resulting in final decree of adoption.

Each year, \$950,000 is appropriated in the Long Bill for reimbursement of tribal placements. The letter note associated with the Child Welfare Services line item in the Division of Child Welfare that guides the use of these funds currently reads:

For informational purposes, this amount includes \$4,605,011 that is anticipated to be initially held out from state and federal funds that are allocated to county departments of social services for the administration and provision of child welfare services, including the following estimated amounts: \$3,208,511 for parental fee reimbursements to counties pursuant to Section 26-5-104 (2), C.R.S., \$950,000 for tribal placements of Native American children, \$346,500 for a statewide insurance policy for county-administered foster homes, and \$100,000 for contractual services related to the allocation of funds among counties. The remaining \$349,535,256 includes the state and federal funds to be allocated to county departments of social services pursuant to Section 26-5-104, C.R.S.

The Department interprets this letter note to mean that no services other than out-of-home placements are reimbursable by this General Fund appropriation. The two federally recognized tribes in Colorado currently underspend the funds allocated for out-of-home placements. Expenditures are included in the table below.

Tribal Placements of Native American Children			
	FY 2012-13	FY 2013-14	FY 2014-15
Number of children	27	11	23
Total appropriation	\$950,000	\$950,000	\$950,000
Total Expenditures	YPERLINK	\$118,091	\$244,506
(Over)/Under expenditures	\$527,199	\$831,909	\$705,494
Children in Child Welfare in Colorado			
Number of children	23,010	23,230	21,730
Total allocation to counties	\$320,760,986	\$324,358,123	\$314,763,054
Total expenditures	\$325,684,154	\$285,049,953	\$314,763,054
(Over)/Under expenditures	(\$4,923,168)	\$39,308,170	(\$26,089,004)
Children in Out-of-Home Placements			
Number of children	5,491	5,414	5,420
Total expenditures	\$89,967,409	\$81,736,409	\$69,185,311

The Department currently only reimburses the UMUIT for the out-of-home placement of Title IV-E eligible Native American children. The UMUIT has informed the Department that they have had to place children in more restrictive settings to obtain services that children in counties are able to receive in less restrictive settings. The Department does not reimburse the SUIT because they currently do not have any Title IV-E eligible children. In order to reimburse the tribes for expenditures related to providing services in the least restrictive setting, the Department requests the following change to the existing letter note:

For informational purposes, this amount includes \$4,605,011 that is anticipated to be initially held out from state and federal funds that are allocated to county departments of social services for the administration and provision of child welfare services, including the following estimated amounts: \$3,208,511 for parental fee reimbursements to counties pursuant to Section 26-5-104 (2), C.R.S., \$950,000 for ~~tribal placements~~ DEPARTMENT-APPROVED CHILD WELFARE SERVICES THAT PROMOTE THE SAFETY AND WELL-BEING OF Native American children AND YOUTH, \$346,500 for a statewide insurance policy for county-administered foster homes, and \$100,000 for contractual services related to the allocation of funds among counties. The remaining \$349,535,256 includes the state and federal funds to be allocated to county departments of social services pursuant to Section 26-5-104, C.R.S.

This change to the letter note will allow the Department to work with tribes to identify eligible types of flexible spending options and will allow the Department to reimburse the UMUIT and SUIT for services that include but are not limited to: kinship care, family engagement, prevention, intervention, Core Services, and post placement. Staff recommends approval of the Department's request.

BA8 Child Welfare Training, Headnote and Letter Note Change

Request: In conjunction with the S13 FY 2015-16 supplemental request, the Department requests a modification to the federal funds letter note “d” and the removal of the (M) headnote on the General Fund appropriation to the Training line item in the Division of Child Welfare.

Recommendation: This request is for FY 2015-16 and ongoing. The removal of the (M) headnote on the General Fund appropriation to the Training line item in the Division of Child Welfare was approved by the Committee during the supplemental figure setting process. The Committee denied the Department's request for the change to letter note “d” and approved the Staff recommended letter note change as follows:

^d Of this amount, ~~\$2,909,521~~–\$2,909,521(I) shall be from Title IV-E of the Social Security Act, and \$255,716 shall be from the Title XX Social Services Block Grant.

Analysis:

The Department requests a change to the headnote and letter note associated with the Child Welfare Training line item of the Long Bill in FY 2015-16 and ongoing. The training academy

is funded through General Fund, federal funds, and cash funds; the majority of the funding is General Fund and federal funds from Title IV-E of the Social Security Act. The appropriation in the Long Bill assumes a 50.0 percent federal match rate for the line item; however the actual match rate for the federal formula associated with this line item is 37.5 percent. The difference between the estimated and actual match rates results from penetration rate that is applied to expenditures from this line item. The penetration rate varies from year to year because it is based on the number of Title IV-E eligible children receiving services, the type of training courses being offered, and the training attendance rate. The current penetration rate is 50.0 percent. As a result of this penetration rate, the actual federal rate of 75.0 percent is applied to only 50.0 percent of the expenditures of the line item, resulting in the 37.5 percent federal reimbursement.

Three Long Bill notes affect the use of the funds appropriated in the Training line item: 1) *letter note d* specifically identifies the amount of informational federal funds included in the line item from each source, including Title IV-E and Title XX of the Social Security Act; 2) the (M) notation indicates the maximum amount of General Fund that can be expended and, in the event that the federal funds are less than the amount shown in the federal funds column, requires that the General Fund be reduced proportionately; and 3) Footnote 27 allows the Department to transfer funds between line items in the Division of Child Welfare in order to allow for the services of children in the most appropriate and least restrictive manner.

Currently, the Long Bill appropriation is based on a nearly 1:1 federal match rate and includes: \$3,259,648 (M) General Fund, \$37,230 cash funds from local sources, and \$3,165,237 federal funds. This appropriation assumes that every General Fund and cash fund dollar that is spent on training is eligible to draw down a dollar of federal funds. As stated above, the actual federal rate of 75.0 percent can only be applied to those expenditures that meet the Title IV-E requirements which at the time of supplemental are 50.0 percent of the total. Because of this, the Department estimates that just over \$1.2 million federal funds will be drawn down for this line item, thus reducing the amount that can be spent on training by \$1.9 million. While footnote 27 allows the department to transfer General Fund to the Training line item in order to draw down additional federal funds, the (M) notation limits the General Fund that can be spent to \$3.3 million. According to the Office of Legislative Legal Services, the (M) notation takes precedent over footnote 27.

There are three possible solutions to this issue. The first option is to deny the Department's request and thereby restrict the amount of federal funds that can be drawn down. This decision will result in a reduction in the total spending from this line item, and a reduction in course offerings from the training academy and in the number of new and existing county level child welfare staff that receive training. The second option is to deny the Department's request and increase the FY 2015-16 General Fund appropriation. The Department states that it will require an additional \$733,000 General Fund to draw down the necessary federal funds in order to continue to offer the same level of training it has in the past. The third option is to remove the (M) notation from the General Fund appropriation in order to allow for the transfer authority into and out of this line item as allowed by footnote 27 of the FY 2015-16 Long Bill.

Though the (M) notation has been included on this line item since its creation, its impact is increased in this fiscal year as a result of a substantial increase in the number of case workers requiring training. In the past seven years, the department has trained an average of 350 case workers per year. In the first five months of FY 2015-16, over 400 case workers have received training. The training academy provides continuing education and new hire training for county level child welfare staff. This increase in academy “caseload” results from the increase in county level staff hired with funds from S.B. 15-242 and an increase in local funding. In order to ensure the ongoing training of existing and new child welfare workers and supervisors, Staff recommends approval of the Department’s request.

The existing letter note identifies the two types of federal funds that may be used to fund child welfare training academy activities. Funds from Title IV-E of the Social Security Act are identified for informational purposes only; however, pursuant to S.B. 15-234, Section 2 (1) (h) (I), the amount identified as Title XX of the Social Security Act indicates a limit on the amount of expenditures of these funds. Though Title IV-E spending is currently well below the amount identified in the Long Bill, this letter note should have an (I) notation after funds identified as Title IV-E funds. No (I) notation should be included after the amount identified as Title XX funds. Because of this, it is not appropriate to eliminate the specifically identified funding amounts and sources in this letter note.

The Department’s requested revision also includes reference to private funding. Staff does not believe it is necessary to include a statement of authorization to use private funding to support child welfare training efforts in a letter note. Section 26-5-102 (2) (g), C.R.S., states that “the state department is authorized to expend any additional federal or private funding that may be available to support the training efforts” associated with child welfare reform.

Finally, the Department indicates that its request for the inclusion of language to allow authority to expend private funding on training efforts is based on the desire to charge non-child welfare professionals to attend training and use the facility. While statute authorizes the Department to expend private funding on training efforts, it does not clearly identify authority to charge fees nor does it preclude the Department from charging training fees. In addition, though the Department reports that there is no private funding for the Training Academy at this time, spending authority for any collection of fees would count as revenue for the purpose of Article X of the State Constitution and be indicated in the Cash Funds column of the Long Bill and not in the Federal Funds column, therefore *letter note d* is not the appropriate place for language to be written that authorizes the spending of funds received through the collection of fees. Staff recommends denial of the Department’s request to change *letter note d* of the Long Bill to that indicated in the Department’s request. Staff recommends the addition of the (I) notation to the funds identified as Title IV-E of the Social Security Act. Staff recommends that the letter note read:

^d Of this amount, ~~\$2,909,521~~ \$2,909,521(I) shall be from Title IV-E of the Social Security Act, and \$255,716 shall be from the Title XX Social Services Block Grant.

➔ Staff-initiated Technical Adjustment, H.B. 14-1368

Request: The Department included an annualization of H.B. 14-1368 in its FY 2016-17 budget request.

Recommendation: The fiscal note for H.B. 14-1368 does not include an annualization for this bill, nor does the bill indicate that an annualization should occur.

Analysis:

In the 2014 legislative session, the Joint Budget Committee sponsored H.B. 14-1368 that established a plan to transition youth aged 18 to 20 years of age who have intellectual and developmental disabilities (IDD), and who receive services through county child welfare agencies, into the adult services for persons with IDD program in the Department of Health Care Policy and Financing. The bill reduced the General Fund appropriation to the Child Welfare Services line item by \$2,829,586 and transferred it to the newly created Child Welfare Transition Cash Fund. Both departments were provided spending authority for monies in this cash fund. The cash fund is repealed on July 1, 2016 and the fund balance reverts to the General Fund. As of this date, the cash fund balance is anticipated to be zero on the date of its repeal. The Department included an annualization of this bill in its FY 2016-17 budget request, eliminating the cash fund spending authority appropriation and increasing the General Fund appropriation by \$2,829,586. Staff figure setting recommendations are based on current law, and because H.B. 14-1368 does not contain a provision stating that the funds are to return to the Child Welfare Services line item, the bill does not require an annualization.

➔ Staff-initiated Technical Adjustment, H.B. 15-1367, Tony Grampas Youth Services Program

Request: As a result of the passage of Proposition BB by voters in November 2015, the Department's request includes an annualization for H.B. 15-1367 that increases the appropriation to the line item by \$2,000,000 cash funds from the Marijuana Tax Cash Fund.

Recommendation: Because the bill only appropriates these funds in FY 2015-16, an annualization is required that: removes the \$1.0 million General Fund appropriation to the Department, removes the General Fund appropriation to the Youth Mentoring Services Cash Fund, removes the reappropriated funds appropriation to the Department from the Youth Mentoring Services Cash Fund, but provides \$1.0 million in cash fund spending authority for funds remaining in the Youth Mentoring Services Cash Fund in FY 2016-17.

Analysis:

In the 2015 legislative session, the General Assembly passed H.B. 15-1367 that added Proposition BB to the November 2015 ballot. This initiative asked voters to give the State of Colorado permission to retain tax revenue from the sale of recreational marijuana that would otherwise have been refunded to taxpayers as a result of Article X of the State Constitution. Upon the passage of Proposition BB, appropriations made in this bill were made available in FY

2015-16 to the Department to fund marijuana use and abuse prevention, intervention, and treatment programs. The appropriations included:

- \$1.0 million General Fund to the Youth Mentoring Services Cash Fund;
- \$1.0 million reappropriated funds from the Youth Mentoring Services Cash Fund to the Department for the provision of youth mentoring services pursuant to Section 26-6.8-104, C.R.S.;
- \$1.0 million General Fund to the Department for the purpose of providing grants through the Tony Grampas Youth Mentoring Program to statewide membership organizations.

Because the bill only appropriates these funds in FY 2015-16, an annualization is required that: removes the \$1.0 million General Fund appropriation to the Department, removes the General Fund appropriation to the Youth Mentoring Services Cash Fund, removes the reappropriated funds appropriation to the Department from the Youth Mentoring Services Cash Fund, but provides \$1.0 million in cash fund spending authority for funds remaining in the Youth Mentoring Services Cash Fund in FY 2016-17.

➔ NP2 HCPF FMAP Decrease

Request: For line items receiving reappropriated funds from the Department of Health Care Policy and Financing, the Department requests an adjustment to the General Fund and Medicaid Federal Funds split to account for an estimate in the recalculation of the State’s FMAP rate.

Recommendation: Staff recommends approval of the Department’s request. This request has a net zero impact on the Department’s budget. The General Fund impact is reflected in the HCPF (7) Department of Human Services Medicaid Funded Programs section of this document.

➔ BANP3 Technical Adjustment

Request: The Department requests a technical adjustment to correct the Medicaid General Fund and Medicaid Federal Funds splits in line items receiving reappropriated funds from the Department of Health Care Policy and Financing.

Recommendation: Staff requests permission to apply the Committee’s decision made during the figure setting presentation for the Department of Health Care Policy and Financing. This request has a net zero impact on the Department’s budget. The General Fund impact is reflected in the HCPF (7) Department of Human Services Medicaid Funded Programs section of this document.

➔ BANP4 FMAP

Request: For line items receiving reappropriated funds from the Department of Health Care Policy and Financing, the Department requests an adjustment to the General Fund and Medicaid Federal Funds split to reflect the actual recalculated rate of the State’s FMAP. This request modifies the Department’s NP2 HCPF FMAP Decrease budget request.

Recommendation: Staff recommends approval of the Department’s request. This request has a net zero impact on the Department’s budget. The General Fund impact is reflected in the HCPF (7) Department of Human Services Medicaid Funded Programs section of this document.

LINE ITEM DETAIL – (5) DIVISION OF CHILD WELFARE

Administration

This line item provides funding for those Department staff who supervise, manage, or provide administrative support for child welfare programs. The Division includes a child protection unit that oversees grants and policies related to child protection, a permanency unit, that oversees grants and state policies designed to support a child and family where there is an imminent risk of out-of-home placement, adoption programs, and programs for adolescents, a financial unit that oversees distribution of funds to counties, a research and data group that oversees Trails data and federal data reporting, a quality assurance unit that inspects county-run foster homes and responds to complaints, and a unit that oversees various special department initiatives.

Statutory Authority: Section 26-1-201 (f) (g) and (i), C.R.S.

Request: The Department requests an appropriation of \$6,124,168 total funds, including \$5,025,978 General Fund, \$142,640 reappropriated funds, and \$955,640 federal funds, and 65.3 FTE for FY 2016-17. The request reflects an increase of \$98,707 total funds, including \$81,963 General Fund, and 0.4 FTE for the annualization of prior year legislation and budget actions.

Recommendation: Staff recommends an appropriation of \$6,124,168 total funds, including \$5,025,978 General Fund, \$142,640 reappropriated funds, and \$955,640 federal funds from Title IV-E of the Social Security Act, and 65.3 FTE.

Division of Child Welfare, Administration					
	Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	\$6,004,923	\$4,923,477	\$140,806	\$940,640	64.5
Other legislation	<u>20,538</u>	<u>20,538</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
TOTAL	\$6,025,461	\$4,944,015	\$140,806	\$940,640	64.9
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$6,025,461	\$4,944,015	\$140,806	\$940,640	64.9
Annualize prior year budget actions	93,097	76,353	1,834	14,910	0.3
Annualize prior year legislation	5,610	5,610	0	0	0.1
NP2 FMAP decrease	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,124,168	\$5,025,978	\$142,640	\$955,550	65.3

*JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision*

Division of Child Welfare, Administration					
	Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$98,707	\$81,963	\$1,834	\$14,910	0.4
Percentage Change	1.6%	1.7%	1.3%	1.6%	0.6%
FY 2016-17 Executive Request:	\$6,124,168	\$5,025,978	\$142,640	\$955,550	65.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Training

This line item provides funding for the Department to provide necessary training for county and state staff, direct service providers (e.g., foster parents), county attorneys, guardians ad litem, court-appointed special advocates, and court personnel. Most curriculum development and training is provided by outside contractors, typically departments of social work at several colleges and universities. Pursuant to Section 26-5-109, C.R.S., the child welfare training academy is established to ensure that persons hired to work within child welfare services receive the necessary training to perform the functions of their jobs responsibly and effectively. The Department is responsible for identifying specific child welfare job titles that are required to obtain certification as a mandatory condition of employment and to promulgate related rules. The line item also funds stipends to students pursuing a degree in social work.

In the Long Bill, funding is provided to increase both the frequency and length of training for county child welfare caseworkers and supervisors and to add a state-supervised on-the-job component. This facilitates the state's ability to require that certain training be completed before a new child welfare worker takes cases.

Statutory Authority: Section 26-5-102 through 26-5.5-106, C.R.S.

Request: The Department requests an appropriation of \$6,526,955 total funds, including \$3,310,877 General Fund, \$37,230 cash funds, \$3,178,848 federal funds, and 7.0 FTE for FY 2016-17. This reflects a decrease of \$44,158 total funds, including \$39,239 General Fund, for annualization of prior year legislation and budget actions.

Recommendation: Staff recommends an appropriation of \$6,526,955 total funds, including \$3,310,877 General Fund, \$37,230 cash funds from local sources, \$3,178,848 federal funds from Title IV-E of the Social Security Act, and 6.0 FTE.

Division of Child Welfare, Training					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	\$6,462,115	\$3,259,648	\$37,230	\$3,165,237	6.0
Other legislation	108,998	90,468	0	18,530	1.0

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Division of Child Welfare, Training					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
HB 16-1242 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,571,113	\$3,350,116	\$37,230	\$3,183,767	7.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$6,571,113	\$3,350,116	\$37,230	\$3,183,767	7.0
Annualize prior year budget actions	7,842	3,921	0	3,921	0.0
BA8 Child Welfare Training note change	0	0	0	0	0.0
Annualize prior year legislation	<u>(52,000)</u>	<u>(43,160)</u>	<u>0</u>	<u>(8,840)</u>	<u>0.0</u>
TOTAL	\$6,526,955	\$3,310,877	\$37,230	\$3,178,848	7.0
Increase/(Decrease)	(\$44,158)	(\$39,239)	\$0	(\$4,919)	0.0
Percentage Change	(0.7%)	(1.2%)	0.0%	(0.2%)	0.0%
FY 2016-17 Executive Request:	\$6,526,955	\$3,310,877	\$37,230	\$3,178,848	7.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Foster and Adoptive Parent Recruitment, Training, and Support

This line item represents the consolidated funding the Department receives related to the recruitment and retention of foster and adoptive parents. Funding is provided to support 1.0 FTE charged with monitoring and improving counties' adoptive and foster parent recruitment and retention activities and providing technical assistance to counties. This position was first funded in FY 2001-02 to meet one of the requirements of the federal *Adoption and Safe Families Act*, which requires states to have an identifiable process for assuring diligent recruitment and retention of foster and adoptive families that reflect the ethnic and racial diversity of children for whom placements are needed. The intent of the line item is to assist counties in developing and maintaining foster care resources so that:

- Children and youth in foster care live in or near the communities of the homes from which they were removed;
- Siblings can be placed in the same foster or adoptive home to preserve familial connections; and
- Children and youth with developmental disabilities or behavioral/mental health issues can be cared for in an appropriate and least restrictive foster care placement.

The line item includes funding to support county efforts to develop and print marketing materials to advertise large community recruitment events and to recognize foster parents. In addition, the Heart Gallery, an exhibit that features children and youth who need adoptive families, is displayed annually in community and business venues around the state. Retention efforts funded out of this line include creating and publishing a calendar that highlights foster and adoptive families, developing and providing foster parent training materials for county departments, providing online training materials for foster parents in rural areas, and exit surveys to identify

the reason that foster parents terminate foster parenting. Exit survey results are provided to county departments and child placement agencies.

Statutory Authority: Section 26-5-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$341,008 total funds, including \$273,216 General Fund and \$67,792 federal funds, and 1.0 FTE in FY 2016-17. This reflects an increase of \$1,755 total funds for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$341,008 total funds, including \$273,216 General Fund and \$67,792 federal funds from Title IV-E of the Social Security Act, and 1.0 FTE.

Division of Child Welfare, Foster and Adoptive Parent Recruitment, Training, and Support				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$339,253</u>	<u>\$271,812</u>	<u>\$67,441</u>	<u>1.0</u>
TOTAL	\$339,253	\$271,812	\$67,441	1.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$339,253	\$271,812	\$67,441	1.0
Annualize prior year budget actions	<u>1,755</u>	<u>1,404</u>	<u>351</u>	<u>0.0</u>
TOTAL	\$341,008	\$273,216	\$67,792	1.0
Increase/(Decrease)	\$1,755	\$1,404	\$351	0.0
Percentage Change	0.5%	0.5%	0.5%	0.0%
FY 2016-17 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Child Welfare Services

This line item provides the primary source of funding for counties to administer child welfare programs and deliver associated services to children and families, including: 1) county administration for child welfare related activities; 2) out-of-home residential care; 3) subsidized adoptions; and 4) other necessary and appropriate services for children and families.

County Capped Allocations. Pursuant to Section 26-5-104 (4), C.R.S., counties receive capped funding allocations for the administration and provision of child welfare services. Counties are allowed to use capped allocation moneys for child welfare services without categorical restriction. Those counties that serve at least 80 percent of the total child welfare services population (the largest ten counties, currently) receive individual capped allocations, and the remaining small and medium-sized counties receive separate capped allocations. Each county's

allocation consists of local, state, and federal funds. The Department uses state and federal funds appropriated through the Child Welfare Services line item to reimburse county departments of social services for approximately 80 percent of related expenses, up to the amount available in each county's allocation.

Allocation Formula. Current law directs the Department of Human Services, with input from the Child Welfare Allocations Committee, to annually develop formulas for allocating child welfare funding among counties. In determining such formulas, the Department is to take into consideration historical expenditures, a comparison of such expenditures to the associated caseload, and other factors "that directly affect the population of children in need of child welfare services in a county" [Section 26-5-104 (3) (a), C.R.S.]. A county's allocation may be amended due to "caseload growth ... or changes in federal law or federal funding" [Section 26-5-104 (4) (e), C.R.S.]. In the event that the Department and the Child Welfare Allocations Committee do not reach an agreement on the allocation formula by June 15 of any state fiscal year for the following fiscal year, the Department and the Child Welfare Allocations Committee are to submit alternatives to the Joint Budget Committee for selection of an allocation formula.

End-of-year Close-out. Pursuant to Section 26-5-104 (7), C.R.S., the Department is authorized, based upon the recommendations of the Allocations Committee, to allocate any unexpended funds at fiscal year-end to any county that has over spent its capped allocation. In addition, a "mitigation fund" is set aside at the beginning of the year for distribution to small counties that over-expend, as their expenditures are less-easily managed than those of larger counties. A county may only receive "close-out" funds for authorized expenditures attributable to caseload increases beyond those anticipated when the allocations were made, and for expenditures other than those attributable to administrative and support functions.

At one time, most county under-expenditures were redistributed to counties with over-expenditures. However, in recent years, many counties have become part of the H.B. 04-1451 Collaborative Management Program, which often allows counties to retain a significant share (about 50 percent) of any of their allocation that is unexpended at the end of the year. Counties have to opt into the program and the amount of total retained under-expenditures depends on their actual performance as well as expenditures.

H.B. 14-1368. In the 2014 legislative session, the Joint Budget Committee sponsored a bill that establishes a plan to transition youth aged 18 to 20 years of age who have intellectual and developmental disabilities (IDD) and receive services through county child welfare services into the adult services for persons with IDD program in the Department of Health Care Policy and Financing. The bill reduced the General Fund appropriation to the Child Welfare Services line item by \$2,829,586 and transferred it to the newly created Child Welfare Transition Cash Fund. Both departments were provided spending authority for monies in this cash fund. The cash fund is repealed on July 1, 2016 and the fund balance reverts to the General Fund. As of this date, the cash fund balance is anticipated to be zero on the date of its repeal.

Statutory Authority: Section 26-5-101 et.seq., C.R.S.

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Request: The Department requests an appropriation of \$350,233,592 total funds, including \$181,399,308 General Fund, \$64,490,449 cash funds, \$15,045,476 reappropriated funds, and \$89,298,359 federal funds. The request reflects a decrease of \$3,906,675 total funds, including an increase of \$750,807 General Fund, and a decrease of \$3,578,348 cash funds, \$177,130 reappropriated funds, and \$902,004 federal funds for FY 2016-17. The includes a 1.0 percent provider rate decrease and the annualization of H.B. 14-1368.

Recommendation: Staff recommends an appropriation of \$350,945,409 total funds, including \$180,376,207 General Fund, \$65,171,137 cash funds from local funds, \$15,197,702 reappropriated funds from Medicaid funds transferred from the Department of Health Care Policy and Financing, and \$90,200,363 federal funds from Titles IV-E and XX of the Social Security Act. This reflects a decrease of \$3,194,858 totals funds, including \$272,294 General Fund, for the annualization of prior year legislation and budget actions. As of this date, the Committee has made a preliminary decision to deny the Department’s R19 request for a 1.0 percent provider rate decrease that would be applied to line items that fund child welfare staffing and services. If the Committee elects to approve a provider rate decrease for budget balancing purposes, Staff recommends that no provider rate decrease be applied to these line items in the Division of Child Welfare.

The transition of youth with IDD from the Department to the Department of Health Care Policy and Financing resulted in a reduction of county caseload. The bill does not contain a provision stating that the funds are to return to the Child Welfare Services line item; nor does the fiscal note for the bill state that this should happen. As a result, Staff’s recommendation does not include an annualization of H.B. 14-1368.

Because the requirements in statute that are the foundation of the Family Preservation Services Program have been integrated with standard practice, Staff recommends that appropriations for Core Services be combined with funding for services (only) currently appropriated in the Child Welfare Services line item. Staff further recommends that the portion of funding appropriated in the Child Welfare Services line item be combined with the County Level Child Welfare Staffing appropriations to provide a mechanism to ensure funding is available to support appropriate county child welfare staffing levels.

Division of Child Welfare, Child Welfare Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$354,140,267	\$180,648,501	\$68,068,797	\$15,222,606	\$90,200,363	0.0
HB 16-1242 (Supplemental Bill)	0	0	0	0	0	0.0
TOTAL	\$354,140,267	\$180,648,501	\$68,068,797	\$15,222,606	\$90,200,363	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$354,140,267	\$180,648,501	\$68,068,797	\$15,222,606	\$90,200,363	0.0

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Division of Child Welfare, Child Welfare Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Technical adjustment	0	0	0	0	0	0.0
R19 Community provider rate adjustment	0	0	0	0	0	0.0
R10 Tribal placements funding waiver	0	0	0	0	0	0.0
NP2 FMAP decrease	0	0	0	0	0	0.0
Annualize prior year legislation	(2,829,586)	0	(2,829,586)	0	0	0.0
Annualize prior year budget actions	<u>(365,272)</u>	<u>(272,294)</u>	<u>(68,074)</u>	<u>(24,904)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$350,945,409	\$180,376,207	\$65,171,137	\$15,197,702	\$90,200,363	0.0
Increase/(Decrease)	(\$3,194,858)	(\$272,294)	(\$2,897,660)	(\$24,904)	\$0	0.0
Percentage Change	(0.9%)	(0.2%)	(4.3%)	(0.2%)	0.0%	n/a
FY 2016-17 Executive Request:	\$350,233,592	\$181,399,308	\$64,490,449	\$15,045,476	\$89,298,359	0.0
Request Above/(Below) Recommendation	(\$711,817)	\$1,023,101	(\$680,688)	(\$152,226)	(\$902,004)	0.0

County Level Child Welfare Staffing

This new line item was added through S.B. 15-242 directing the Child Welfare Allocations Committee to develop a formula to allocate additional funding to counties beyond what they receive through the Child Welfare Block allocation for the specific purpose of creating new child welfare case aid, case worker, and supervisor positions at the county level. Funding in this bill is equivalent to the cost of 100.0 FTE calculated at a State compensation rate. The bill requires a 10.0 percent county match for funds, unless the county qualifies for tier 1 or tier 2 of County Tax Base Relief, in which case, the county is funded at 100.0 percent.

Statutory Authority: Section 26-5-103.5, C.R.S.

Request: The Department requests an appropriation of \$12,379,742 total funds, including \$11,015,406 General Fund, \$1,181,374 cash funds, and \$182,962 federal funds, for FY 2016-17. This reflects an increase of \$6,315,593 total funds, including \$5,586,896 General Fund, for the Department’s R1 budget request for funding to increase county level child welfare staff.

Recommendation: Staff recommends an appropriation of \$11,728,298 total funds, including \$10,497,020 General Funds, \$1,172,830 cash funds from local sources, and \$58,448 federal funds from Title IV-E of the Social Security Act. This reflects an increase of \$6,064,149 total funds, including \$5,428,510 General Fund, \$606,415 cash funds, and \$29,224 federal funds to provide funding to counties equivalent to the cost of 100.0 FTE calculated at a State compensation rate for the purpose of creating new county level child welfare case aide, case worker, and supervisor positions. It also includes a decrease of \$400,000 total funds for the annualization of prior year legislation. As of this date, the Committee has made a preliminary decision to deny the Department’s R19 request for a 1.0 percent provider rate decrease that would be applied to line items that fund child welfare staffing and services. If the Committee elects to approve a provider rate decrease for budget balancing purposes, Staff recommends that no provider rate decrease be applied to these line items in the Division of Child Welfare. If the

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Committee elects to apply a provider rate adjustment to line items in the Division of Child Welfare, the adjustment should be applied to this line item as well.

Division of Child Welfare, County Level Child Welfare Staffing					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
Other legislation	<u>\$6,064,149</u>	<u>\$5,428,510</u>	<u>\$606,415</u>	<u>\$29,224</u>	<u>0.0</u>
TOTAL	\$6,064,149	\$5,428,510	\$606,415	\$29,224	0.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$6,064,149	\$5,428,510	\$606,415	\$29,224	0.0
R1 County child welfare staff - phase 2	6,064,149	5,428,510	606,415	29,224	0.0
R19 Community provider rate adjustment	0	0	0	0	0.0
Annualize prior year legislation	<u>(400,000)</u>	<u>(360,000)</u>	<u>(40,000)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$11,728,298	\$10,497,020	\$1,172,830	\$58,448	0.0
Increase/(Decrease)	\$5,664,149	\$5,068,510	\$566,415	\$29,224	0.0
Percentage Change	93.4%	93.4%	93.4%	100.0%	0.0%
FY 2016-17 Executive Request:	\$12,379,742	\$11,015,406	\$1,181,374	\$182,962	2.7
Request Above/(Below) Recommendation	\$651,444	\$518,386	\$8,544	\$124,514	2.7

Child Welfare Caseload Study

Funding was provided to the Department through S.B. 15-242 for the purpose of contracting an outside agency to perform child welfare caseload study. As a follow-up to the child welfare workload study released in August 2015, the caseload study is intended to establish benchmarks for the appropriate caseload for county level child welfare staff.

Statutory Authority: Section 26-5-112, C.R.S.

Request: The Department requests no appropriation for this line item in FY 2016-17.

Recommendation: Staff recommends approval of the Department's request.

Division of Child Welfare, Child Welfare Caseload Study				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
Other legislation	<u>\$235,000</u>	<u>\$195,050</u>	<u>\$39,950</u>	<u>0.0</u>
TOTAL	\$235,000	\$195,050	\$39,950	0.0

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Division of Child Welfare, Child Welfare Caseload Study				
	Total Funds	General Fund	Federal Funds	FTE
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$235,000	\$195,050	\$39,950	0.0
Annualize prior year legislation	<u>(235,000)</u>	<u>(195,050)</u>	<u>(39,950)</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$235,000)	(\$195,050)	(\$39,950)	0.0
Percentage Change	(100.0%)	(100.0%)	(100.0%)	0.0%
FY 2016-17 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Title IV-E Waiver and Evaluation Development

This line item was established by S.B. 13-231 and funds the development and evaluation costs related to the implementation of the federal Title IV-E Waiver. Activities include automated systems development, agency administration, consultant costs, orientation and training, and evaluation planning.

Statutory Authority: Section 26-5-105.4 (6), C.R.S.

Request: The Department requests an appropriation of \$500,018 in total funds, including \$250,009 General Fund and \$250,009 federal funds in FY 2016-17.

Recommendation: Staff recommends an appropriation of \$500,018 in total funds, including \$250,009 General Fund and \$250,009 federal funds from Title IV-E of the Social Security Act.

Division of Child Welfare, Title IV-E Waiver and Evaluation Development				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$500,018</u>	<u>\$250,009</u>	<u>\$250,009</u>	<u>0.0</u>
TOTAL	\$500,018	\$250,009	\$250,009	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	<u>\$500,018</u>	<u>\$250,009</u>	<u>\$250,009</u>	<u>0.0</u>
TOTAL	\$500,018	\$250,009	\$250,009	0.0
Increase/(Decrease)	\$0	\$0	\$0	0.0

Division of Child Welfare, Title IV-E Waiver and Evaluation Development				
	Total Funds	General Fund	Federal Funds	FTE
Percentage Change	0.0%	0.0%	0.0%	n/a
FY 2016-17 Executive Request:	\$500,018	\$250,009	\$250,009	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Title IV-E Waiver Demonstration

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. Senate Bill 13-231 created the Title IV-E Waiver Demonstration Project Cash Fund into which half of the savings generated from reduced out-of-home placements will be deposited. 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 cash fund. 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. This line item provides the Department with spending authority to disburse funds to eligible counties.

Statutory Authority: Section 26-5-105.4, C.R.S.

Request: The Department requests an appropriation of \$12,000,000 cash funds for the Title IV-E Demonstration Project in FY 2016-17. This includes an increase of \$6,000,000 cash funds for the Department’s R8 budget request.

Recommendation: Staff recommends an appropriation of \$12,000,000 cash funds from the Title IV-E Waiver Demonstration Project Cash Fund.

Division of Child Welfare, Title IV-E Waiver Demonstration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$6,000,000</u>	<u>\$0</u>	<u>\$6,000,000</u>	<u>0.0</u>
TOTAL	\$6,000,000	\$0	\$6,000,000	0.0
FY 2016-17 Recommended				

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Division of Child Welfare, Title IV-E Waiver Demonstration				
	Total Funds	General Fund	Cash Funds	FTE
Appropriation				
FY 2015-16 Appropriation	\$6,000,000	\$0	\$6,000,000	0.0
R8 Title IV-E Waiver cash funds	<u>6,000,000</u>	<u>0</u>	<u>6,000,000</u>	<u>0.0</u>
TOTAL	\$12,000,000	\$0	\$12,000,000	0.0
Increase/(Decrease)				
	\$6,000,000	\$0	\$6,000,000	0.0
Percentage Change	100.0%	0.0%	100.0%	0.0%
FY 2016-17 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Family and Children's Programs

This line item was established largely as a result of the Child Welfare Settlement Agreement (finalized in February 1995). The settlement agreement required a number of improvements in the child welfare system, including: 1) an increase in the number of county caseworkers and supervisors; 2) improvements in the amount and types of training provided to caseworkers, supervisors, and out-of-home care providers; 3) the provision of core services to children and families (described below); 4) improvements in investigations, needs assessments, and case planning; 5) improvements in services to children placed in residential care; 6) increased rates for out-of-home care providers and elimination of certain rate disparities; and 7) the development of a unitary computerized information system (the Colorado Trails System). In January 2002, the parties agreed that the Department and counties were in substantial compliance with the terms of the settlement agreement, and it was terminated.

This line item historically provided funding for three purposes (staff, training, and core services), but the General Assembly transferred staff and training to other line items. Currently, the line item funds only "core services" to families with children that are at imminent risk of placement outside the home.

Description of Core Services. This program serves children who are dependent and neglected or abused, delinquent or in conflict with their families or communities through various supportive services. Section 19-3-208, C.R.S., specifies a basic set of child welfare services counties are required to provide to eligible children and families. Certain additional services are required to be made available and provided based upon the state's capacity to increase federal funding or any other moneys appropriated for these services and as determined necessary and appropriate by individual case plans. These services include:

- Transportation to services;
- Child care;
- In-home supportive homemaker services;
- Diagnostic, mental health, and health care services;
- Drug and alcohol treatment services;

- After care services to prevent a return to out-of-home placement;
- Family support services while a child is in out-of-home placement including home-based services, family counseling, and placement alternative services;
- Financial services in order to prevent placement; and
- Family preservation services, which are brief, comprehensive, and intensive services provided to prevent the out-of-home placement of children or to promote the safe return of children to the home. Such services are further described and authorized at 26-5.5-101 through 106, C.R.S.

In addition, pursuant to Section 26-5.3-105, C.R.S., "emergency assistance" shall be made available to children at imminent risk of out-of-home placement. Emergency assistance includes:

- 24-hour emergency shelter facilities;
- Information referral;
- Intensive family preservation services;
- In-home supportive homemaker services;
- Services used to develop and implement a discrete case plan; and
- Day treatment services for children.

Pursuant to Department rules, to be eligible for core services, a child must be at imminent risk of out of home placement (or in such placement). House Bill 11-1196 expanded the use of family preservation services as identified in Section 26-5.5-104, C.R.S., to families at risk of involvement in the child welfare system. This may result in the expansion of Core Services to a broader range of families, although the impact is not yet clear.

County Allocations. County allocations for Core Services are set by the Department of Human Services. The allocation of funds in this line item among counties has been essentially stagnant for many years. Pursuant to Long Bill footnote 34, \$4,006,949 of the funds appropriated for this line item is specifically set aside for counties in implementing and expanding evidence-based programs targeted at adolescents.

Statutory Authority: Section 26-5-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$53,463,002 total funds, including \$44,781,649 General Fund, \$5,589,486 cash funds, and \$3,091,867 federal funds in FY 2016-17. This reflects a decrease of \$540,030 total funds, including \$452,340 General Fund, for a 1.0 percent provider rate decrease.

Recommendation: Staff recommends an appropriation of \$54,003,032 total funds, including \$45,233,989 General Fund, \$5,645,945 cash funds from local funds, and \$3,123,098 federal funds from Title IV-E and Title XX of the Social Security Act. As of this date, the Committee has made a preliminary decision to deny the Department's R19 request for a 1.0 percent provider rate decrease that would be applied to line items that fund child welfare staffing and services. If the Committee elects to approve a provider rate decrease for budget balancing purposes, Staff

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recommends that no provider rate decrease be applied to these line items in the Division of Child Welfare.

Because the requirements in statute that are the foundation of the Family Preservation Services Program have been integrated with standard practice, Staff recommends that appropriations for Core Services be combined with funding for services (only) currently appropriated in the Child Welfare Services line item.

Division of Child Welfare, Family and Children's Programs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$54,003,032</u>	<u>\$45,233,989</u>	<u>\$5,645,945</u>	<u>\$3,123,098</u>	<u>0.0</u>
TOTAL	\$54,003,032	\$45,233,989	\$5,645,945	\$3,123,098	0.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$54,003,032	\$45,233,989	\$5,645,945	\$3,123,098	0.0
R19 Community provider rate adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$54,003,032	\$45,233,989	\$5,645,945	\$3,123,098	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	n/a
FY 2016-17 Executive Request:	\$53,463,002	\$44,781,649	\$5,589,486	\$3,091,867	0.0
Request Above/(Below) Recommendation	(\$540,030)	(\$452,340)	(\$56,459)	(\$31,231)	0.0

Performance-based Collaborative Management Incentives

This line item was first appropriated in FY 2005-06 to provide spending authority for the Department to allocate incentives to counties pursuant to H.B. 04-1451 and previous legislation.

House Bill 04-1451, as amended by H.B. 08-1005. House Bill 04-1451, codified at Section 24-1.9-101 through 104, C.R.S., authorizes, but does not require, each county department of social services to enter into a memorandum of understanding (MOU) with local representatives of various agencies to promote a collaborative system of services to children and families. If a county department elects to enter into an MOU pursuant to this bill, the MOU is required to include local representatives from the following agencies:

- The local judicial districts, including probation services;
- The health department, whether a county, district, or regional health department;
- The local school district or school districts;
- Each community mental health center;
- Each behavioral health organization (BHO);
- The Division of Youth Corrections;

- Alcohol and drug abuse managed service organizations;
- A designated managed service organization for the provision of treatment services for alcohol and drug abuse pursuant to Section 27-80—107, C.R.S.; and
- A domestic abuse program as defined in Section 26-7.5-1.2, C.R.S., if representation from such a program is available.

The statute encourages local agencies to enter into MOUs by region, and recommends that the agencies seek input, support, and collaboration from key stakeholders in the private and non-profit sectors, as well as from parent advocacy or family advocacy organizations. Parties to each MOU are required to establish collaborative management processes that are designed to: 1) reduce duplication and eliminate fragmentation of services; 2) increase the quality and effectiveness of services; and 3) encourage cost-sharing among service providers.

Participating entities must agree to meet certain performance measures, specified by the Department and the Board of Human Services. Local interagency groups that choose this option are eligible to receive incentive moneys from the "Performance-based Collaborative Management Incentive Cash Fund" through this line item. Incentive moneys, which are allocated by the Department to those interagency groups that meet or exceed the specified performance measures, are to be reinvested in services for children and families.

In addition, parties to an MOU are to create a procedure to allow General Fund savings realized as a result of the MOU to be reinvested in services for children and families. General Fund savings associated with the program that are to be retained by participating counties are to be determined based on rules established by the State Board of Human Services.

Program Evaluation. The Department is required to contract for external evaluation of the program. The most recent evaluation report was released in November 2014. The report reflects the continued expansion of the program across the state and strong participation. Statute requires each MOU to include authorization for the establishment of *individualized service and support teams*. These teams are critical to implementing the goals of the program, as they provide for multi-system "staffing" and thus development of an integrated service plan for children and youth. Participating sites all reported active teams.

Statewide evaluation of the overall program has proven difficult as the services that are provided through multiple agencies are reported at the local level and on local software programs. The Department reports that for confidentiality reasons, local providers do not have access to the Colorado Trails system making it difficult for the Department and the contracted evaluator to monitor outcomes and savings generated from reduced costs.

Funding for the Program. Since its inception the program has been funded through the Performance-based Collaborative Management Incentive Cash Fund that consists of monies received from docket fees in civil actions transferred pursuant to Section 13-32-101 (5) (a), C.R.S. In addition, the fund received transfers from the family stabilization services fund. In FY 2015-16, \$1.5 million General Fund was appropriated to the program through S.B. 15-241. These funds are combined with available cash funds designated to the program and allocated

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through an incentive formula to participating counties. Through FY 2013-14, allocations to counties exceeded the amount of revenue in the fund, resulting in the anticipated shortfall in FY 2016-17. In FY 2013-14, the Department modified the mechanism through which the allocation is made, requiring that the allocations to counties be calculated and distributed by November following the end of the fiscal year during which they are earned. Because allocations were made with available funds, this change allowed the cash fund to be replenished during FY 2014-15 (see table below).

Performance-based Collaborative Management Incentive Cash Fund*							
	Actual	Actual	Actual	Actual	Approp.	Request	Projected
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Cash balance beginning of year	\$1,077,947	\$684,611	\$449,556	\$190,456	\$2,999,610	\$2,999,610	\$2,999,610
Actual/anticipated cash inflow	2,823,245	2,803,731	2,784,190	2,834,039	3,000,000	3,000,000	3,000,000
Actual/appropriated cash outflow	3,216,580	3,038,786	3,043,291	24,885	3,000,000	3,000,000	3,000,000
Changes from prior year fund balance	(393,335)	(235,055)	(259,101)	2,809,154	0	0	0
Actual/anticipated liquid fund balance	\$684,612	\$449,556	\$190,456	\$2,999,610	\$2,999,610	\$2,999,610	\$2,999,610

*The above figures are from the Schedule 9: Cash Funds Reports provided by the Department of Human Services.

Statutory Authority: Sections 24-1.9-101 through 104 and 26-5-105.5, C.R.S.

Request: The Department requests an appropriation of \$4,500,000 total funds, including \$1,500,000 General Fund and \$3,000,000 cash funds for FY 2016-17.

Recommendation: Staff recommends an appropriation of \$4,500,000 total funds, including \$1,500,000 General Fund and \$3,000,000 cash funds spending authority from the Performance-based Collaborative Management Incentive Cash Fund.

Division of Child Welfare, Performance-based Collaborative Management Incentives				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$3,000,000	\$0	\$3,000,000	0.0
Other legislation	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,500,000	\$1,500,000	\$3,000,000	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	<u>\$4,500,000</u>	<u>\$1,500,000</u>	<u>\$3,000,000</u>	<u>0.0</u>
TOTAL	\$4,500,000	\$1,500,000	\$3,000,000	0.0
Increase/(Decrease)	\$0	\$0	\$0	0.0

*JBC Staff Figure Setting: FY 2016-17
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Division of Child Welfare, Performance-based Collaborative Management Incentives				
	Total Funds	General Fund	Cash Funds	FTE
Percentage Change	0.0%	0.0%	0.0%	n/a
FY 2016-17 Executive Request:	\$4,500,000	\$1,500,000	\$3,000,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Collaborative Management Program Administration and Evaluation

This line item was created through S.B. 15-241 that appropriated General Fund to the Collaborative Management Program for allocation to counties. These funds are in addition to the cash fund spending authority that already existed. The funds in this line item are used to support 1.5 Department FTE in the supervision of the program. In addition, the funds are used to contract an outside organization to perform an annual evaluation of the program pursuant to Section 24-1.9-102.5, C.R.S.

Statutory Authority: Section 24-1.9-102.5, C.R.S.

Request: The Department requests an appropriation of \$348,945 General Fund and 1.5 FTE for FY 2016-17. This reflects a decrease of \$7,690 General Fund for the annualization of prior year legislation.

Recommendation: Staff recommends an appropriation of \$348,945 General Fund and 1.5 FTE.

Division of Child Welfare, Collaborative Management Program Administration and Evaluation			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
Other legislation	<u>\$356,635</u>	<u>\$356,635</u>	<u>1.5</u>
TOTAL	\$356,635	\$356,635	1.5
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	\$356,635	\$356,635	1.5
Annualize prior year legislation	<u>(7,690)</u>	<u>(7,690)</u>	<u>0.0</u>
TOTAL	\$348,945	\$348,945	1.5
Increase/(Decrease)	(\$7,690)	(\$7,690)	0.0
Percentage Change	(2.2%)	(2.2%)	0.0%
FY 2016-17 Executive Request:	\$348,945	\$348,945	1.5
Request Above/(Below) Recommendation	\$0	\$0	0.0

Independent Living Programs

This line item reflects, for informational purposes, federal Title IV-E "Chafee Foster Care Independence Program" funds that are available to states to provide services for youth up to age 21 who are, or will be, emancipating out-of-home residential care. While some counties use other funding sources to support staffing units devoted to independent living services, federal Chafee funds provide the primary source of funding for independent living services in Colorado. These federal funds support direct services to eligible youth, as well as technical assistance, program and policy development, monitoring, and program administration.

Studies concerning the circumstances of youth after emancipating foster care indicate that this population is at higher risk of experiencing unemployment, poor educational outcomes, poor health, long-term dependency on public assistance, and increased rates of incarceration when compared to their peers in the general population. Since 1986, the federal government has provided states with funding to develop independent living programs intended to minimize these negative effects and prepare youth for adulthood.

Independent living programs are designed for youth who need to develop the skills necessary to lead self-sufficient, healthy, productive and responsible interdependent lives. Services are focused on encouraging the development of support systems within the community, education, career planning, money management, securing and maintaining a stable source of income and affordable housing, and health and safety. It is a goal that all youth that leave the program have completed their high school education and are continuing to participate in an educational program or obtaining a training certificate in a specific skill area and are working while in the program. County departments of social services have the flexibility to provide direct services in the manner that works well for their county and the population they serve.

This program also works in conjunction with other programs to provide services to youth leaving foster care, such as by arranging for housing vouchers and educational training vouchers for youth who have aged out of foster care.

Statutory Authority: Section 26-5-101 et seq., C.R.S.

Request: The Department requests that \$2,841,449 federal funds from the Title IV-E Chafee Foster Care Independence Program and 4.0 FTE be included in the Long Bill for informational purposes.

Recommendation: Staff recommends approval of the Department's request.

Division of Child Welfare, Independent Living Programs				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$2,837,040</u>	<u>\$0</u>	<u>\$2,837,040</u>	<u>4.0</u>
TOTAL	\$2,837,040	\$0	\$2,837,040	4.0

Division of Child Welfare, Independent Living Programs				
	Total Funds	General Fund	Federal Funds	FTE
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$2,837,040	\$0	\$2,837,040	4.0
Annualize prior year budget action	<u>4,409</u>	<u>0</u>	<u>4,409</u>	<u>0.0</u>
TOTAL	\$2,841,449	\$0	\$2,841,449	4.0
Increase/(Decrease)	\$4,409	\$0	\$4,409	0.0
Percentage Change	0.2%	n/a	0.2%	0.0%
FY 2016-17 Executive Request:	\$2,841,449	\$0	\$2,841,449	4.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Federal Child Abuse Prevention and Treatment Act Grant

This line item reflects, for informational purposes, the funding and staff responsible for administering grants available pursuant to Section 106 of the Child Abuse Prevention and Treatment Act (CAPTA), as amended by Public Law 105-235. A five year reauthorization for the program was signed into law on December 20, 2010. Under federal law, pursuant to authorizations in the act funds shall remain available until expended for the purposes for which they were appropriated. Funding is allotted to states annually on a formula basis according to each state's ratio of children under the age of 18 to the national total. This grant program requires each state to submit a five-year plan and an assurance that the state is operating a statewide child abuse and neglect program that includes specific provisions and procedures. These assurances include:

- Establishment of citizen review panels;
- Expungement of unsubstantiated and false reports of child abuse and neglect;
- Preservation of the confidentiality of reports and records of child abuse and neglect, and limited disclosure to individuals and entities permitted in statute;
- Provision for public disclosure of information and findings about a case of child abuse and neglect that results in a child fatality or near fatality;
- The appointment of a guardian ad litem to represent a child's best interests in court; and
- Expedited termination of parental rights for abandoned infants and provisions that make conviction of certain felonies grounds for termination of parental rights.

The reauthorized version of the bill supports additional collaboration between child protective services, domestic violence and other services and makes services for children exposed to domestic violence an eligible expenditure, and encourages the use of "differential response" in child welfare practice. Differential response is defined as "a state or community-determined formal response that assesses the needs of the child or family without requiring a determination of risk or occurrence of maltreatment." States are allowed to utilize the CAPTA grant to improve their child protective service systems in the following areas:

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- The intake, assessment, screening, and investigation of reports of abuse and neglect;
- Protocols to enhance investigations;
- Improving legal preparation and representation;
- Case management and delivery of services provided to children and their families;
- Risk and safety assessment tools and protocols;
- Automation systems that support the program and track reports of child abuse and neglect;
- Training for agency staff, service providers, and mandated reporters; and
- Developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors.

Statutory Authority: Section 19-3-101 through 19-3-316. C.R.S.

Request: The Department requests that \$448,993 federal funds from the Child Abuse Prevention and Treatment Act state grant and 3.0 FTE be included in the Long Bill for informational purposes. This includes an increase of \$4,174 federal funds for the annualization of prior year budget actions..

Recommendation: Staff recommends approval of the Department request.

Division of Child Welfare, Federal Child Abuse Prevention and Treatment Act Grant				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$444,819</u>	<u>\$0</u>	<u>\$444,819</u>	<u>3.0</u>
TOTAL	\$444,819	\$0	\$444,819	3.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$444,819	\$0	\$444,819	3.0
Annualize prior year budget action	<u>4,174</u>	<u>0</u>	<u>4,174</u>	<u>0.0</u>
TOTAL	\$448,993	\$0	\$448,993	3.0
Increase/(Decrease)	\$4,174	\$0	\$4,174	0.0
Percentage Change	0.9%	n/a	0.9%	0.0%
FY 2016-17 Executive Request:	\$448,993	\$0	\$448,993	3.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Community-based Child Abuse Prevention Services

This line was established through FY 2013-14 funding requests and appropriates funding for a series of new or expanded programs focused on prevention with the intent of keeping families from entering or further penetrating the child welfare system. The programs identify families

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that will benefit from prevention services and connect those families to resources designed to increase their protective capacity.

- Because the majority of referrals to child protective services involve concerns about basic care and parental resources, these programs focus on building connections to cornerstone community services and supports;
- The line funds two specific programs:
 - SafeCare is an in-home prevention services program for parents that includes child behavior management, planned activities training, home safety training, and child health care skills, designed to stabilize families and prevent child maltreatment. Funding is used to implement the SafeCare model at twelve specific sites throughout the state; and
 - Community Response Program is a promising practice for preventing child maltreatment and strengthening family functioning by increasing the family’s protective capacities. Funding will be used to implement the program model at 18 sites throughout the state.

Statutory Authority: Section 26-5-101 et. seq., C.R.S.

Request: The Department requests an appropriation of \$8,442,653 General Fund and 2.0 FTE in FY 2016-17. Of this request, \$5,447,875 and 1.0 FTE is related to the ongoing implementation of SafeCare and \$2,994,778 and 1.0 FTE is related to the Community Response Program.

Recommendation: Staff recommends an appropriation of \$8,442,653 General Fund and 2.0 FTE.

Division of Child Welfare, Community-based Child Abuse Prevention Services			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
SB 15-234 (Long Bill)	<u>\$8,439,384</u>	<u>\$8,439,384</u>	<u>2.0</u>
TOTAL	\$8,439,384	\$8,439,384	2.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	\$8,439,384	\$8,439,384	2.0
Annualize prior year budget actions	3,269	3,269	0.0
R20 Realignment of Office of Early Childhood Programs	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,442,653	\$8,442,653	2.0
Increase/(Decrease)	\$3,269	\$3,269	0.0
Percentage Change	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:	\$8,442,653	\$8,442,653	2.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Hotline for Child Abuse and Neglect

Pursuant to H.B. 13-1271, the Department developed and implemented a statewide child abuse and neglect reporting hotline system. The system is available 24 hours a day, 7 days a week and serves as a direct, immediate, and efficient route of notification to the entity responsible for accepting a report of abuse and neglect and responding to an inquiry about services. The hotline enhances the current child welfare system and provides an additional option for the public to make an initial report of suspected or known child abuse or neglect or to make an inquiry. The Department and the Governor’s Office of Information Technology finalized and deployed the hotline in every county between December 15 and 31, 2014. The Department conducted over 20 training sessions in November and December that educated county staff on web-based applications associated with the system.

Statutory Authority: Section 26-5-111 (3) (a), C.R.S.

Request: The Department requests an appropriation of \$3,130,078 total funds, including \$3,075,081 General Fund, \$54,997 federal funds, and 6.0 FTE for FY 2016-17. This request includes a decrease of \$1,465,565 General Fund for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$3,130,078 total funds, including \$3,075,081 General Fund, \$54,997 federal funds from Title IV-E of the Social Security Act, and 6.0 FTE.

Division of Child Welfare, Hotline for Child Abuse and Neglect				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$4,595,643</u>	<u>\$4,540,646</u>	<u>\$54,997</u>	<u>6.0</u>
TOTAL	\$4,595,643	\$4,540,646	\$54,997	6.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$4,595,643	\$4,540,646	\$54,997	6.0
Annualize prior year budget action	<u>(1,465,565)</u>	<u>(1,465,565)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,130,078	\$3,075,081	\$54,997	6.0
Increase/(Decrease)	(\$1,465,565)	(\$1,465,565)	\$0	0.0
Percentage Change	(31.9%)	(32.3%)	0.0%	0.0%
FY 2016-17 Executive Request:	\$3,130,078	\$3,075,081	\$54,997	6.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	(0.0)

Public Awareness Campaign for Child Welfare

This line item provides funding for the public awareness campaign associated with the statewide child abuse and reporting hotline system. It will educate the public on the important role of community members in the prevention of child abuse, neglect, egregious incidents, and fatalities. The campaign launched in April 2015 and includes multi-media promotional products that provide consistent messaging across the state, including billboards, gas toppers, television and radio advertisement, social media promotion, and an electronic campaign toolkit. In addition, the Department is working to develop partnerships with other public, nonprofit, private sector, and community organizations to promote the hotline and raise awareness for child abuse and neglect prevention across the state.

Statutory Authority: Section 26-5-111 (3) (a), C.R.S.

Request: The Department requests an appropriation of \$1,393,250 General Fund and 1.0 FTE for FY 2016-17. This request includes a decrease of \$206,000 General Fund for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$1,393,250 General Fund and 1.0 FTE.

Division of Child Welfare, Public Awareness Campaign for Child Welfare			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
SB 15-234 (Long Bill)	<u>\$1,599,250</u>	<u>\$1,599,250</u>	<u>1.0</u>
TOTAL	\$1,599,250	\$1,599,250	1.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	\$1,599,250	\$1,599,250	1.0
Annualize prior year budget actions	<u>(206,000)</u>	<u>(206,000)</u>	<u>0.0</u>
TOTAL	\$1,393,250	\$1,393,250	1.0
Increase/(Decrease)	(\$206,000)	(\$206,000)	0.0
Percentage Change	(12.9%)	(12.9%)	0.0%
FY 2016-17 Executive Request:	\$1,393,250	\$1,393,250	1.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Interagency Prevention Programs Coordination

The interagency prevention systems coordination line item was appropriated to the Department of Public Health and Environment through H.B. 00-1342. The program moved to the Department of Human Services in FY 2013-14 through H.B. 13-1239. The program oversees the development and implementation of the Colorado Statewide Youth Development Plan and

addresses the coordination of youth development programs across multiple state and local agencies. The goal of the plan is to quantify existing and needed services for youth ages 9-21 and to align existing limited resources to help promote positive youth development. The program receives General Fund to support personnel costs and other costs associated with implementation of the plan and coordinating with stakeholders.

Statutory Authority: Section 26-5-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$135,210 General Fund and 1.0 FTE for FY 2016-17. This reflects an increase of \$1,926 General Fund for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$135,210 General Fund and 1.0 FTE.

Division of Child Welfare, Interagency Prevention Programs Coordination			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
SB 15-234 (Long Bill)	<u>\$133,284</u>	<u>\$133,284</u>	<u>1.0</u>
TOTAL	\$133,284	\$133,284	1.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	\$133,284	\$133,284	1.0
Annualize prior year budget actions	<u>1,926</u>	<u>1,926</u>	<u>0.0</u>
TOTAL	\$135,210	\$135,210	1.0
Increase/(Decrease)	\$1,926	\$1,926	0.0
Percentage Change	1.4%	1.4%	0.0%
FY 2016-17 Executive Request:	\$135,210	\$135,210	1.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Tony Grampsas Youth Services Program

The Tony Grampsas Youth Services (TGYS) Program was added to the Department of Public Health and Environment 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 the occurrence 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. The program funds a wide range of community programs for children and youth, including those focusing on youth mentoring, restorative justice, before- and after-school programs, school dropout prevention, and violence prevention services. Grant awards are determined by the

program board and, pursuant to H.B. 13-1117, the program is now administered by the Department of Human Services.

In the 2014 legislative session, the General Assembly appropriated an additional \$2.0 million to this line item through S.B. 14-215. These funds are from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S. and are to be used to fund community-based programs specifically related to the prevention and intervention of adolescent and youth marijuana use.

In the 2015 legislative session, the General Assembly passed H.B. 15-1367 that added Proposition BB to the November 2015 ballot. This initiative asked voters to give the State of Colorado permission to retain revenue from the sale of recreational marijuana that would otherwise have been refunded to taxpayers as a result of Article X of the State Constitution. Upon the passage of Proposition BB, appropriations made in this bill were made available in FY 2015-16 to the Department to fund marijuana use and abuse prevention, intervention, and treatment programs. The appropriations included:

- \$1.0 million General Fund to the Youth Mentoring Services Cash Fund;
- \$1.0 million reappropriated funds from the Youth Mentoring Services Cash Fund to the Department for the provision of youth mentoring services pursuant to Section 26-6.8-104, C.R.S.;
- \$1.0 million General Fund to the Department for the purpose of providing grants through the Tony Grampas Youth Mentoring Program to statewide membership organizations.

Because the bill only appropriates these funds in FY 2015-16, an annualization is required that: removes the \$1.0 million General Fund appropriation to the Department, removes the General Fund appropriation to the Youth Mentoring Services Cash Fund, removes the reappropriated funds appropriation to the Department from the Youth Mentoring Services Cash Fund, but provides \$1.0 million in cash fund spending authority for funds remaining in the Youth Mentoring Services Cash Fund in FY 2016-17.

Statutory Authority: Section 26-6.8-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$9,003,888 total funds, including \$1,457,278 General Fund, \$7,546,610 cash funds, and 3.0 FTE for FY 2016-17. This reflects an increase of \$4,107 total funds for the annualization of prior year legislation and budget actions.

Recommendation: Staff recommends an appropriation of \$7,960,220 total funds, including \$1,457,278 General Fund, \$2,000,000 from the Marijuana Tax Cash Fund, \$1,000,000 cash fund spending authority for the Youth Mentoring Services Cash Fund, and \$3,502,942 from the Youth Services Program Fund consisting of funds from the Tobacco Master Settlement, and 3.0 FTE. This recommendation reflects a decrease of \$1,000,000 General Fund and \$1,000,000 reappropriated funds and an increase of \$1,000,000 cash fund spending authority for the annualization of prior year legislation; a decrease of \$43,668 cash funds based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection; and an increase of \$4,107 cash funds for the annualization of prior year budget actions. Staff requests permission to adjust

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the portion of the appropriation that originates as Tobacco Master Settlement monies, if necessary, based on the updated revenue projection.

The recommendation is based on the FY 2016-17 Tobacco Master Settlement (TMS) allocation for the program as of the date of this presentation. This TMS allocation is \$3,502,942 and is transferred to the Youth Services Program Cash Fund. In addition, the annualization of H.B. 15-1367 includes a shift in funding sources from General Fund and reappropriated funds to cash fund spending authority for the Youth Mentoring Services Cash Fund. H.B. 15-1367 appropriated \$1,000,000 to for the purpose of providing grants through the Tony Grampsas Youth Mentoring Program to statewide membership organizations.

Division of Child Welfare, Tony Grampsas Youth Services Program					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	\$6,999,781	\$1,457,278	\$5,542,503	\$0	3.0
Other legislation	<u>2,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0.0</u>
TOTAL	\$8,999,781	\$2,457,278	\$5,542,503	\$1,000,000	3.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$8,999,781	\$2,457,278	\$5,542,503	\$1,000,000	3.0
Annualize prior year budget actions	4,107	0	4,107	0	0.0
Annualize prior year legislation	(1,000,000)	(1,000,000)	1,000,000	(1,000,000)	0.0
Tobacco Master Settlement adjustment	<u>(43,668)</u>	<u>0</u>	<u>(43,668)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,960,220	\$1,457,278	\$6,502,942	\$0	3.0
Increase/(Decrease)	(\$1,039,561)	(\$1,000,000)	\$960,439	(\$1,000,000)	0.0
Percentage Change	(11.6%)	(40.7%)	17.3%	(100.0%)	0.0%
FY 2016-17 Executive Request:	\$9,003,888	\$1,457,278	\$7,546,610	\$0	3.0
Request Above/(Below) Recommendation	\$1,043,668	\$0	\$1,043,668	\$0	0.0

Appropriation to the Youth Mentoring Services Cash Fund

This line item was created to reflect the General Fund appropriation to the Youth Services Mentoring Cash Fund that resulted from the passage of Proposition BB. This appropriation was made for the purpose of reappropriation to the Tony Grampsas Youth Services Program. In FY 2016-17, no additional General Fund appropriation is made to the cash fund.

Statutory Authority: H.B. 15-1367 and Proposition BB.

Recommendation: Staff recommends no appropriation to the Youth Mentoring Services Cash Fund.

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Division of Child Welfare, Appropriation to the Youth Mentoring Services Cash Fund			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
Other legislation	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>0.0</u>
TOTAL	\$1,000,000	\$1,000,000	0.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	\$1,000,000	\$1,000,000	0.0
Annualize prior year legislation	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0.0</u>
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$1,000,000)	(\$1,000,000)	0.0
Percentage Change	(100.0%)	(100.0%)	n/a
Request Above/(Below) Recommendation	\$0	\$0	0.0

(6) 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 Grampsas 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 5,790 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. The majority of the funding for this program and a large portion of the funding for other programs in the Office of Early Childhood is from the federal Child Care Development Block Grant that is allocated to the state through Child Care Development Funds (CCDF). Unlike most sources of federal funds, the General Assembly has the authority to appropriate CCDF. The CCDF funds available to the state each year consist of three components: mandatory funds, matching funds, and discretionary funds. Mandatory funds are fixed, require no match and are awarded to the state based on the historic federal share of federal child care expenditures (Title IV-A programs) prior to federal welfare reform. Colorado's portion of these funds is approximately \$10.2 million per year. If a state also chooses to expend federal matching funds, the state must obligate its mandatory funds by the end of the federal fiscal year in which they are granted, with no limit on the liquidation period.

Matching funds are based on the state's relative share of children under age 13. The state is required to match expenditures from this source of funds based on its applicable federal medical assistance percentage rate (FMAP). Availability of funds is dependent upon the state meeting specific requirements, including obligating mandatory funds, meeting the federal child care

maintenance of effort (MOE) requirements, and obligating the federal and state matching funds by the end of the fiscal year in which they are awarded. In order to meet the MOE requirements and be eligible for its share of the matching funds, the state must continue to spend at least the same amount on child care services that it spent on the Title IV-A child care programs in FFY 1994 or FFY 1995, whichever was great. Matching funds must be fully expended in two years. Colorado uses the local share of CCCAP expenditures to comply with federal child care MOE requirements and uses multiple sources of funds to comply with federal matching funds requirements. These include the General Fund portion of CCCAP expenditures and a portion of Colorado Preschool Program expenditures.

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 under the National School Lunch Act, 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 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.

The Department's FY 2015-16 SMART Act Performance Plan includes one goal associated with its strategic policy initiative of "[preparing] for education success throughout their lives." The goal and its associated measure are: To improve kindergarten readiness through quality early care and learning options for all Coloradans with the measure of increasing the percentage of children utilizing Colorado Child Care Assistance Program (CCCAP) in top-rated facilities. As of October 2015, the Department reports that 31.9 percent of children in CCCAP facilities are in top-rated facilities as compared with the goal of 34.0 percent. Through the Race to the Top Early Learning Challenge Grant, the Department has incorporated a quality rating system (Colorado Shines) into the state child care licensing process. As a result, funding appropriated to several line items in the Division supports the achievement of this goal, including Child Care Licensing and Administration, Fines Assessed Against Licenses, Child Care Assistance Program and other related line items, and line items that fund grants for quality improvement.

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. Though there

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are no SMART Act measures specifically related to programs funded in this Division, these programs do support the Department in the strategic policy initiative of “[preparing] for education success throughout their lives.”

Office of Early Childhood						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$184,190,984	\$56,928,891	\$41,193,867	\$5,928,683	\$80,139,543	69.7
HB 16-1242 (Supplemental Bill)	<u>439,814</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>439,814</u>	<u>0.3</u>
TOTAL	\$184,630,798	\$56,928,891	\$41,193,867	\$5,928,683	\$80,579,357	70.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$184,630,798	\$56,928,891	\$41,193,867	\$5,928,683	\$80,579,357	70.0
R4 Annual child care licensing visits	673,524	0	0	0	673,524	0.8
R5 Early intervention caseload growth	3,803,626	2,207,911	961,045	634,670	0	0.0
R7 Continuation of child care quality initiatives	1,431,255	0	0	0	1,431,255	7.3
R19 Community provider rate adjustment	0	0	0	0	0	0.0
R20 Realignment of Office of Early Childhood Programs	0	0	0	0	0	0.0
BA1 Early childhood mental health specialists	1,703,436	0	0	0	1,703,436	0.5
Tobacco Master Settlement adjustment	812,088	0	812,088	0	0	0.0
NP2 FMAP decrease	0	0	0	0	0	0.0
Annualize prior year legislation	2,000,000	2,000,000	0	0	0	0.0
Annualize prior year budget actions	<u>391,733</u>	<u>24,170</u>	<u>12,316</u>	<u>0</u>	<u>355,247</u>	<u>0.0</u>
TOTAL	\$195,446,460	\$61,160,972	\$42,979,316	\$6,563,353	\$84,742,819	78.6
Increase/(Decrease)	\$10,815,662	\$4,232,081	\$1,785,449	\$634,670	\$4,163,462	8.6
Percentage Change	5.9%	7.4%	4.3%	10.7%	5.2%	12.3%
FY 2016-17 Executive Request:	\$192,705,228	\$60,633,188	\$41,947,679	\$6,500,962	\$83,623,399	78.3
Request Above/(Below) Recommendation	(\$2,741,232)	(\$527,784)	(\$1,031,637)	(\$62,391)	(\$1,119,420)	(0.3)

DECISION ITEMS – OFFICE OF EARLY CHILDHOOD

R4 Annual Child Care Licensing Visits

Request: The Department requests \$673,524 in federal Child Care Development Fund (CCDF) for 9.2 contract licensing specialists, and a 0.8 State FTE licensing supervisor in FY 2016-17.

This request annualizes to \$735,527 and 10.0 contract licensing specialists and 1.0 state FTE licensing supervisor in FY 2017-18.

Recommendation: Staff recommends approval of the Department's request.

Analysis:

The Division of Early Care and Learning in the Office of Early Childhood is responsible for licensing, monitoring, and inspecting child care facilities throughout the State, including child care homes and centers, preschool and school-age child care programs, day camps, residential summer camps, and day treatment centers. Currently, the Department contracts with 56 licensing specialists who inspect over 5,700 licensed facilities. Funding for licensing and inspections is appropriated in the Child Care Licensing and Administration line item of the Long Bill. The FY 2015-16 appropriation includes \$2.5 million General Fund, \$0.8 million cash funds from Child Care Licensing Cash Fund, and \$3.9 million federal funds from Child Care Development Funds (CCDF) and Title IV-E of the Social Security Act. This appropriation includes an increase of \$1.3 million General Fund and \$60,000 cash funds in FY 2014-15 to increase the number of licensing specialists. This increase improved the ratio of specialist to facility from 1:145 to 1:100 and subsequently allowed for an increase in the frequency of specialist visits to licensed facilities.

The Division currently has a total of 56 licensing specialists and 6 supervisors who were responsible for performing an unannounced inspection of each of the 5,700 licensed facilities once every 18 months, and for performing nearly 4,000 other types of visits ranging from pre-licensing and consultation to injury and incident investigations. 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. At the time the General Fund appropriation to this line item was increased in FY 2014-15 the Child Care and Development Block Grant (CCDBG) through which the CCDF is allocated did not have a minimum inspection requirement for licensed facilities. In November 2014, however, the CCDBG Act was reauthorized for the first time since 1996 and now includes new and expanded requirements related to child care licensing, including a minimum of one unannounced inspection of each child care provider and facility in the State on an annual basis. This inspection is for compliance with all child care licensing standards, and must include an inspection for compliance with health, safety, and fire standards. The reauthorization requires the Department to be compliant with this requirement by November 2016 in order to continue to receive federal CCDF funding. In order to do so, the Department reports that it will need to reduce the inspector-to-facility ratio to approximately 1:86 and hire additional contractors before November 2016. The cost of the contract positions as provided by the Department is reflected in the following table.

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Contract Child Care Licensing Specialist Costs R4 Budget Request		
	FY 2016-17	FY 2017-18
Contract Staff (10 positions)	\$430,560	\$468,000
Benefits @ 30.0 percent	129,168	140,400
Overhead & indirect costs @10.0 percent	43,056	46,800
Total	602,784	655,200

According to the Department’s request, the annual CCDF award in FY 2016-17 and beyond is anticipated to be \$69,244,477. This award is added to the annual carry over of unspent funds for the previous year. In FY 2015-16, the unspent portion of the CCDF award is estimated to be \$29,742,785, providing a total of nearly \$100.0 million in federal CCDF that can be used for approved child care programs. The FY 2015-16 appropriation and the FY 2016-17 Department request for use of CCDF monies is provided in the table below. Staff recommends approval of the Department’s R4 request for funding for child care licensing specialist contract costs.

CHILD CARE DEVELOPMENT FUND FY 2015-16 APPROPRIATION, FY 2016-17 DEPARTMENT REQUEST					
Division, Line Item	FY 2015-16 CCDF	FY 2016-17 CCDF			
	Appropriation	Base Request	Decision Items	Total Request	Request #
Executive Director's Office					
Subtotal Common Policy Line Items EDO	280,000	290,144	0	290,144	n/a
Office of Information Technology Services					
Operating Expenses	852	852	0	852	n/a
Microcomputer Lease Payments	1,406	1,406	0	1,406	n/a
County Financial Management System	10,889	10,889	0	10,889	n/a
Client Index Project	114	114	0	114	n/a
Colorado Trails	32,246	32,246	0	32,246	n/a
Child Care Automated Tracking System	2,709,933	2,709,933	0	2,709,933	n/a
Payments to OIT	831,557	831,557	0	831,557	n/a
CORE Operations	41,393	41,393	0	41,393	n/a
Subtotal Office of IT Services	3,628,390	3,628,390	0	3,628,390	
Office of Operations					
Subtotal Office of Operations (bottom line funded)	422,263	422,263	0	422,263	
Office of Early Childhood					
(A) Division of Early Care and Learning					
Child Care Licensing and Administration	3,769,117	3,804,785	634,333	4,439,118	R4, R19
Child Care Assistance Program	55,498,906	55,798,906	(558,989)	55,239,917	R19
Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements	3,473,633	3,474,081	0	3,474,081	n/a

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CHILD CARE DEVELOPMENT FUND FY 2015-16 APPROPRIATION, FY 2016-17 DEPARTMENT REQUEST					
Division, Line Item	FY 2015-16 CCDF	FY 2016-17 CCDF			
	Appropriation	Base Request	Decision Items	Total Request	Request #
School-readiness Quality Improvement Program	2,228,586	2,229,652	0	2,229,652	n/a
Micro Loans to Increase Access to Child Care	338,200	338,200	0	338,200	n/a
Micro Grants to Increase Access to Child Care	250,000	250,000	0	250,000	n/a
Continuation of Child Care Quality Initiatives	0	0	1,431,255	1,431,255	R7
Sub-Subtotal Division of Early Care and Learning	65,558,442	65,895,624	1,506,599	67,402,223	
(B) Division of Community and Family Support					
Early Childhood Councils	1,984,169	1,984,169	0	1,984,169	n/a
Early Childhood Mental Health Services	439,814	439,814	1,263,622	1,703,436	BA1
Sub-Subtotal Division of Community and Family Support	2,423,983	2,423,983	1,263,622	3,687,605	
Subtotal Office of Early Childhood	67,982,425	68,319,607	2,770,221	71,089,828	
Office of Self Sufficiency					
Electronic Benefits Transfer Service	35,575	35,575	0	35,575	n/a
Subtotal Office of Self Sufficiency	35,575	35,575	0	35,575	
TOTAL DEPARTMENT OF HUMAN SERVICES	72,348,653	72,695,979	2,770,221	75,466,200	

In addition to funding for 10 contract licensing specialist positions, the Department is requesting funding for 1.0 FTE licensing supervisor. This position is a State FTE and the total cost of this position is \$70,740 in FY 2016-17 annualizing to \$80,327 in FY 2017-18. This includes salary, benefits, and operating costs. The request for funding allows the Division to maintain a supervisor to licensing specialist ratio of 1:9.5. Staff recommends approval of the Department's R4 request for State FTE.

➔ R5 Early Intervention Caseload Growth

Request: The Department requests an increase of \$3,803,626 total funds, including \$2,207,911 General Fund, for early intervention direct services and service coordination in FY 2016-17; and \$7,102,305 total funds, including \$4,187,217 General Fund, in FY 2017-18. The request is based on an anticipated annual caseload growth of 6.0 percent.

Recommendation: Staff recommends approval of the Department's FY 2016-17 R5 request. Staff is unable to make a recommendation for the FY 2017-18 Long Bill figure setting because administration of early intervention services program is subject to annual appropriation, and Committee decisions for FY 2017-18 will be made during the 2017 Legislative Session.

Analysis:

The Early Intervention Program is administered by the Division of Community and Family Support in the Office of Early Childhood. It provides early intervention (EI) services to infants and toddlers ages zero through two years of age who have been determined to have a developmental delay or disability, who have been diagnosed with a physical or mental condition that has a high probability of resulting in a significant delay in development, or who are living with a parent who has a developmental disability. The Department of Human Services is designated as Colorado’s lead agency under Part C of the Federal Individuals with Disabilities Education Act (IDEA) and reports that intervention services are provided to eligible children and their families to enhance child development in 15 allowable areas of service and service coordination that include cognition, speech, communication, physical development, motor development, vision, hearing, social and emotional development, and self-help skills. These community-based services are delivered Statewide by 20 Community Centered Boards (CCBs), with whom the Department contracts.

Community Centered Boards are private corporations that can be either for-profit or not-for-profit entities. Pursuant to Section 25.5-10-202 (4), when acting as a service agency, the CCBs provide case management services to persons with intellectual and developmental disabilities; and are authorized to determine eligibility of those persons within a specified geographical area, serve as a single point of entry for persons to receive services and supports, and provide authorized services and supports either directly or by purchasing services and supports from service agencies. In cases of children, birth through two years of age, multi-disciplinary evaluations are performed by Child Find teams under the supervision of the Department of Education, and those meeting the evaluation threshold are referred to the appropriate CCB. Each CCB serves a specific geographic region covering from one to ten counties and is responsible for: intake; eligibility determination; providing service coordination; service plan development; and arrangement, delivery, and monitoring of services.

The Department reports that in the past five years, the number of children identified as eligible for EI services has increased from 2.4 to 3.1 percent of Colorado’s 0-2 year old population, exceeding the national average of 2.8 percent. Federal regulations under 34 C.F.R., Section 303.101 (a) (1) require the State to adopt a policy to make appropriate EI services and service coordination available to all eligible infants and toddlers and their families. It also requires that the multidisciplinary evaluation to determine eligibility must be completed within 45 days of the referral; and that services must be provided in a timely manner, defined in Colorado as 28 calendar days. In order for the State to maintain Part C funding, there cannot be a waitlist for eligible children and families.

Multiple sources of funding are available for EI services. The Department has developed a funding hierarchy that is to be used by the CCBs during the individualized family service plan (IFSP) development process to identify possible funding sources that may be available to each child. Funding sources are accessed for service payment through the funding hierarchy to ensure that all available funding sources for EI services are accessed and utilized in an efficient manner. The funding hierarchy includes:

- Private pay (voluntary, at the discretion of the parent)

- Private health insurance plan (with written consent of the parent)
- TRICARE (a military health system)
- Medicaid (Title XIX), Home and Community Based Services (HCBS) Medicaid Waivers, and Child Health Plan Plus (CHP+)
- Child welfare and Temporary Assistance to Need Families (TANF)
- Other local, State, or federal funds, including mill levy funds (as may be available)
- State General Fund
- Part C of the Federal Individuals with Disabilities Education Act (IDEA)

The Department requests an increase of \$3.8 million total funds, including \$2.2 million General Fund, for early intervention direct services and service coordination in FY 2016-17 in order to serve an additional 467 eligible infants and toddlers in the EI program. This 6.0 percent caseload growth was determined by calculating the average monthly enrollment and is due to better public awareness of the benefits of accessing supports during early development, increased developmental screening by primary care practices, the activities of the Assuring Better Child Health and Development initiative that is improving community collaboration in identification and referral process, and emphasis on the children who are referred and have experienced a substantiated case of child abuse and neglect.

Average cost per child for EI services has been estimated at approximately \$6,664 based on total expenditures, average monthly enrollment, and the 1.7 percent provider rate increase that was applied to the base appropriation of the Early Intervention Services and Early Intervention Services Case Management line items. Based on the anticipated average monthly enrollment, including the 6.0 percent caseload growth, of 8,247 children, the total cost for the Early Intervention program is \$55.0 million total funds.

Calculation of Average Cost per Child	
FY 2014-15 Average Direct Services Rate	\$5,243
FY 2015-16 Provider Rate Increase	1.7%
FY 2015-16 Average Direct Service Rate	\$5,332
FY 2014-15 Service Coordination Rate	1,332
Total Average Cost per Child	\$6,664
Average Monthly Enrollment	8,247
Total Projected Program Cost	\$54,959,088

Fund sources are identified in the following table:

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Early Intervention Services Program Recommended FY 2016-17 Appropriation Fund Splits					
Line Item	General Fund	Cash Funds	Reappropriated Funds		Federal Funds
			Medicaid General Fund	Medicaid Federal Funds	
Early Intervention Services	\$21,519,365	\$11,557,457	\$0	\$0	\$8,158,373
R5 Early Intervention caseload growth	1,784,797	961,045	0	0	0
Total Early Intervention Services line item	\$23,304,162	\$12,518,502	\$0	\$0	\$8,158,373
Early Intervention Services Case Management	\$4,421,652	\$0	\$2,917,590	\$3,011,093	\$0
R5 Early Intervention caseload growth	423,114	0	316,066	318,604	0
Total Early Intervention Services Case Management line item	\$4,844,766	\$0	\$3,233,656	\$3,329,697	\$0
TOTAL RECOMMENDATION	\$28,148,928	\$12,518,502	\$3,233,656	\$3,329,697	\$8,158,373

The Department receives \$7.0 million in federal Individuals with Developmental Disabilities Education Act (IDEA) funding. Under 34 CRF, Section 303.101 (a) (1), the State is required to provide services in a timely manner and is at risk of forfeiting eligibility for the federal grant if there is a waitlist for early intervention services. According to the Department, federal funds are expected to remain flat or be slightly reduced in FY 2016-17 because allocations from Part C of the Federal IDEA Act are based on the number of children in the general population aged birth through two years in each state. The formula does not include an adjustment to account for the number of children identified for EI services. Colorado’s population of children aged birth through two has declined, while the number of children identified as eligible has increased in the past several years. As a result, the State can expect a greater portion of the burden to fund early intervention services to fall on the General Fund as the caseload increases and the federal allocation remains flat or declines. At this time, Staff does not recommend a change in the amount of federal funds identified in the Long Bill for this program, however a change may be warranted in the future.

Staff recommends approval of the Department’s request. The two line items affected by the Department’s R5 request are also impacted by common policy provider rate adjustments. At this time, the Committee has denied the Department’s request for a 1.0 percent provider rate decrease. The Committee’s preliminary decision is reflected in Staff’s recommendation for funding for the Early Intervention Services and Early Intervention Services Case Management line items. Staff recommends that the Committee deny the Department’s request for a provider rate decrease for all line items identified above regardless of whether or not a community provider rate decrease is approved for other line items in the State budget. A decrease will reduce these line items by \$541,794 total funds, including \$276,053 General Fund.

➔ R7 Continuation of Child Care Quality Initiatives

Request: The Department requests \$1,552,936 in federal Child Care Development Funds (CCDF) and 7.3 FTE in FY 2016-17 to continue child care quality initiatives, including the Colorado Shines Quality Rating and Improvement System (QRIS). This request annualizes to \$3,066,241 CCDF and 14.6 FTE in FY 2017-18.

Recommendation: Staff recommends approval of the Department’s request.

Analysis:

Colorado Shines is the newly launched Quality Rating and Improvement System for licensed child care facilities in the State and is embedded in the state regulatory system. The system requires the assignment of a quality rating for all licensed child care programs in the State. It incorporates evidence-based standards of quality including: high performing, competent staff; engaged families; safe, enriched learning environments; and high performing administration focused on children’s growth, development, and overall health. The rating system is designed to inform parents about the quality of early learning programs and drive improvements to the quality of those programs.

The Colorado Shines Technology Solution contains data on licensing, quality ratings, child care resources and referrals, and quality grants from the Department. The system supports 4,800 licensed programs, the dissemination of quality improvement grants to programs pursuing higher quality ratings, and manages both self-service and on-phone referrals for parents seeking quality licensed care for their children. In addition, it serves a vital role in supporting the expansion of the Colorado Child Care Assistance Program as expanded in H.B. 14-1317 that provides tiered reimbursement rates for participating providers based on the level of quality care available in the child care program. Finally, because research indicates that high quality early childhood education and sustained participation in meaningful child care and early education has favorable short- and long-term effects on children, the Department indicates that it will work with the Department of Education to determine metrics that demonstrate how high quality programs support the future success of children.

The development of this new system and its associated technology and FTE was funded through the federal Race to the Top Early Learning Challenge Grant awarded to the State of Colorado in 2012. Funding associated with this grant concludes on December 31, 2016. The grant currently funds 14.6 FTE in the Department of Human Services and the Department of Education. The Department requests funds from federal Child Care Development Funds (CCDF) to support the ongoing development and oversight of the Colorado Shines framework, including coaching, rating administration, inter-rater reliability for assessor staff, ongoing training and professional development opportunities for early childhood teachers, and hosting, operating and maintenance costs for the technology systems. Because the initiative will be funded for six months by federal grants monies, the FY 2016-17 request is for half the total cost of the initiative - \$1,552,936 federal funds and 7.3 FTE. The request will annualize to \$3,066,241 federal funds and 14.6 FTE in FY 2017-18. Though the CCDF monies are federal funds awarded to State through the Child Care Development Block Grant, the General Assembly has the authority to appropriate the funds

and therefore the amount indicated in the Long Bill establishes a limit on the spending of these dollars.

The request funds two components of the Colorado Shines initiative: the quality rating and improvement system (QRIS) and the professional development and information system (PDIS). The QRIS supports the quality rating of licensed child care programs and the PDIS supports the training and professional development of early childhood professionals. The cost of each of these components is provided in the table below:

Colorado Shines Costs			
	FY 2016-17	FY 2017-18	FY 1018-19
QRIS Contractual Expenses	\$646,270	\$1,292,540	\$1,292,540
QRIS State FTE	578,446	1,125,185	1,125,185
PDIS Contractual Expenses	77,500	155,000	155,000
PDIS State FTE	250,720	493,516	493,516
Total Cost	\$1,552,936	\$3,066,241	\$3,066,241

Staff recommends approval of the Department’s request.

➔ R20 Realignment of Office of Early Childhood Programs

Request: The Department requests a realignment of Early Childhood programs within the Department’s portion of the Long Bill. This change will be effective in the FY 2017-18 Long Bill.

Recommendation: Staff recommends approval of the Department’s request to realign programs in the Office of Early Childhood division of the FY 2017-18 Long Bill.

Analysis:

The Department requests a comprehensive technical adjustment to the Long Bill to realign Office of Early Childhood programs to match the organizational structure of the Department. The adjustment has a net zero fiscal impact on the budget. The adjustment will move the Community-based Child Abuse Prevention Services line item that funds SafeCare Colorado (\$5,446,241 and 1.0 FTE) and Colorado Community Response (\$2,993,142 and 1.0 FTE) from the Division of Child Welfare to the Division of Community and Family Support in the Office of Early Childhood. It also moves the Promoting Safe and Stable Families line item (\$4,212,049 and 2.0 FTE) from the Office of Early Childhood, Division of Early Care and Learning to the Division of Community and Family Support. Finally, it will move the Early Childhood Councils line item (\$1,984,169) from the Office of Early Childhood, Division of Community and Family Support to the Division of Early Care and Learning.

The requested realignment is based on the following:

- SafeCare and Community Response programs focus on families that are not in the child welfare system. While the goals of the programs include providing support and resources to

families in order to increase child and family well-being and prevent incidents that may result in the family becoming involved in the child welfare system, the implementation of the programs align more closely with the goals of the Office of Early Childhood.

- Promoting Safe and Stable Families goals align with those of the Division of Community and Family Support; and the Early Childhood Councils play a role in increasing availability of quality child care in Colorado communities.

Staff recommends approval of the Department's request.

➔ BA1 Early Childhood Mental Health Specialists

Request: The Department requests \$1,713,580 federal Child Care Development Funds and 0.5 FTE in FY 2016-17 to expand the statewide Early Childhood Mental Health Specialist Program. This request is in conjunction with the Department's FY 2015-16 supplemental request.

Recommendation: Staff recommends approval of the Department's request. The Committee approved the Department's FY 2015-16 S1 request during the supplemental process.

Staff recommends that the Committee include the following request for information in the letter to the Governor:

Department of Human Services, Office of Early Childhood – The Department is requested to work with the Department of Education, Community Centered Boards, and other relevant stakeholders and provide to the Joint Budget Committee, by November 1 of each fiscal year, regional data on children and child care facilities, including but not limited to:

- 1) Number of children, by age, identified as candidates for early childhood services provided by programs funded through appropriations to the Office of Early Childhood, disaggregated by program;
- 2) Types of challenging behavior and frequency of each that resulted in referral for services;
- 3) Number of identified children at risk for suspension or expulsion prior to and after receiving services;
- 4) Disaggregated data of the above based on age, gender, race/ethnicity, income, presence of an intellectual or developmental disability;
- 5) Longitudinal data, by program, on educational success of children who received early childhood services;
- 6) Classroom data on suspensions and expulsions from licensed child care facilities, by programmatic category (for example, in the Early Childhood Mental Health Services Program, include data for classrooms receiving embedded services, services on a referral basis, and no services).

Analysis:

The Department is requesting \$1.7 million federal Child Care Development Funds (CCDF) and 0.5 FTE in FY 2016-17 to expand the statewide Early Childhood Mental Health Specialist

(ECMHS) Program. This request is in conjunction with the Department's FY 2015-16 supplemental request. ECMHS provide consultation for child care providers to reduce challenging behaviors and expulsions, and increase the implementation of positive practice. Prior to the FY 2015-16 supplemental appropriation that increased funding to the program by \$444,886 federal funds and 0.3 FTE, the program consisted of 17 ECMHS contracted through 14 Community Mental Health Centers (CMHC) and 3 community organizations. Historically, the program was funded through a \$1.2 million General Fund appropriation.

In a September 8, 2015 Information Memorandum issued by the U.S. Department of Health and Human Services, Administration for Children and Families, the federal government encouraged lead agencies to adopt policies that promote the social emotional and behavioral health of young children in partnership with families through the Child Care Development Fund state plans. According to the memorandum, one example of such a policy and practice is the establishment or expansion of statewide early childhood mental health consultation systems. The memorandum states that it is allowable to use CCDF quality enhancement funds to enhance the workforce's development in promoting children's social emotional and behavioral development.

According to the Department, the goal of this program is to provide a system of statewide consultation and support for early care and learning staff and provide support of young children's social emotional development, resulting in the reduction of challenging behaviors and expulsions from child care. In FY 2014-15, 182 classrooms received ECMHS consultation, 99 of which received embedded services where an ECMHS provided consultation on a regularly planned basis, and 83 of which received services on a referral basis. A total of 201 child specific cases were consulted on in FY 2014-15. Upon referral, 84.0 percent of children showed a deficit in self-regulation and 15.0 percent were at risk of expulsion at the time of referral. Upon service completion, only 1.5 percent of referred children remained at risk of expulsion.

Though Staff is supportive of the expansion of this program, there is concern about the lack of outcome data available specific to the program in Colorado. The Department is unable to provide early childhood expulsion and suspension data and there is no expulsion and suspension data reported by child care facilities specific to the demographics of age, gender, race/ethnicity, income, and presence of an intellectual or developmental disability. In addition, at this time there is no longitudinal evaluation of the impact of the program on student achievement. Staff recommends that the Department be asked to provide annually data on children and child care facilities receiving services through the Office of Early Childhood programs, including but not limited to:

- Number of children, by age, identified as candidates for early childhood services provided by programs funded through appropriations to the Office of Early Childhood, disaggregated by program;
- Types of challenging behavior and frequency of each that resulted in referral for services;
- Number of identified children at risk for suspension or expulsion prior to and after receiving services;
- Disaggregated data of the above based on age, gender, race/ethnicity, income, presence of an intellectual or developmental disability;

- Longitudinal data, by program, on educational success of children who received early childhood services;
- Classroom data on suspensions and expulsions from licensed child care facilities, by programmatic category (for example, in the Early Childhood Mental Health Services Program, include data for classrooms receiving embedded services, services on a referral basis, and no services).

➔ Staff Initiated Tobacco Master Settlement Adjustment – Nurse Home Visitor Program

Recommendation: Consistent with the recommendation for funding for programs receiving Tobacco Master Settlement monies, Staff recommends an increase of 19.0 percent in the appropriation of funds to the Nurse Home Visitor Program. This appropriation totals \$16,843,577 total funds, including \$16,638,977 cash funds from the Nurse Home Visitor Program Fund and \$204,600 federal funds from the Maternal Infant and Early Childhood Home Visiting grant (indicated for informational purposes only), and 3.0 FTE. Staff requests permission to adjust this value, if necessary, based on the updated revenue projection.

Analysis:

The Nurse Home Visitor Program was established by S.B. 00-071, and utilizes specially trained nurse home visitors to provide health education and counseling to low-income (incomes up to 200.0 percent of the federal poverty level), first time mothers beginning when the mother is pregnant and continuing through the child's second birthday. The program has served approximately 12,000 mothers and children, and is monitored by the National Center for Children, Families and Communities at the University of Colorado Health Sciences Center. Pursuant to H.B. 13-1117, the program was transferred from the Department of Public Health and Environment to the Department of Human Services in FY 13-14.

Pursuant to Section 24-75-1104.5 (1) (a) (XI), C.R.S., the program receives 19.0 percent of tobacco settlement revenue less one million dollars. Funding is not to exceed \$19 million in any fiscal year. Providers who serve non-Medicaid clients bill the Department directly. Since a large number of clients served by this Program are Medicaid eligible, the providers who work with the program receive Medicaid reimbursements. Providers who serve Medicaid eligible clients bill the Department of Health Care Policy and Financing (HCPF).

LINE ITEM DETAIL – (6) OFFICE OF EARLY CHILDHOOD

(A) Division of Early Care and learning

Promoting Safe and Stable Families Program

This program, authorized under Sub-Part 2 of Title IV-B of the federal Social Security Act, provides funding for local communities to provide a variety of services to families in times of need or crises. The program promotes permanency and safety for children by providing support to families in a flexible, family-centered manner through a collaborative community effort.

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While a small portion of the funds are used to support 2.0 FTE responsible for administering the program, the majority of funds are made available to local communities and tribes.

Each local site is required to have a Community Advisory Council comprised of governmental and community stakeholders, family advocates and parents, and consumers to help direct the project. Currently, 41 counties and the Ute Mountain Ute tribe receive funding to:

- Reunify children placed in the foster care system with their families;
- Support and promote adoption or permanent placement with kin for children who cannot be safely returned home; and
- Prevent child abuse and neglect in at-risk families.

A 25.0 percent match is required to draw down the federal funds. The General Fund is used to provide the match for the portion of the funds that are used for state-level staff and activities, and local communities are required to provide the match for the funds they receive.

Statutory Authority: Section 26-5-101 et. seq. C.R.S.

Request: The Department requests an appropriation of \$4,215,147 total funds, including \$54,882 General Fund, \$1,064,934 cash funds from local sources, and \$3,095,331 federal funds, and 2.0 FTE. This reflects an increase of \$3,098 total funds for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$4,215,147 total funds, including \$54,882 General Fund, \$1,064,934 cash funds from local funds, \$3,095,331 federal funds from Title IV-B, Subpart 2, of the Social Security Act, and 2.0 FTE. In addition, Staff recommends approval of the Department’s R20 request to move this line item to the Division of Community and Family Support in the FY 2017-18 Long Bill.

Office of Early Childhood, Division of Early Care and Learning, Promoting Safe and Stable Families Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$4,212,049</u>	<u>\$54,882</u>	<u>\$1,064,160</u>	<u>\$3,093,007</u>	<u>2.0</u>
TOTAL	\$4,212,049	\$54,882	\$1,064,160	\$3,093,007	2.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$4,212,049	\$54,882	\$1,064,160	\$3,093,007	2.0
Annualize prior year budget actions	3,098	0	774	2,324	0.0
R20 Realignment of Office of Early Childhood Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,215,147	\$54,882	\$1,064,934	\$3,095,331	2.0
Increase/(Decrease)	\$3,098	\$0	\$774	\$2,324	0.0

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Office of Early Childhood, Division of Early Care and Learning, Promoting Safe and Stable Families Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Percentage Change	0.1%	0.0%	0.1%	0.1%	0.0%
FY 2016-17 Executive Request:	\$4,215,147	\$54,882	\$1,064,934	\$3,095,331	2.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Child Care Licensing and Administration

The Division of Early Care and Learning is responsible for inspecting, 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 addition to funding contracts with licensing specialists in local communities, this line item provides funding for the majority of the Division staff. Currently the licensing specialist to facility ratio is 1:100; however with the November 2014 reauthorization of the Child Care Development Block Grant Act expanded requirements related to child care licensing have been established. The requirement of a minimum of one unannounced inspection of each licensed child care provider and facility in the State on an annual basis means that the inspector-to-facility ratio must be improved to approximately 1:86. This annual inspection is for compliance with all child care licensing standards, and must include an inspection for compliance with health, safety, and fire standards. The reauthorization requires the Department to be compliant with this requirement by November 2016 in order to continue to receive federal CCDF funding.

Licensing Fees. Pursuant to Section 26-6-105, C.R.S., the Department is to establish license fees pursuant to rules promulgated by the State Board of Human Services. Such fees are not to exceed the direct and indirect costs incurred by the Department. The Department is to develop and implement an objective, systematic approach for setting, monitoring, and revising child care licensing fees by developing and using an ongoing method to track all direct and indirect costs associated with child care inspection licensing, developing a methodology to assess the relationship between licensing costs and fees, and annually reassessing costs and fees and reporting the results to the State Board. The Department is to consider the licensed capacity of facilities and the time required to license facilities. Child care licensing fees currently cover approximately 15 percent of the costs of the licensing program. Fees range from \$24 per year for a smaller family child care home to \$792 for an initial license for a residential child care facility, with higher fees for secure facilities.

Statutory Authority: Sections 26-1-101 et. seq. and 26-1-111, C.R.S.

Request: The Department requests an appropriation of \$7,920,538 total funds, including \$2,474,340 General Fund, \$857,080 cash funds, and \$4,589,118 federal funds, and 52.8 FTE in FY 2016-17. The request reflects an increase of \$701,631 total funds, including \$23,554 General Fund and \$670,001 federal funds, for the Department’s R4 request, a 1.0 percent community provider rate decrease, and the annualization of prior year budget actions.

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Recommendation: Staff recommends an appropriation of \$7,959,729 total funds, including \$2,474,340 General Fund, \$857,080 cash funds from the Child Care Licensing Cash Fund, and \$4,628,309 federal funds from Child Care Development Funds, and 52.8 FTE. This reflects an increase of \$7,959,729 total funds, including \$23,554 General Fund, \$8,076 cash funds, and \$709,192 federal funds for the Department’s R4 request and the annualization of prior year budget actions.

Office of Early Childhood, Division of Early Care and Learning, Child Care Licensing and Administration					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$7,218,907</u>	<u>\$2,450,786</u>	<u>\$849,004</u>	<u>\$3,919,117</u>	<u>52.0</u>
TOTAL	\$7,218,907	\$2,450,786	\$849,004	\$3,919,117	52.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$7,218,907	\$2,450,786	\$849,004	\$3,919,117	52.0
R4 Annual child care licensing visits	673,524	0	0	673,524	0.8
Annualize prior year budget actions	67,298	23,554	8,076	35,668	0.0
R19 Community provider rate adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,959,729	\$2,474,340	\$857,080	\$4,628,309	52.8
Increase/(Decrease)	\$740,822	\$23,554	\$8,076	\$709,192	0.8
Percentage Change	10.3%	1.0%	1.0%	18.1%	1.5%
FY 2016-17 Executive Request:	\$7,920,538	\$2,474,340	\$857,080	\$4,589,118	52.8
Request Above/(Below) Recommendation	(\$39,191)	\$0	\$0	(\$39,191)	0.0

Fines Assessed Against Licenses

This line item reflects spending authority associated with the Child Care Cash Fund, which consists of fines collected from licenses by the Department pursuant to Section 26-6-114 (5), C.R.S. Fines are assessed against unlicensed child care providers for operating illegally and are assessed against licensed child care providers for consistent violation of regulations.

The fee structure is set in rules and regulations promulgated by the Department but may not exceed \$100 dollars a day to a maximum of \$10,000 dollars. Currently, any unlicensed child care facility may be fined up to \$100 a day to a maximum of \$1,000 for providing care for which a license is required. For providing child care for which a license is required after receipt of a cease and desist order, an unlicensed facility will be fined \$100 a day to a maximum of \$10,000. A licensed child care facility may be fined up to \$100 a day to a maximum of \$10,000 for each violation of the Child Care Act. Any person intentionally making a false statement or report to the Department or to any agency delegated by the Department to make an investigation or

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inspection under the provisions of the Child Care Act may be fined up to \$100 a day to a maximum of \$10,000.

Monies in the fund are continuously appropriated to the Department "to fund activities related to the improvement of the quality of child care in the state of Colorado." As a result, this line item is included in the Long Bill for informational purposes only.

Statutory Authority: Section 26-6-114, C.R.S.

Request: The Department requests a continuation level funding of \$20,000 cash funds.

Recommendation: Staff recommends a continuation level funding of \$20,000 cash funds spending authority from the Child Care Cash Fund.

Office of Early Childhood, Division of Early Care and Learning, Fine Assessed Against Licenses				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$20,000</u>	<u>\$0</u>	<u>\$20,000</u>	<u>0.0</u>
TOTAL	\$20,000	\$0	\$20,000	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	<u>\$20,000</u>	<u>\$0</u>	<u>\$20,000</u>	<u>0.0</u>
TOTAL	\$20,000	\$0	\$20,000	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0
Percentage Change	0.0%	n/a	0.0%	n/a
FY 2016-17 Executive Request:	\$20,000	\$0	\$20,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Child Care Assistance Program

The Colorado Child Care Assistance Program (CCCAP) is the largest single component of the Division's budget (78.2 percent). The program provides financial assistance to low-income families who are working, searching and/or training for employment, or enrolled in the Colorado Works Program or in post-secondary education and are in need of child care services to support their efforts toward self-sufficiency. Pursuant to Sections 26-2-801 through 809, C.R.S., the Division of Early Care and Learning is the lead agency for CCCAP and it supervises services administered by county department of human/social services.

The State allocates CCCAP monies to counties annually based on an allocation formula. Funding may be used for both county administration of the program and for direct services offered by child care providers. Pursuant to section 26-2-804, C.R.S., each county is responsible

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for meeting an annual maintenance of effort, as well as 20.0 percent of administrative expenditures. In addition, counties may transfer up to 30.0 percent of their Temporary Assistance to Needy Families (TANF) funds, less any amount transferred to Child Welfare, into the Child Care Development Fund grant for use in CCCAP. Expenditures are driven by the number of families receiving services and the provider reimbursement rates.

Statutory Authority: Section 26-2-801 et. seq., C.R.S.

Request: The Department requests an appropriation of \$88,697,308 total funds, including \$23,692,546 General Fund, \$9,664,845 cash funds and \$55,339,917 federal funds for FY 2016-17. The request reflects an increase of \$1,404,067 total funds, including \$1,760,681 General Fund for the annualization of H.B. 14-1317 and prior year budget actions and a 1.0 percent provider rate decrease.

Recommendation: Staff recommends an appropriation of \$89,593,241 total funds, including \$23,931,865 General Fund, \$9,762,470 cash funds from local sources, and \$55,898,906 federal Child Care Development Funds. This reflects an increase of \$2,300,000 total funds, including \$2,000,000 General Fund and \$300,000 federal funds for the annualization of H.B. 14-1317 and prior year budget actions.

Office of Early Childhood, Division of Early Care and Learning, Child Care Assistance Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	<u>\$87,293,241</u>	<u>\$21,931,865</u>	<u>\$9,762,470</u>	<u>\$0</u>	<u>\$55,598,906</u>	<u>0.0</u>
TOTAL	\$87,293,241	\$21,931,865	\$9,762,470	\$0	\$55,598,906	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$87,293,241	\$21,931,865	\$9,762,470	\$0	\$55,598,906	0.0
Annualize prior year legislation	2,000,000	2,000,000	0	0	0	0.0
Annualize prior year budget actions	300,000	0	0	0	300,000	0.0
R19 Community provider rate adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$89,593,241	\$23,931,865	\$9,762,470	\$0	\$55,898,906	0.0
Increase/(Decrease)	\$2,300,000	\$2,000,000	bje\$0	\$0	\$300,000	0.0
Percentage Change	2.6%	9.1%	0.0%	n/a	0.5%	n/a
FY 2016-17 Executive Request:	\$88,697,308	\$23,692,546	\$9,664,845	\$0	\$55,339,917	0.0
Request Above/(Below) Recommendation	(\$895,933)	(\$239,319)	(\$97,625)	\$0	(\$558,989)	0.0

Colorado Child Care Assistance Cliff Effect Program

The Colorado Child Care Assistance Cliff Effect Program was created by S.B. 12-022 and amended and funded through S.B. 14-003 to provide ongoing assistance to families whose

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income may increase beyond the level of Colorado Child Care Assistance Program eligibility, but not enough to cover the full cost of quality child care. Currently, grants are provided to up to ten counties electing to participate in the pilot. Local pilot programs are designed in a manner that best addresses the county’s specific needs.

Statutory Authority: Section 26-2-808, C.R.S

Request: The Department requests an appropriation of \$1,269,453 total funds, including \$69,453 General Fund and \$1,200,000 cash funds, and 1.0 FTE in FY 2016-17.

Recommendation: Staff recommends an appropriation of \$1,269,453 total funds, including \$69,453 General Fund and \$1,200,000 cash funds from the Colorado Child Care Assistance Cliff Effect Pilot Program Fund and 1.0 FTE.

Office of Early Childhood, Division of Early Care and Learning, Colorado Child Care Assistance Cliff Effect Pilot Program				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$1,269,453</u>	<u>\$69,453</u>	<u>\$1,200,000</u>	<u>1.0</u>
TOTAL	\$1,269,453	\$69,453	\$1,200,000	1.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	<u>\$1,269,453</u>	<u>\$69,453</u>	<u>\$1,200,000</u>	<u>1.0</u>
TOTAL	\$1,269,453	\$69,453	\$1,200,000	1.0
Increase/(Decrease)	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:	\$1,269,453	\$69,453	\$1,200,000	1.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Child Care Assistance Program Market Rate Study

The Colorado Child Care Assistance Program Market Rate Study was created in H.B. 14-1317 and is used to establish State suggested rates for the Colorado Child Care Assistance Program (CCCAP) that provide equal access to children and families, generally defined as rates at the 75th percentile of a given child care market. In Colorado, the State provides suggested rates for each county and each child care market, but counties may opt out of these suggestions and set rates at whatever level they choose within the bounds of federal and State law. The Office of Early Childhood will use the market rate study to inform the setting of suggested tiered rates for each county and child care market. Though counties may opt out of the rates suggested by the State, H.B. 14-1317 mandates that all counties provide tiered reimbursement based on quality ratings. A provider’s Colorado Shines rating will affect rates paid by CCCAP for all providers in all counties.

Statutory Authority: Section 26-2-802 (2) (b), C.R.S.

Request: The Department requests an appropriation of \$55,000 General Fund for FY 2016-17.

Recommendation: Staff recommends an appropriation of \$55,000 General Fund.

Office of Early Childhood, Division of Early Care and Learning, Colorado Child Care Assistance Program Market Rate Study			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
SB 15-234 (Long Bill)	<u>\$55,000</u>	<u>\$55,000</u>	<u>0.0</u>
TOTAL	\$55,000	\$55,000	0.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	<u>\$55,000</u>	<u>\$55,000</u>	<u>0.0</u>
TOTAL	\$55,000	\$55,000	0.0
Increase/(Decrease)	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:	\$55,000	\$55,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements

This line item was created in FY 2007-08 and combined the former "Grants to Improve the Quality and Availability of Child Care" and "Federal Discretionary Child Care Funds Earmarked for Certain Purposes" line items. Two components of the line item appropriation are as follows.

"Quality Improvement" requirement. The federal government requires that 4.0 percent of expenditures for Child Care and Development Fund (CCDF)-supported activities be used to improve the quality of child care. Funding for quality activities supports Colorado's Early Childhood Councils and the School-readiness Quality Improvement Program. The 4.0 percent calculation is based on total CCDF expenditures, including state expenditures required to match a portion of the federal CCDF grant and county transfers of TANF funds to CCDF.

"Targeted Funds" requirement. Federal law concerning Child Care Development Funds also requires specific dollar amounts of the "discretionary grant" funding under CCDF be "targeted" (formerly known as "earmarked") for specific purposes. These targeted amounts are for: 1) infant/toddler programs; 2) school age and/or resource and referral programs; and 3) quality expansion activities such as professional development, mentoring, provider retention, equipment supply, facility start-up and minor facility renovation. Funding used to meet the "target"

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requirement may not also be used to meet the "quality" requirement (although many expenditures could be assigned to either category).

House Bill 13-1291. Through H.B. 13-1291, the General Assembly created the Colorado Infant and Toddler Quality and Availability Grant Program. The goal of the program is to improve the quality in infant and toddler care, provide tiered reimbursement to high-quality early childhood programs, and increase the number of low-income infants and toddlers served through high-quality early childhood programs. Early Childhood Councils and county departments must jointly apply for moneys through the grant program; and the program is administered by the Department. H.B. 13-1291 appropriated \$3,000,000 General Fund and 1.0 FTE to the Department for the implementation of this program. Grant awards are subject to available appropriations.

Statutory Authority: Section 26-6.5-303 et seq., C.R.S.

Request: The Department requests an appropriation of \$8,671,947 total funds, including \$4,758,371 General Fund, \$439,495 cash funds, and \$3,474,081 federal funds, and 1.0 FTE for FY 2016-17. This reflects an increase of \$1,120 total funds, including \$616 General Fund for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$8,671,947 total funds, including \$4,758,371 General Fund, \$439,495 cash funds from the Child Care Licensing Cash Fund, and \$3,474,081 federal Child Care Development Funds, and 1.0 FTE.

Office of Early Childhood, Division of Early Care and Learning, Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$8,670,827</u>	<u>\$4,757,755</u>	<u>\$439,439</u>	<u>\$3,473,633</u>	<u>1.0</u>
TOTAL	\$8,670,827	\$4,757,755	\$439,439	\$3,473,633	1.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$8,670,827	\$4,757,755	\$439,439	\$3,473,633	1.0
Annualize prior year budget action ²	<u>1,120</u>	<u>616</u>	<u>56</u>	<u>448</u>	<u>0.0</u>
TOTAL	\$8,671,947	\$4,758,371	\$439,495	\$3,474,081	1.0
Increase/(Decrease)	\$1,120	\$616	\$56	\$448	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

School Readiness and Quality Improvement Program

House Bill 02-1297 [Section 26-6.5-106, C.R.S.] created the School-readiness Child Care Subsidization Program to improve the quality of certain licensed child care facilities whose enrolled children ultimately attend low-performing neighborhood elementary schools. The legislation was reauthorized in H.B. 05-1238 and the program renamed the School Readiness and Quality Improvement Program. The program provides grants to child care facilities in areas served by low-performing schools.

Statute specifies that school-readiness quality improvement program funding shall be awarded to early childhood care and education councils for subsidies to local early care and education providers based upon allocations made at the state department. To be eligible, providers must reside in neighborhoods with elementary schools that are implementing a priority improvement plan or turnaround plan, or are subject to restructuring.

The program provides subsidies over a three year period to participating child care centers and family child care homes to cover the cost of equipment, supplies, minor renovations, curricula, staff education, scholarships, training, and bonuses for facility staff for demonstrating quality improvements and addressing problems identified in the ratings. Grantees are selected based on approval of plans that encompass criteria including: demonstrated need, number of eligible schools and providers, and plans to track future academic performance of children who participate in the program.

Statutory Authority: Section 26-6.5-106, C.R.S.

Request: The Department requests an appropriation of \$2,229,652 federal Child Care Development Funds and 1.0 FTE for FY 2016-17. This includes an increase of \$1,066 federal funds for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$2,229,652 federal Child Care Development Funds.

Office of Early Childhood, Division of Early Care and Learning, School-readiness Quality Improvement Program				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$2,228,586</u>	<u>\$0</u>	<u>\$2,228,586</u>	<u>1.0</u>
TOTAL	\$2,228,586	\$0	\$2,228,586	1.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$2,228,586	\$0	\$2,228,586	1.0
Annualize prior year budget actions	<u>1,066</u>	<u>0</u>	<u>1,066</u>	<u>0.0</u>
TOTAL	\$2,229,652	\$0	\$2,229,652	1.0

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Office of Early Childhood, Division of Early Care and Learning, School-readiness Quality Improvement Program				
	Total Funds	General Fund	Federal Funds	FTE
Increase/(Decrease)	\$1,066	\$0	\$1,066	0.0
Percentage Change	0.0%	n/a	0.0%	0.0%
FY 2016-17 Executive Request:	\$2,229,652	\$0	\$2,229,652	1.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Early Literacy Book Distribution

Funding for this line provides a contractor with a \$100,000 grant to distribute 11,540 new books to approximately 6,320 young children during their routine well child visit. Health care providers will distribute and advise parents to read aloud to their children in order to promote their child’s cognitive and literacy skills. The contractor will focus on expanding reading programs in counties that do not already have established programs. The program will primarily serve children living in families with incomes under 250 percent of the federal poverty level.

Statutory Authority: The program was created in the Long Bill in FY 2014-15.

Request: The Department requests an appropriation of \$100,000 General Fund in FY 2016-17 to continue implementation of this program.

Recommendation: Staff recommends an appropriation of \$100,000 General Fund.

Office of Early Childhood, Division of Early Care and Learning, Early Literacy Book Distribution Partnership			
	Total Funds	General Fund	FTE
FY 2015-16 Appropriation			
SB 15-234 (Long Bill)	<u>\$100,000</u>	<u>\$100,000</u>	<u>0.0</u>
TOTAL	\$100,000	\$100,000	0.0
FY 2016-17 Recommended Appropriation			
FY 2015-16 Appropriation	<u>\$100,000</u>	<u>\$100,000</u>	<u>0.0</u>
TOTAL	\$100,000	\$100,000	0.0
Increase/(Decrease)	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a
FY 2016-17 Executive Request:	\$100,000	\$100,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Micro Loans to Increase Access to Child Care

Funding in this line item is intended to provide micro loans to individuals in communities that currently lack licensed child care capacity. Funds are used to cover start-up costs associated with licensing and other eligible business related expenses.

Statutory Authority: The Department is statutorily authorized to license and inspect child care facilities in the State of Colorado; however there is no specific authorization related to the loan program. It was created through an appropriation in the FY 2015-16 Long Bill.

Request: The Department requests an appropriation of \$338,200 federal Child Care Development Funds in FY 2016-17.

Recommendation: Staff recommends an appropriation of \$338,200 federal Child Care Development Funds. Staff also recommends the Department provide evaluative data on this program in response to a request for information.

Office of Early Childhood, Division of Early Care and Learning, Micro Loans to Increase Access to Child Care				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$338,200</u>	<u>\$0</u>	<u>\$338,200</u>	<u>0.0</u>
TOTAL	\$338,200	\$0	\$338,200	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	<u>\$338,200</u>	<u>\$0</u>	<u>\$338,200</u>	<u>0.0</u>
TOTAL	\$338,200	\$0	\$338,200	0.0
Increase/(Decrease)	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a
FY 2016-17 Executive Request:	\$338,200	\$0	\$338,200	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Micro Grants to Increase Access to Child Care

Funding in this line item is intended to provide micro grants to individuals in communities that currently lack licensed child care capacity. Funds are used to cover start-up costs associated with licensing and other eligible business related expenses.

Statutory Authority: The Department is statutorily authorized to license and inspect child care facilities in the State of Colorado; however there is no specific authorization related to the grant program. It was created through an appropriation in the FY 2015-16 Long Bill.

JBC Staff Figure Setting: FY 2016-17
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Request: The Department requests an appropriation of \$250,000 federal Child Care Development Funds in FY 2016-17.

Recommendation: Staff recommends an appropriation of \$250,000 federal Child Care Development Funds in FY 2016-17. Staff also recommends the Department provide evaluative data on this program in response to a request for information.

Office of Early Childhood, Division of Early Care and Learning, Micro Grants to Increase Access to Child Care				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$250,000</u>	<u>\$0</u>	<u>\$250,000</u>	<u>0.0</u>
TOTAL	\$250,000	\$0	\$250,000	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	<u>\$250,000</u>	<u>\$0</u>	<u>\$250,000</u>	<u>0.0</u>
TOTAL	\$250,000	\$0	\$250,000	0.0
Increase/(Decrease)	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a
FY 2016-17 Executive Request:	\$250,000	\$0	\$250,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Continuation of Child Care Quality Initiatives (new line item)

This new line item will fund the Colorado Shines framework, including the child care quality rating and improvement system and the professional development and information system. Colorado Shines incorporates the use of data to guide program improvement as outcomes are measured using the technology system. This system is integrated with other state data systems to support the evaluation of program outcomes. It provides data that will be used to benchmark quality for child care consumers and broaden the awareness of those components that are indicative of quality care.

Statutory Authority: Section 26-6-116, C.R.S.

Request: The Department requests an appropriation of \$1,431,255 federal Child Care Development Funds and 7.3 FTE in FY 2016-17. This new line item results from the Department’s R7 budget request.

Recommendation: Staff recommends an appropriation of \$1,431,255 federal Child Care Development Funds and 7.3 FTE.

Office of Early Childhood, Division of Early Care and Learning, Continuation of Child Care Quality Initiatives				
	Total Funds	General Fund	Federal Funds	FTE
<u>R7 Continuation of child care quality initiatives</u>				
TOTAL	\$1,431,255	\$0	\$1,431,255	7.3
Increase/(Decrease)	\$1,431,255	\$0	\$1,431,255	7.3
Percentage Change	0.0%	n/a	0.0%	0.0%
FY 2016-17 Executive Request:	\$1,431,255	\$0	\$1,431,255	7.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – (6) OFFICE OF EARLY CHILDHOOD

(B) Division of Community and Family Support

Early Childhood Councils

This line item funds the Early Childhood Councils program. The program includes 31 self-determined communities that span 58 counties. Ninety-nine percent of Colorado's population lives within these communities.

It is the responsibility of the Early Childhood Councils to build the foundation of a locally based early childhood system so that more high quality services are available to children and families. Funding in this line item is federal Child Care Development Funds and is distributed to Early Childhood Councils through a grant process on a three year cycle. Funding is also used by the Department for staff to administer the grant process, provide program oversight, perform contract and budget management, and deliver technical assistance and support to the councils.

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.

Statutory Authority: Section 26-6.5-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$1,984,169 federal funds and 1.0 FTE for FY 2016-17. This includes the Department's R20 request to move this line item to the Division of Early Care and Learning in the FY 2017-18 Long Bill.

Recommendation: Staff recommends an appropriation of \$1,984,169 federal Child Care Development Funds and 1.0 FTE. Staff recommends the approval of the Department's R20

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request to move this line item to the Division of Early Care and Learning section of the FY 2017-18 Long Bill.

Office of Early Childhood, Division of Community and Family Support, Early Childhood Councils				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$1,984,169</u>	<u>\$0</u>	<u>\$1,984,169</u>	<u>1.0</u>
TOTAL	\$1,984,169	\$0	\$1,984,169	1.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$1,984,169	\$0	\$1,984,169	1.0
R20 Realignment of Office of Early Childhood programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,984,169	\$0	\$1,984,169	1.0
Increase/(Decrease)	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	0.0%
FY 2016-17 Executive Request:	\$1,984,169	\$0	\$1,984,169	1.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Early Childhood Mental Health Services

This program supports 17 early childhood mental health specialists through contracts with community mental health centers. It is intended to increase the availability of mental health services to young children, birth through age five, and provide consultation and coaching to families and early learning providers. Specialists focus on developing and strengthening social and emotional skills of young children through timely screening and assessment, increasing the parent and provider’s ability to manage difficult behaviors, providing outreach, and connecting families to other community resources.

Statutory Authority: Sections 27-66-101 through 108, 27-65-101 through 131, 27-67-101 through 108, 25.5-5-411, 16-11.5-102, 16-11.9-101, 18-1.9-101, 25-1.5-103, 25-3-102, 25.5-4-403, 25.5-6-901, 25.5-5-307, 25.5-6-601 through 607, 24-1.9-101

Request: The Department requests an appropriation of \$2,932,271 total funds, including \$1,228,835 General Fund and \$1,703,436 federal funds, and 0.7 FTE for FY 2016-17. This reflects a decrease of \$12,412 General Fund for a 1.0 percent provider rate decrease and an increase of \$1,703,436 federal funds and 0.2 FTE for the Department’s BA1 budget request.

Recommendation: Staff recommends an appropriation of \$3,384,497 total funds, including \$1,241,247 General Fund and \$2,143,250 federal funds from Child Care Development Funds,

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and 1.0 FTE. This reflects an increase of \$1,703,436 Child Care Development Funds and 0.3 FTE.

Office of Early Childhood, Division of Community and Family Support, Early Childhood Mental Health Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$1,241,247	\$1,241,247	\$0	0.2
HB 16-1242 (Supplemental Bill)	439,814	0	439,814	0.3
TOTAL	\$1,681,061	\$1,241,247	\$439,814	0.5
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$1,681,061	\$1,241,247	\$439,814	0.5
BA1 Early childhood mental health specialists	1,703,436	0	1,703,436	0.5
R19 Community provider rate adjustment	0	0	0	0.0
TOTAL	\$3,384,497	\$1,241,247	\$2,143,250	1.0
Increase/(Decrease)	\$1,703,436	\$0	\$1,703,436	0.5
Percentage Change	101.3%	0.0%	387.3%	100.0%
FY 2016-17 Executive Request:	\$2,932,271	\$1,228,835	\$1,703,436	0.7
Request Above/(Below) Recommendation	(\$452,226)	(\$12,412)	(\$439,814)	(0.3)

Early Intervention Services

The majority of the Division’s budget (70.3 percent) is appropriated to Early Intervention (EI) Services (56.8 percent) and Early Intervention Services Case Management (13.7 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 and case management for FY 2015-16 consists of 49.9 percent General Fund (\$25.5 million), 22.6 percent cash funds from local funds and the Early Intervention Services Trust Fund (\$11.6 million), 11.6 percent Medicaid reappropriated funds (\$5.9 million), and 15.9 percent federal funds (\$8.1 million). Federal regulations under 34 C.F.R., Section 303.101 (a) (1) require the state to adopt a policy to make appropriate EI services and service coordination available to all eligible infants and toddlers and their families. The receipt of federal Part C funds from the Federal Individuals with Disabilities Education Act (IDEA) is contingent upon the State ensuring that no waitlist exists for individuals who are eligible for EI services. Colorado is experiencing a steady growth in the percentage of children ages 0 through

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2 that are eligible for early intervention services, however because the federal funds are determined based on the population of 0-2 year olds in the State, Colorado is anticipating a decline in the amount of Part C IDEA funds available in the future. In the past three years, increases in appropriations to address Early Intervention Services caseload growth include: \$3.1 million in FY 2013-14, \$3.5 million in FY 2014-15, and \$3.3 million in FY 2015-16.

Statutory Authority: Sections 27-10.5-401 through 27-10.5-402, 27-10.5-701 through 710, C.R.S.; Individuals with Disabilities Education Act, 34 C.F.R. Section 303-101 (a) (1)

Request: The Department requests an appropriation of \$43,547,608 total funds, including \$23,074,083 General Fund, \$12,396,578 cash funds, \$8,076,947 federal funds, and 6.5 FTE for FY 2016-17. This request reflects an increase of \$2,328,154 total funds, including \$1,554,718 General Fund, to cover costs associated with the Department’s R5 caseload growth request, a 1.0 percent provider rate decrease, and the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$43,981,037 total funds, including \$23,304,162 General Fund, \$12,518,502 cash funds from local funds and the Early Intervention Services Trust Fund (indicated for informational purposes only), and \$8,158,373 federal funds from Part C of the federal Individuals with Disabilities Education Improvement Act, and 6.5 FTE. This recommendation includes an increase of \$2,761,583 total funds, including \$1,784,797 General Fund, \$961,045 cash funds, and \$160,780 federal funds, to cover costs associated with caseload growth and the annualization of prior year budget actions.

Office of Early Childhood, Division of Community and Family Support, Early Intervention Services					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$41,219,454</u>	<u>\$21,519,365</u>	<u>\$11,557,457</u>	<u>\$8,142,632</u>	<u>6.5</u>
TOTAL	\$41,219,454	\$21,519,365	\$11,557,457	\$8,142,632	6.5
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$41,219,454	\$21,519,365	\$11,557,457	\$8,142,632	6.5
R5 Early intervention caseload growth	2,745,842	1,784,797	961,045	0	0.0
Annualize prior year budget action	15,741	0	0	15,741	0.0
R19 Community provider rate adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$43,981,037	\$23,304,162	\$12,518,502	\$8,158,373	6.5
Increase/(Decrease)	\$2,761,583	\$1,784,797	\$961,045	\$15,741	0.0
Percentage Change	6.7%	8.3%	8.3%	0.2%	0.0%
FY 2016-17 Executive Request:	\$43,547,608	\$23,074,083	\$12,396,578	\$8,076,947	6.5
Request Above/(Below) Recommendation	(\$433,429)	(\$230,079)	(\$121,924)	(\$81,426)	0.0

Early Intervention Services Case Management

This line item funds the case management expenses associated with the delivery of early intervention services. Community Centered Boards (CCBs) are designated by the state to provide case management services, including intake, developmental disability determination, financial eligibility, service plan development, referral for services, monitoring of services, and many other functions. Additionally, CCBs are responsible for assessing service area needs and developing plans and priorities to meet those needs.

Statutory Authority: Section 27-10.5-401 through 27-10.5-407, C.R.S.

Request: The Department requests an appropriation of \$10,876,640 total funds, including \$4,375,678 General Fund and \$6,500,962 reappropriated funds, for FY 2016-17. This request reflects an increase of \$377,140 total funds, including \$377,140 General Fund and \$572,279 reappropriated funds, to cover costs associated with the Department’s R5 caseload growth request and a 1.0 percent provider rate decrease.

Recommendation: Staff recommends an appropriation of \$10,985,005 total funds, including \$4,421,652 General fund and \$6,563,353 reappropriated funds of which \$3,268,550 is Medicaid General Fund. The net General Fund impact of this recommendation is \$7,690,202. This recommendation includes an increase of \$1,057,784 total funds, including \$423,114 General Fund and \$634,670 reappropriated funds, to cover costs associated with caseload growth.

Office of Early Childhood, Division of Community and Family Support, Early Intervention Services Case Management				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$9,927,221</u>	<u>\$3,998,538</u>	<u>\$5,928,683</u>	<u>0.0</u>
TOTAL	\$9,927,221	\$3,998,538	\$5,928,683	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$9,927,221	\$3,998,538	\$5,928,683	0.0
R5 Early intervention caseload growth	1,057,784	423,114	634,670	0.0
R19 Community provider rate adjustment	0	0	0	0.0
NP2 FMAP decrease	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,985,005	\$4,421,652	\$6,563,353	0.0
Increase/(Decrease)	\$1,057,784	\$423,114	\$634,670	0.0
Percentage Change	10.7%	10.6%	10.7%	n/a
FY 2016-17 Executive Request:	\$10,876,640	\$4,375,678	\$6,500,962	0.0
Request Above/(Below) Recommendation	(\$108,365)	(\$45,974)	(\$62,391)	0.0

Colorado Children’s Trust Fund

This line item funds the personnel expenses of the administration of the Colorado Children's Trust Fund Grant Program. The program is supported by a \$15 fee on petitioners for the dissolution of marriage, legal separation, or the declaration of legal invalidity of marriage. Grants are awarded to local prevention and education programs that work with child abuse and neglect cases. The Colorado Children's Trust Fund Board is responsible for grant decisions. Statute allows for the fund to build up a balance of \$5.0 million, at which point the fee would be eliminated and the grants would subsist on the interest earned on the fund balance.

Statutory Authority: Section 19-3.5-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$1,098,958 total funds, including \$455,358 cash funds and \$643,600 federal funds, and 1.5 FTE for FY 2016-17. This includes an increase of \$3,410 cash funds to annualize prior year budget actions.

Recommendation: Staff recommends an appropriation of \$1,098,958 total funds, including \$455,358 cash funds from the Colorado Children’s Trust Fund and \$643,600 federal funds, and 1.5 FTE.

Office of Early Childhood, Division of Community and Family Support, Colorado Children's Trust Fund					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$1,095,548</u>	<u>\$0</u>	<u>\$451,948</u>	<u>\$643,600</u>	<u>1.5</u>
TOTAL	\$1,095,548	\$0	\$451,948	\$643,600	1.5
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$1,095,548	\$0	\$451,948	\$643,600	1.5
Annualize prior year budget action	<u>3,410</u>	<u>0</u>	<u>3,410</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,098,958	\$0	\$455,358	\$643,600	1.5
Increase/(Decrease)	\$3,410	\$0	\$3,410	\$0	0.0
Percentage Change	0.3%	n/a	0.8%	0.0%	0.0%
FY 2016-17 Executive Request:	\$1,098,958	\$0	\$455,358	\$643,600	1.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Nurse Home Visitor Program

The Nurse Home Visitor Program was established by S.B. 00-071, and utilizes specially trained nurse home visitors to provide health education and counseling to low-income (incomes up to 200.0 percent of the federal poverty level), first time mothers beginning when the mother is pregnant and continuing through the child's second birthday. The program has served approximately 12,000 mothers and children, and is monitored by the National Center for

Children, Families and Communities at the CU Health Sciences Center. Pursuant to H.B. 13-1117, the program was transferred from the Department of Public Health and Environment to the Department of Human Services in FY 13-14.

Pursuant to Section 24-75-1104.5 (1) (a) (XI), C.R.S., the program receives 19.0 percent of tobacco settlement revenue less one million dollars. Funding is not to exceed \$19 million in any fiscal year. Providers who serve non-Medicaid clients bill the Department directly. Since a large number of clients served by this Program are Medicaid eligible, the providers who work with the program receive Medicaid reimbursements. Providers who serve Medicaid eligible clients bill the Department of Health Care Policy and Financing (HCPF).

Statutory Authority: Section 26-6.4-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$16,031,489 total funds, including \$15,826,889 cash funds and \$204,600 federal funds, and 3.0 FTE for FY 2016-17.

Recommendation: Staff recommends an appropriation of \$16,843,577 total funds, including \$16,638,977 cash funds from the Nurse Home Visitor Program Fund and \$204,600 federal funds from the Maternal Infant and Early Childhood Home Visiting grant (indicated for informational purposes only), and 3.0 FTE. For FY 2016-17, the Nurse Home Visitor Program Fund consists of 19.0 percent of the total amount of moneys received by the state less one million dollars from Tobacco Master Settlement funds, not to exceed \$19.0 million. Staff requests permission to adjust this value, if necessary, based on the updated revenue projection.

Analysis: On November 1, 2015, the Department provided the *FY 2014-15 Tobacco Master Settlement Agreement Programs Annual Report* in response to the Committee's Request for Information. This report includes program information on the Nurse Home Visitor Program, including the amount of MSA moneys received in the preceding fiscal year, the actual number of persons served and the types of services provided, and information on the evaluation of the program including its effectiveness in achieving stated goals. Though the program is implemented as a partnership between the Department and a health sciences facility at the University of Colorado, the Department is responsible for financial administration of the program.

This program implements an evidence-based voluntary, community health nursing program aimed at improving the lives of vulnerable families expecting their first child called Nurse Family Partnership (NFP). It is open to all first-time, low-income parents (individuals below 200.0 percent of federal poverty level). The cumulative median age of clients in Colorado is 20 years of age, and 67.0 percent of the clients have Medicaid. NFP services are available in 61 of the 64 Colorado counties. In FY 2014-15, the program served 4,547 clients and 3,498 children. While the program is not specifically reflected in the Department's FY 2015-16 SMART Act Performance Plan and no outcome measure is selected for it, the program does support the Department's second goal of ensuring child safety through improved prevention, access, and permanency. The program is one of only three Child Welfare related programs that meets the Colorado Results First "evidence-based practices" criteria and for which sufficient data has been collected to be evaluated in the benefit-cost model. Results First indicates that the total cost per

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person for the duration of the program (up to three years) is \$9,084 as compared with the benefits of the program at \$31,033 per person. Results First indicates that for every dollar invested in the program there is a \$3.42 savings in long-term costs associated with the prevention of victimization, improved education, and reduction in public assistance payments. For additional information on the Results First Nurse Family Partnership analysis, please see Appendix B.

In FY 2014-15 the Nurse Home Visitor Program received an appropriation of \$15,026,670 in MSA funds. The annual report indicates that an additional \$662,122 was carried forward from the FY 2013-14 appropriation, providing a total allocation in FY 2014-15 of \$15,688,792. Pursuant to H.B. 13-1181, the unencumbered funds from FY 2013-14 remained available for the program in FY 2014-15 without the submission of a supplemental request by the Department. This bill allows for the retention in the fund of the lesser of all unencumbered funds in a cash fund that supports tobacco programs or five percent of the amount appropriated from the fund in a given fiscal year. In addition, it increases the spending authority for those funds by the same amount.

FY 2014-15 master settlement agreement expenditures for the program are reported to be \$14,494,356 in the annual report. The Department did not include an explanation for the unexpended funds totaling \$1,194,436. It has been reported that under-expenditures were as a result of an 18.0 percent turnover rate in nurses who provide the services and a lack of timely and accurate tracking of expenditures in the new CORE accounting system. According to the Department, the program requests increases or decreases to spending authority from the Office of the State Controller based on the most current Legislative Council economic forecast. The Office of the State Controller requires supporting documentation before adjusting spending authority in CORE. As such, the second release of MSA funds is typically not available until April of each year. The \$1.2 million in unexpended funds in FY 2014-15 exceeds the 5.0 percent allowed to be retained in the cash fund by nearly \$467,000. Funds in excess of this 5.0 percent revert to the General Fund. Because the under-expenditures are not related to the administration of the program by the contracted organization, Staff does not recommend any changes to the appropriation at this time.

Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$16,031,489</u>	<u>\$0</u>	<u>\$15,826,889</u>	<u>\$204,600</u>	<u>3.0</u>
TOTAL	\$16,031,489	\$0	\$15,826,889	\$204,600	3.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$16,031,489	\$0	\$15,826,889	\$204,600	3.0
Tobacco Master Settlement adjustment	<u>812,088</u>	<u>0</u>	<u>812,088</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,843,577	\$0	\$16,638,977	\$204,600	3.0

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Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Increase/(Decrease)	\$812,088	\$0	\$812,088	\$0	0.0
Percentage Change	5.1%	n/a	5.1%	0.0%	0.0%
FY 2016-17 Executive Request:	\$16,031,489	\$0	\$15,826,889	\$204,600	3.0
Request Above/(Below) Recommendation	(\$812,088)	\$0	(\$812,088)	\$0	0.0

Family Support Services

This line item funds grants to Family Resource Centers that serve over 56,000 families each year. Of those families, 2,500 opted to receive comprehensive coordinated case management services to navigate the pathways to economic, educational, social and health success for all generations, moving families from crisis to self-reliance.

Statutory Authority: Section 26-18-104, C.R.S.

Request: The Department requests an appropriation of \$1,035,593 total funds, including \$750,000 General Fund, \$22,500 cash funds, and \$263,093 federal funds, and 0.5 FTE for FY 2016-17.

Recommendation: Staff recommends an appropriation of \$1,035,593 total funds, including \$750,000 General Fund, \$22,500 cash funds from the Colorado Children’s Trust Fund, and \$263,093 federal funds from Title IV-B, Subpart 2, of the Social Security Act, and 0.5 FTE for FY 2016-17.

Office of Early Childhood, Division of Community and Family Support, Family Support Services					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	<u>\$1,035,593</u>	<u>\$750,000</u>	<u>\$22,500</u>	<u>\$263,093</u>	<u>0.5</u>
TOTAL	\$1,035,593	\$750,000	\$22,500	\$263,093	0.5
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	<u>\$1,035,593</u>	<u>\$750,000</u>	<u>\$22,500</u>	<u>\$263,093</u>	<u>0.5</u>
TOTAL	\$1,035,593	\$750,000	\$22,500	\$263,093	0.5
Increase/(Decrease)	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:	\$1,035,593	\$750,000	\$22,500	\$263,093	0.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

HCPF (7) Department of Human Services Medicaid Funded Programs

This division reflects the amount of Medicaid funds appropriated for programs administered by the Department of Human Services and that are covered in this document.

DECISION ITEMS - DEPARTMENT OF HUMAN SERVICES MEDICAID FUNDED PROGRAMS (NONE)

LINE ITEM DETAIL – DEPARTMENT OF HUMAN SERVICES MEDICAID FUNDED PROGRAMS

(C) Office of Operations - Medicaid Funding

Office of Operations – Medicaid Funding

This line item reflects the amount of Medicaid funds appropriated for the administration of the Office of Operations. These funds are reflected as *reappropriated funds* in various line items in the Department of Human Services, Office of Operations.

Statutory Authority: Sections 24-30-1104 (2), 24-30-1117, 24-82-602, 24-30-2002, and 24-102-302, C.R.S.

Request: The Department requests \$5,205,437 total funds, including \$2,592,598 General Fund and \$2,612,839 federal funds, for FY 2016-17. The request includes a decrease of \$360,591 total funds, including \$149,986 General Fund, for the annualization of merit pay and salary survey, the requested increase for utilities for Department of Human Services buildings, the annual fleet request and adjustments to account for the change in the FMAP rate for FFY 2016-17.

Recommendation: Staff recommends an appropriation of \$5,711,457 total funds, including \$2,841,610 Medicaid General Fund and \$2,612,839 Medicaid federal funds, for the annualization of merit pay and salary survey, the requested increase for utilities for Department of Human Services buildings, the annual fleet request and adjustments to account for the change in the FMAP rate for FFY 2016-17. Staff requests permission to adjust this line item based on action taken during the figure setting presentation for the Office of Behavioral Health and if the Committee amends its preliminary decision of applying no provider rate adjustment to relevant line items.

Department of Human Services Medicaid-Funded Programs, Office of Operations - Medicaid Funding, Office of Operations - Medicaid Funding				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$5,060,008	\$2,493,572	\$2,566,436	0.0

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Department of Human Services Medicaid-Funded Programs, Office of Operations - Medicaid Funding, Office of Operations - Medicaid Funding				
	Total Funds	General Fund	Federal Funds	FTE
HB 16-1240 (Supplemental)	<u>506,020</u>	<u>249,012</u>	<u>257,008</u>	<u>0.0</u>
TOTAL	\$5,566,028	\$2,742,584	\$2,823,444	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$5,566,028	\$2,742,584	\$2,823,444	0.0
Human Services programs	145,429	87,894	57,535	0.0
R11/BA16 Standard federal match	<u>0</u>	<u>11,132</u>	<u>(11,132)</u>	<u>0.0</u>
TOTAL	\$5,711,457	\$2,841,610	\$2,869,847	0.0
Increase/(Decrease)	\$145,429	\$99,026	\$46,403	0.0
Percentage Change	2.6%	3.6%	1.6%	n/a
FY 2016-17 Executive Request:	\$5,205,437	\$2,592,598	\$2,612,839	0.0
Request Above/(Below) Recommendation	(\$506,020)	(\$249,012)	(\$257,008)	0.0

(D) Division of Child Welfare - Medicaid Funding

Administration

This line item reflects the amount of Medicaid funds appropriated for the administration of Child Welfare Services. These funds are reflected as *reappropriated funds* in the Department of Human Services, Division of Child Welfare, Administration line item.

Statutory Authority: Sections 26-1-132 and 26-2-103, C.R.S.

Request: The Department requests \$117,736 total funds, including \$58,868 General Fund and \$58,868 federal funds, for FY 2016-17. The request includes a decrease of \$23,070 total funds, including \$11,535 General Fund, for the annualization of merit pay and prior year budget decisions.

Recommendation: Staff recommends an appropriation of \$142,640 total funds, including \$71,320 Medicaid General Fund and \$71,320 Medicaid federal funds. This reflects an increase of \$1,834 total funds, including \$917 General Fund, for the annualization of merit pay and prior year budget decisions and adjustments to account for the change in the FMAP rate for FFY 2016-17. Staff requests permission to adjust this line item if the Committee amends its preliminary decision of applying no provider rate adjustment to relevant line items.

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Department of Human Services Medicaid-Funded Programs, Division of Child Welfare - Medicaid Funding, Administration				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$140,806	\$69,291	\$71,515	0.0
HB 16-1240 (Supplemental)	<u>0</u>	<u>1,112</u>	<u>(1,112)</u>	<u>0.0</u>
TOTAL	\$140,806	\$70,403	\$70,403	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$140,806	\$70,403	\$70,403	0.0
Human Services programs	1,834	2,029	(195)	0.0
BA11 Technical adjustments	<u>0</u>	<u>(1,112)</u>	<u>1,112</u>	<u>0.0</u>
TOTAL	\$142,640	\$71,320	\$71,320	0.0
Increase/(Decrease)	\$1,834	\$917	\$917	0.0
Percentage Change	1.3%	1.3%	1.3%	n/a
FY 2016-17 Executive Request:	\$117,736	\$58,868	\$58,868	0.0
Request Above/(Below) Recommendation	(\$24,904)	(\$12,452)	(\$12,452)	0.0

Child Welfare Services

This line item reflects the amount of Medicaid funds appropriated for the delivery of child welfare services. These funds are reflected as *reappropriated funds* in the Department of Human Services, Division of Child Welfare, Child Welfare Services line item.

Statutory Authority: Sections 26-1-132, 26-2-103, and 26-5-104, C.R.S.

Request: The Department requests \$15,070,380 total funds, including \$7,505,049 General Fund and \$7,565,331 federal funds, for FY 2016-17. This request reflects a decrease of \$152,226 total funds, including an increase of \$14,004 General Fund, for a 1.0 percent provider rate decrease and adjustments to account for the change in the FMAP rate for FFY 2016-17.

Recommendation: Staff recommends an appropriation of \$15,197,702 total funds, including \$7,568,456 Medicaid General Fund and \$7,629,246 Medicaid federal funds. This reflects a decrease of \$24,904 total funds, including an increase of \$77,411 General Fund, for the annualization of leap year funding and adjustments to account for the change in the FMAP rate for FFY 2016-17. Staff requests permission to adjust this line item if the Committee amends its preliminary decision of applying no provider rate adjustment to relevant line items.

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Department of Human Services Medicaid-Funded Programs, Division of Child Welfare - Medicaid Funding, Child Welfare Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$15,222,606</u>	<u>\$7,491,045</u>	<u>\$7,731,561</u>	<u>0.0</u>
TOTAL	\$15,222,606	\$7,491,045	\$7,731,561	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$15,222,606	\$7,491,045	\$7,731,561	0.0
R11/BA16 Standard federal match	0	33,540	(33,540)	0.0
Human Services programs	<u>(24,904)</u>	<u>43,871</u>	<u>(68,775)</u>	<u>0.0</u>
TOTAL	\$15,197,702	\$7,568,456	\$7,629,246	0.0
Increase/(Decrease)	(\$24,904)	\$77,411	(\$102,315)	0.0
Percentage Change	(0.2%)	1.0%	(1.3%)	n/a
FY 2016-17 Executive Request:	\$15,070,380	\$7,505,049	\$7,565,331	0.0
Request Above/(Below) Recommendation	(\$127,322)	(\$63,407)	(\$63,915)	0.0

(E) Office of Early Childhood - Medicaid Funding

Division of Community and Family Support, Early Intervention Services

This line item reflects the amount of Medicaid funds appropriated for the case management of early intervention services. These funds are reflected as *reappropriated funds* in the Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Intervention Services Case Management line item.

Statutory Authority: Section 27-10.5-706 through 27-10.5-707, C.R.S.

Request: The Department requests \$6,500,962 total funds, including \$3,240,765 General Fund and \$3,260,197 federal funds, for FY 2016-17. This request reflects an increase of \$572,279 total funds, including \$323,175 General Fund, for: an increase to account for early intervention caseload growth; a decrease of \$62,391 total funds, including \$30,933 General Fund, for a 1.0 percent provider rate decrease; and adjustments to account for the change in the FMAP rate for FFY 2016-17.

Recommendation: Staff recommends an appropriation of \$6,563,353 total funds, including \$3,268,550 Medicaid General Fund \$3,294,803 Medicaid federal funds. This request reflects an increase of \$634,670 total funds, including \$350,960 General Fund, for: an increase to account for early intervention caseload growth and adjustments to account for the change in the FMAP rate for FFY 2016-17. Staff requests permission to adjust this line item if the Committee amends its preliminary decision of applying no provider rate adjustment to relevant line items.

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

Department of Human Services Medicaid-Funded Programs, Office of Early Childhood - Medicaid Funding, Division of Community and Family Support, Early Intervention Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$5,928,683</u>	<u>\$2,917,590</u>	<u>\$3,011,093</u>	<u>0.0</u>
TOTAL	\$5,928,683	\$2,917,590	\$3,011,093	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$5,928,683	\$2,917,590	\$3,011,093	0.0
Human Services programs	634,670	339,806	294,864	0.0
R11/BA16 Standard federal match	<u>0</u>	<u>11,154</u>	<u>(11,154)</u>	<u>0.0</u>
TOTAL	\$6,563,353	\$3,268,550	\$3,294,803	0.0
Increase/(Decrease)	\$634,670	\$350,960	\$283,710	0.0
Percentage Change	10.7%	12.0%	9.4%	n/a
FY 2016-17 Executive Request:	\$6,500,962	\$3,240,765	\$3,260,197	0.0
Request Above/(Below) Recommendation	(\$62,391)	(\$27,785)	(\$34,606)	0.0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends **continuing** the following footnotes, with modifications in struck type and small caps:

- 27 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.
- 28 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 demonstrated to be effective in reducing the need for higher cost residential services.
- 29 Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect** – It is the intent of the General Assembly that \$4,198,864 of this appropriation be used for the purpose of hotline technology, the help desk, and the hotline implementation fund.

REQUESTS FOR INFORMATION

Staff recommends the following **new** requests for information:

- 1. Department of Human Services, Office of Early Childhood** – The Department is requested to work with the Department of Education, Community Centered Boards, and other relevant stakeholders and provide to the Joint Budget Committee, by November 1 of each fiscal year, regional data on children and child care facilities, including but not limited to:
- 1) Number of children, by age, identified as candidates for early childhood services provided by programs funded through appropriations to the Office of Early Childhood, disaggregated by program;
 - 2) Types of challenging behavior and frequency of each that resulted in referral for services;
 - 3) Number of identified children at risk for suspension or expulsion prior to and after receiving services;
 - 4) Disaggregated data of the above based on age, gender, race/ethnicity, income, presence of an intellectual or developmental disability;
 - 5) Longitudinal data, by program, on educational success of children who received early childhood services;

- 6) Classroom data on suspensions and expulsions from licensed child care facilities, by programmatic category (for example, in the Early Childhood Mental Health Services Program, include data for classrooms receiving embedded services, services on a referral basis, and no services).
2. **Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Micro Loans to Increase Access to Child Care and Micro Grants to Increase Access Child Care** – The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, a report on the micro loan and micro grant programs including the number of applicants for each program by county; the number of loans and grants awarded by county; the value, term, and interest rate (if applicable) of each award; and the proposed use of each award.

Staff recommends **continuing** the following requests for information, with modifications in struck type and small caps:

3. Department of **Education**, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Reading and Literacy, Early Literacy Competitive Grant Program; Department of **Health Care Policy and Financing**, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of **Higher Education**, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of **Human Services**, Division of Child Welfare, Tony Grampsas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Behavioral Health Services, Mental Health Community Programs, Mental Health Services for Juvenile and Adult Offenders, and Mental Health Treatment Services for Youth (H.B. 99-1116); and Substance Use Treatment and Prevention, Other Programs, Community Prevention and Treatment; Department of **Military and Veterans Affairs**, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of **Personnel**, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of **Public Health and Environment**, Administration and Support, Local Public Health Planning and Support; Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2015, for each program funded with Tobacco Master Settlement moneys: the name of the program; the amount of Tobacco Settlement moneys received for the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals; and a recommendation regarding the amount of Tobacco Master Settlement funds the program requires for FY 2016-17 and why.

4. **Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Intervention Services** – The Department is requested to WORK WITH THE DEPARTMENT OF EDUCATION, COMMUNITY CENTERED BOARDS, AND OTHER RELEVANT STAKEHOLDERS AND provide to the Joint Budget Committee, by November 1 of each fiscal year, aggregate data on all children aging out of early intervention services in each community centered board region each year, including:
- 1) the number of 3-, 4-, and 5-year olds who are identified as needing ongoing support services, and who are:
 - i) receiving Part B of the Individuals with Disabilities Education Act (IDEA) services through a Part B child care provider;
 - ii) receiving child care services from a non-Part B provider;
 - iii) being cared for by a parent, guardian, or other family member and not receiving Part B services;
 - 2) the types and cost of services delivered to those children; and
 - 3) the types of services that those children need but are not receiving.

In addition, the Department is requested to provide information on:

- 4) the number of 3-, 4-, and 5-year-old children who did not receive early intervention services prior to turning 3 years of age, but who have been identified by a Part B provider as needing similar supports as children aging out of early intervention services; and
 - 5) the number of those children who received a Child Find evaluation prior to the age of 3, including the number of evaluations resulting in a referral for early intervention services and the number of evaluations that indicated ineligibility for services.
5. **Department of Human Services, Division of Child Welfare** – The Department is requested to provide to the Joint Budget Committee, by November 1, 2015/2016, information on county child welfare worker hiring practices, including county data on: (1) appropriate minimum staffing levels; (2) actual staffing levels; (3) new hires funded by the child welfare block grant; (4) new hires funded through new county child welfare staffing funding (new legislation); (5) new hires that were previously employed and trained by another county; (6) training hours provided to each new and existing employee; and (7) staff turnover, totals and reasons for vacating position.
6. **Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect** – The Department is requested to provide to the Joint Budget Committee, by ~~the last day of the month following the end of each quarter~~ NOVEMBER 1 OF EACH FISCAL YEAR, ~~information concerning the progress of the development and implementation of A REPORT CONTAINING FISCAL YEAR COMPARISONS OF APPROPRIATE WORKLOAD INDICATORS FOR the child abuse and neglect hotline reporting system., including: (a) deliverables contained in each vendor contract; (b) associated expenditures for each element; (c) progress of rule making; and (d) relevant outcome data, including but not limited to: (i) call volume; (ii) call duration; (iii) wait time; (iv) number of and time to complete~~

~~Enhanced Screening guide performed by Help Desk staff; and (v) workload indicators of hotline administration.~~

7. **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.
8. **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 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.
9. **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.
10. **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.

Staff recommends **discontinuing** the following requests for information:

11. **Department of Human Services, Division of Child Welfare** – The Department is requested to provide to the Joint Budget Committee, by January 1, 2016, a plan that identifies strategies to improve operational efficiencies in the child welfare process and ensures ongoing monitoring of uniform measures for county child welfare staff workload as identified in the August 2014 Colorado Child Welfare County Workload Study.

12. **Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Intervention Services** – The Department is requested to provide to the Joint Budget Committee, by November 1, 2015, an update on the strategies the newly formed Early Intervention Task Force is developing to ensure appropriate utilization of the early intervention funding hierarchy.

13. **Department of Human Services, Division of Child Welfare** – The Department is requested to provide to the Joint Budget Committee, by November 1, 2015, information concerning the progress in addressing each of the 2014 child welfare audit findings.

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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DEPARTMENT OF HUMAN SERVICES Reggie Bicha, Executive Director
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(3) OFFICE OF OPERATIONS

(A) Administration

Personal Services	<u>21,539,742</u>	<u>23,629,870</u>	<u>24,398,129</u>	<u>25,775,305</u>	<u>25,775,305</u> *
FTE	439.9	438.9	432.5	429.1	429.1
General Fund	12,669,236	13,193,330	13,646,853	14,817,110	14,817,110
Cash Funds	1,352,525	2,177,085	2,238,394	2,285,779	2,285,779
Reappropriated Funds	5,461,153	6,410,939	6,580,066	6,704,280	6,704,280
Federal Funds	2,056,828	1,848,516	1,932,816	1,968,136	1,968,136
Operating Expenses	<u>3,346,457</u>	<u>7,775,879</u>	<u>3,747,713</u>	<u>3,747,713</u>	<u>3,747,713</u> *
General Fund	2,454,829	6,852,941	2,690,599	2,690,599	2,690,599
Cash Funds	11,422	11,422	11,422	11,422	11,422
Reappropriated Funds	711,838	711,898	846,073	846,073	846,073
Federal Funds	168,368	199,618	199,619	199,619	199,619
Vehicle Lease Payments	<u>1,082,037</u>	<u>1,053,384</u>	<u>1,079,506</u>	<u>1,152,105</u>	<u>1,152,105</u> *
General Fund	615,289	637,597	547,744	593,025	593,025
Cash Funds	75,568	55,518	75,788	78,198	78,198
Reappropriated Funds	236,161	238,822	285,796	301,738	301,738
Federal Funds	155,019	121,447	170,178	179,144	179,144

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Leased Space	<u>2,119,476</u>	<u>1,744,946</u>	<u>2,410,915</u>	<u>1,237,487</u>	<u>1,237,487</u>
General Fund	588,759	504,833	588,759	343,243	343,243
Cash Funds	19,208	3,967	37,416	32,992	32,992
Reappropriated Funds	0	0	22,527	22,527	22,527
Federal Funds	1,511,509	1,236,146	1,762,213	838,725	838,725
Capitol Complex Leased Space	<u>1,589,006</u>	<u>1,236,932</u>	<u>1,748,239</u>	<u>1,525,054</u>	<u>1,525,054</u>
General Fund	834,159	649,335	917,748	800,586	800,586
Cash Funds	74,871	58,282	82,374	71,858	71,858
Reappropriated Funds	81,258	63,255	89,403	77,990	77,990
Federal Funds	598,718	466,060	658,714	574,620	574,620
Utilities	<u>9,418,424</u>	<u>9,418,424</u>	<u>9,418,424</u>	<u>9,724,392</u>	<u>9,418,424</u> *
General Fund	7,820,907	7,820,907	7,820,907	8,074,860	7,820,907
Cash Funds	50,000	50,000	50,000	50,000	50,000
Reappropriated Funds	1,547,517	1,547,517	1,547,517	1,599,532	1,547,517
SUBTOTAL - (A) Administration	39,095,142	44,859,435	42,802,926	43,162,056	42,856,088
FTE	<u>439.9</u>	<u>438.9</u>	<u>432.5</u>	<u>429.1</u>	<u>429.1</u>
General Fund	24,983,179	29,658,943	26,212,610	27,319,423	27,065,470
Cash Funds	1,583,594	2,356,274	2,495,394	2,530,249	2,530,249
Reappropriated Funds	8,037,927	8,972,431	9,371,382	9,552,140	9,500,125
Federal Funds	4,490,442	3,871,787	4,723,540	3,760,244	3,760,244
(B) Special Purpose					
Buildings and Grounds Rental	<u>807,683</u>	<u>746,441</u>	<u>1,029,269</u>	<u>1,032,638</u>	<u>1,032,638</u>
FTE	3.8	3.8	6.5	6.5	6.5
Cash Funds	807,683	746,441	1,029,269	1,032,638	1,032,638

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
State Garage Fund	<u>731,212</u>	<u>616,073</u>	<u>737,272</u>	<u>740,640</u>	<u>740,640</u>
FTE	1.6	1.6	2.6	2.6	2.6
Reappropriated Funds	731,212	616,073	737,272	740,640	740,640
SUBTOTAL - (B) Special Purpose	1,538,895	1,362,514	1,766,541	1,773,278	1,773,278
FTE	<u>5.4</u>	<u>5.4</u>	<u>9.1</u>	<u>9.1</u>	<u>9.1</u>
Cash Funds	807,683	746,441	1,029,269	1,032,638	1,032,638
Reappropriated Funds	731,212	616,073	737,272	740,640	740,640
TOTAL - (3) Office of Operations	40,634,037	46,221,949	44,569,467	44,935,334	44,629,366
FTE	<u>445.3</u>	<u>444.3</u>	<u>441.6</u>	<u>438.2</u>	<u>438.2</u>
General Fund	24,983,179	29,658,943	26,212,610	27,319,423	27,065,470
Cash Funds	2,391,277	3,102,715	3,524,663	3,562,887	3,562,887
Reappropriated Funds	8,769,139	9,588,504	10,108,654	10,292,780	10,240,765
Federal Funds	4,490,442	3,871,787	4,723,540	3,760,244	3,760,244

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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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>5,993,212</u>	<u>5,176,729</u>	<u>6,025,461</u>	<u>6,124,168</u>	<u>6,124,168</u> *
FTE	53.0	53.0	64.9	65.3	65.3
General Fund	5,010,578	4,236,157	4,944,015	5,025,978	5,025,978
Reappropriated Funds	119,426	124,812	140,806	142,640	142,640
Federal Funds	863,208	815,760	940,640	955,550	955,550
Training	<u>5,239,910</u>	<u>5,650,864</u>	<u>6,571,113</u>	<u>6,526,955</u>	<u>6,526,955</u>
FTE	5.4	5.4	7.0	7.0	7.0
General Fund	2,112,918	3,720,308	3,350,116	3,310,877	3,310,877
Cash Funds	37,230	100,000	37,230	37,230	37,230
Federal Funds	3,089,762	1,830,556	3,183,767	3,178,848	3,178,848
Foster and Adoptive Parent Recruitment, Training, and Support	<u>259,358</u>	<u>380,334</u>	<u>339,253</u>	<u>341,008</u>	<u>341,008</u>
FTE	1.1	1.1	1.0	1.0	1.0
General Fund	189,341	322,310	271,812	273,216	273,216
Federal Funds	70,017	58,024	67,441	67,792	67,792

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Child Welfare Services	<u>341,746,753</u>	<u>334,485,343</u>	<u>354,140,267</u>	<u>350,233,592</u>	<u>350,945,409</u> *
General Fund	177,777,462	182,440,424	180,648,501	181,399,308	180,376,207
Cash Funds	62,068,186	52,664,644	68,068,797	64,490,449	65,171,137
Reappropriated Funds	14,579,137	6,814,876	15,222,606	15,045,476	15,197,702
Federal Funds	87,321,968	92,565,399	90,200,363	89,298,359	90,200,363
County Level Child Welfare Staffing	<u>0</u>	<u>0</u>	<u>6,064,149</u>	<u>12,379,742</u>	<u>11,728,298</u> *
FTE	0.0	0.0	0.0	2.7	0.0
General Fund	0	0	5,428,510	11,015,406	10,497,020
Cash Funds	0	0	606,415	1,181,374	1,172,830
Federal Funds	0	0	29,224	182,962	58,448
Child Welfare Caseload Study	<u>0</u>	<u>0</u>	<u>235,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	195,050	0	0
Federal Funds	0	0	39,950	0	0
Title IV-E Waiver and Evaluation Development	<u>374,999</u>	<u>500,000</u>	<u>500,018</u>	<u>500,018</u>	<u>500,018</u>
General Fund	124,990	250,000	250,009	250,009	250,009
Federal Funds	250,009	250,000	250,009	250,009	250,009
Title IV-E Waiver Demonstration	<u>0</u>	<u>1,421,004</u>	<u>6,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u> *
General Fund	0	0	0	0	0
Cash Funds	0	1,421,004	6,000,000	12,000,000	12,000,000
Family and Children's Programs	<u>49,548,998</u>	<u>50,426,682</u>	<u>54,003,032</u>	<u>53,463,002</u>	<u>54,003,032</u> *
General Fund	41,185,564	41,967,369	45,233,989	44,781,649	45,233,989
Cash Funds	5,292,541	4,584,244	5,645,945	5,589,486	5,645,945
Federal Funds	3,070,893	3,875,069	3,123,098	3,091,867	3,123,098

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Performance-based Collaborative Management					
Incentives	<u>3,043,291</u>	<u>24,885</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	1,500,000	1,500,000	1,500,000
Cash Funds	3,043,291	24,885	3,000,000	3,000,000	3,000,000
Collaborative Management Program					
Administration and Evaluation	<u>0</u>	<u>0</u>	<u>356,635</u>	<u>348,945</u>	<u>348,945</u>
FTE	0.0	0.0	1.5	1.5	1.5
General Fund	0	0	356,635	348,945	348,945
Independent Living Programs					
FTE	<u>3.7</u>	<u>3.7</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Federal Funds	2,339,243	2,446,999	2,837,040	2,841,449	2,841,449
Federal Child Abuse Prevention and Treatment Act					
Grant	<u>330,871</u>	<u>303,414</u>	<u>444,819</u>	<u>448,993</u>	<u>448,993</u>
FTE	2.5	2.5	3.0	3.0	3.0
Federal Funds	330,871	303,414	444,819	448,993	448,993
Community-based Child Abuse Prevention					
Services	<u>3,320,525</u>	<u>6,678,489</u>	<u>8,439,384</u>	<u>8,442,653</u>	<u>8,442,653</u>
FTE	0.9	0.9	2.0	2.0	2.0
General Fund	3,320,525	6,678,489	8,439,384	8,442,653	8,442,653
Hotline for Child Abuse and Neglect					
FTE	<u>906,900</u>	<u>2,832,679</u>	<u>4,595,643</u>	<u>3,130,078</u>	<u>3,130,078</u>
General Fund	902,660	2,832,852	4,540,646	3,075,081	3,075,081
Federal Funds	4,240	(173)	54,997	54,997	54,997

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Public Awareness Campaign for Child Welfare	0	<u>1,793,890</u>	<u>1,599,250</u>	<u>1,393,250</u>	<u>1,393,250</u>
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	1,793,890	1,599,250	1,393,250	1,393,250
Interagency Prevention Programs Coordination	<u>112,679</u>	<u>105,533</u>	<u>133,284</u>	<u>135,210</u>	<u>135,210</u>
FTE	1.3	1.3	1.0	1.0	1.0
General Fund	112,679	105,533	133,284	135,210	135,210
Tony Gramscas Youth Services Program	<u>5,032,029</u>	<u>6,823,271</u>	<u>8,999,781</u>	<u>9,003,888</u>	<u>7,960,220</u>
FTE	2.6	2.6	3.0	3.0	3.0
General Fund	1,453,849	1,450,420	2,457,278	1,457,278	1,457,278
Cash Funds	3,578,180	5,372,851	5,542,503	7,546,610	6,502,942
Reappropriated Funds	0	0	1,000,000	0	0
Appropriation to the Youth Mentoring Services					
Cash Fund	0	0	<u>1,000,000</u>	0	0
General Fund	0	0	1,000,000	0	0
Workforce Tools - Mobile Computing Technology	<u>76,532</u>	<u>451,814</u>	0	0	0
General Fund	0	451,678	0	0	0
Federal Funds	76,532	136	0	0	0
Workload Study	<u>440,269</u>	0	0	0	0
General Fund	360,615	0	0	0	0
Federal Funds	79,654	0	0	0	0

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
TOTAL - (5) Division of Child Welfare	418,765,569	419,501,930	466,784,129	471,812,951	471,369,686
<i>FTE</i>	<u>70.5</u>	<u>70.5</u>	<u>94.4</u>	<u>97.5</u>	<u>94.8</u>
General Fund	232,551,181	246,249,430	260,348,479	262,408,860	261,319,713
Cash Funds	74,019,428	64,167,628	88,900,890	93,845,149	93,530,084
Reappropriated Funds	14,698,563	6,939,688	16,363,412	15,188,116	15,340,342
Federal Funds	97,496,397	102,145,184	101,171,348	100,370,826	101,179,547

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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(6) OFFICE OF EARLY CHILDHOOD

This office provides funding and state staff associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP); for the administration of various child care grant programs; and for licensing and monitoring of child care facilities. In addition, this office provides funding to organizations that provide early childhood mental health services and early intervention services and case management. Cash funds appropriations reflect expenditures by counties, fees and fines associated with the licensing of child care facilities, and funds from the Early Intervention Services Trust Fund. Federal funds reflect moneys from Child Care Development Funds, which the General Assembly has authority to appropriate pursuant to federal law; and funds received from Part C of the federal Individuals with Disabilities Education Improvement Act. Reappropriated funds are Medicaid funds transferred from the Department of Health Care Policy and Financing.

(A) Division of Early Care and Learning

Promoting Safe and Stable Families Program	<u>4,265,057</u>	<u>3,064,558</u>	<u>4,212,049</u>	<u>4,215,147</u>	<u>4,215,147</u>
FTE	2.4	2.4	2.0	2.0	2.0
General Fund	50,265	52,913	54,882	54,882	54,882
Cash Funds	1,064,160	0	1,064,160	1,064,934	1,064,934
Federal Funds	3,150,632	3,011,645	3,093,007	3,095,331	3,095,331
 Child Care Licensing and Administration	 <u>5,045,207</u>	 <u>6,431,679</u>	 <u>7,218,907</u>	 <u>7,920,538</u>	 <u>7,959,729</u> *
FTE	47.2	48.4	52.0	52.8	52.8
General Fund	1,012,529	2,365,616	2,450,786	2,474,340	2,474,340
Cash Funds	688,772	682,467	849,004	857,080	857,080
Federal Funds	3,343,906	3,383,596	3,919,117	4,589,118	4,628,309
 Fine Assessed Against Licenses	 <u>51,662</u>	 <u>0</u>	 <u>20,000</u>	 <u>20,000</u>	 <u>20,000</u>
Cash Funds	51,662	0	20,000	20,000	20,000

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Child Care Assistance Program	<u>71,148,153</u>	<u>65,533,293</u>	<u>87,293,241</u>	<u>88,697,308</u>	<u>89,593,241</u> *
FTE	0.0	1.0	0.0	0.0	0.0
General Fund	13,604,221	22,510,895	21,931,865	23,692,546	23,931,865
Cash Funds	9,366,274	22,648	9,762,470	9,664,845	9,762,470
Reappropriated Funds	0	0	0	0	0
Federal Funds	48,177,658	42,999,750	55,598,906	55,339,917	55,898,906
Colorado Child Care Assistance Program Market Rate Study	<u>0</u>	<u>0</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>
General Fund	0	0	55,000	55,000	55,000
Colorado Child Care Assistance Cliff Effect Pilot Program	<u>0</u>	<u>0</u>	<u>1,269,453</u>	<u>1,269,453</u>	<u>1,269,453</u>
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	69,453	69,453	69,453
Cash Funds	0	0	1,200,000	1,200,000	1,200,000
Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements	<u>6,298,195</u>	<u>8,210,087</u>	<u>8,670,827</u>	<u>8,671,947</u>	<u>8,671,947</u>
FTE	0.9	0.8	1.0	1.0	1.0
General Fund	2,865,388	4,757,755	4,757,755	4,758,371	4,758,371
Cash Funds	0	0	439,439	439,495	439,495
Federal Funds	3,432,807	3,452,332	3,473,633	3,474,081	3,474,081
School-readiness Quality Improvement Program	<u>2,221,295</u>	<u>2,000,823</u>	<u>2,228,586</u>	<u>2,229,652</u>	<u>2,229,652</u>
FTE	0.6	0.6	1.0	1.0	1.0
Federal Funds	2,221,295	2,000,823	2,228,586	2,229,652	2,229,652

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Early Literacy Book Distribution Partnership	<u>0</u>	<u>99,828</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
General Fund	0	99,828	100,000	100,000	100,000
Micro Loans to Increase Access to Child Care	<u>0</u>	<u>0</u>	<u>338,200</u>	<u>338,200</u>	<u>338,200</u>
General Fund	0	0	0	0	0
Federal Funds	0	0	338,200	338,200	338,200
Micro Grants to Increase Access to Child Care	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
General Fund	0	0	0	0	0
Federal Funds	0	0	250,000	250,000	250,000
Continuation of Child Care Quality Initiatives	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,431,255</u>	<u>1,431,255</u> *
FTE	0.0	0.0	0.0	7.3	7.3
Federal Funds	0	0	0	1,431,255	1,431,255

SUBTOTAL - (A) Division of Early Care and Learning	89,029,569	85,340,268	111,656,263	115,198,500	116,133,624
FTE	<u>51.1</u>	<u>53.2</u>	<u>57.0</u>	<u>65.1</u>	<u>65.1</u>
General Fund	17,532,403	29,787,007	29,419,741	31,204,592	31,443,911
Cash Funds	11,170,868	705,115	13,335,073	13,246,354	13,343,979
Reappropriated Funds	0	0	0	0	0
Federal Funds	60,326,298	54,848,146	68,901,449	70,747,554	71,345,734

(B) Division of Community and Family Support

Early Childhood Councils	<u>1,978,230</u>	<u>1,980,508</u>	<u>1,984,169</u>	<u>1,984,169</u>	<u>1,984,169</u>
FTE	0.3	0.3	1.0	1.0	1.0
Federal Funds	1,978,230	1,980,508	1,984,169	1,984,169	1,984,169

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Early Childhood Mental Health Services	<u>2,319,548</u>	<u>1,144,079</u>	<u>1,681,061</u>	<u>2,932,271</u>	<u>3,384,497</u> *
FTE	0.3	0.3	0.5	0.7	1.0
General Fund	2,319,548	1,144,079	1,241,247	1,228,835	1,241,247
Federal Funds	0	0	439,814	1,703,436	2,143,250
Early Intervention Services	<u>36,231,129</u>	<u>36,826,061</u>	<u>41,219,454</u>	<u>43,547,608</u>	<u>43,981,037</u> *
FTE	8.7	8.7	6.5	6.5	6.5
General Fund	17,177,704	19,047,719	21,519,365	23,074,083	23,304,162
Cash Funds	9,108,617	10,331,541	11,557,457	12,396,578	12,518,502
Federal Funds	9,944,808	7,446,801	8,142,632	8,076,947	8,158,373
Early Intervention Services Case Management	<u>2,731,511</u>	<u>7,388,010</u>	<u>9,927,221</u>	<u>10,876,640</u>	<u>10,985,005</u> *
General Fund	2,731,511	3,385,689	3,998,538	4,375,678	4,421,652
Reappropriated Funds	0	4,002,321	5,928,683	6,500,962	6,563,353
Colorado Children's Trust Fund	<u>448,270</u>	<u>882,239</u>	<u>1,095,548</u>	<u>1,098,958</u>	<u>1,098,958</u>
FTE	2.3	2.3	1.5	1.5	1.5
Cash Funds	279,753	274,368	451,948	455,358	455,358
Federal Funds	168,517	607,871	643,600	643,600	643,600
Nurse Home Visitor Program	<u>15,817,104</u>	<u>18,008,049</u>	<u>16,031,489</u>	<u>16,031,489</u>	<u>16,843,577</u>
FTE	2.0	2.0	3.0	3.0	3.0
Cash Funds	13,765,529	14,486,903	15,826,889	15,826,889	16,638,977
Federal Funds	2,051,575	3,521,146	204,600	204,600	204,600

* Includes Decision Item

JBC Staff Staff Figure Setting - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Family Support Services	0	0	<u>1,035,593</u>	<u>1,035,593</u>	<u>1,035,593</u>
FTE	0.0	0.0	0.5	0.5	0.5
General Fund	0	0	750,000	750,000	750,000
Cash Funds	0	0	22,500	22,500	22,500
Federal Funds	0	0	263,093	263,093	263,093
SUBTOTAL - (B) Division of Community and Family Support	59,525,792	66,228,946	72,974,535	77,506,728	79,312,836
FTE	<u>13.6</u>	<u>13.6</u>	<u>13.0</u>	<u>13.2</u>	<u>13.5</u>
General Fund	22,228,763	23,577,487	27,509,150	29,428,596	29,717,061
Cash Funds	23,153,899	25,092,812	27,858,794	28,701,325	29,635,337
Reappropriated Funds	0	4,002,321	5,928,683	6,500,962	6,563,353
Federal Funds	14,143,130	13,556,326	11,677,908	12,875,845	13,397,085
TOTAL - (6) Office of Early Childhood	148,555,361	151,569,214	184,630,798	192,705,228	195,446,460
FTE	<u>64.7</u>	<u>66.8</u>	<u>70.0</u>	<u>78.3</u>	<u>78.6</u>
General Fund	39,761,166	53,364,494	56,928,891	60,633,188	61,160,972
Cash Funds	34,324,767	25,797,927	41,193,867	41,947,679	42,979,316
Reappropriated Funds	0	4,002,321	5,928,683	6,500,962	6,563,353
Federal Funds	74,469,428	68,404,472	80,579,357	83,623,399	84,742,819
TOTAL - Department of Human Services	607,954,967	617,293,093	695,984,394	709,453,513	711,445,512
FTE	<u>580.5</u>	<u>581.6</u>	<u>606.0</u>	<u>614.0</u>	<u>611.6</u>
General Fund	297,295,526	329,272,867	343,489,980	350,361,471	349,546,155
Cash Funds	110,735,472	93,068,270	133,619,420	139,355,715	140,072,287
Reappropriated Funds	23,467,702	20,530,513	32,400,749	31,981,858	32,144,460
Federal Funds	176,456,267	174,421,443	186,474,245	187,754,469	189,682,610

* Includes Decision Item

Appendix B: Results First Analysis of Nurse Family Partnership

The following information has been provided by the Governor's Office of State Planning and Budget in response to Joint Budget Committee questions on the program evaluation process of Results First.

Colorado Results First - Nurse Family Partnership Home Visiting Program Analysis

Summary of Benefit-Cost Components

The Results First model compared the total expected benefits of the Nurse Family Partnership home visiting program to the program's total expected cost. Benefits to participants and society are based on the program's expected effect on Colorado's baseline prevalence rates of substantiated child abuse or neglect and out-of-home placement. Additionally, the model monetized additional benefits associated with reduced crime and educational attainment. The model estimated that the total expected benefits associated with a family's participation in the Nurse Family Partnership home visiting program as \$34,664.

The total expected cost for the Nurse Family Partnership home visiting program was estimated by the model using the program's annual per family cost (i.e. the cost of serving one mother and child annually) and the program's expected duration (18.5 months). The model estimated the total cost of serving one family as \$9,091.

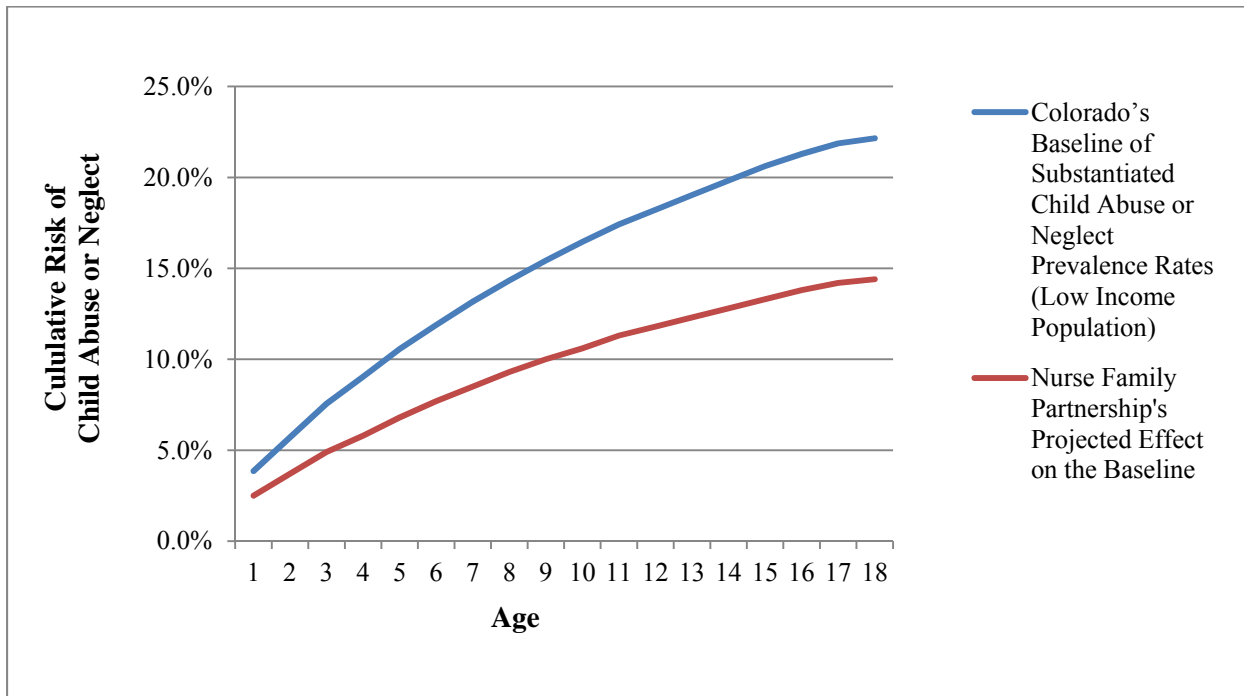
The benefit-cost ratio for the Nurse Family Partnership home visiting program, \$3.81, was calculated by dividing the total expected benefits of the program, \$34,664, by the total expected cost of the program, \$9,091.

Program Benefits in Detail

The Results First model monetizes improvements in child abuse or neglect, in part, with linkages between child abuse or neglect and other outcomes to which a monetary value can be estimated. For example, credible research shows a causal link between the incidence of child abuse or neglect and subsequent criminality of the victimized youth when he or she is older. The parameters for these linkages are obtained by a meta-analytic review of relevant research literature. The meta-analytic process provides both an expected value effect given the weight of the evidence and an estimate of the error of the estimated effect. Both of these parameters are entered into the benefit-cost model and used when performing Monte Carlo simulations. The following details provide a high-level overview of how the benefits were calculated¹. There are extensive mathematical calculations on how benefits are calculated included in the Washington State Institute for Public Policy's Technical Documentation guide, which can be found here: <http://www.wsipp.wa.gov/TechnicalDocumentation/WsippBenefitCostTechnicalDocumentation.pdf>.

Program benefits are based on the expected effect of the program on Colorado’s baseline prevalence rates of substantiated child abuse or neglect. The Nurse Family Partnership program targets low income families. Accordingly, the baseline prevalence rates used by the model are those that reflect the rate of child abuse or neglect within Colorado’s low income population. Exhibit 1, shown on the next page, depicts Colorado’s baseline prevalence rates of substantiated child abuse or neglect for Colorado’s low income population (blue line), and Nurse Family Partnership’s projected effect on this baseline (red line). The model calculates program benefits using Nurse Family Partnership’s projected effect and by estimating the potential savings associated with this effect using Colorado-specific child welfare system costs.²

Exhibit 1: Impact of Nurse Family Partnership on Colorado’s Baseline Prevalence Rates



Additionally, the model monetized other benefits associated with:

- The reduced likelihood that mother and child will commit future crime;
- Educational attainment, such as
 - The increased likelihood of the child graduating high school,
 - The reduced likelihood of the child having to repeat a grade level,
 - The reduced likelihood of the child having to enter special education, and
 - The increased likelihood that the child will score better on tests;
- Better employment opportunities for the family; and
- The decreased likelihood that the family will utilize Temporary Assistance for Needy Families (TANF) in their lifetime.

The model estimated that the total benefits of the Nurse Family Partnership home visiting program to be \$34,664. Table 1, shown on the page, lists Colorado-specific child welfare system

² Page 3 lists Colorado-specific child welfare system costs.

information that the model utilized to monetize program benefits. For more details about how each component was calculated and/or collected, please reference the document “Child Welfare Resource Use.”

The Results First model calculates the benefits from reducing the prevalence rate from the baseline (blue) to the treatment line (red). The model estimates these benefits as the long-term (lifetime) costs of avoided child abuse or neglect or out-of-home placement from the perspective of the victim, the taxpayer, and society at-large. From the victim’s perspective, costs of maltreatment include medical and mental health care and quality of life. Taxpayer costs include police costs, court resources, and child welfare services. Costs from other outcomes linked to child abuse or neglect and out-of-home placement also come at the expense of the victim (e.g. earnings) and the taxpayer (e.g. health care costs for depression), as well as society at-large (e.g. economic externalities of education earnings).

Table 1: Information the Model Uses to Monetize Benefits

Colorado-specific Child Welfare System Information		
Data Component Name	Data	Year of Data
Annual Number of Substantiated Assessments in Colorado	13,586	2014
Annual Number of Child Protective Service Investigations in Which Police Were Involved	2,378	2013
Annual Percent of Caseload Placements Due to Child Maltreatment (any)	69.7%	2014
Annual Number of New Placements in Protective Custody	4,406	2014
Annual Number of Cases Receiving In-Home Services	6,851	2014
Annual Number of Children Adopted	790	2014
Annual Number of Dependency & Neglect (including Expedited Placement) Case Filings	2,971	2014
Annual Number of Parental Termination Case Filings	298	2014
Average Length of Stay in Out-Of-Home Placement (in years)	1.26	2014
Annual Marginal Cost per Child of a Child Abuse or Neglect Investigation	\$714.38	2014
Annual Marginal Cost per Child of Police Involvement in a Child Abuse or Neglect Investigation	\$728	2009
Marginal Cost per Child of Protective Custody (New Foster Care Placements Only)	\$33,662.80	2014
Annual Marginal Cost per Child for In-Home Services	\$1,596	2014
Average Cost per Child of Adoption (through Child Welfare)	\$63,915.44	2013
Cost per Case of Dependency & Neglect (including Expedited Placement)	\$2,562.77	2014
Cost per Case of Parental Termination Case Filings	\$2,562.77	2014

It should be noted that the model utilizes a Monte Carlo simulation method to account for the variability in program effect. A Monte Carlo simulation estimates the approximate probability of certain outcomes for variables by running multiple simulations. Accordingly, benefits of the Nurse Family Partnership home visiting program may be estimated slightly differently each time the program is analyzed in the model.

Program Cost in Detail

JBC Staff Figure Setting: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

The model uses the annual marginal cost of serving a family in the Nurse Family Partnership home visiting program and the average length of a family’s participation in the program to estimate the total cost of program delivery.

The *marginal cost* is the cost associated with a small change in the number of people being served by the program (in this instance, the cost associated with serving one mother and child). The annual marginal cost for the Nurse Family Partnership home visiting program was provided to Colorado Results First by the Office of Early Childhood. The Office of Early Childhood works with an intermediary, Invest in Kids, to deliver Nurse Family Partnership throughout the state. Using data provided by Invest in Kids' 2014 report, the Office calculated the annual marginal cost per family as \$5,965. The cost includes staff’s salaries, benefits, supervision, and education, and intentionally does not include fixed costs, such as rents and utilities. Table 2, shown on the next page, details the annual marginal cost calculation.

Table 2: Nurse Family Partnership Home Visiting Program Annual Cost Per Family

Per Family Cost of NFP Program Serving 100 Families			
Expense Category	Annual Salary	FTE	Annual Cost to Program
NFP Nurse Salary	\$60,785	4	\$243,140
NFP Nurse Fringe @ 25%	\$15,196	4	\$60,785
NFP Supervisor Salary	\$73,279	0.69	50,563
NFP Supervisor Fringe @ 25%	\$18,320	0.69	\$12,641
Client Support Materials, Forms, Postage \$225 Per Client			\$22,500
Phone & Computer (\$2,000 Per Nurse)			\$8,000
Mileage (40 Miles Per Family Per Visit * 25 Home Visits Per Year @ \$0.50 Per Mile * 100 Children)			\$50,000
Nurse Supplies @ \$500 Per Nurse			\$2,000
Nurse Professional Development @ \$600 Per Nurse			\$10,400
Nurse Education \$4,435 Per Nurse			\$17,740
Supervisor Education			\$500
Program Support Fees			\$4,900
Nurse Consultation			\$1,800
Site Indirect @ 23%			\$111,543
Total Cost			\$596,512
Cost per family (total cost / 100)			\$5,965

The average length of time that a family participates in the Nurse Family Partnership home visiting program is approximately 18.5 months. This was calculated using the program’s retention rates. Below details the length of stay calculation.

- 20.7 percent of families drop out during the pregnancy phase
 - Colorado Results First estimated that this was at 3 months (pregnancy phase is between 0-6 months; 3 months is the midpoint)
- 28.2 percent of families drop out during the infancy phase ((1-64.5%)*79.3%)
 - Colorado Results First estimated that this was at 12 months (infancy phase is between 6-18 months; 12 months is the midpoint)
- 14 percent of families drop out during the toddler phase ((1-72.6%)*79.3%*64.5%)

- Colorado Results First estimated that this was at 24 months (toddler phase is between 18-30 months; 24 months is the midpoint)
- 37.1 percent of families participate in the program the entire time (1 - sum of the above phases)
 - Colorado Results First estimated that the full program lasted 30 months.
- The weighted average of these length of stays is 18.5 months. This is the estimated length of time that a family participates in the Nurse Family Partnership home visiting program.

The model estimated the total program cost per family, \$9,091, using the annual cost per family, \$5,965, and the estimate length of time that a family participates in the program, 18.5 months.³

It should be noted that the model utilizes a Monte Carlo simulation method to account for the variability in program delivery. A Monte Carlo simulation estimates the approximate probability of certain outcomes for variables by running multiple simulations. Accordingly, the cost of the Nurse Family Partnership home visiting program may be estimated slightly differently each time the program is analyzed in the model.

Colorado Results First Child Welfare Resource Use Inputs

The following Colorado-specific data⁴ is used by the Results First model to calculate the benefits of reduced child abuse or neglect and out-of-home placement.

Caseload Data

Annual Number of Substantiated Cases/Children

➤ **13,586**

- This is the number of “Substantiated Assessments” for “Children” extracted from the “Caseload Information SFY 2014” Trails report compiled and provided by Jon Sushinsky with the Department of Human Services.

Annual Number of Child Protective Service Investigations in Which Police Were Involved

➤ **2,378**

- Colorado Results First calculated this number using the national percentage of referrals, 17.5 percent, from police sources, all states in 2013 (Federal Administration on Children, Youth and Families, 2013, <http://www.acf.hhs.gov/sites/default/files/cb/cm2013.pdf>) and the Annual Number of Substantiated Cases/Children provided by the Division of Child Welfare, 13,586. [$13,586 \times .175 = 2,377.55$]
- The national percentage of referrals was vetted with Division of Child Welfare staff: Jon Sushinsky, Irene Law, Shawn Lopez, Mary Alice Mehaffey, Kelly Sawka, and Les Cowger.

Annual Percent of Caseload Placements Due to Child Maltreatment (Any)

➤ **69.7%**

- This is the number of “% CAN” (percent child abuse or neglect) for “Out-of-Home Involvements” extracted from the “Caseload Information SFY 2014” Trails report compiled and provided by Jon Sushinsky with the Department of Human Services.

³ The program cost used in the model is calculated using a Monte Carlo simulation method; it is not calculated by simply multiplying the annual cost by program duration. The cost reflects variances in program delivery that can occur across program sites.

⁴ Supporting documentation for some data components are available. If interested, please request these materials from Colorado Results First.

- The percentage reflects the number of children who were assessed as having fallen victim to child abuse or neglect and as a result were removed from home or placed in an alternate residence.
- The percentage reflects the number of children involved in Program Area 5/”Children in Need of Protection.”
- The Department of Human Services’ “Social Services Rules, Rule Manual Volume 7” defines “Program Area 5” as follows:

7.202.1 Definition of Program Area 5 (PA5) [Rev. eff. 11/1/98]

To protect children whose physical, mental or emotional well-being is threatened by the actions or omissions of parents, legal guardians, or custodians, or persons responsible for providing out-of-home care, including a foster parent, an employee of a residential child care facility, and a provider of family child care or center-based care. The county shall provide services targeted to achieve the following:

- A) Children are secure and protected from harm;
- B) Children have stable permanent and nurturing living environments; and,
- C) When appropriate, children experience family continuity and community connectedness.

- The Department of Human Services’ “Social Services Rules, Rule Manual Volume 7” defines “Program Area 5 target groups” as:

- A) Children whose physical, mental, or emotional well-being has been threatened or harmed due to abuse or neglect.
- B) Children who are subjected to circumstances in which there is a reasonable likelihood that they are at risk of harm due to abuse or neglect by their parents or caretakers which shall include children who are alleged to be responsible for the abuse or neglect and are under the age of 10.

Annual Number of New Placements in Protective Custody

➤ **4,406**

- This is the number of “New Removals” extracted from the “Caseload Information SFY 2014” Trails report compiled and provided by Jon Sushinsky with the Department of Human Services.
- This number reflects the number of children who were placed in protective custody during FY 2014.
- Typically, if a child is removed more than once during a reporting period, Trails will document all removal episodes. This number is an unduplicated count of new removals (i.e. new placements in a Federal Removal Episode). Subsequent placements during the same removal episode are not counted.
- This number reflects the number of children involved in Program Areas 4 (“Youth and Conflict”) and Program Area 5 (“Children in Need of Protection”).
- The Department of Human Services’ “Social Services Rules, Rule Manual Volume 7” defines “Program Area 4” as follows:

Program Area 4 services are provided to reduce or eliminate conflicts between youth and their family members or the community when those conflicts affect the youth’s well-being, the normal functioning of the family or the well-being of the community. The focus of services shall be on alleviating conflicts, protecting the youth and the community, re-establishing family stability, or assisting the youth to emancipate successfully.

- The Department of Human Services’ “Social Services Rules, Rule Manual Volume 7” defines “Program Area 4 target groups” as:

- A) Children and youth who are beyond the control of their parents or guardians.
- B) Children and youth whose behavior is such that there is a likelihood they may cause harm to themselves or to others or who have committed acts that could cause them to be adjudicated a delinquent child by the court.

- The Department of Human Services’ “Social Services Rules, Rule Manual Volume 7” defines “Program Area 5” as follows:

7.202.1 Definition of Program Area 5 (PA5) [Rev. eff. 11/1/98]

To protect children whose physical, mental or emotional well-being is threatened by the actions or omissions of parents, legal guardians, or custodians, or persons responsible for providing out-of-home care, including a foster parent, an employee of a residential child care facility, and a provider of family child care or center-based care. The county shall provide services targeted to achieve the following:

- A) Children are secure and protected from harm;
- B) Children have stable permanent and nurturing living environments; and,
- C) When appropriate, children experience family continuity and community connectedness.

- The Department of Human Services’ “Social Services Rules, Rule Manual Volume 7” defines “Program Area 5 target groups” as:

- A) Children whose physical, mental, or emotional well-being has been threatened or harmed due to abuse or neglect.
- B) Children who are subjected to circumstances in which there is a reasonable likelihood that they are at risk of harm due to abuse or neglect by their parents or caretakers which shall include children who are alleged to be responsible for the abuse or neglect and are under the age of 10.

Annual Number of Cases Receiving In-Home Services

➤ **6,851**

- This number reflects the number of children in FY 2014 who were involved in Program Area 5, “Children in Need of Protection,” which includes children in kinship care, children (and families) involved in differential response, and children in other voluntary programs (versus court ordered programs).
- This is the number of “In-Home PA5” under “Child Welfare Involvements” extracted from the “Additional Caseload Information SFY 2014” Trails report compiled and provided by Jon Sushinsky.
- Please note: Not every Program Area 5 child receives in-home services; however, the Department of Human Services is unable to distinguish the percentage of children receiving in-home services versus out-of-home services. Consequently, to ensure a conservative estimate, all Program Area 5 children were included in the estimate.

Annual Number of Children Adopted

➤ **790**

- This is the number of “New Adoptions” extracted from the “Caseload Information SFY 2014” Trails report compiled and provided by Jon Sushinsky.

Annual Number of Dependency & Neglect (including Expedited Placement) and Parental Termination Case Filings

- **2,971 Dependence and neglect, including expedited placement filings (FY 2014)**
- **298 Parental termination filings (FY 2014)**
 - The number of dependency and neglect (1,182) and expedited placement (1,789) filings were extracted from the Judicial Branch’s “Judicial Annual Statistical Report FY 2014 FINAL,” page 42.
 - The number of Parental Termination cases were provided by Jessica Zender, Judicial Branch Court Programs Analyst.

Length of Stay in Out-of-Home Placement

- **1.26 years (460 Days)**
 - This is the total number of “Removal Length of Stay” extracted from the “Caseload Information SFY 2014” Trails report compiled and provided by Jon Sushinsky with the Department of Human Services.
 - Calculated by subtracting a child’s end date from their start date in Trails.
 - Children whose end dates were in FY 2014 were used.
 - Colorado Results First used the Department of Human Services calculation for length of stay versus the estimate for length of stay listed on the Adoption and Foster Care Analysis and Reporting System (AFCARS).

Cost Data Related to Child Protective and Welfare Services

Annual Marginal Cost Per Child of a CAN Investigation

- **\$714.38 (FY 2014)**
 - Colorado Results First calculated the average cost per child abuse or neglect assessment/investigation for Denver County, Douglas County, and Teller County using county salary and benefits costs.
 - Document to Reference: “CAN Investigation Cost” and “Average Salaries for CAN.”

Annual Marginal Cost Per Child of Police Involvement in CAN Investigation

- **\$728 (FY 2009)**
 - This cost is the estimated marginal cost of a misdemeanor arrest that Colorado Results First calculated for the crime component of the model.
 - The cost of a misdemeanor arrest was calculated using Colorado’s and Washington’s reported number of arrests, Washington State’s marginal cost of an arrest, and the U.S. Bureau of Justice’s survey of government finances and public employment.
 - Please note: Robin Smart informed Colorado Results First that the Colorado state patrol has historically used Washington State’s data for cost comparisons.
 - Document to Reference: “BJS Arrest Calculation – Cost of an Arrest.”

Marginal Cost Per Child of Protective Custody (New Foster Care Placements Only)

- **\$33,662.80 (FY 2014)**
 - Colorado Results First calculated the marginal cost per child of protective custody using the \$73.18 cost listed for “OOH Total” “Cost per Bed Day” from the document “Out of Home Placement Services SFY 2013-14.” The cost per bed day was multiplied by 460 days, which is the “Length of Stay in Out-of-Home Placement.” [$73.18 \times 460 \text{ days} = \$33,662.80$]

Annual Marginal Cost Per Child for In-Home Services

- **\$1,596 (FY 2014)**

- The annual marginal cost per child for in-home services is intended to capture child welfare expenditures not captured by the model's other cost components (e.g. out-of-home placements). Colorado Results First worked with Jefferson County to estimate the cost of in-home services. Using the total number of children served in-home in FY 2014 and county expenditures for in-home services, the county calculated an average annual cost per child.
- Document to Reference: "Jeffco In-Home Services Estimate."
- Please note: Colorado Results First plans to work with additional counties to estimate in-home service costs.

Average Cost Per Child of Adoption (Through the Division of Child Welfare)

- **\$63,915.44 (FY 2014)**
- Colorado Results First calculated the average cost per child of adoption using the \$13.81 cost listed for the "Cost Per Bed Day" for "Subsidized Adoption" from the document "Out-of-Home Placement Services SFY 2013-14." The cost per bed day was multiplied by a child's average length of stay in adoption, which is 4,628.20 days. [$\$13.81 \times 4628.20 \text{ days} = \$63,915.44$]
- Jon Sushinsky with the Department of Human Services used FY 2014 adoption dates to calculate a child's average length of stay in adoption. A child's average total length of stay is estimated to be from a child's adoption date to their 18th birthday.

Cost Per Case of Dependency & Neglect (including Expedited Placement) and Parental Termination

- **\$2,562.77 per dependency and neglect case (FY 2014)**
- **\$2,562.77 per parental termination case (FY 2014)**
- This number is from the Judicial Branch's document "Cost per Case Estimates" and represents the cost of "D&N" (dependency and neglect) district court cases.
- Parental termination is an outcome of dependency and neglect cases. Thus, the dependency and neglect cost is being used as a proxy for a parental termination case.