

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES**

(Divisions of Child Welfare and County Administration; Office of Early Childhood)

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

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DEPARTMENT OF HUMAN SERVICES

(Divisions of Child Welfare and County Administration; Office of Early Childhood)

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:

- **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. Appropriations for child welfare programs for FY 2013-14 total \$421.2 million and consist of 55.0 percent General Fund, 24.0 percent federal funds, 17.6 percent county funds and various cash fund sources, and 3.4 percent reappropriated funds.¹ Over 95 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. Counties that spend more than the capped allocation received through these block grants are responsible for covering any shortfall with other funds, including federal Temporary Assistance to Needy Families (TANF) block grant funds or county tax revenue.
- **County Administration:** County Administration provides the 64 county departments of human services with resources to administer the Supplemental Nutrition Assistance Program (SNAP; formerly known as food stamps); and provides funding through County Tax Base Relief to assist counties with the highest costs and lowest property tax values in meeting the obligation of the local match required by the state for certain public assistance programs. Much of this funding supports county staff who determine eligibility for programs using the Colorado Benefits Management System (CBMS). Additional funding for county administration is included in program area budgets in other divisions and in the Department of Health Care Policy and Financing.
- **Office of Early Childhood:** This office includes the Division of Early Care and Learning and the Division of Community and Family Support. The Division of Early Care and Learning includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this division is responsible for licensing and monitoring child care facilities and for administering programs that are designed to improve the quality and availability of child care in the state. The Division of Community and Family

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

Support includes funding for various early childhood family support programs such as the Early Intervention Services and the Nurse Home Visitor Program.

There are five sources of funding for Office activities. The largest single share of Division funding is the federal Child Care Development Funds (CCDF) block grant (about 70 percent of the total). State General Fund comprises about 19 percent of the budget, and local county match and licensing fees from child care facilities comprise most of the remaining 11 percent. In addition Temporary Assistance to Needy Families (TANF) funds that are authorized by counties (but are not appropriated in this part of the budget) have been a funding source for child care subsidies.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

For the divisions covered in this briefing packet, the Department request reflects:

- **Executive Director’s Office:** The portion of this Division that is reflected in this briefing includes an increase of \$14,132 (including \$5,550 General Fund) associated with Department request R12 that is for a 1.5 percent common policy increase for programs that deliver services through community-based providers.
- **Child Welfare:** The Division request includes an increase of \$14,181,918 total funds, driven largely by a requested provider-rate increase and budget amendments associated with the child abuse and neglect reporting hotline system.
- **County Administration:** The County Administration request includes an increase of \$3,438,277, including requests for a 1.5 percent provider rate increase and funds to fully fund County Tax Base Relief.
- **Office of Early Childhood:** The Office of Early Childhood Request includes an increase of \$5,686,133, including requests to increase child care licensing specialist staff and provide grants for quality improvements in child care facilities.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Staff Recommendation

The staff recommendation is summarized in the table below, followed by a brief description of each item listed.

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$565,822,626	\$299,707,218	\$91,362,243	\$35,490,460	\$139,262,705	203.8
Other legislation	160,040,239	43,363,544	39,458,842	4,582,485	72,635,368	84.3
H.B. 14-1238 (Supplemental Bill)	<u>8,809,834</u>	<u>8,774,561</u>	<u>0</u>	<u>31,033</u>	<u>4,240</u>	<u>0.8</u>
TOTAL	\$734,672,699	\$351,845,323	\$130,821,085	\$40,103,978	\$211,902,313	288.9
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$734,672,699	\$351,845,323	\$130,821,085	\$40,103,978	\$211,902,313	288.9
R12 Community provider rate	17,054,604	10,584,072	2,926,432	1,274,258	2,269,842	0.0
R22 Title IV-E waiver demonstration	6,000,000	0	6,000,000	0	0	0.0
R2 Investing in early care providers	1,805,086	1,444,069	361,017	0	0	0.0
R1 Child care licensing staff	1,317,421	1,257,421	60,000	0	0	2.8
R13 County tax base relief	1,181,953	1,181,953	0	0	0	0.0
R3 Early literacy book distribution partnership	100,000	100,000	0	0	0	0.0
R11 MHIs electronic health record system	0	0	0	0	0	0.0
R8 Talent development and training	0	0	0	0	0	0.0
BA1 Hotline for Child Abuse and Neglect	3,234,694	2,984,877	0	0	220,472	4.0
BA2 Public Awareness Campaign for Child Welfare	862,600	862,600	0	0	0	0.5
Regional Center Changes	199,162	0	(18,071)	0	217,233	0.0
Juvenile Parole Board Allocation	2,740	0	0	2,740	0	0.0
BA10 Administrative Review Division	0	0	0	0	0	0.0
BA Purchase of contract placements	0	0	0	0	0	0.0
Centrally appropriated line items	14,281,184	10,073,346	294,830	1,580,510	2,332,498	0.0
Annualize prior year budget actions	3,126,332	2,177,159	294,521	(8,010)	662,662	0.5
NP BA Mail, postage, and envelope request	6,059	2,770	1,098	0	2,191	0.0
Informational funds adjustment	0	0	0	0	0	(6.1)
Annualize prior year legislation	(9,085,625)	(5,660,123)	(191,767)	(1,966,400)	(1,267,335)	0.0
Annualize FY 13-14 supplementals	(8,778,801)	(8,774,561)	0	0	(4,240)	(0.6)
Staff-initiated Mental Health Services Program change	(1,198,792)	(1,198,792)	0	0	0	0.0
Annualize HB 13-1314 IDD transfer	(462,697)	(35,942)	0	(426,755)	0	(0.2)
Staff initiated CMP reduction	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2014-15
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TOTAL	\$764,218,619	\$366,844,172	\$140,449,145	\$40,560,321	\$216,335,636	289.8
Increase/(Decrease)	\$29,545,920	\$14,998,849	\$9,628,060	\$456,343	\$4,433,323	0.9
Percentage Change	4.0%	4.3%	7.4%	1.1%	2.1%	0.3%
FY 2014-15 Executive Request	\$759,199,490	\$366,687,485	\$139,658,859	\$38,874,433	\$213,978,713	299.4
Request Above/(Below) Recommendation	(\$5,019,129)	(\$156,687)	(\$790,286)	(\$1,685,888)	(\$2,356,923)	9.6

Issue Descriptions (for items covered in this document, only)

R12 Community provider rate: The recommendation is for a 3.0 percent common policy increase for programs that deliver services through community-based providers.

R22 Title IV-E waiver demonstration: The recommendation includes \$6,000,000 cash fund spending authority for the implementation of the Title IV-E Waiver Demonstration Project.

R2 Investing in early care providers: The recommendation includes an increase of \$1,805,086 total funds, including \$1,444,069 General Fund to provide grant awards, coaching, and technical assistance to quality rated CCCAP providers.

R1 Child care licensing staff: The recommendation includes an increase of \$1,317,421 total funds, including \$1,257,421 General Fund, to increase child care licensing specialist staff.

R13 County tax base relief: The recommendation includes an increase of \$1,181,953 General Fund to fully fund County Tax Base Relief.

R3 Early literacy book distribution: The recommendation includes a new line item with an appropriation of \$100,000 General Fund to fund an early literacy book distribution program.

BA1 – Hotline for Child Abuse and Neglect: The recommendation includes \$3,234,694 total funds, including \$2,984,877 General Fund, and 4.0 FTE for the ongoing development and implementation of the statewide child abuse and neglect reporting system pursuant to H.B. 13-1271.

BA2 Public awareness campaign: The recommendation includes \$862,600 General Fund and 0.5 FTE to implement a public awareness campaign associated with the launch and ongoing operation of the child abuse and neglect reporting system.

BA10 Administrative Review Unit: The recommendation includes \$0 for this budget amendment.

Annualize prior year budget actions: The recommendation includes an increase of \$3,126,332 for prior year budget actions.

NP BA Mail, postage, and envelope request: Staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Annualize prior year legislation: The recommendation (for divisions discussed in this document) includes a decrease of \$353,113 total funds to reflect the impact of prior year (salary survey and merit pay) and legislation, including H.B. 13-1180.

Annualize prior year supplementals: The recommendation includes a decrease of \$8,778,801 total funds to annualize for FY 2013-14 supplementals.

Staff-initiated Mental Health Services Program change: The recommendation includes a decrease of \$1,198,792 total funds for the transfer of the School-based Mental Health Program to the Office of Behavior Health.

Staff initiated reduction: The recommendation includes a decrease of \$100,000 cash fund for reduced spending authority associated with the Performance-based Collaborative Management Program, due to declining cash funds principal balance.

GENERAL REMARKS

Net General Fund. Some of the line items covered in this figure-setting packet include substantial amounts of Medicaid funding transferred from the Department of Health Care Policy and Financing (HCPF). These amounts are shown as reappropriated funds in the Department of Human Services, but there is a substantial General Fund component included in the original appropriations made in HCPF. The related line items in HCPF are not addressed in figure setting for that Department. In order to allow the Committee to understand the full General Fund impact of decisions, many of lines covered in this packet include a "Net General Fund" appropriation. This reflects the total General Fund impact when the HCPF appropriations are included.

Executive Director's Office line items. 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.

→ Request R-12: Community Provider Rate Increase

- The Committee has approved a 3.0 percent increase for programs that deliver services through community-based providers.
- The increase will impact line items in all four divisions addressed in this briefing, including the Executive Director’s Office, County Administration, the Division of Child Welfare, and the Office of Early Childhood.
- Pursuant to common policy, staff is recommending approval of the 3.0 percent provider rate increase at a total cost of \$10,580,610 General Fund.

Background

The JBC has historically made a determination on a common figure setting policy to be applied for community provider rate increases. 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, including line items in the Executive Director’s Office, County Administration, the Division of Child Welfare, and the Office of Early Childhood.

For FY 2014-15, the Committee has approved a 3.0 percent community provider rate increase. The divisions discussed in this briefing, the following lines are affected:

- Executive Director’s Office, Special Purpose
 - Child Protection Ombudsman, an increase of:
 - \$11,100 General Fund
 - This is the first increase requested since the creation of this office in FY 2010-11.
- County Administration
 - County Administration line item, an increase of:
 - \$575,812 General Fund
 - \$307,810 cash funds from local funds
 - \$655,426 federal funds from various sources
- Division of Child Welfare
 - Child Welfare Services, an increase of:
 - \$7,675,346 General Fund
 - \$2,028,180 cash funds from local funds
 - \$437,374 reappropriated funds from Medicaid funds transferred from the Department of Health Care Policy and Finance
 - Family and Children’s Programs, an increase of:
 - \$1,243,326 General Fund
 - \$310,832 cash funds from local funds
- Office of Early Childhood
 - Division of Early Care and Learning
 - Child Care Licensing and Administration, an increase of:
 - \$55,688 federal funds from Child Care Development Funds
 - Child Care Assistance Program, an increase of:
 - \$414,248 General Fund
 - \$279,610 cash funds from local funds

- \$1,558,728 federal funds from Child Care Development Funds
- Division of Community and Family Support
 - Early Childhood Mental Health Services, an increase of:
 - \$70,176 General Fund
 - Early Intervention Services, an increase of:
 - \$457,062 General Fund
 - Early Intervention Services Case Management, an increase of:
 - \$133,540 General Fund
 - \$823,698 reappropriated funds from Medicaid funds transferred from the Division of Community and Family Support, Early Intervention Services line item in the Department of Health Policy and Financing

Though provider rate increases are approved by the General Assembly, additional funds may or may not result in rate increases for providers. The Department has provided the following information about the application of provider rate increases:

- County Administration
 - Funds are provided to the counties and counties are requested, but cannot be required, to pass the funds to the providers.
- Division of Child Welfare
 - Provider rate increases are distributed to the counties through the allocation of the Child Welfare Services and the Children and Family services line item appropriations.
 - Passing increases on to providers cannot be mandated by the Department, as Section 26-5-104 (6) (a), C.R.S. requires that a county shall be authorized to negotiate rates, services and outcomes with providers if the county has a request for proposal process in effect for soliciting bids from providers..... that is acceptable to the state department.
 - The counties have budgetary flexibility within their capped allocations; therefore the state cannot place category restriction on provider rates.
- Office of Early Childhood
 - Division of Early Care and Learning
 - Child Care Assistance Program
 - These funds may or may not result in rate increases for providers.
 - Funds are distributed to counties in an annual allocation process, and counties are permitted to set the provider reimbursement rate for the program.
 - Division of Community and Family Support
 - Early Intervention Services and Early Intervention Services Case Management
 - These funds may or may not result in rate increases for providers.
 - Funds are distributed to Community Center Boards and each board is permitted to set the payment rates within contracts for Early Intervention.

Recommendation

Staff recommends approval of the 3.0 percent provider rate increase in each of the above lines at a cost of \$10,580,610 General Fund.

→ NP BA-1: Mail, Postage, and Envelope Request

- The non-prioritized budget amendment includes an increase of \$4,567 total funds including \$2,487 General Fund.
- It is part of a larger request for mail, postage and envelope expenses that impact several other lines in the Department.
- Staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Background

The Department has requested a FY 2014-15 non-prioritized budget amendment for mail, postage, and envelope expenses. The following line items are affected by this request:

- Executive Director’s Office, Special Purpose
 - Administrative Review Unit, an increase of:
 - \$265 General Fund
 - \$126 federal funds from the Title IV-E of the Social Security Act
 - Records and Reports of Child Abuse or Neglect
 - \$543 cash funds from the Records and Reports Fund
- Division of Child Welfare
 - Administration, an increase of:
 - \$294 General Fund
 - \$55 federal funds from Title IV-E of the Social Security Act
 - Roster and Adoptive Parent Recruitment, Training, and Support, an increase of:
 - \$188 General Fund
 - \$47 federal funds from Title IV-E of the Social Security Act
- Office of Early Childhood
 - Division of Early Care and Learning
 - Child Care Licensing and Administration, an increase of:
 - \$456 General Fund
 - \$336 cash funds from the Child Care Licensing Cash Fund
 - \$1,516 federal funds from Child Care Development Funds
 - Division of Community and Family Support
 - Early Intervention Services, an increase of:
 - \$741 General Fund

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

(1) Executive Director's Office

This figure setting document contains staff recommendations for three line items within Executive Director's Office, including Administrative Review Unit, Records and Reports of Child Abuse and Neglect, and Child Protection Ombudsman. The other line items in this division were addressed in separate staff figure setting presentations by Megan Davisson and Kevin Neimond on February 11th and 12th, respectively. The following requests apply to this division.

→ BA-10: Administrative Review Unit Funding

- The Department request BA-10 is for an increase of \$300,000 General Fund and a corresponding decrease in federal fund spending authority.
- It is associated with the departmental supplemental S-10.
- The request is intended to more accurately reflect the available funding for the Administrative Review Division.
- Section 26-1-111 (2) (d) (II) (A), C.R.S. requires that expenses associated with fully funding the state foster care review system be made whole prior to the distribution of excess federal Title IV-E revenues to the Excess Federal Title IV-E Reimbursements Cash Fund.
- Staff believes that the responsibilities of the ARU are qualifying activities of the Title IV-E Waiver and costs exceeding available federal funding should be funded from the Title IV-E Waiver Demonstration Cash Fund.
- Staff recommends denial of the request.

Background

The Administration Review Unit (ARU) is a neutral, third party that is responsible for the Case Reviews and Quality Assurance Systems for the Divisions of Child Welfare and Youth Corrections. The review process is a federal requirement and includes monthly on-site case reviews and face-to-face meetings for all children who are in out-of-home placement for at least six months. The reviews 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 means; and the county has appropriately determined the child or youth's eligibility for federal Title IV-E funds. In addition, the division is responsible for conducting federally required quality assurance reviews concerning all children and families receiving child welfare services; facilitating maximization of federal Title IV-E revenue; and assisting counties in identifying other available revenue.

Issue and Proposed Solution

The FY 2013-14 appropriation for the ARU is approximately \$1.4 million General Fund and \$750,000 federal funds from Title IV-E of the Social Security Act. Title IV-E entitles state 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. While Colorado was awarded a Title IV-E waiver for fiscal years 2013-14 through 2017-18, the Department indicates that the responsibilities of the ARD do not fall within the qualifying activities of the waiver (foster care maintenance and administrative costs for case planning, management, and eligibility-determination). The ARU earns Title IV-E funds based on a portion of its operating expenses due to out-of-home reviews; however, the Department reports a decline in out-of-home placements over the past ten years, resulting in a decrease in the amount of earned federal Title IV-E funds. Section 26-1-111 (2) (d) (II) (A) and (B), C.R.S. require that expenses associated with fully funding the state foster care review system be made whole prior to the distribution of excess federal Title IV-E revenues to the Excess Federal Title IV-E Reimbursements Cash Fund. According to the Department, for the past three fiscal years, the amount of Title IV-E funds reallocated to the ARD include: \$230,512 in FY 2010-11; \$229,883 in FY 2011-12; and \$278,631 in FY 2012-13.

The Department requests a FY 2014-15 budget amendment increase of \$300,000 General Fund and \$300,000 decrease in federal funds spending authority to more accurately reflect the available funding sources for the Administrative Review Division. Section 26-1-111(2) (d) (II) (B), C.R.S. indicates that the amount set aside from federal revenues earned by the state to fully fund Title IV-E eligible services and the costs of the administrative review unit shall be adjusted annually to reflect rate changes, workload, federal financial participation, and any other factor determined as necessary to maintain a comparable level of services and costs. Additionally, Section 26-1-111 (2) (d) (II) (A), C.R.S. requires that expenses associated with fully funding the state foster care review system be made whole prior to the distribution of excess federal Title IV-E revenues to the Excess Federal Title IV-E Reimbursements Cash Fund. The Department has indicated that the decrease in out-of-home placements and the resulting decrease in earned Title IV-E revenue will require the Excess Federal Title IV-E Reimbursements Cash Fund to fund a greater share of the ARU, thereby reducing funds available to the counties. The state has been awarded a Title IV-E Waiver from the federal Title IV-E requirements; however, the Department has indicated that the ARU does not participate in the waiver.

Recommendation

Section 26-1-111 (2) (d) (I), C.R.S. indicates that the Department shall provide services to county governments including obtaining federal reimbursement moneys available under the Title IV-E program based on out-of-home placements of children eligible for Title IV-E federal assistance. It further states that such “moneys shall be allocated to counties to help defray the costs of performing its functions; except that *nothing in this paragraph (d) shall be construed to allow counties to continue to receive an amount equal to the increased funding in the event the said funding is no longer available from the federal government*” (emphasis added).

The Title IV-E Waiver Demonstration Project has two categories for which funds are received: the Title IV-E Foster Care Demonstration Maintenance and the Title IV-E Foster Care Demonstration Administration. According to the Department, eligible activities in each of those categories include:

- Title IV-E Foster Care Demonstration Maintenance
 - Room and board

- Food
- Clothing
- Transportation for children.
- Title IV-E Foster Care Demonstration Administration
 - Salaries of staff working with IV-E eligible children
 - Staff activities in determining IV-E eligibility for children
 - Staff recruitment and certification activities for foster and adoptive parents
 - Staff activities in assessing services needed to ameliorate the conditions in the family home causing the child's removal
 - Staff activities in case planning with the parents and others to achieve permanency for the child and to assure the placement meets the needs of the child.

Given that the responsibilities of the ARU include face-to-face meetings for all children who are in out-of-home placement, and ensuring that the county has appropriately determined the child or youth's eligibility for federal Title IV-E funds, staff believes that the responsibilities of the ARU are qualifying activities under the Title IV-E Foster Care Demonstration Administration category of the Title IV-E Waiver, and therefore eligible for waiver funds.

Staff recommends denial of the Department's request for General Fund to support the activities of the Administrative Review Unit.

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. The ARU 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, to report on areas needing improvement, and to 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. They include children and youth placed out of the home by county departments of social services, as well as youth placed in a community setting by the Division of Youth Corrections.

These face-to-face reviews are open to participation by all involved parties (the child's birth parents, foster parents, guardian ad litem, probation officer, caseworker, etc.). Federal law

requires that these face-to-face case reviews be conducted by an independent entity, separate from a state's child welfare division. The reviews ensure that the child is safe, receiving required and appropriate services, and that progress is being made to either return the child or youth home safely or achieve permanency through another means. They also ensure that the county has appropriately determined the child or youth's eligibility for federal Title IV-E funds.

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 which 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 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.

In mid-FY 2008-09, 3.0 FTE were added to address problems with timeliness in completing federally-required reviews of out-of-home placements. In FY 2011-12, 1.0 FTE was removed due to declines in the out-of-home placement caseload, while the Department internally reassigned 2.0 FTE to be in-home review coordinators.

Request: The Department requests an appropriation of \$2,335,482 total funds (\$1,881,512 General Fund), including an increase of \$300,000 General Fund and a corresponding decrease of \$300,000 federal fund spending authority to more accurately reflect the available funding for the Administrative Review Division. In addition, the Department requests a non-prioritized budget amendment in the amount of \$391 total funds (\$265 General Fund) for mail, postage, and envelopes.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends that the Committee provide continuation funding in the amount of \$2,336,091. This includes an increase of \$76,872 for the annualization of prior year legislation. For request NP BA, staff recommends the Committee apply the decision made at the Department of Personnel figure setting.

Executive Director's Office, Special Purpose, Administrative Review Unit				
	Total Funds	General Fund	Federal Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$2,192,826	\$1,438,378	\$754,448	25.1
Other legislation	63,755	63,755	0	1.0
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,256,581	\$1,502,133	\$754,448	26.1
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$2,256,581	\$1,502,133	\$754,448	26.1
BA10 Administrative Review Division	0	0	0	0.0
Annualize prior year budget actions	2,638	2,242	396	0.1
NP BA Mail, postage, and envelope request	391	265	126	0.0
Annualize prior year legislation	<u>76,872</u>	<u>76,872</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,336,482	\$1,581,512	\$754,970	26.2
Increase/(Decrease)	\$79,901	\$79,379	\$522	0.1
Percentage Change	3.5%	5.3%	0.1%	0.4%
FY 2014-15 Executive Request:	\$2,336,482	\$1,881,512	\$454,970	26.2
Request Above/(Below)				
Recommendation	\$0	\$300,000	(\$300,000)	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 state 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 has resulted in an accumulated fund balance. As a result, the fee for a background check was reduced from \$33 to \$25 as of November 1, 2013.

Request: The Department requests funding of \$595,155 cash funds and 7.5 FTE, including a common policy increase \$17,164 and an increase of \$543 for mail, postage, and envelopes.

JBC Staff Figure Setting – FY 2014-15
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Recommendation: Staff recommends continuation funding in the amount of \$594,612 cash funds from the Records and Reports Fund and 7.5 FTE, including the common policy increase of \$17,164. For request NP BA, staff recommends the Committee apply the decision made at the Department of Personnel figure setting.

Executive Director's Office, Special Purpose, Records and Reports of Child Abuse or Neglect				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$577,448	\$0	\$577,448	7.5
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$577,448	\$0	\$577,448	7.5
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$577,448	\$0	\$577,448	7.5
NP BA Mail, postage, and envelope request	543	0	543	0.0
Annualize prior year legislation	<u>17,164</u>	<u>0</u>	<u>17,164</u>	<u>0.0</u>
TOTAL	\$595,155		\$595,155	7.5
Increase/(Decrease)	\$17,707	\$0	\$17,707	0.0
Percentage Change	3.1%	0.0%	3.1%	0.0%
FY 2014-15 Executive Request:	\$595,155	\$0	\$595,155	7.5
Request Above/(Below) Recommendation	\$0		\$0	0.0

Child Protection Ombudsman

This program was created through Senate Bill 10-171 (Newell/Gagliardi). The bill required the Department of Human Services to establish and administer a Child Protection Ombudsman Program by contract with a public agency or private nonprofit organization. The program is required to receive and review complaints, investigate and resolve cases when appropriate, evaluate and make recommendations for the creation of a statewide grievance policy, make recommendations to improve the child welfare system, promote best practices, and report to the Governor and the General Assembly. (Complaints relating to the Judicial Branch and judicial proceedings are to be referred to the Judicial Branch).

Subject to available appropriations, the Department is required to make legal counsel available to the program in the performance of its duties, and may provide legal representation to the ombudsman in any action brought against the ombudsman in connection with his or her duties. The Child Protection Ombudsman office opened in May 2011. At the beginning of the third year after program implementation, the State Auditor's Office is required to conduct a performance and fiscal audit of the program. This audit is currently underway.

Request: The Department requests an appropriation of \$375,550 General Fund, including a 1.5 percent provider rate increase of \$11,100 General Fund.

JBC Staff Figure Setting – FY 2014-15
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Recommendation: Staff recommends approval of \$381,100 General Fund, including a 3.0 percent provider rate increase per Committee decision.

Executive Director's Office, Special Purpose, Child Protection Ombudsman Program			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$370,000</u>	<u>\$370,000</u>	<u>0.0</u>
TOTAL	\$370,000	\$370,000	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$370,000	\$370,000	0.0
R12 Community provider rate	<u>11,100</u>	<u>11,100</u>	<u>0.0</u>
TOTAL	\$381,100	\$381,100	0.0
Increase/(Decrease)	\$11,100	\$11,100	0.0
Percentage Change	3.0%	3.0%	0.0%
FY 2014-15 Executive Request:	\$375,550	\$375,550	0.0
Request Above/(Below) Recommendation	(\$5,550)	(\$5,550)	0.0

(4) County Administration

Colorado has a state-supervised but county-administered social services program. Colorado's counties have a large degree of autonomy, even when compared to other states that have decentralized systems. For example, S.B. 97-06 abolished the state-operated county merit system for employees of county social services departments. Each county was to establish a successor merit system that conformed to federal standards by January 1, 2001. As a result of this high degree of decentralization, most of the County Administration budget lines provide block transfers to the counties. If counties over-expend their allocations, they are responsible for covering the shortfall, although they are often able to access federal matching funds for county-only expenditures, depending upon the program.

Over time, the responsibility for some programs has been moved out of County Administration section. Administration for child care services, child welfare services, Temporary Assistance to Needy Families, and the Old Age Pension are incorporated into line items in other sections of the Human Services budget. County administration of medical assistance programs was moved to the Department of Health Care Policy and Financing in FY 2006-07. However, county activities to determine medical assistance eligibility are essentially the same as the activities to determine eligibility for other social service programs: both involve Colorado Benefits Management System, and eligibility-determination costs are allocated between programs and the two departments. As a result, staff has reflected the Health Care Policy County Administration line item request in the numbers pages for informational purposes.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

County Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$59,611,580	\$20,301,973	\$16,236,101	\$0	\$23,073,506	0.0
TOTAL	\$59,611,580	\$20,301,973	\$16,236,101	\$0	\$23,073,506	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$59,611,580	\$20,301,973	\$16,236,101	\$0	\$23,073,506	0.0
R12 Community provider rate	1,539,048	575,812	307,810	0	655,426	0.0
R13 County tax base relief	1,181,953	1,181,953	0	0	0	0.0
Annualize prior year budget actions	<u>1,486,800</u>	<u>446,040</u>	<u>297,360</u>	<u>0</u>	<u>743,400</u>	<u>0.0</u>
TOTAL	\$63,819,381	\$22,505,778	\$16,841,271	\$0	\$24,472,332	0.0
Increase/(Decrease)	\$4,207,801	\$2,203,805	\$605,170	\$0	\$1,398,826	0.0
Percentage Change	7.1%	10.9%	3.7%	0.0%	6.1%	0.0%
FY 2014-15 Executive Request:	\$63,049,857	\$22,217,872	\$16,687,366	\$0	\$24,144,619	0.0
Request Above/(Below) Recommendation	(\$769,524)	(\$287,906)	(\$153,905)	\$0	(\$327,713)	0.0

Issue Descriptions

R12 Community provider rate: The recommendation is for a 3.0 percent common policy increase for programs that deliver services through community-based providers.

R13 County tax base relief: The recommendation includes an increase of \$1,181,953 General Fund to fully fund County Tax Base Relief.

Annualize prior year budget actions: The recommendation includes an increase of \$1,486,800 for the annualization of prior year budget actions.

→ R-13: Fully Fund County Tax Base Relief

- The Department R-13 request is for an increase of \$1.8 million to fully fund County Tax Base Relief (CTBR).
- CTBR funds provide additional support to poorer counties in the state, and provide them an avenue through which to meet match requirements for human services programs.
- Staff recommends approval of this request.

Background

County Tax Base Relief (CTBR) funding exists to assist counties with the highest costs and lowest property tax values in meeting the obligation of the local match required by the state for certain public assistance programs, including Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid, Child Welfare Services, and Adult Assistance programs. Pursuant to Section 26-1-1261 (1.5), C.R.S., a formula based on three fixed mill levy thresholds (tiers) is used to calculate CTBR eligibility. A county may qualify for a distribution from one or more tiers.

Almost \$1.0 million was reverted from this line item in FY 2010-11, when the appropriation was \$2.7 million. This was because the FY 2010-11 calculation relied on property tax valuations from the period prior to the market down-turn and only Tier I counties were allowed to be funded. There were no reversions in FY 2011-12 due to the reduction in property tax valuations during the down-turn as well as the reduced appropriation. For FY 2012-13 and FY 2013-14, the decline in valuations has been fully incorporated into the calculation.

The current county tax base relief formula was established through H.B. 08-1250. A prior program, the County Contingency Fund, was established in 1973. It was modified to ensure that the program targeted the most needy counties (a reduction from 41 counties receiving contingency in FY 2007-08 to 23 counties in FY 2008-09), consistent with the recommendations of a 2007 taskforce. Funding was halved in FY 2009-10 in response to an Executive Request and the JBC sponsored a bill to clarify that, through FY 2011-12, funding would be limited to "Tier 1" counties—those most in need. In FY 2011-12, the Executive Request proposed to

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eliminate this line item entirely. The JBC recommended, and the General Assembly approved, retaining \$1.0 million in the line item and adopting a JBC bill (S.B. 11-228) which changed how funds for county tax base relief are distributed to qualified counties when appropriations are insufficient to fully fund a county tax base relief funding tier. In FY 12-13, the appropriation was increased to \$1,762,511 to fully fund the estimated need for Tier I; and in FY 2013-14, the appropriation was increased again to \$2,697,803 to fund the estimated needs for Tiers I and II. The estimated need for Tier III remains unfunded. The Department reports that the lack of CTBR funding for those counties qualifying for an allocation out of Tier III varies depending on the county. Counties have reported depleting their human services fund balance reserves as a means of subsidizing the local match requirement for public assistance benefits, resulting in the potential for reduced services.

Proposed Solution

The Department’s R13 request is for \$1,181,953 General Fund to fully fund County Tax Base Relief (CTBR). Counties that qualify for CTBR continue to face difficulties in raising adequate funding for local match requirements for the human services programs mentioned above. The estimate to fully fund CTBR is detailed in the table below:

	County Share for Final Distribution	Assessed Valuation Calendar 2011	Tier I	Tier II	Tier III	Total
Adams	\$11,257,785	\$4,622,808,830	\$0	0	\$503,042	\$503,042
Alamosa	842,133	150,635,429	292,670	37,659	18,829	349,158
Bent	247,482	74,468,657	18,057	18,617	9,309	45,983
Conejos	306,590	61,209,609	92,221	15,302	7,651	115,174
Crowley	160,122	36,623,420	37,689	9,156	4,578	51,423
Delta	719,335	320,253,880	0	0	19,707	19,707
Denver	22,198,591	10,805,819,670	0	0	146,738	146,738
El Paso	14,649,079	6,327,576,720	0	0	498,481	498,481
Fremont	1,404,654	452,866,150	34,542	113,217	56,608	204,367
Huerfano	310,876	114,497,939	0	12,315	14,312	26,627
Lincoln	264,542	107,622,624	0	0	12,324	12,324
Logan	761,417	271,131,910	0	41,794	33,892	75,686
Morgan	1,078,827	429,691,960	0	2,298	53,712	56,010
Otero	591,456	127,146,553	157,512	31,787	15,893	205,192
Phillips	131,332	60,309,630	0	0	2,678	2,678
Prowers	583,905	124,320,105	158,209	31,080	15,540	204,829
Pueblo	5,810,580	1,671,480,675	597,103	417,870	208,935	1,223,908
Rio Grande	536,908	176,215,157	6,197	44,054	22,027	72,278
Saguache	251,008	65,122,418	41,730	16,281	8,141	66,152
Total	\$62,106,622	\$25,999,801,336	\$1,435,930	\$791,430	\$1,652,397	\$3,879,757

Recommendation

While large urban areas have experienced the fastest caseload growth since the start of the recession, rural counties with a lower tax base have also experienced caseload growth—simply less than their large urban counterparts. For example: while the "big ten" counties have experienced 70 to 80 percent growth, smaller counties have experienced 20 to 30 percent caseload growth. The Department reports a 3.2 percent increase in food assistance caseload and the corresponding expenditures between FY 2011-12 and FY 2012-13. In addition, food assistance caseload alone has experienced a 37 percent increase in the past five years. Meanwhile, the fundamental economic factors addressed through Tax Base Relief have not changed. Because of the reduction in County Tax Base Relief, counties that are exceptionally poor (driving increased demand for public assistance) and/or have low property values (also due to relative poverty) have had to face excessively high tax rates or are unable to offer an equitable level of public assistance compared to other regions of the state.

Staff recommends approval of this request.

LINE ITEM DETAIL – (4) COUNTY ADMINISTRATION

County Administration

This line item provides funding for 64 county human services to administer the following programs: Supplemental Nutrition Assistance Program (food assistance), Adult Cash Assistance Programs (except Old Age Pension), Child Support Services, and the Low Income Energy Assistance Program.

Request: The Department requests an appropriation of \$52,071,101 total funds (\$18,338,116 General Fund), including a 1.5 percent provider rate increase of \$769,524 total funds (\$287,906 General Fund).

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Recommendation: Staff recommends an appropriation of \$52,840,625 total funds, including \$18,626,022 General Fund, \$19,742,271 cash funds from local funds, and \$24,472,332 federal funds from various sources. This recommendation reflects an increase of \$1,539,048 total funds for a 3.0 percent provider rate increase; and an increase of \$1,486,800 total funds for the annualization of prior year budget actions.

County Administration, County Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$49,814,777</u>	<u>\$17,604,170</u>	<u>\$9,137,101</u>	<u>\$0</u>	<u>\$23,073,506</u>	<u>0.0</u>
TOTAL	\$49,814,777	\$17,604,170	\$9,137,101	\$0	\$23,073,506	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$49,814,777	\$17,604,170	\$9,137,101	\$0	\$23,073,506	0.0
R12 Community provider rate	1,539,048	575,812	307,810	0	655,426	0.0
Annualize prior year budget actions	<u>1,486,800</u>	<u>446,040</u>	<u>297,360</u>	<u>0</u>	<u>743,400</u>	<u>0.0</u>
TOTAL	\$52,840,625	\$18,626,022	\$9,742,271	\$0	\$24,472,332	0.0
Increase/(Decrease)	\$3,025,848	\$1,021,852	\$605,170	\$0	\$1,398,826	0.0
Percentage Change	6.1%	5.8%	6.6%	0.0%	6.1%	0.0%
FY 2014-15 Executive Request:	\$52,071,101	\$18,338,116	\$9,588,366	\$0	\$24,144,619	0.0
Request Above/(Below) Recommendation	(\$769,524)	(\$287,906)	(\$153,905)	\$0	(\$327,713)	0.0

Food Assistance Administration

This line item was added in FY 2011-12 through the Department’s Decision Item #2. Funding was appropriated in a separate line item from the main County Administration line item so funds could be allocated specifically to counties with the greatest increase in food assistance caseload. The request indicated that the funding was requested for two years only: FY 2011-12 and FY 2012-13, after which the additional funding would be discontinued.

Request: The Department requests no appropriation for this line item in FY 2013-14.

Recommendation: Staff recommends the Department request.

County Tax Base Relief

This line item assists counties with the highest costs and lowest property tax values in meeting their obligations for social services costs. These obligations include: county responsibility for maintenance of effort expenditures for the Temporary Assistance to Needy Families Block Grant (TANF) block grant, the county 20 percent share for food assistance and Medicaid reimbursements, the county share for child welfare services expenditures (20 percent for most services), and the county share for adult assistance programs (20 percent).

Request: The Department requests an appropriation of \$3,879,756 General Fund, including an increase of \$1,181,953 to fully fund County Tax Base Relief.

Recommendation: Staff recommends an appropriation of \$3,879,756 General Fund, including an increase of \$1,181,953 to fully fund County Tax Base Relief.

County Administration, County Tax Base Relief			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$2,697,803</u>	<u>\$2,697,803</u>	<u>0.0</u>
TOTAL	\$2,697,803	\$2,697,803	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$2,697,803	\$2,697,803	0.0
R13 County tax base relief	<u>1,181,953</u>	<u>1,181,953</u>	<u>0.0</u>
TOTAL	\$3,879,756	\$3,879,756	0.0
Increase/(Decrease)	\$1,181,953	\$1,181,953	0.0
Percentage Change	43.8%	43.8%	0.0%
FY 2014-15 Executive Request:	\$3,879,756	\$3,879,756	0.0
Request Above/(Below)			
Recommendation	\$0	\$0	0.0

County Share of Offsetting Revenues

Section 26-13-108, C.R.S., provides that when government authorities recover any amounts of support for public assistant recipients, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line item reflects the county share of revenues earned through child support collections, fraud refunds, state revenue intercepts, and other refunds. The largest component is related to child support enforcement.

Approximately five percent of annual child support collections and fraud refunds are used to reimburse the State, counties, and the federal government for benefits provided to families from the Temporary Assistance for Needy Families Colorado Works program. Of total recoveries, the federal government receives 50 percent, the state receives 30 percent (some of which has historically been redirected to counties as county incentives), and counties receive 20 percent.

Request: The Department requests a continuation level appropriation of \$2,986,000 cash funds.

Recommendation: Staff recommends approval of \$2,986,000 cash funds from the counties' share of offsetting cash funds revenues. This is based on a 20 percent share of the Department's projection of retained collections to be received in FY 2014-15. Staff also recommends continuing the footnote pertaining to this line item, which clarifies that the amount shown is an estimate. The Department is authorized to disburse an amount in excess of this appropriation (or lower than it) to reflect the actual county share.

County Incentive Payments

This line item represents the portion of the State's share of child support collections and other refunds recoveries that are redirected to counties as incentives for their performance on child support enforcement activities. Section 26-13-108, C.R.S., provides that when government authorities recover any amounts of support for public assistance recipients, such amounts may be used to reimburse public assistance paid in accordance with federal law. The federal government receives 50 percent of recoveries, the State 30 percent, and the counties 20 percent. Statute further provides that the State may redirect an unspecified portion of its share of such recoveries to counties as an additional child support enforcement incentive. In recent years, the General Assembly has indicated via footnote on this line item what portion of the state's share is to be provided to counties. Senate Bill 12-113 requires the General Assembly to set the state's share of public assistance recoveries for child support and maintenance that is redirected to counties in a footnote.

County incentive payments are distributed to counties on a quarterly basis using the same formula that is applied for federal child support enforcement incentives. The formula takes into account the "collections base" for the county (an adjustment for county size) and each county's performance on four child support enforcement measures: the paternity establishment percentage, the percentage of caseload with child support enforcement orders, the percent of current support paid, and the percent of arrears cases with a payment made. Counties are required to spend county incentive payments on social services, but are otherwise unrestricted in how the funds are used.

Prior to FY 2008-09, statute redirected 50 percent of the state-share of recoveries for county incentives, so that counties received 35 percent of total recoveries. House Bill 08-1342 modified statute to enable the State to redirect a larger share to counties for county incentives. It also transferred recoveries previously appropriated in the Colorado Works line item (\$2.5 million) into the County Incentives line item. This was in response to changes at the federal level that effectively reduced county funding for Child Support Enforcement by about \$3.3 million.

Funding for County Incentives for FY 2008-09 and FY 2009-10 was based on an estimated 100 percent of the state share of retained collections for Child Support Enforcement. Starting in FY 2010-11, funding and the footnote associated with this line item was again modified to specify that counties would receive 50 percent of the state-share of recoveries. The remaining 50 percent state share of recoveries was redirected to a capital construction project (rebuilding an information technology system, requiring \$2,677,500 of the State's share of recoveries) and to increase funding for state administration of child support enforcement for various time-limited special projects. This redirection of funds was eliminated in FY 2012-13, leading to a total appropriation of \$4,113,000 for this line item.

Request: The Department requests continuation level appropriation of \$4,113,000 cash funds.

Recommendation: Staff recommends approving the appropriation of \$4,113,000 cash funds from the state's share of retained child support collections and fraud refunds.

(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.

Child Welfare Systems Change. Over the last several years, child abuse fatalities and a number of reports have highlighted weaknesses in Colorado's child welfare system and recommended changes. Studies have pointed to: the challenges of a county-administered system; inadequate state oversight of the system; the need for additional training throughout the system; resource issues (*e.g.*, county staffing levels, provider supports); cross-system/co-occurring issues such as domestic violence and mental health; and problems with data and the state's case management system for child welfare (Colorado Trails).

In response to these studies, the Governor and the General Assembly have taken a variety of steps, ranging from providing funding for additional studies and research (*e.g.*, creation of the Child Welfare Action Committee) to adding new Division of Child Welfare staff and expanded funding for caseworker training. The Child Welfare Action Committee, which issued three reports between its creation in 2008 and completion in 2010, served a central role in shaping a number of system reform efforts.

Some of the changes include:

Child Welfare Staff and State Organizational Restructuring. Between FY 2008-09 and FY 2009-10, the General Assembly approved the addition of a 21.0 new FTE in the Division of Child Welfare and 3.0 FTE (later reduced to 2.0 FTE) in the Administrative Review Division: an increase of nearly 60 percent to Division staffing at a cost of \$1.5 million (\$1.0 million General Fund). This expansion in state staffing was largely untouched by the recession.

Colorado Practice Initiative. Colorado was designated as a U.S. Department of Health and Human Services Mountains and Plains Child Welfare Implementation Center project site in November 2009. The five-year award provides Colorado with sustained technical assistance resources to develop and implement systems reform. The Initiative is "an effort to develop a clear, consistent, and cohesive approach to practice and service delivery" throughout the State. A state based practice model reflecting state standards of care was completed in October 2010, and the model was rolled out to the first cohort of counties in FY 2010-11. It is expected to be rolled out to all counties by September 2014. The model incorporates a system by which counties engage in continuous, data-based review of their performance and continuous quality improvement. The practice model is also central to Colorado's Performance Improvement Plan for responding to its 2009 federal Child and Family Services Review.

Child Welfare Training Academy. S.B. 09-164 authorized the Department to require child welfare workers to complete state-provided training before taking on a caseload. An FY 2009-10 budget decision item authorized the related funding of \$1.6 million (subsequently reduced to \$1.2 million) and 6.0 of the FTE described above. The request built on an existing system of state training for caseworkers. The new administration has indicated it would like to update the curriculum and expand the Academy to provide ongoing training for senior work staff, supervisors, leaders, first responders, and foster parents.

Child Welfare Ombudsman. S.B. 10-171 created a new Child Protection Ombudsman Program (\$370,000 General Fund), contracted through the Department of Human Services. The program is required to receive and review complaints and make recommendations to the Governor and the General Assembly on improvements to the Child Welfare System.

Colorado Consortium on Differential Response. H.B. 10-1226 authorized a differential response child welfare pilot program to allow counties to offer voluntary services to families who are deemed to be a low- to moderate-safety risk to a child, rather than referring these cases to dependency and neglect hearings in court. A \$1.8 million federal research and development award from the National Quality Improvement Center on Differential Response in Child Protective Services will examine the effects of a differential response practice model on outcomes for children and families.

The pilot project will evaluate the model from February 1, 2010 to June 30, 2013 in five counties: Arapahoe, Fremont, Garfield, Jefferson, and Larimer. Senate Bill 12-011 (Spence/Summers) removed the five-county limit on the differential response pilot. Counties that choose to be added to the pilot are expected to have increased workload and costs at the front-end but may realize future cost savings to the extent families are diverted from more expensive placements and deeper system involvement. However, the bill assumed that CDHS would only approve new pilot sites if it is able to do so within existing resources.

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, and the State receives about 80 million per year in federal Title IV-E revenue.

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.

Pursuant to the legislation, a state shall be authorized to conduct a demonstration if the project is designed to accomplish at least one of three goals:

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

The state must identify changes it has made or plans to make in policies, procedures, or other elements of the state's child welfare program that will enable the state to successfully achieve the goal or goals of the project. The state must also demonstrate implemented or planned child welfare improvement policies within three years of the date of application (or 2 years after approval, whichever is later), including at least one policy that was not implemented prior to the application for a waiver. Finally, each program must be evaluated by an independent contractor using an approved evaluation design which provides for, among other items: comparison of methods of service delivery under the project versus under the State IV-E plan or plans with respect to efficiency, economy and other program management measures; and comparison of outcomes for children and families under the project.

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 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 three primary interventions, which will be implemented in all counties at some point during the waiver, and three additional interventions, which may be

selected for implementation by a subset of counties. The three core practices to be adopted by all counties include the following:

- Family engagement: The State will introduce precepts and processes targeted at engaging families in case planning and accessing services, through a combination of training, coaching, and peer mentoring. It will also modify non-safety certification for relative foster family homes to facilitate placement of children with relatives when out-of-home placement is necessary.
- Trauma-informed child assessments: The State will supplement existing child assessment processes and instruments with standardized tools that are geared toward children who have experienced trauma.
- Trauma-focused behavioral health treatment: Counties and behavioral health organizations (the state's Medicaid behavioral health managed care entities) will increase the use of behavioral health treatments that have been shown to be effective with children who have experienced trauma. This will be accomplished through contracts with local human service providers and/or through their expanded utilization by the behavioral health organizations.

The three additional practices which may be adopted by some counties include the following.

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

Evaluation will include a process, outcome, and cost studies. An outside vendor will develop evaluation design options to evaluate the outcomes and a cost comparison of waiver and non-waiver child welfare activities. The design will include both quantitative and qualitative research and data collection methods, including both a matched case comparison and time-series analysis of key measures of child safety, permanency, and well-being.

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 have 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 as indicated in the table below. To

date, the Department has received the full amount for the first and second quarters, totaling \$48.5 million.

TANF Funding for Child Welfare Programs. Since the beginning of the recession, the Department has requested, and the General Assembly has approved, multiple actions to refinance General Fund appropriations in the Child Welfare Services and Services for Children and Families line items with Temporary Assistance for Needy Families (TANF) block grant funds. These refinance actions have fallen into two categories:

- *Refinance actions specifically identified as temporary.* These actions were based on the availability of state-controlled reserves which had been created, in part, by additional funding made available under the American Recovery and Reinvestment Act. These actions comprised \$12.5 million of the TANF appropriations in the Division of Child Welfare, including FY 2009-10 BA-36, which refinanced \$9.5 million in Services for Children and Families for three years and FY 2010-11 BRI-5, which refinanced \$3.0 million in Child Welfare Services for two years. These temporary refinance actions were reversed in FY 2012-13.
- *Refinance actions identified as ongoing.* After the temporary refinance was eliminated, a total of \$11.0 million in TANF appropriations was to remain in the appropriation for Child Welfare Services and Services for Children and Families. However, during the 2012 Session, the Committee indicated that all remaining TANF refinance in the Division of Child Welfare would be eliminated and General Fund restored for FY 2013-14.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$418,482,255	\$229,447,521	\$71,562,117	\$14,712,207	\$102,760,410	63.4
Other legislation	2,702,103	3,345,318	2,542,490	0	(3,185,705)	19.0
H.B. 14-1238 (Supplemental Bill)	<u>8,778,801</u>	<u>8,774,561</u>	<u>0</u>	<u>0</u>	<u>4,240</u>	<u>0.6</u>
TOTAL	\$429,963,159	\$241,567,400	\$74,104,607	\$14,712,207	\$99,578,945	83.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$429,963,159	\$241,567,400	\$74,104,607	\$14,712,207	\$99,578,945	83.0
R12 Community provider rate	11,695,057	8,918,671	2,339,012	437,374	0	0.0
R22 Title IV-E waiver demonstration	6,000,000	0	6,000,000	0	0	0.0
BA1 Hotline for Child Abuse and Neglect	3,234,694	2,984,877	0	0	220,472	4.0
BA2 Public Awareness Campaign for Child Welfare	862,600	862,600	0	0	0	0.5
NP BA Mail, postage, and envelope request	584	482	0	0	102	0.0
Annualize prior year budget actions	1,709,448	1,788,612	0	0	(79,164)	0.4
Annualize prior year legislation	(353,113)	(392,940)	0	4,236	35,591	0.0
Annualize FY 13-14 Supplementals	(8,778,801)	(8,774,561)	0	0	(4,240)	(0.6)
Staff initiated CMP reduction	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$444,233,628	\$246,955,141	\$82,343,619	\$15,153,817	\$99,751,706	87.3
Increase/(Decrease)	\$14,270,469	\$5,387,741	\$8,239,012	\$441,610	\$172,761	4.3
Percentage Change	3.3%	2.2%	11.1%	3.0%	0.2%	5.2%
FY 2014-15 Executive Request:	\$444,145,077	\$247,787,767	\$81,826,336	\$14,935,130	\$99,595,844	90.8
Request Above/(Below) Recommendation	(\$88,551)	\$832,626	(\$517,283)	(\$218,687)	(\$155,862)	3.5

Issue Descriptions

R12 Community provider rate: The recommendation is for a 3.0 percent common policy increase for programs that deliver services through community-based providers.

R22 Title IV-E waiver demonstration: The recommendation includes \$6,000,000 cash fund spending authority for the implementation of the Title IV-E Waiver Demonstration Project.

BA1 – Hotline for Child Abuse and Neglect: The recommendation includes \$3,234,694 total funds, including \$2,984,877 General Fund, and 4.0 FTE for the ongoing development and implementation of the statewide child abuse and neglect reporting system pursuant to H.B. 13-1271.

BA2 Public awareness campaign: The recommendation includes an appropriation of \$862,600 General Fund and 0.5 FTE to implement a public awareness campaign associated with the launch and ongoing operation of the child abuse and neglect reporting system.

NP BA Mail, postage, and envelope request: Staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Annualize prior year budget actions: The recommendation includes an increase of \$1,709,448 for prior year budget actions.

Annualize prior year legislation: The recommendation includes a decrease of \$353,113 total funds to reflect the impact of prior year (salary survey and merit pay) and legislation, including H.B. 13-1180.

Annualize prior year supplementals: The recommendation includes a decrease of \$8,778,801 total funds to annualize for FY 2013-14 supplementals.

Staff initiated reduction: The recommendation includes a decrease of \$100,000 cash fund for reduced spending authority associated with the Performance-based Collaborative Management Program, due to declining cash funds principal balance.

→ R-22: Title IV-E Waiver Cash Fund Spending Authority

- The Department requests annual spending authority of \$6.0 million for moneys deposited into the Title IV-E Waiver Demonstration 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.
- Colorado was awarded a waiver from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18.
- Staff recommends approval of this request.

Background

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.¹ For qualified services, Colorado's

¹ 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

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.

Forty-one counties were awarded a total of \$6.7 million in July 2013 to implement three interventions, including family engagement, permanency roundtables, and kinship supports. Family engagement intervention includes family meetings to ensure families are engaged in the process and are intended to increase stability, decrease length of out-of-home stay, decrease trauma to children and youth, and increase the family's engagement in case planning. Permanency roundtables are a series of meetings focused on achieving permanency for youth and children in out-of-home placement. These meetings are intended to decrease the length of stay in out-of-home care, decrease the likelihood that children/youth are placed in congregate care, increase the use of kinship placements, and increase engagement of youth in case planning. Kinship supports intervention focuses on providing supports to both certified and non-certified kinship care providers to improve the safety, permanency and well-being outcomes of children residing in the kin's home. This intervention is intended to increase the likelihood that kinship placements occur for children or youth removed from their homes, increase the likelihood that children or youth removed from their home achieve safe permanency through kinship guardianship, and increase stability in out-of home care.

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

9, 2013 from
http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/2012/R42794_gb.pdf

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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

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

Issue

It is anticipated that the state will realize a savings as a result of the IV-E Waiver award and its implementation. The Department is currently in year one of the project and therefore is unable to report actual savings; however projected initial annual savings may be between \$6.0 and \$12.0

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

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

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

Proposed Solution

The Department requests \$6,000,000 cash funds spending authority each year over the five-year Title IV-E Waiver Demonstration Project. These funds will be allocated to counties as described above and will allow counties to expand interventions that support children remaining in their homes, and prevent families from experiencing deeper involvement in the child welfare system. Requested funding estimates the upper end of county savings each year; however, upon year-end close, the Department will restrict funds to the actual amount of savings available to avoid overcommitting intervention funds. The Department will report available funding to the General Assembly annually.

Recommendation

Staff recommends approval of this request.

→ BA-1: Hotline for Child Abuse and Neglect

- The budget amendment requests a new line item for the Hotline for Child Abuse and Neglect, and a total of \$8,102,027 total funds, including \$7,476,303 General Fund, and 7.0 FTE. Of this total, \$5,191,104 total funds (\$5,126,494 General Fund) are for this new line; \$2,761,117 total funds are requested for the Child Welfare Services line item; and \$145,164 total funds are for centrally appropriated line items.
- It is associated with the FY 2013-14 supplemental S1, which was approved and appropriated \$982,093 total funds and 0.6 FTE.
- The funds will be used for the ongoing development and implementation of the hotline reporting system, pursuant to H.B. 13-1271.
- Staff recommends approval of \$3,234,694 total funds, including \$2,984,877 General Fund, and 4.0 FTE for the new line item, Hotline for Child Abuse and Neglect. Staff recommends denial of the portion of the request for Child Welfare Services. Staff recommends denial of the centrally appropriated line items, per Committee policy.

Background

This new line received an appropriation during the FY 2013-14 supplemental process for the initial infrastructure development of the statewide child abuse and neglect reporting hotline. The Department's FY 2014-15 budget amendment (BA-1) is associated with a departmental supplemental (S-1) that was approved by the committee in the amount of \$982,093 total funds (\$977,853 General Fund) and 0.6 FTE. 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 bill requires the Department to establish a steering committee that includes state, local, and stakeholder, representatives who will develop an implementation plan for the hotline. Specific elements of the bill include the following:

- The hotline is to be developed based on the recommendations of the steering committee.
- Rule-making is the responsibility of the state board to ensure consistent screening, assessment, and decision-making in response to reports of known or suspected child abuse and neglect and inquiries made to a county department or the hotline system.
- Screening of referred cases will remain the responsibility of the county.
- The steering committee is expected to develop an implementation plan which will include:
 - Advertising to the public and to mandatory reporters;
 - Recommendations for rules relating to the operation of the hotline system and relating to consistent practices for responding to reports and inquiries.
- The steering committee will submit a report to the executive director of the Department and the State Board of Human Services by July 1, 2014.
 - The hotline is required to be operational and publicized statewide no later than January 1, 2015.

Issue

The Department indicates that the scope of this project is too large for it or the Governor’s Office of Information Technology (OIT) to implement internally; nor would the Department or OIT be able to hire the necessary staff to implement the hotline by January 1, 2015. The Department anticipates employing contract services for the first five years of the system and re-evaluating the approach when the system is up and running. Employing contract services for the first five years will allow the Department and counties to concentrate on the other aspects of hotline implementation such as building a corps of specially trained and certified hotline workers and supervisors; collecting robust data about child abuse and neglect reporting; articulating service thresholds and quality assurance processes; and promoting consistency in front-end child welfare practice throughout the state. As the Department learns more about the impact of the hotline on child welfare services, and counties are more consistent in their response to reports and abuse, the state will be in a better position to build the capacity and infrastructure needed to operate the telephony technology aspects of the hotline.

An appropriation of \$704,800 was made to the Department pursuant to H.B. 13-1271, for Trails modifications (\$529,800) and to hire a consultant to work with the steering committee to determine the needs of state (\$175,000). In order to integrate the hotline system with the existing Trails system, OIT has identified the following necessary Trails modifications:

- Development of a new internet-based “pre-screen” for all calls that come in over the hotline
 - Access to all necessary information on the call in one location accessible from any internet connected device,
 - Direct link to call data to assist in data entry for intake workers
 - Direct link to call recordings
 - Direct link to Trails to pull in relevant worker and client information when available
 - Ability to record screen out reasons for calls that are not child abuse or neglect referrals
- Development of the Trails-based enhanced screening guide tool, including a method to determine if the caller is a mandatory reporter
- Enhanced client search capabilities
- Enhancing existing and development of new infrastructure for identifying clients in other state systems (CBMS, hotline recording database, etc.)
- Purchase of an address verification add-on for Trails to assist intake workers to identify the address of a report when the caller is unsure of that information (will only be purchased if it is more effective than current processes).

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

During FY 2013-14, OIT is developing the modification to the Trails system to prepare for the hotline system’s implementation. Following is a breakdown of costs associated with the above modifications:

Item	Resource	Quantity	Amount	Total Expense
Increased searching on the Hotline System	Developer	1	\$50,000	\$50,000
IVR Integration	Developer	1	100,000	100,000
Staging area repository for data requests	Developer	1	80,000	80,000
Trails modifications	Developer	2	80,000	160,000
Business intelligence tool	Software	1	80,000	80,000
Develop reports	Developer	1	50,000	50,000
Contract modifications				9,800
Total Expenditures				\$529,800

Working with the consultant, Hornby Zeller Associates Inc., the steering committee identified six components that will ensure the successful development, implementation, and operation of the hotline, including:

- A routing system that quickly routes calls to counties
- Data collection on all calls received through the system
- Training and certification for hotline workers and their supervisors
- Adequate staffing for counties and the state
- Continuous quality improvement
- A public awareness campaign

Upon the FY 2013-14 supplemental appropriation, the Department began to move forward with the development and implementation of the system. The implementation timeline is as follows:

January 1, 2014	Post request for proposal
February 7, 2014	Pre-bid conference
March 10, 2014	Submission deadline
March 24, 2014	Proposal review
April 7, 2014	Orals and selection
April 9, 2014	Letter to procurement
April 9, 2014	Submission of interim purchase order
April 11-20, 2014	10 day protest
May 1, 2014	Interim purchase order effective date
Late April through end of July 2014	Contract process
End of July 2014	Contract effective date
May 1 through September 30 2014	Implementation
October 1 through December 2014	Soft roll-out/testing
January 1, 2015	Statewide hotline live

Proposed Solution

House Bill 13-1271 requires the steering committee to make recommendations to the State Board of Human Services for the adoption of rules as necessary, including but not limited to:

- The type of technology that may be used by the hotline system
- The operation of the hotline system, including the central record-keeping and tracking of reports and inquiries statewide
- The standards and steps for information and referral and how an inquiry is routed to the applicable entity responsible for responding to an inquiry
- How an initial report to the hotline system is directly routed to the applicable entity responsible for the report
- A formal process for a county department to opt to have the state department or another county receive reports or inquiries on behalf of the county
- Standardized training and certification standards for all staff prior to taking reports and inquiries
- A consistent screening process with criteria and steps for the county departments to follow in responding to a report or inquiry
- Consistent decision-making processes with criteria and steps the county is to follow when deciding how to act on a report or inquiry or when to take no action on a report or inquiry.

The committee decided that call takers will be required to attend a uniform training and become certified in taking calls; thereby increasing consistency in call taking practices and ensuring a basic understanding of the important questions to ask and information to request. The training academy will develop a certification process for call takers which will include an annual re-certification process. The hotline committee recommends that the Enhanced Screening Guide be used in all counties. 37 counties currently utilize this instrument. Though this system utilizes a statewide number for reporting, counties will maintain their current procedures for accepting reports of child abuse and neglect. The system requires each county to maintain a dedicated phone line for taking reports, thus providing an opportunity for the state to capture data on calls received.

There is currently no accurate statewide data on call volume and call duration, both of which would directly impact the number of lines needed to ensure callers are able to reach a live person to make a report of child abuse or neglect. The majority of counties do not track this information and those that do vary in their data collection methodology. The Department believes that given those unknowns, it is important to employ a technology solution that is flexible and can quickly scale to the needs of the system. The steering committee recommends a routing system that will route callers to the appropriate county to report abuse. It also recommends data collection and call recording on all calls to the hotline. This requires that all 64 counties have telephony equipment and systems that can integrate with a system that routes calls, records calls, and collects data. The committee decided on cloud-based technology over on-site solutions as cloud-based solutions tend to be less costly and provide needed scalability and flexibility. The following table reflects the technology and training cost breakdown used in calculating the Department's request:

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Information Technology Services and Programming			
Element	FY 2013-14 Suppl Approp	FY 2014-15 Request	FY 2015-16 Ongoing cost
Technology and Programming			
Phone System	\$400,000	\$0	\$0
Phone System Programming	500,000	0	300,000
Phone System Maintenance	0	0	0
Statewide phone number 1-800	0	0	0
Project Manager	19,890	117,000	0
Independent Verification and Validation Specialist	0	75,000	0
Business Analytics/Business Intelligence Capacity	0	450,000	0
Talk time	0	191,700	255,600
Call recording	0	345,060	460,080
Call storage	0	172,530	230,040
Dedicated phone line for counties without one	0	21,000	25,200
Annual licenses for phone system	0	69,300	92,400
Increased bandwidth	0	270,000	360,000
Translation line	0	305,493	407,324
TDD/TTY for 64 counties, 4 help desk	0	34,000	0
TTY dedicated phone lines for 64 counties, 4 help desk	0	34,000	40,800
Trails modification	0	360,000	240,000
Total - Technology	\$919,890	\$2,445,083	\$2,411,444
Technical Training for Hotline Staff			
Technical Training - Curricula Development	\$6,900	\$0	\$0
Technical Training - Delivery of 2-day training for County Hotline Staff	0	50,560	0
Technical Training - Ongoing	0	0	25,280
Facilities Costs	0	24,000	9,600
Travel for participants	0	50,000	20,000
Travel - mileage reimbursement for participants	0	40,800	20,400
Total - Technical Training	\$6,900	\$165,360	\$75,280
Total - Technology and Technical Training	\$926,790	\$2,610,443	\$2,486,724

The steering committee has determined that administration of the hotline “unit” will require:

- 7.0 state FTE for administration, including
 - The hotline director
 - Operational positions
 - Contracts and budget
 - Data analysis

JBC Staff Figure Setting – FY 2014-15
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- Quality assurance
- Policy and rule making
- Programming/IT
- A program assistant

The Committee approved a FY 2013-14 supplemental appropriation for \$33,462 General Fund, and 0.6 FTE for the hotline director (0.3 FTE to be annualized to 1.0 FTE in FY 2014-15) and the policy and rule making position (0.3 FTE to be annualized to 1.0 FTE in FY 2014-15).

Hotline Administration						
Position Type and Title	FY 2013-14 Suppl Approp		FY 2014-15 Request		FY 2015-16 Ongoing cost	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
Hotline Director - GP VI	\$23,281	0.3	\$97,212	1.0	\$97,911	1.0
Operations Staff	0	0.3	270,600	3.7	293,166	4.0
Contracts and Budget - GP IV						
Data Analyst - GP IV						
Quality Assurance - GP IV						
Policy and Rule - GP IV						
Programming/Information Technology - GP IV	0	0.0	65,940	0.9	73,292	1.0
Program Assistant - PA II	0	0.0	54,254	0.9	60,208	1.0
Operating Expenses	10,181	0.0	30,165	0.0	6,650	0.0
Total Personnel Costs	\$33,462	0.6	\$518,171	6.5	\$531,227	7.0

Operation of the hotline is estimated to require:

- 13.0 contract positions to operate the help desk, including 1.0 FTE for management and 12.0 FTE for staff.
- An implementation fund to support the hiring of 42.0 county staff to answer calls routed to counties for screening.

Help Desk				
Expenses	FY 2014-15 Request		FY 2015-16 Ongoing	
	Total Funds	FTE	Total Funds	FTE
Staffing - Contract (calculated at a GP III)	\$572,323	9.6	\$718,162	12.0
Management oversight - Contract (calculated at a GP V)	72,835	0.8	90,581	1.0
Reimbursable direct expenses	66,014		5,850	
Overhead indirect expenses	35,559		40,730	
Total Help Desk Costs	\$746,731	10.4	\$855,323	13.0

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Hotline Implementation Fund				
Expenses	FY 2014-15 Request		FY 2015-16 Ongoing	
	Total Funds	FTE	Total Funds	FTE
Flexible staffing pool – County Staff (calculated at a GP III)	\$1,248,089	21.0	\$2,513,569	42.0
Operating Expenses	217,476		39,900	
Total Hotline Implementation Fund Costs	\$1,465,565	21.0	\$2,553,469	42.0

The Department estimates that currently 142,000 calls are received by all county departments annually. Based on data obtained from other states that have implemented statewide hotlines, it is projected that Colorado’s hotline will experience a 20 percent increase in calls upon implementation. Data provided by the Department indicates that approximately 58.5 percent of the calls made to report child maltreatment result in referrals; of those referred, 68.7 percent result in assessments; 21.4 percent of those assessments result in new open involvements; and 2.4 percent of the open involvements result in adoption. Based on a weighted average of these percentages, the Department estimates that the need for addition Child Welfare Services funding will increase by 3.26 percent. Calculated at three months for FY 2014-15, the Department is requesting an increase in the Child Welfare Services line item of \$2,761,117 total funds, including \$2,208,894 General Fund.

	FY 2014-15 Request (3 mos)	FY 2015-16 Projection (6 mos)
Child Welfare Services	\$2,761,117	\$5,522,234
General Fund	2,208,894	4,417,787
Cash funds (local)	\$552,223	\$1,104,447

The Department requests an appropriation of \$8,102,027 total funds, including \$7,476,303 General Fund, for the ongoing development and implementation of the child abuse and neglect hotline reporting system.

Recommendation

Technology and Programming. The Department’s request includes \$2.4 million in FY 2014-15 for technology and programming costs; and an additional \$165,360 for technical training. The primary difference between the Department’s request and staff’s recommendation is that staff based all calculations on actual call volume; and the Department based its calculations on projections. A second difference is found in the average time per call in that staff chose to base calculations on an average call time of 30 minutes per call; whereas the Department based calculations on 45 minutes per call. Based on information provided by the steering committee, the Hornby Zeller Associates Inc. report estimated an average call time of 15 minutes per call. Because the Enhanced Screening Tool will be administered to callers, it is reasonable to allow for additional time for each call. Counties report that calls take an average of 40 to 60 minutes each. Finally, staff does not recommend funding the portion of the request that covers technical

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training, as the Department received a FY 2012-13 supplemental and FY 2013-14 budget amendment appropriation of \$309,937 total funds to improve access to training, ensure that training meets current needs, provide additional educational stipends, and expand course offerings. Staff believes that training for the hotline can be addressed using current resources. The table below provides a comparison of the Department’s request and staff recommendation for the technology and training portion of the budget amendment.

Information Technology Services and Programming			
Element	FY 2014-15 Request	Staff Rec	Staff Methodology
Technology and Programming			
Phone System	\$0	\$0	purchased in FY 13-14
Phone System Programming	0	0	purchased in FY 13-14
Phone System Maintenance	0	0	included in phone system programming FY 2015-16
Statewide phone number 1-800	0	0	included in phone system programming FY 2015-16
Project Manager	117,000	117,000	1000 hrs * \$117/hr
Independent Verification and Validation Specialist	75,000	75,000	1000 hrs * \$75/hr
Business Analytics/Business Intelligence Capacity	450,000	450,000	estimate, dependent upon final contract
Talk time on 1-800 number	191,700	106,500	142,000 calls*30 min/call=4,260,000 min; @ \$50/1500 min; for 9 mos
Call recording	345,060	191,700	4,260,000 min*\$0.06/min; for 9 mos
Call storage	172,530	95,850	4,260,000 min*\$0.03/min; for 9 mos
Dedicated phone line for counties without one	21,000	18,900	\$50/mo*9 mo*42 counties
Annual licenses for phone system	69,300	63,900	(64 counties+7 help desk staff)*\$1200 ea; for 9 mos
Increased bandwidth	270,000	270,000	
Translation line	305,493	169,718	4,260,000 min*6.4%*30 min/call* \$0.83/min; for 9 mos
TDD/Tty for 64 counties, 4 help desk	34,000	34,000	
TTY dedicated phone lines for 64 counties, 4 help desk	34,000	34,000	
Trails modification	360,000	360,000	Please see table below
Total - Technology	\$2,445,083	\$1,986,568	
Technical Training for Hotline Staff			
Technical Training - Curricula Development	\$0	\$0	
Technical Training - Delivery of 2-day training for County Hotline Staff	50,560	0	The Department received a FY 2012-13 supplemental and FY 2013-14 budget amendment appropriation of \$309,937 total funds to improve access to training, ensure
Technical Training - Ongoing	0	0	

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Facilities Costs	24,000	0	that training meets current needs, provide additional educational stipends, and expand course offerings.
Travel for participants	50,000	0	
Travel - mileage reimbursement for participants	40,800	0	
Total - Technical Training	165,360	0	
Total - Technology and Technical Training	2,610,443	1,986,568	

Upon the implementation of the hotline, OIT will ensure that all Trails modifications that have been developed in FY 2013-14 are operational in each county. The Department’s budget amendment requests \$360,000 for Trails modifications in FY 2014-15. The table below provides a breakdown of the anticipated expenditures. The Department indicates that it will require approximately \$240,000 to fund developers and/or network IT specialists contracted through OIT to support the hotline system.

Item	Rate	Hours	Amount
Test script developers	\$80	900	\$72,000
Tester	60	900	54,000
Integrate the pre-screen and power-builder apps with the hotline	80	900	72,000
Modification and fixes identified for the hotline Trails app/extended tool	80	1825	146,000
Build dashboard to monitor application load and performance	80	200	16,000
Total Expenditures			\$360,000

Hotline Administration.

The Department provided a workload breakdown of the requested staffing positions for administration of the hotline. Below is a brief summary of each position’s responsibilities.

- Hotline Director responsibilities fall within the following categories:
 - Leadership/management – including oversight of the hotline implementation; supervision of unit and help desk staff; and coordination of multiple aspects of the initiative, including county partnerships, rule-making and legislation, information technology, integration of hotline system with child welfare practices;
 - Coalition building;
 - Performance management and quality assurance;
 - Financial and contract management – including oversight of the funding requests, management of all contracts, and identification of innovations or changes that will result in fiscal efficiencies and cost savings.
 - **Based on the responsibilities of this position and the scope of the initiative, staff recommends 1.0 FTE for the hotline director’s position.**
- Policy and Rule responsibilities fall within the following categories:
 - Policy – including legislation, rules, policies, and procedures research, mapping of hotline practices, and coordinating research for the development of fund requests;
 - Project management – including review of reports; serving as a liaison to OIT project manager; and assisting the hotline system manager in providing technical assistance to

- counties related to data analysis, performance management, hotline system technology, and compliance with rules and policies;
- Procurement and contract management – including assisting in the development of documents related to open competitive procurement processes and serving as a liaison to vendors.
 - **Based on the responsibilities of this position and the scope of the initiative, staff recommends 1.0 FTE for this position.**
 - Program Assistant
 - Supporting the hotline director, policy and rule staff, and public information specialist with tasks related to the management of the system.
 - **While the importance of support staff cannot be minimized, it is difficult to verify the necessity of 1.0 FTE for this position. Staff recommends an initial appropriation of 0.5 FTE.**
 - Contract and Budget/Financial Analyst responsibilities fall within the following categories
 - System funding – including managing and providing fiscal oversight and managing allocations to the counties related to the system;
 - Implementation fund and child welfare services block modeling – including analysis of data related to the impact of the system on counties’ service delivery and analyzing data to determine the allocation of funding for implementation of the system;
 - Fiscal notes – including assisting in the development of all fiscal notes and fiscal policy implication analyses.
 - **The responsibilities of this position fall within the scope of existing budget staff who perform these duties on behalf of the division. Staff recommends denial of the request for this position.**
 - Data Analyst responsibilities fall within the following categories:
 - Data analysis – including analyzing process, trend, outcome data;
 - C-Stat preparation;
 - Data collection and reporting – including managing accuracy, validity, access, and analysis of system data;
 - Collaboration with partners and stakeholders;
 - **As a new unit, it is difficult for staff to determine the amount of time evaluation of the initiative will take. Evaluation of the system is important to its ongoing success, however, therefore staff recommends 0.5 FTE for this position.**
 - Quality Assurance responsibilities include:
 - Monitoring 64 counties’ performance in taking and documenting calls as required by statute and rules;
 - Review of system to assess quality of work conducted by hotline and help desk staff and supervisors;
 - Review of customer service through an analysis of call samples.
 - **Staff recommends 0.5 FTE for this position.**

(Calculations are based on FTE for 12 months of FY 2014-15. Centrally appropriated line items (POTS) have been removed per Committee policy.)

Hotline for Child Abuse and Neglect		
Expenses	FY 2014-15 Recommendation	
	Total Funds	FTE
Hotline Director	\$78,734	1.0
Policy and Rule	72,835	1.0
Contracts and Budget	0	0.0
Data Analyst	28,584	0.5
Quality Assurance	28,584	0.5
Programming/IT	28,584	0.5
Program Assistant II	23,154	0.5
Total Hotline Administration	\$260,475	4.0

Help Desk. The hotline is to be operational 24 hours a day 365 days per year and have built in quality assurance and accountability processes that will be ensured through call recording and evaluation. Based on the call projection provided above, Hornby Zeller Associates estimates that the telephone system will need 75 available lines so that as calls are routed between the state and counties, the line will remain open and the system can record the calls. Responsibilities of the Help Desk Staff include:

- Providing customer service to all callers who are routed to the Help Desk for assistance;
- Input information into a database that tracks the reasons callers were routed to the Help Desk;
- Utilize mapping/location services software to assist callers to identify the appropriate county to which reports of abuse should be submitted;
- Direct callers to appropriate agencies to assist with calls not related to child abuse or neglect;
- Acquire Language Line translation services to assist callers who speak a language other than English or Spanish;
- Establish a clinical relationship with callers and employ interviewing techniques to gather information related to child abuse and neglect;
- Based on information received from callers, determine best line of questioning to gather information about the type of alleged abuse or neglect;
- Utilize the Enhanced Screening Tool to ascertain risk and protective factors of families involved in reports of child abuse and neglect;
- Receive hotline worker training and be certified as a hotline worker through the Colorado Training System.

Help Desk staff will be contracted by the state, positioned in various counties across the state, and trained and certified through the state’s training academy to receive hotline calls. The Department estimates the annual cost of Help Desk staff, including 12.0 full-time contract staff (for 10 months in FY 2014-15) calculated at a General Professional III rate, and a 0.8 manager (to be annualized to 1.0 in FY 2015-16) calculated at a General Professional V rate, at a total cost of \$746,731 General Fund. Staff’s recommendation adjusts the staffing of the Help Desk down

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to 6.0 full-time contract staff (for 10 months in FY 2014-15) and 0.8 manager (to be annualized to 1.0 in FY 2015-16). In addition, staff recommends denial of overhead indirect expenses.

Help Desk					
Expenses	FY 2014-15 Request		FY 2014-15 Staff Rec		Methodology
	Total Funds	FTE	Total Funds	FTE	
Staffing - Contract (calculated at a GP III)	\$572,323	9.6	\$286,162	4.8	(365 days*24 hr/day)= 8760 hrs/2080 hr/fte = 4.2 fte; 6.0 fte for 10 mos
Management oversight - Contract (calculated at a GP V)	72,835	0.8	72,835	0.8	1.0 fte for 10 months; annualized to 1.0 fte in FY 2015-16
Reimbursable direct expenses	66,014		35,449		including telephone expenses, computers, office furniture
Overhead indirect expenses	35,559		0		Indirect expenses cannot be charged to General Fund
Total Help Desk Costs	\$746,731	10.4	\$394,446	5.6	

Hotline Implementation Fund. The fund is intended to provide resources for counties to increase capacity to respond to an anticipated increase in calls, and implement the steering committee’s recommendations related to consistent screening practices. The primary difference between the Department’s request and staff’s recommendation is that staff’s recommendations are based on actual call volume as opposed to the 20 percent call volume increase projected by the Department. In addition, the Department used 1984 work hours per year to calculate the possible number of FTE needed, and staff used 2080 hours per year.

Hotline Implementation Fund	FY 2014-15 Request		FY 2014-15 Staff Rec	
Increased Call Volume	New Calls	New Referrals	New Calls	New Referrals
Number of calls	142,000	83,045	142000	83045
Projected calls	170,400	99,654	n/a	n/a
Increased volume	28,400	16,609	0	0
Hours required per unit	0.75	0.33	0	0
Total hours	21,300	5,481	0	0
Work hours per Year	1,984	1,984	1,984	1,984
FTE needed	11	3	0	0
Increased Duration of Activity	Existing Calls	Existing Referrals	Existing Calls	Existing Referrals
Number of calls	142,000	83,045	142,000	83,045
Additional hours required per unit	0.25	0.25	0.25	0
Total hours	35,500	20,761	35,500	0
Work hours per year	1,984	1,984	2,080	2,080
FTE needed	18	10	17	0
Total FTE needed	29	13	17	0

Based on General Professional III total compensation, the portion of the Department’s request that is applied to the hotline implementation fund totals \$1.5 million General Fund for six months of FY 2014-15. Staff allowed for an additional 15 minutes of processing time for existing calls in the calculation of this item, and the result is to fund it at a level equivalent to total compensation of 17.0 General Professional III FTE for six months. This totals \$593,205 General Fund.

Child Welfare Services Increase. The Department’s request for a \$2.8 million increase in Child Welfare Services is based on the projected increase in call volume and is calculated for three months. Aside from the allowance made by staff above, all calculations in this decision item are based on actual call volume, in which case, staff recommends no increase in the Child Welfare Services line item appropriation at this time.

Summary of Staff Recommendation. The table below summarizes staff’s recommended appropriation for the Hotline for Child Abuse and Neglect. Staff recommends a reduced level of funding as compared with the Department’s request because the request is based on projections and not actual data. Staff acknowledges that because this is a new initiative and data gathering varies between counties, actual data for some metrics will not be available until the hotline is operational.

Hotline for Child Abuse and Neglect		
Item	Funding	FTE
Technology and Technical Training	\$1,986,568	0.0
Hotline Administration	260,475	4.0
Help Desk	394,446	0.0
Hotline Implementation Fund	593,205	0.0
Child Welfare Services	0	0.0
Total Recommended Funding	\$3,234,694	4.0

In addition to the above appropriation, in order to ensure that the child abuse and neglect reporting hotline system is funded at the appropriate level, staff recommends that the Department be requested to provide the following information to the Committee by the 25th of the month following the end of each quarter: information concerning the progress of the development and implementation of 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 relevant outcome data, including but not limited to: (i) call volume; (ii) call duration; (iii) wait time; (iv) number of Enhanced Screening Guides performed by Help Desk staff; (v) and workload indicators of hotline administration.

→ BA-2: Public Awareness Campaign for Child Welfare

- The budget amendment includes a request for a new line item and \$1,812,137 General Fund, including \$8,087 for centrally appropriated line items, and 1.0 FTE.
- It is associated with departmental supplemental S-2.
- The dollars will be used to develop and implement a statewide public awareness campaign specific to the launch of the statewide child abuse and neglect hotline reporting system.
- The hotline creation is required pursuant to H.B. 13-1271; however the bill does not require the development of a public awareness campaign.
- H.B. 13-1271 requires the hotline steering committee to develop an implementation plan that includes the advertising and publicity of the hotline.
- The fiscal note of the bill indicates an estimated annual cost of publicity and advertisement at \$300,000 per year.
- Staff recommends approval of a total of \$862,660 General Fund and 0.5 FTE.

Background

House Bill 13-1271 required the Department to assemble a steering committee tasked with the development and implementation of a statewide child abuse and reporting hotline system. Included in this bill is the requirement that the system plan include advertising and publicizing of the statewide hotline number by January 1, 2015. The Department's budget amendment is associated with a FY 2013-14 supplemental budget request for \$20,198 and 0.2 FTE. This supplemental request was denied by the Committee. Funds are requested in order to create, produce, and implement a child abuse and neglect public awareness campaign to be launched concurrently with the Child Abuse and Neglect Hotline. In addition to raising awareness of the issues of child abuse and neglect, this campaign will provide an opportunity for the Department to publicize the hotline reporting system by the January 1, 2015 deadline as required by H.B. 13-1271.

A public opinion survey conducted in September 2013 revealed that 51 percent of Colorado adults believe they have personally encountered a child that is suspected of being a victim of abuse or neglect; however only 10 percent of all reports of maltreatment are made by the general public. Mandatory reporters make 75 percent of the referrals; and families the other 15 percent. Additional data from the survey indicates that up to 49 percent of the adults surveyed do not know the proper steps to take to report child abuse and neglect; and only 51 percent can name a proper next step in circumstances where they have encountered suspected abuse or neglect.

Proposed Solution

The Department requests \$1.8 million General Fund to develop an ongoing public awareness campaign to increase the safety of Colorado's children from child abuse and neglect. As part of the hotline implementation plan, the campaign will focus on marketing the new hotline as well as educating the public on detecting and reporting child abuse and neglect. The marketing strategy will be multi-faceted and will include:

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- Owned media – design of messages, toolkit for counties and community partners;
- Earned media – campaign launch, media relations, social media;
- Paid media – purchased time, print, billboards, web-based advertising, and event sponsorship.

Marketing will include television, radio, print ads, and social media and will be presented in both English and Spanish. The campaign will begin in January 2015 upon the launch of the hotline reporting system; and will be expanded during Child Abuse Prevention Month in April.

The Department’s request includes 1.0 FTE for a Public Awareness/Hotline Communication position that will be responsible for:

- Serving as the liaison to counties and assisting with county level child abuse and neglect public awareness campaigns;
- Ensuring county level campaigns align with state level campaigns;
- Identifying gaps in public awareness and collaborating with department staff, county partners, and community stakeholders to identify strategies that will close gaps;
- Managing the campaign’s media initiatives;
- Developing promotional materials for targeted audiences; and
- Utilizing ongoing research and data collection to monitor the effectiveness of state and local public awareness campaign tactics.

The public awareness campaign and the above position will play a critical role in developing strong partnership with all stakeholders, including staff of counties, and support the intent of the bill to create consistent statewide practices in addressing child maltreatment.

The estimated long-term costs of the ongoing public awareness campaign are provided below.

Public Awareness Campaign for Child Welfare Requests and Projections				
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Personal Services	\$60,382	\$60,382	\$60,382	\$60,382
FTE	1.0	1.0	1.0	1.0
Owned/Earned Media	286,000	265,500	205,000	190,000
Paid Media	1,463,325	1,279,025	1,133,525	756,800
Staff Travel	2,430	2,430	2,430	2,430
TOTAL	\$1,812,137	\$1,607,337	\$1,401,337	\$1,009,612

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Recommendation

The public awareness campaign and the statewide child abuse and neglect hotline reporting system are designed to increase the safety of children. While this public awareness campaign is not specifically required by H.B. 13-1271, the bill does state that the hotline steering committee is expected to develop an implementation plan which will include advertising to the public and to mandatory reporters. The bill further requires that the hotline will be publicized by January 1, 2015. Funding for the advertisement and publicity associated with the child abuse and neglect hotline were not addressed in the bill; however an estimated cost of \$300,000 per year in public relations costs for the campaign was indicated in the fiscal note. A breakdown of the FY 2014-15 proposal and staff recommendation is provided below.

Public Awareness Campaign Breakdown		Request		Recommendation		Comments
Item	Cost/Unit	Unit	Total Cost	Unit	Total Cost	
Creation and design of online social media widgets	\$5,000	1	\$5,000	1	\$5,000	
Creation and production of customizable toolkit for counties and community partners	45,000	1	45,000	1	45,000	
Production and design of out-of-home media (billboards, bus advertising, etc)	10,000	3	30,000	0	0	
Production of television spots	10,000	3	30,000	3	30,000	
Production of radio spots	10,000	3	30,000	3	30,000	
Design and production of advertising for mall sponsorships	5,000	1	5,000	0	0	
Production and design of online advertising	5,000	1	5,000	1	5,000	
Launch event coordination and promotion	10,000	1	10,000	1	10,000	
Media relations	7,500	12	90,000	12	90,000	
Social media strategy and management	3,000	12	36,000	12	36,000	
Total Owned Media			\$286,000		\$251,000	
30 sec spots - Denver, television	\$11,719	20	\$234,380	12	\$140,628	3 weeks instead of 5
30 sec spots - Colorado Springs, television	2,344	20	46,880	12	28,128	3 weeks instead of 5
30 sec spots - Grand Junction, television	1,250	20	25,000	12	15,000	3 weeks instead of 5
Total Television			\$306,260		\$183,756	
30 sec spots - Denver, radio	\$2,625	120	\$315,000	64	\$168,000	8 weeks instead of 15
30 sec spots - Colorado Springs, radio	479	90	43,110	48	22,992	8 weeks instead of 15
30 sec spots - Grand Junction, radio	216	90	19,440	48	10,368	8 weeks instead of 15
30 sec spots - Ft. Collins, radio	525	75	39,375	48	25,200	8 weeks instead of 15
30 sec spots - Unrated Markets (rural), radio	305	600	183,000	48	14,640	8 weeks instead of 15

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Total Radio			\$599,925		\$241,200	
Out of Home 13*48	\$5,000	18	\$90,000	0	0	
Various sized billboards, Colo Springs, Ft. Collins, Greeley, Rural	2,800	30	84,000	0	0	
Gas Pump toppers	350	189	66,150	0	0	
Total Out of Home Media			\$240,150		\$0	
Local online site and network buys	\$10,850	20	\$217,000	15	\$162,750	15 weeks instead of 20
Total Online Media			\$217,000		\$162,750	
Local mall advertising and community event sponsorship	\$10,000	10	\$100,000	0	\$0	
Total Mall and Event Presence			\$100,000		\$0	
Total Paid Media			\$1,749,335		\$838,706	
Staff			\$62,812		\$23,954	0.5 FTE instead of 1.0; (removal of POTS)
Total Staff			\$62,812		\$23,954	
Total			\$1,812,147		\$862,660	

In this example, staff has reduced the number of weeks the television and radio spots will run; and removed types of media that may be less effective. Calculations are based on discussion with staff of the Tourism Office in the Governor’s Office and input from an outside marketing company on the possible effectiveness of each media type. The discussion served as a guide for staff’s calculations, but neither the discussion nor the calculations should be interpreted as a recommendation to the Department about the actual content of the public awareness campaign. Input from the marketing specialist indicated that, generally speaking, the most effective media types include television, radio, and social media. Less effective types for statewide initiatives include out-of-home media and mall event presence. The duration of running time (number of weeks) for television and radio spots was reduced at staff’s discretion as a cost-reduction measure. Discussion with the marketing specialist indicated that the Department’s requested duration time (number of weeks) for each of the media types was acceptable, though perhaps could be reduced slightly.

Based on the above calculations, staff recommends approval of an appropriation of \$862,660 General Fund and 0.5 FTE for the public awareness campaign for Child Welfare. (Centrally appropriated line items have been removed per committee policy.)

LINE ITEM DETAIL – (5) DIVISION OF CHILD WELFARE

Administration

This line item provides funding for those Department staff that 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

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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.

Request: The Department requests an appropriation of \$5,727,130 total funds including \$4,693,356 General Fund and 61.8 FTE. The request includes an increase of \$170, total fund (\$140,426 General Fund) for centrally appropriated line items, and a decrease of \$885,459 for annualization of prior year legislation and budget actions.

Recommendation: Staff recommends continuation funding of \$5,727,130 total funds. For NP BA, staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Division of Child Welfare, Administration					
	Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$4,476,717	\$3,630,439	\$133,070	\$713,208	44.6
Other legislation	1,965,000	1,808,450	0	156,550	17.0
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,441,717	\$5,438,889	\$133,070	\$869,758	61.6
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$6,441,717	\$5,438,889	\$133,070	\$869,758	61.6
NP BA Mail, postage, and envelope request	349	294	0	55	0.0
Annualize prior year budget actions	(346,669)	(347,159)	0	490	0.2
Annualize prior year legislation	<u>(368,267)</u>	<u>(398,668)</u>	<u>4,236</u>	<u>26,165</u>	<u>0.0</u>
TOTAL	\$5,727,130	\$4,693,356	\$137,306	\$896,468	61.8
Increase/(Decrease)	(\$714,587)	(\$745,533)	\$4,236	\$26,710	0.2
Percentage Change	(11.1%)	(13.7%)	3.2%	3.1%	0.3%
FY 2014-15 Executive Request:	\$5,727,130	\$4,693,356	\$137,306	\$896,468	61.8
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

Training

This line item has historically provided 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

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development and training is provided by outside contractors, typically departments of social work at several colleges and universities. The appropriation for training was increased in FY 2005-06 due to a staff recommended transfer from the Family and Children's Programs line item. This action represented the consolidation of training funding into one line item.

Child Welfare Training Academy. For FY 2009-10, the General Assembly approved a large increase for this line item. Funding to increase available training was provided in FY 2009-10 while policy changes to create a child welfare training academy were included in S.B. 09-164. Pursuant to S.B. 09-164, 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.

In the Long Bill, funding was 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 facilitated the state's ability to require that certain training be completed before a new child welfare worker takes cases. When annualized in FY 2010-11, the cost was \$1.6 million, including \$0.9 million General Fund and 6.0 FTE. For FY 2011-12, the appropriation for this line item was reduced by \$0.4 million, including \$0.2 million General Fund, reflecting the expectation that courses would be offered every 3 weeks, rather than every 2 weeks.

Request: The Department requests an appropriation of \$6,451,963 total funds, including \$3,253,049 General Fund and 6.0 FTE. This reflects an increase of \$7,415 including \$4,820 General Fund for centrally appropriated line items.

Recommendation: Staff recommends an appropriation of \$6,451,963 total funds, including \$3,253,049 General Fund, \$37,230 cash funds from local funds, \$3,161,684 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 2013-14 Appropriation					
SB 13-230 (Long Bill)	<u>\$6,444,548</u>	<u>\$3,248,229</u>	<u>\$37,230</u>	<u>\$3,159,089</u>	<u>6.0</u>
TOTAL	\$6,444,548	\$3,248,229	\$37,230	\$3,159,089	6.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$6,444,548	\$3,248,229	\$37,230	\$3,159,089	6.0
Centrally appropriated line items	<u>7,415</u>	<u>4,820</u>	<u>0</u>	<u>2,595</u>	<u>0.0</u>
TOTAL	\$6,451,963	\$3,253,049	\$37,230	\$3,161,684	6.0
Increase/(Decrease)	\$7,415	\$4,820	\$0	\$2,595	0.0
Percentage Change	0.1%	0.1%	0.0%	0.1%	0.0%
FY 2014-15 Executive Request:	\$6,451,963	\$3,253,049	\$37,230	\$3,161,684	6.0
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.

Request: The Department requests an appropriation of \$336,697 total funds, including \$269,303 General Fund, and 1.0 FTE. This reflects an increase of \$7,415 total funds, including \$4,820 General Fund, for centrally appropriated line items.

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Recommendation: Staff recommends a continuing appropriation of \$336,697 total funds, including \$269,303 General Fund and \$67,394 federal funds from Title IV-E of the Social Security Act, and 1.0 FTE. For NP BA, staff recommends the Committee apply the decision made at the Department of Personnel figure setting.

Division of Child Welfare, Foster and Adoptive Parent Recruitment, Training, and Support				
	Total Funds	General Fund	Federal Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$335,562	\$268,395	\$67,167	1.0
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$335,562	\$268,395	\$67,167	1.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$335,562	\$268,395	\$67,167	1.0
NP BA Mail, postage, and envelope request	235	188	47	0.0
Annualize prior year legislation	<u>1,135</u>	<u>908</u>	<u>227</u>	<u>0.0</u>
TOTAL	\$336,932	\$269,491	\$67,441	1.0
Increase/(Decrease)	\$1,370	\$1,096	\$274	0.0
Percentage Change	0.4%	0.4%	0.4%	0.0%
FY 2014-15 Executive Request:	\$336,932	\$269,491	\$67,441	1.0
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. 11-1451 Collaborative Management Incentives 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.

Request: The Department requests an appropriation of \$345,861,565 total funds, including \$178,736,653 General Fund. The request reflects an increase of \$5,070,450 for a 1.5 percent provider rate; and \$2,761,117 for the Department's BA1 request for the Hotline for Child Abuse and Neglect.

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Recommendation: Staff recommends an appropriation of \$348,170,897 total funds, including \$180,365,431 General Fund, \$64,096,366 cash funds from local funds, \$15,016,511 reappropriated funds from Medicaid funds transferred from the Department of Health Care Policy and Finance, and \$88,692,589 federal funds from Titles IV-E and XX of the Social Security Act. This reflects an increase of \$10,140,899 totals funds, including \$7,675,345 General Fund, for a 3.0 percent provider rate increase, and a decrease of \$7,796,708 total funds, including \$180,365,431 General Fund, for the annualization of FY 13-14 supplementals.

Division of Child Welfare, Child Welfare Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$338,029,998	\$172,690,086	\$62,068,186	\$14,579,137	\$88,692,589	0.0
H.B. 14-1238 (Supplemental Bill)	<u>7,796,708</u>	<u>7,796,708</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$345,826,706	\$180,486,794	\$62,068,186	\$14,579,137	\$88,692,589	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$345,826,706	\$180,486,794	\$62,068,186	\$14,579,137	\$88,692,589	0.0
R12 Community provider rate	10,140,899	7,675,345	2,028,180	437,374	0	0.0
BA1 Hotline for Child Abuse and Neglect	0	0	0	0	0	0.0
Annualize FY 13-14 Supplementals	<u>(7,796,708)</u>	<u>(7,796,708)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$348,170,897	\$180,365,431	\$64,096,366	\$15,016,511	\$88,692,589	0.0
Increase/(Decrease)	\$2,344,191	(\$121,363)	\$2,028,180	\$437,374	\$0	0.0
Percentage Change	0.7%	(0.1%)	3.3%	3.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$345,861,565	\$178,736,653	\$63,634,499	\$14,797,824	\$88,692,589	0.0
Request Above/(Below) Recommendation	(\$2,309,332)	(\$1,628,778)	(\$461,867)	(\$218,687)	\$0	0.0

Excess Federal Title IV-E Distributions for Related County Administrative Functions

Established by H.B. 04-1414 to increase the Department's accountability for Title IV-E of the Social Security Act revenue that previously not been formally appropriated. States are allowed to earn federal Title IV-E funds for activities associated with providing services to children who are placed outside their own homes. Pursuant to Section 26-1-111 (2) (d) (II) (C), C.R.S., federal funds earned in excess of these appropriations are deposited each year into the Excess Federal Title IV-E Cash Fund. Such funds are appropriated in the subsequent year for distribution to counties, including those county administration activities related to Title IV-E.

Funding for this line item was not available in FY 2009-10, FY 2010-11, FY 2011-12, of FY 2012-13 due to the lack of Excess Federal Title IV-E revenue from the prior fiscal year. A \$1.0 million General Fund appropriation was provided in FY 2010-11 and a footnote added in FY 2011-12, which allows the Department to hold out up to \$500,000 from the main child welfare services line item, to address Title IV-E administrative initiatives. Due to the lack of excess federal funds forecasted, this line received no appropriation in FY 2013-14.

Request: The Department requests no appropriation for FY 2014-15.

Recommendation: Staff recommends no appropriation for FY 2014-15.

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.

Request: The Department requests an appropriation of \$500,018 in total funds, including \$250,009 General Fund.

Recommendation: Staff recommends an appropriation of \$500,018 in total funds, including \$250,009 General Fund.

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 during FY 2013-14 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 new line item will provide the Department with spending authority to disburse funds to eligible counties.

Request: The Department requests an appropriation of \$6,000,000 cash funds for the Title IV-E Demonstration Project.

Recommendation: Staff recommends an appropriation of \$6,000,000 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
<u>R22 Title IV-E waiver demonstration</u>				-
TOTAL	\$6,000,000		\$6,000,000	0.0
Increase/(Decrease)	\$6,000,000	\$0	\$6,000,000	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$6,000,000	\$0	\$6,000,000	0.0
Request Above/(Below)				
Recommendation	\$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. Recently, there has been discussion in the Child Welfare Allocation Committee, which is responsible for recommending the allocation of funds appropriated to the Child Welfare Services line item, of possible changes to the allocation of funds for Family and Children's Programs. No changes have been made to-date. Finally, pursuant to a Long Bill footnote 25, \$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.

Request: The Department requests an appropriation of \$52,582,323, including \$44,063,473 General Fund. This includes an increase of \$777,079 total funds, including \$621,663 General Fund for the 1.5 percent provider rate increase request.

Recommendation: Staff recommends an appropriation of \$53,359,402 total funds, including \$44,685,136 General Fund, \$5,603,373 cash funds from local funds, and \$3,070,893 federal funds from Title IV-E and Title XX of the Social Security Act. This increase reflects a 3.0 percent provider rate increase.

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Division of Child Welfare, Family and Children's Programs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	<u>\$51,805,244</u>	<u>\$43,441,810</u>	<u>\$5,292,541</u>	<u>\$3,070,893</u>	<u>0.0</u>
TOTAL	\$51,805,244	\$43,441,810	\$5,292,541	\$3,070,893	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$51,805,244	\$43,441,810	\$5,292,541	\$3,070,893	0.0
R12 Community provider rate	<u>1,554,158</u>	<u>1,243,326</u>	<u>310,832</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$53,359,402	\$44,685,136	\$5,603,373	\$3,070,893	0.0
Increase/(Decrease)	\$1,554,158	\$1,243,326	\$310,832	\$0	0.0
Percentage Change	3.0%	2.9%	5.9%	0.0%	0.0%
FY 2014-15 Executive Request:	\$52,582,323	\$44,063,473	\$5,447,957	\$3,070,893	0.0
Request Above/(Below) Recommendation	(\$777,079)	(\$621,663)	(\$155,416)	\$0	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 provide 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; and
- 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 may agree to attempt 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. This mechanism, as implemented in the Child Welfare Services line item, often has a substantial fiscal impact on participating counties, as it enables them to keep unspent portions of their child welfare services funding allocations.

The number of collaborative management programs has grown significantly in the last several years. As of FY 2013-14, 334 counties were participating in collaboratives. All ten of the largest counties have implemented Collaborative Management to varying degrees.

Program Evaluation. The Department is authorized to contract for external evaluation of the program. The second-year evaluation report was released in November 2011. 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.

Various measures indicate that the program is achieving its statutory goals despite challenges, including funding. Performance indicators for the various collaboratives reflect a high level of success in achieving goals related to placement stability and prevention of out-of-home placement (youth in the child welfare system) and reducing recidivism (youth involved in the juvenile justice system). Collaboratives have found it harder to achieve goals in categories such as reducing school truancy and decreasing hospitalization/inpatient services.

Funding for the Program. The fund consists of moneys received from docket fees in civil actions transferred pursuant to Section 13-32-101 (5) (a), C.R.S. For FY 2007-08, the Performance Incentive Cash Fund was repealed and all moneys in the fund were transferred into the Performance-based Collaborative Management Incentive Cash Fund. In addition, the fund received transfers from the family stabilization services fund. Current program appropriation levels exceed the annual fund revenue of approximately \$2.8 million per year.

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In FY 2013-14, the program appropriation was reduced from \$3,224,669 to \$3,100,000 cash funds to avoid over-spending available revenue. However, the current projection for this cash fund, reflected below, indicates that while reserves can continue to support the program at the current level through FY 2015-16, additional reductions or the identification of a new revenue source is necessary to avoid depleting the fund entirely.

Performance-based Collaborative Management Incentive Cash Fund*						
	Actual FY 09-10	Actual FY 10-11	Actual FY 11-12	Actual FY 12-13	Projected FY 13-14	Projected FY 15-16
Cash balance beginning of year	\$2,171,861	\$1,604,839	\$1,077,947	\$684,611	\$449,556	\$231,385
Actual/anticipated cash inflow	2,832,202	2,883,760	2,823,245	2,806,731	2,814,988	2,814,988
Actual/appropriated cash outflow	3,399,224	3,410,652	3,216,580	3,038,786	3,030,000	3,100,000
Changes from prior year fund balance	(567,022)	(526,892)	(393,335)	(235,055)	(218,172)	(215,012)
Actual/anticipated liquid fund balance	\$1,604,839	\$1,077,947	\$684,611	\$449,556	\$231,385	\$16,373

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

Request: The Department requests a continuation appropriation of \$3,100,000 cash funds.

Recommendation: Staff recommends a decrease in the appropriation of \$100,000 to \$3,000,000 cash funds 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 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$3,100,000</u>	<u>\$0</u>	<u>\$3,100,000</u>	<u>0.0</u>
TOTAL	\$3,100,000	\$0	\$3,100,000	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$3,100,000	\$0	\$3,100,000	0.0
Staff recommended reduction	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0.0</u>
TOTAL	\$3,000,000	\$0	\$3,000,000	0.0
Increase/(Decrease)	(\$100,000)	\$0	(\$100,000)	0.0
Percentage Change	(3.2%)	0.0%	(3.2%)	0.0%
FY 2014-15 Executive Request:	\$3,100,000	\$0	\$3,100,000	0.0
Request Above/(Below)				
Recommendation	\$100,000		\$100,000	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.

Request: The Department requests that \$2,826,582 federal funds and 4.0 FTE be included in the Long Bill for informational purposes.

Recommendation: Staff recommends the Committee approve the Department's request.

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, states have five years to spend the funds available through this grant program. 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:

- 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.

Request: The Department requests that \$442,658 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 \$6,604 for centrally appropriated line items.

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 2013-14 Appropriation				
SB 13-230 (Long Bill)	\$436,054	\$0	\$436,054	3.0
TOTAL	\$436,054	\$0	\$436,054	3.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$436,054	\$0	\$436,054	3.0
Annualize prior year legislation	6,604	0	6,604	0.0
TOTAL	\$442,658		\$442,658	3.0
Increase/(Decrease)	\$6,604	\$0	\$6,604	0.0
Percentage Change	1.5%	0.0%	1.5%	0.0%
FY 2014-15 Executive Request:	\$442,658	\$0	\$442,658	3.0
Request Above/(Below)				
Recommendation	\$0		\$0	0.0

Community-based Child 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 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 will focus on building connections to cornerstone community services and supports;
- The line funds three specific programs:
 - SafeCare is an in-home prevention services 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 9 sites throughout the State (12 sites in subsequent years);
 - Nurse Family Partnership program delivers support to first-time moms. Funding will be used to establish a bridge between program nurses and county caseworkers to ensure the mothers-to-be have access to county-provided assistance programs; 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 12 sites throughout the state (18 in subsequent years).

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Request: The Department requests an appropriation of \$7,403,969 General Fund and 3.0 FTE. Of this request, \$3,865,142 and 1.0 FTE is related to the ongoing implementation of SafeCare; \$1,450,023 and 2.0 FTE is related to the augmentation of the Nurse Family Partnership program, and \$2,093,143 and 1.0 FTE is related to the Community Response Program. (The difference of \$4,339 is due to the annualization of a prior year budget decision.)

Recommendation: Staff recommends an appropriation of \$7,403,969 General Fund and 3.0 FTE, of which \$3,865,142 and 1.0 FTE is related to the ongoing implementation of SafeCare; \$1,450,023 and 2.0 FTE is related to the augmentation of the Nurse Family Partnership program, and \$2,093,143 and 1.0 FTE is related to the Community Response Program.

Division of Child Welfare, Community-based Child Abuse Prevention Services			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	\$4,879,297	\$4,879,297	2.8
TOTAL	\$4,879,297	\$4,879,297	2.8
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$4,879,297	\$4,879,297	2.8
Annualize prior year budget actions	<u>2,524,672</u>	<u>2,524,672</u>	<u>0.2</u>
TOTAL	\$7,403,969	\$7,403,969	3.0
Increase/(Decrease)	\$2,524,672	\$2,524,672	0.2
Percentage Change	51.7%	51.7%	7.1%
FY 2014-15 Executive Request:	\$7,403,969	\$7,403,969	3.0
Request Above/(Below) Recommendation	\$0	\$0	(0.0)

Hotline for Child Abuse and Neglect (new line item)

Pursuant to H.B. 13-1271, the Department is required to develop and implement a statewide child abuse and neglect reporting hotline system. The system is to 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.

Request: The Department requests \$5,191,104 total funds, including \$5,126,494 General Fund, and 7.0 FTE for the development and implementation of the child abuse and neglect hotline reporting system pursuant to H.B. 13-1271.

Recommendation: Staff recommends an appropriation of \$3,234,694 total funds, including \$2,984,877 General Fund and \$220,472 federal funds, and 4.0 FTE. Staff's recommendation for the appropriation is summarized in the table below.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Hotline for Child Abuse and Neglect		
Item	Funding	FTE
Technology and Technical Training	\$1,986,568	0.0
Hotline Administration	260,475	4.0
Help Desk	394,446	0.0
Hotline Implementation Fund	593,205	0.0
Child Welfare Services	0	0.0
Total Recommended Funding	\$3,234,694	4.0

Division of Child Welfare, Hotline for Child Abuse and Neglect				
	Total Funds	General Fund	Federal Funds	FTE
FY 2013-14 Appropriation				
H.B. 14-1238 (Supplemental Bill)	<u>\$982,093</u>	<u>\$977,853</u>	<u>\$4,240</u>	<u>0.6</u>
TOTAL	\$982,093	\$977,853	\$4,240	0.6
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$982,093	\$977,853	\$4,240	0.6
BA1 Hotline for Child Abuse and Neglect	3,234,694	2,984,877	220,472	4.0
Annualize FY 13-14 Supplementals	<u>(982,093)</u>	<u>(977,853)</u>	<u>(4,240)</u>	<u>(0.6)</u>
TOTAL	\$3,234,694	\$2,984,877	\$220,472	4.0
Increase/(Decrease)	\$2,252,601	\$2,007,024	\$216,232	3.4
Percentage Change	229.4%	205.2%	5,099.8%	566.7%
FY 2014-15 Executive Request:	\$5,191,104	\$5,126,494	\$64,610	7.0
Request Above/(Below) Recommendation	\$1,956,410	\$2,141,617	(\$155,862)	3.0

Public Awareness Campaign for Child Welfare (new line item)

This new 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.

Request: The Department requests \$1,804,050 General Fund, and 1.0 FTE for the development and implementation of a public awareness campaign for child welfare, specific to the launch of the child abuse and neglect hotline reporting system.

Recommendation: Staff recommends an appropriation of \$862,600 General Fund and 0.5 FTE for this new line item.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Division of Child Welfare, Public Awareness Campaign for Child Welfare			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
H.B. 14-1238 (Supplemental Bill)	\$0	\$0	0.0
TOTAL	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$0	\$0	0.0
BA2 Public Awareness Campaign for Child Welfare	862,600	862,600	0.5
TOTAL	\$862,600	\$862,600	0.5
Increase/(Decrease)	\$862,600	\$862,600	0.5
Percentage Change	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$1,804,050	\$1,804,050	0.5
Request Above/(Below)			
Recommendation	\$941,450	\$941,450	0.5

Workforce Tools – Mobile Computing Technology

This line item was established through the FY 2013-14 S-12C and BA-9J funding requests and provides funds to counties to improve their use of mobile technology through the purchase of laptops, tablets, smart phones, and wireless internet cards. The program was initiated through a pilot in which 26 counties were provided technology, such as the iPad, Lenovo Thinkpad, and Microsoft Surface, in order to determine the best instrument through which to connect to and use the Trails system. The pilot ended on November 30, 2013 and statewide implementation began in January 2014. To access the fund, a county department must apply to the Department. While all counties are eligible to apply, funds will be distributed and participation in the plan will be based upon the county department's demonstrated need for new or enhanced hardware, Trails connectivity, and/or data plan to support caseworkers in the field.

Request: The Department requests a continuation appropriation of \$723,000 total funds including \$600,090 General Fund.

Recommendation: Staff recommends a continuation appropriation of \$723,000 total funds, including \$600,090 General Fund and \$122,910 federal funds from Title IV-E of the Social Security Act.

Workload Study

This line item was established through the FY 2013-14 BA-9H funding request. It was for that year only and was used to fund a study of county child welfare workload to determine if there are adequate resources, staffing, and processes in county departments to meet the policy and legislative requirements related to delivery of services to children and families.

Request: The Department did not request a FY 14-15 appropriation for this line.

Recommendation: Staff recommends the Department's request.

Interagency Prevention Programs Coordination

The Interagency Prevention Programs Coordination line item was added to the Department of Public Health and environment through H.B. 00-1342 and moved to the Department of Human Services pursuant to H.B. 13-1239. This program coordinates prevention and intervention services for children and youth across state agencies and leads the development of the comprehensive state plan for youth development.

Request: The Department requests a continuation appropriation of \$133,284 General Fund and 1.0 FTE.

Recommendation: Staff recommends a continuation appropriation of \$133,284 General Fund and 1.0 FTE.

Tony Grampas Youth Services Program

The Tony Grampas 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 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.

Request: The Department requests a continuation appropriation of \$5,060,499 total funds, including \$1,453,849 General Fund, and 3.0 FTE.

Recommendation: Staff recommends a continuation appropriation of \$5,060,499 total funds, including \$1,453,849 General Fund and \$3,606,650 cash funds from the Youth Services Program Fund.

(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 Grampas Youth Services Program, Colorado Student Dropout Prevention and Intervention Program, Colorado Before and After School Project, Colorado Children's Trust Fund and its board, and the Family Resource Center Program from the Department of Public Health and Environment. The office is comprised of two divisions – the Division of Early Care and Learning and the Division of Community and Family Supports.

OFFICE REQUEST AND RECOMMENDATION SUMMARY

Office of Early Childhood						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
Other legislation	\$157,274,381	\$39,954,471	\$36,916,352	\$4,582,485	\$75,821,073	64.3
H.B. 14-1238 (Supplemental Bill)	0	0	0	0	0	0.0
TOTAL	\$157,274,381	\$39,954,471	\$36,916,352	\$4,582,485	\$75,821,073	64.3
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$157,274,381	\$39,954,471	\$36,916,352	\$4,582,485	\$75,821,073	64.3
R12 Community provider rate	3,792,750	1,075,026	279,610	823,698	1,614,416	0.0
R2 Investing in early care providers	1,805,086	1,444,069	361,017	0	0	0.0
R1 Child care licensing staff	1,317,421	1,257,421	60,000	0	0	2.8
R3 Early literacy book distribution partnership	100,000	100,000	0	0	0	0.0
NP BA Mail, postage, and envelope request	3,049	1,197	336	0	1,516	0.0
Annualize prior year legislation	144,250	24,494	23,832	0	95,924	0.0
Staff-initiated Mental Health Services Program change	(1,198,792)	(1,198,792)	0	0	0	0.0
TOTAL	\$163,238,145	\$42,657,886	\$37,641,147	\$5,406,183	\$77,532,929	67.1
Increase/(Decrease)	\$5,963,764	\$2,703,415	\$724,795	\$823,698	\$1,711,856	2.8
Percentage Change	3.8%	6.8%	2.0%	18.0%	2.3%	4.4%
FY 2014-15 Executive Request:	\$162,960,514	\$43,632,851	\$37,579,764	\$4,994,334	\$76,753,565	67.1
Request Above/(Below) Recommendation	(\$277,631)	\$974,965	(\$61,383)	(\$411,849)	(\$779,364)	0.0

Issue Descriptions

R12 Community provider rate: The recommendation is for a 3.0 percent common policy increase for programs that deliver services through community-based providers.

R2 Investing in early care providers: The recommendation includes an increase of \$1,805,086 total funds, including \$1,444,069 General Fund to provide grant awards, coaching, and technical assistance to quality rated CCCAP providers.

R1 Child care licensing staff: The recommendation includes an increase of \$1,317,421 total funds, including \$1,257,421 General Fund, to increase child care licensing specialist staff.

R3 Early literacy book distribution: The recommendation includes a new line item with an appropriation of \$100,000 General Fund to fund an early literacy book distribution program.

NP BA Mail, postage, and envelope request: Staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Annualize prior year legislation: The recommendation includes an increase of \$144,250 total funds to reflect the impact of prior year (salary survey and merit pay) and legislation, including H.B. 13-1180.

Staff-initiated Mental Health Services Program change: The recommendation includes a decrease of \$1,198,792 total funds for the transfer of the School-based Mental Health Program to the Office of Behavior Health.

DIVISION OF EARLY CARE AND LEARNING

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

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

Unlike most sources of federal funds, the General Assembly has the authority to appropriate federal Child Care Development Funds (CCDF). The CCDF funds available to the state each year consist of three components: mandatory funds, matching funds, and discretionary funds. Mandatory funds require no match and are awarded to the state based on the historic federal share of federal child care expenditures prior to federal welfare reform. Colorado's portion of these funds is approximately \$10.2 million per year. Matching funds are based on the state's relative share of children under age 13. The state is required to match expenditures of this source of funds based on its applicable federal medical assistance percentage rate (currently 50.7575/49.2525). Availability of funds is dependent upon the state meeting specific requirements and must be fully expended in two years. Allocations of discretionary funds to the state are based on the relative share of children under age five, the relative share of children receiving free and reduced price school lunches, and the state's per capita income. The state has two years to obligate these funds and no match is required to spend them. Since FFY 2001, Congress has required certain portions of discretionary funds be targeted to enhance the quality of care, including infant and toddler care as well as school-age care and resource and referral services. In addition, states must spend at least four percent of all of its expenditures for child care on quality activities. Examples of quality activities include:

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

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

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Early Care and Learning					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
Other legislation	\$93,862,730	\$17,688,316	\$11,221,258	\$64,953,156	52.1
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$93,862,730	\$17,688,316	\$11,221,258	\$64,953,156	52.1
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$93,862,730	\$17,688,316	\$11,221,258	\$64,953,156	52.1
R12 Community provider rate	2,308,274	414,248	279,610	1,614,416	0.0
R2 Investing in early care providers	1,805,086	1,444,069	361,017	0	0.0
R1 Child care licensing staff	1,317,421	1,257,421	60,000	0	2.8
R3 Early literacy book distribution partnership	100,000	100,000	0	0	0.0
NP BA Mail, postage, and envelope request	2,308	456	336	1,516	0.0
Annualize prior year funding	<u>124,069</u>	<u>24,494</u>	<u>7,090</u>	<u>92,485</u>	<u>0.0</u>
TOTAL	\$99,519,888	\$20,929,004	\$11,929,311	\$66,661,573	54.9
Increase/(Decrease)	\$5,657,158	\$3,240,688	\$708,053	\$1,708,417	2.8
Percentage Change	6.0%	18.3%	6.3%	2.6%	5.4%
FY 2014-15 Executive Request					
Request Above/(Below)	\$98,785,703	\$21,035,566	\$11,867,928	\$65,882,209	54.9
Recommendation	(\$734,185)	\$106,562	(\$61,383)	(\$779,364)	0.0

Issue Descriptions

R12 Community provider rate: The recommendation is for a 3.0 percent common policy increase for programs that deliver services through community-based providers.

R2 Investing in early care providers: The recommendation includes an increase of \$1,805,086 total funds, including \$1,444,069 General Fund to provide grant awards, coaching, and technical assistance to quality rated CCCAP providers.

R1 Child care licensing staff: The recommendation includes an increase of \$1,317,421 total funds, including \$1,257,421 General Fund, to increase child care licensing specialist staff.

R3 Early literacy book distribution: The recommendation includes a new line item with an appropriation of \$100,000 General Fund to fund an early literacy book distribution program.

NP BA Mail, postage, and envelope request: Staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Annualize prior year funding: The recommendation includes an increase of \$124,069 total funds to reflect the impact of prior year (salary survey and merit pay) and legislation, including H.B. 13-1180.

→ R-1: Increased Staffing for Child Care Licensing

- The Department’s R-1 request for \$1.3 million total funds, including \$1.26 million General Fund, will fund an increase in child care facility licensing specialist staff.
- The current staff to facility ratio is 1:145. The request will improve that ratio to 1:100.
- Approval of this request will not increase regulation of child care facilities, but will improve practice.
- Staff recommends approval of this request.

Background

Currently Colorado is the home of nearly 6,000 licensed child care facilities. Licensing specialists in Colorado are contracted by the Colorado Department of Human Services to perform child care licensing inspections and other duties within an assigned region. There are six categories of licenses, including: Child Care Center, both infant nursery and toddler nursery; Preschool; School-aged Child Care Center; Family Child Care Homes; and Children’s Resident Camps. Within the six license categories, there are 26 types of facilities, 25 percent of which are a day care home and 17 percent of which are a day care center. Licensing specialists in the Division are responsible for performing ten different types of licensing inspections, including but not limited to: pre-licensing consultation, supervisory inspections, complaint investigations, and injury report inspections. In addition to inspections, these specialists prepare written reports of inspections, complaint investigations, and state level II investigations; perform criminal, child abuse, and Colorado court database criminal background investigations; attend regional Early Childhood Council Meetings and committee meetings; attend monthly staff meetings; and are trained in the Administrative Procedures Act. Specialists also investigate reports of unlicensed facilities in the state.

Child care licensing ensures the health and safety of children in care and establishes minimum standards for child care center operation. The Department reports that all centers are inspected regularly; however, child care centers that have had complaints or have been found to be out of compliance with licensing are inspected more frequently. C-Stat, the Department’s performance management process, identifies two of the primary measures used to evaluate the success of the

Division of Early Care and Learning as the timeliness of supervisory inspections and the number of quality rated child care centers. For the purposes of this issue, the focus will remain on the timeliness of inspections.

Issue

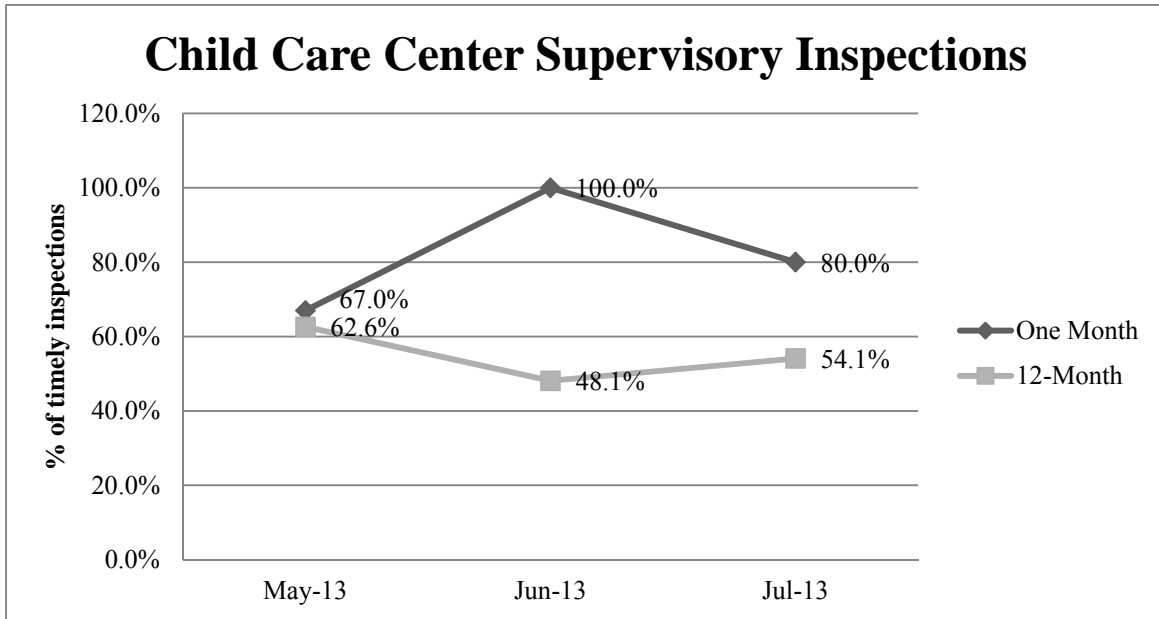
Section 26-6-101.4, C.R.S., identifies regulation and licensing of child care facilities as contributing factors in providing for a safe and healthy environment for children. Such licensing is subject to standards prescribed and published by the Department. As of the current fiscal year, Colorado has 5,790 licensed child care facilities, approximately 2,000 of which are Colorado Child Care Assistance Program (CCCAP) providers. The Division currently has a total of 43 state FTE and contract licensing specialists, resulting in an individual caseload ratio of approximately 1:145. Individual workload per licensing staff is weighted and is determined by a formula that considers all responsibilities of a specialist, including but not limited to inspections, paperwork, and travel. Division resources required to complete an inspection vary depending upon the size of the facility and can range from one inspector for a few hours to multiple inspectors for one to three days. The Child Care and Development Block Grant (CCDBG) does not have any minimum inspection requirements for licensed facilities. Congress requires the Department of Defense to conduct quarterly inspections of its child care programs, but there is no similar federal requirement for civilian child care.² The Division reports that with the current staffing level, the frequency at which inspections are currently able to be conducted is an average of one inspection per facility every two years.

Proposed Solution

The Department estimates that in order to achieve a caseload per inspector that would allow for the national benchmark of two visits per year, including one unannounced, the licensing specialist to facility ratio would need to be 1:50. The Department is requesting \$1.3 million total funds (including \$1.26 million General Fund), 2.8 state FTE and 17 contract staff, to improve the staff to licensed facility ratio to 1:100.

Data on the timeliness of supervisory inspections are provided in the Department's quarterly C-stat report and include both one- and twelve-month inspections. According to the September 2013 C-Stat report, the average percentage of timely one-month inspections was 82.3 percent; and timely twelve-month visits were at 54.9 percent. According to the Department, timeliness of serious complaint visits fluctuated between 81.3% and 87.5% in 2013. The average performance rate is currently 84.6% (not reflected in the chart below).

² *Effective Inspection Policies Promote Children's Safety and Healthy Development in Child Care*. Child Care Aware of America, August 2012. Retrieved from the National Association of Child Care Resource and Referral Agencies at http://www.naccrra.org/sites/default/files/default_site_pages/2012/inspections_white_paper_august_31.pdf.



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

Several factors are important to note when considering this request:

- Research indicates that:
 - Child care inspections are associated with lower rates of accidents requiring medical attention;
 - Frequent, unannounced inspections prevent providers from covering up violations, especially when there is a history of violations and/or sanctions or complaints;
 - On-site guidance during inspections helps providers improve the level of care they offer; and
 - There is increased accountability for how federal and state funds are spent.³
- The Department's request does not increase regulation of child care facilities; but does provide additional resources to improve practice.

Recommendation

Staff recommends approval of the Department's request for \$1.3 million total funds (\$1.26 million General Fund) to increase child care facility licensing specialist staff.

³ Ibid.

→ R-2: Investing in Early Care Providers

- The Department requests \$2.2 million total funds (\$1.8 million General Fund) to improve quality ratings in CCCAP facilities.
- There are approximately 2,000 CCCAP facilities in the state; 370 of which are currently quality rated.
- Colorado was awarded a \$44.9 million from the Race to the Top Early Learning Challenge award that will be used to quality rate all licensed child care facilities in the state.
- Staff recommends approval of a reduced amount of \$1.8 million total funds, including \$1.4 million General Fund.

Background and Issue

Historically Colorado has had a voluntary system of child care facility quality rating. The National Association of Child Care Resource and Referral Agencies (NACCRRA) reports that “high-quality child care leads to more positive outcomes even during the teenage years.” Literature reviewed by NACCRRA indicates that measures associated with academic and cognitive achievement for children who received high-quality care in the first few years of life were higher than measures for children who did not. As 15 year olds, these children were also less likely to misbehave than those who were enrolled in lower quality child care.⁴

Data compiled by NACCRRA estimates that 251,480 of Colorado’s children may need care.⁵ The Division of Early Care and Learning estimates that only 25 percent of children who need care in Colorado are in one of the 5,790 licensed facilities in the state. It is important to note, however, that 60 percent of the children in unlicensed care are in legally unlicensed care. Of the facilities, nearly 2,000 are Colorado Child Care Assistance Program (CCCAP) providers; and as of August 2013, only 18 percent of the CCCAP providers are quality rated by a tool used to assess, improve, and promote quality in early child care and education.

Proposed Solution

Combined with the \$44.9 million from the Race to the Top Early Learning Challenge award, the Department’s budget request of \$2.2 million (\$1.8 million General Fund) will fund a Tiered Quality Rating and Improvement System (QRIS) that will include an evaluation and rating of licensed facilities, and award grant funds to providers to improve the quality of care. This system will be embedded in child care licensing and result in a rating associated with each facility’s license. Race to the Top moneys will fund the evaluation and rating of facilities and establish measures to track the progress of children in rated care facilities through December 31, 2016. Ratings will be valid for three years. The Department’s ongoing budget request will fund the quality improvement portion of the initiative, specifically in CCCAP facilities.

⁴ 2013 *Child Care in the State of Colorado*. Retrieved Decmeber 5, 2013 from the National Association of Child Care Resource and Referral Agencies at http://www.naccrra.org/sites/default/files/default_site_pages/2013/colorado_2013_state_fact_sheet.pdf

⁵ Ibid.

Quality improvement in the licensed facilities will result from: financial incentives for classroom materials and staff training; and coaching and technical assistance. Grant awards for classroom materials and training will be based on the demonstrated need of the facility, county demographics including the number of CCCAP families, and matching funds. The Department reports that grants are anticipated to range from \$1,075 to \$1,800 per classroom and estimates that 667 awards will be made on an annual basis. Coaching and technical assistance will be provided to 175 facilities at a rate of one visit per week for up to one year. Allowing for holidays and vacations, this has been calculated at 48 visits per year. According to the Division, awards to providers will be made through the coaching network comprised of individuals contracted directly with the state and who work closely with the Early Childhood Councils at the local level. The Division explained that assurance of the purchase of appropriate materials and training with the grant funds will be guaranteed through the coaching process. This will include the development of a plan by the coach and provider, including the identification of materials and equipment that will lend to the enhancement of the facility's quality. Purchases will be made by the provider, and implementation of the materials and skills learned through technical assistance and training will be monitored by the coach. As a part of their regular duties, licensing specialists who have Early Childhood experience will offer coaching to those facilities that qualify up to level two in a five star rating system. Primary coaching and technical assistance for the quality rating system through the Race to the Top funds will not be done by the regulatory agent, however, but will be provided by contractors in the local community who will serve specifically as coaches.

Analysis

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

The Department is requesting \$2.2 million total funds (\$1.8 million General Fund) to provide quality improvement grants and coaching to CCCAP providers in order to improve or sustain a quality rating in the QRIS. Of this, \$1.2 million total funds covers the quality improvement grants for the purchase of materials and training in 667 of the licensed CCCAP providers. An additional \$1.0 million total funds is requested to provide coaching and technical assistance to 175 facilities. The Division has indicated that the method through which the material and training needs of the facility will be determined, and the subsequent assurance that grant funds have been used appropriately by providers, will occur through coaching. This would dictate, then, that coaching must be provided to all facilities receiving a grant. The Department is, however, requesting funds to provide grants to 33.3 percent (667) of the CCCAP providers but only coaching funds for 8.7 percent (175) of the same. This disparity raises concerns about whether or not the program will be implemented in such a way as to ensure the integrity and fidelity of the model. It raises further concern about the degree of quality improvement planning and accountability among the remaining 492 CCCAP providers receiving grant funds.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Of the 2,056 CCCAP facilities in Colorado, approximately 370 are quality-rated. Those facilities currently rated as a four or five star on the five star rating system will benefit from support that results in maintaining a current rating (grants). Facilities with a rating of one through three stars will benefit from support that will result in rating improvements (grants and technical assistance). As of September 2013, 82 facilities are rated at four stars on a five star rating system; the remaining 288 quality rated facilities are in a position to benefit from coaching and technical assistance that will lead to an improvement in rating.

Improving Quality-ratings in CCCAP facilities						
	Unrated	1 star	2 star	3 star	4 star	5 star
Number of licensed facilities in Colorado	2056	2056	2056	2056	2056	2056
Licensed facilities with each quality rating	82%	1%	2%	11%	4%	0%
Number of licensed facilities with quality rating	0	21	41	226	82	0
Facilities that would benefit from grant funding to maintain rating					82	0
Facilities that would benefit from grants and coaching	1686	21	41	226		

Based on the above calculations, the number of existing quality-rated CCCAP facilities that are eligible to receive grant awards alone is 82. The number of quality-rated facilities that are eligible to receive grant awards accompanied by coaching and technical assistance is 288. Upon receiving a rating through the Race to the Top initiative, an additional 1,686 facilities will need support in improving their quality ratings. The following table provides a cost estimate of implementing the program in the existing quality-rated facilities.

Child Care Facility Quality Improvement		
Quality Improvement Grants	Request	Recommendation
Number of targeted facilities	667	82
Average grant award	\$1,783	\$1,783
Total cost, grants	\$1,189,261	\$146,206
Coaching and Technical Assistance		
Number of targeted facilities	175	288
Number of sessions per year	48	48
Cost per session	\$120	\$120
Total cost, coaching and technical assistance	\$1,008,000	\$1,658,880
Total cost	2,197,261	1,805,086
20 percent county match	439,452	361,017
General Fund	\$1,757,809	\$1,444,069

Long-term sustainability of the quality improvement rating and monitoring process of new and existing facilities is of concern; however, this program is a first-step in continuing the \$44.9 million investment made in quality child care in Colorado through the Race to the Top funding.

The Race to the Top award expires December 31, 2016 and while there may be an opportunity for Colorado to receive a second award, it is not guaranteed. Options for long-term sustainability include cost-reductions and a shift in the way the Department utilizes currently resources. The Department is working to reduce the cost of quality rating each classroom from its current rate of \$1,000; and is shifting the use of the Child Care Block Funds (CCBF) to utilize the allowable 25.0 percent of the funds on quality, as opposed to the current 19.0 percent.

Recommendation

Staff recommends the denial of the Department’s request for \$2.2 million (1.8 million General Fund) for its R-2 request Investing in Early Care Providers. The current implementation plan does not provide for an acceptable level of accountability for the use of grant awards to facilities that would not also be receiving coaching and technical assistance.

As an alternative, staff recommends consideration of funding for this initiative at a reduced level of \$1,805,086 total funds, including \$1,444.069 General Fund, to fund grants and technical assistance in currently rated facilities as defined above.

→ R-3: Early Literacy Book Distribution Partnership

- Reading aloud to children stimulates cognitive and language development and improves early literacy skills.
- Many children, especially those from low-income households, are not read to consistently and have not developed the early literacy skills necessary to enter school positioned for success.
- The Department is requesting \$100,000 General Fund to implement an evidence-based initiative designed to improve early literacy skills.
- Through a partnership with medical providers, new age-appropriate books will be distributed to children six months to five years at well-check visits.
- Staff recommends approval of this request.

Background and Issue

The majority of brain development occurs during a child’s first five years of life, and as a result this is a critical time for children to develop early language and literacy skills. Research shows that “early language and literacy development begins in the first three years of life and is closely linked to a child’s earliest experiences with books and stories.”⁶ A literature review compiled by BrainWonders, a joint initiative of Boston University Medical Center, Erikson Institute, and Zero to Three, indicates that language, reading, and writing skills develop at the same time and are intimately linked; early literacy development is a continuous developmental process that begins in the first years of life; and early literacy skills develop in real life settings through positive interactions with literacy materials and other people.⁷ Simply put, reading aloud to children

⁶ *Early Literacy*. Zero to Three, 2003. <http://www.zerotothree.org/child-development/early-language-literacy/earlyliteracy2pagehandout.pdf>. Accessed February 23, 2014.

⁷ Ibid.

stimulates cognitive and language development and improves early literacy skills. Recently developed theories in early literacy emphasize a less formal structure for encouraging the development of young children, including “the enjoyment of books, the importance of positive interactions between young children and adults, and the critical role of literacy-rich experiences.”⁸

Unfortunately, research also indicates, that many children, especially those from low-income households, are not read to consistently by their parents or other adults and have not developed the early literacy skills necessary to enter school positioned for success. One barrier that may prevent this opportunity is the lack of access to age-appropriate books. Because children ages zero to five years frequently visit health care providers for immunizations and to be assessed for developmental milestones, providers have the opportunity to build on the unique relationships they have with parents and children and encourage early literacy activities that will help prepare children to enter school. The Department’s request is based on the evidence-based model currently used by Reach Out and Read Colorado in which the organization distributes more than 157,000 books to 86,000 children through 220 participating clinics in 49 counties each year. Reach Out and Read Colorado primarily targets children six months to five years of age. At each well-visit, the medical provider distributes a new, age-appropriate book to each child, advising parents to read aloud to their children in order to promote their child’s cognitive and literacy skills.

Ongoing evaluation of the Reach Out and Read model indicates that high-risk urban families participating in the program read more frequently to their children and those children has higher receptive and expressive language scores.⁹ In addition, in a study of small sample group of Latino children, those who participated in Reach Out and Read from six months of age had average or above average literacy skills by the end of kindergarten.¹⁰ Finally, research indicates that early childhood programs are the “most cost-effective way to ensure the healthy development of children in poverty and offer the greatest returns to society.”¹¹

Proposed Solution

The Department’s R-3 priority request is the Early Literacy Book Distribution Partnership. It includes a request for \$100,000 General Fund in FY 2014-15 and beyond to provide grant funding to organizations that promote early literacy by partnering with health care providers to distribute books to children ages six months to five years during well child checkups. The program will primarily target children age six months to age five with family incomes below 250 percent of the federal poverty level. These funds will be used to purchase 11,540 new books at a

⁸ Ibid.

⁹ Mendelsohn A.L., Mogiler L.N., Dreyer B.P., Forman J.A., Weinstein S.C., Broderick M., Cheng K.J., Magloire T., Moore T., Napier C. “The impact of a clinic-based literacy intervention on language development in inner-city preschool children.” *Pediatrics* 2001; 107 (1), p. 130-134.

¹⁰ Diener M.L., Hobson-Rohrer W., Byington C.L. “Kindergarten readiness and performance of Latino children participating in Reach Out and Read.” *Journal of Community Medicine and Health Education* 2012; 2:133.

¹¹ *The Ounce*. <http://www.ounceofprevention.org/about/why-early-childhood-investments-work.php>. Accessed February 23, 2014.

cost of \$2.60 per book, to be distributed at each well visit to 6,320 children. In addition to the cost of books (\$30,004), funds will be used for health provider recruitment and training (\$46,996), program evaluation (\$10,000), and to cover program contractor administration (\$13,000).

Recommendation

Staff recommends approval of this request.

**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. 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 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.

Request: The Department requests an appropriation of \$4,467,622 total funds, including \$53,001 General Fund, and 2.0 FTE. This reflects an increase of \$10,942 total funds, including \$2,736 General Fund for annualization of prior year funding.

JBC Staff Figure Setting – FY 2014-15
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Recommendation: Staff recommends an appropriation of \$4,467,622 total funds, including \$53,001 General Fund, \$1,064,160 cash funds from local funds, \$3,350,461 federal funds from Title IV-B, Subpart 2, of the Social Security Act, and 2.0 FTE.

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 2013-14 Appropriation					
Other legislation	\$4,456,680	\$50,265	\$1,064,160	\$3,342,255	2.0
TOTAL	\$4,456,680	\$50,265	\$1,064,160	\$3,342,255	2.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$4,456,680	\$50,265	\$1,064,160	\$3,342,255	2.0
Annualize prior year legislation	10,942	2,736	0	8,206	0.0
TOTAL	\$4,467,622	\$53,001	\$1,064,160	\$3,350,461	2.0
Increase/(Decrease)	\$10,942	\$2,736	\$0	\$8,206	0.0
Percentage Change	0.2%	5.4%	0.0%	0.2%	0.0%
FY 2014-15 Executive Request:	\$4,467,622	\$53,001	\$1,064,160	\$3,350,461	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 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. With 48.1 FTE, this line item provides funding for the majority of the Division staff.

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.

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Request: The Department requests an appropriation of \$6,716,252 total funds, including \$2,313,465 General Fund, and 50.9 FTE. The request reflects an increase of \$27,844 total funds for a 1.5 percent community provider rate increase; an increase of 2,308 total funds for mail, postage, and envelope expenses; an increase of \$113,127 total funds, including \$21,759 General Fund for annualization of prior year funding; and a \$1,317,421 total funds increase, including \$1,257,421 General Fund, and 2.8 FTE for the Department’s R-1 request to increase staffing for child care licensing.

Recommendation: Staff recommends an appropriation of \$6,713,944 total funds, including \$2,313,009 General Fund, \$837,914 cash funds from the Child Care Licensing Cash Fund, and \$3,563,021 federal funds from Child Care Development Funds, and 50.9 FTE. This reflects an increase of \$55,688 total funds for a 3.0 percent provider rate increase; \$113,127 for annualization of prior year funding; and \$1,317,431 total funds, including \$1,257,421 General Fund for increased staffing for child care licensing. For NP BA, staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

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 2013-14 Appropriation					
Other legislation	\$5,227,708	\$1,033,830	\$770,824	\$3,423,054	48.1
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,227,708	\$1,033,830	\$770,824	\$3,423,054	48.1
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$5,227,708	\$1,033,830	\$770,824	\$3,423,054	48.1
R12 Community provider rate	55,688	0	0	55,688	0.0
R1 Child care licensing staff	1,317,421	1,257,421	60,000	0	2.8
NP BA Mail, postage, and envelope request	2,308	456	336	1,516	0.0
Annualize prior year legislation	<u>113,127</u>	<u>21,758</u>	<u>7,090</u>	<u>84,279</u>	<u>0.0</u>
TOTAL	\$6,716,252	\$2,313,465	\$838,250	\$3,564,537	50.9
Increase/(Decrease)	\$1,488,544	\$1,279,635	\$67,426	\$141,483	2.8
Percentage Change	28.5%	123.8%	8.7%	4.1%	5.8%
FY 2014-15 Executive Request:	\$6,716,252	\$2,313,465	\$838,250	\$3,564,537	50.9
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Fines Assessed Against Licenses

Senate Bill 99-152 created the Child Care Cash Fund, which consists of fines collected from licenses by the Department [see 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 inspection under the provisions of the Child Care Act may be fined up to \$100 a day to a maximum of \$10,000.

Moneys 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.

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

Recommendation: Staff recommends approving the Department request.

Child Care Assistance Program

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

Pursuant to Sections 26-1-11 and 26-1-201, C.R.S., the Department supervises CCCAP services administered by county departments of human/social services. As for other public assistance programs, counties serve as agents of the state and are charged with administering the program in accordance with Department regulations. The formula for allocating funds among counties is based on utilization and poverty measures. Counties are responsible for covering any costs above their allocations, which they accomplish as needed using Temporary Assistance to Needy Families block grant funds.

Subject to available appropriations, counties are required to provide child care assistance (subsidies) to any person or family whose income is less than 130 percent of the federal poverty level. Recipients of assistance are responsible for paying a portion of child care costs. Among the three categories of families served by the program – families receiving assistance from Colorado Works, families in transition from cash assistance, and other low-income families –

JBC Staff Figure Setting – FY 2014-15
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low income families have always comprised the largest group, although the share on TANF has increased since the recession.

The appropriation is comprised of state-appropriated federal Child Care and Development Fund (CCDF) block grant amounts, state General Fund, and county maintenance of effort and administrative amounts. Each county is required to spend, as a maintenance of effort, its share of an amount identified in the Long Bill each year, as well as its share of program administration costs. Although not reflected in the Long Bill appropriations for Child Care, overall funding sources for the program may include large county transfers from their TANF Colorado Works block grants (effectively up to 20 percent of the annual TANF grant).

Request: The Department requests an appropriation of \$76,582,416 total funds, including \$13,811,345 General Fund. The request reflects an increase of \$1,126,293 total funds, including \$207,124 General Fund, for a 1.5 percent provider rate increase.

Recommendation: Staff recommends an appropriation of \$77,708,709 total funds, including \$14,018,469 General Fund, \$9,645,884 cash funds from local funds, \$54,044,356 federal funds from Child Care Development Fund. This reflects an increase of \$2,252,586 total funds, including \$414,248 General Fund, for a 3.0 percent provider rate increase.

Office of Early Childhood, Division of Early Care and Learning, Child Care Assistance Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
Other legislation	<u>\$75,456,123</u>	<u>\$13,604,221</u>	<u>\$9,366,274</u>	<u>\$52,485,628</u>	<u>0.0</u>
TOTAL	\$75,456,123	\$13,604,221	\$9,366,274	\$52,485,628	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$75,456,123	\$13,604,221	\$9,366,274	\$52,485,628	0.0
R12 Community provider rate	<u>2,252,586</u>	<u>414,248</u>	<u>279,610</u>	<u>1,558,728</u>	<u>0.0</u>
TOTAL	\$77,708,709	\$14,018,469	\$9,645,884	\$54,044,356	0.0
Increase/(Decrease)	\$2,252,586	\$414,248	\$279,610	\$1,558,728	0.0
Percentage Change	3.0%	3.0%	3.0%	3.0%	0.0%
FY 2014-15 Executive Request:	\$76,582,416	\$13,811,345	\$9,506,079	\$53,264,992	0.0
Request Above/(Below)					
Recommendation	(\$1,126,293)	(\$207,124)	(\$139,805)	(\$779,364)	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 service quality. 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" requirement may not also be used to meet the "quality" requirement (although many expenditures could be assigned to either category).

The Department seeks to target grant funds reflected in this line item to those areas determined to provide the greatest long-term gains. These areas include: increasing the efficiency and effectiveness of local child care services; raising the level of professional development in the field and providing early childhood training opportunities for child care providers; providing child care resource and referral services for families and child care providers; and, improving the ability of child care providers to prepare children for entering elementary school. Funds are used for a wide variety of contracts with the Department of Education, Qualistar Early Learning (which coordinates the network of local resource and referral agencies, among other programs), the Early Childhood Councils, and various institutions of higher education.

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.

Request: The Department requests an appropriation of \$8,670,827 total funds, including \$4,757,755 General Fund, and 1.0 FTE. This reflects an increase of \$2,197,194 total funds, including \$1,757,755 General Fund, associated with the Department's R-2 request Investing in Early Care Providers.

Recommendation. Staff recommends an appropriation of \$8,278,719 totals funds, including \$4,444,069 General Fund, \$361,017 cash funds from local funds, and \$3,473,633 federal funds from Child Care Development Funds. This represents an increase of \$1,805,086 total funds, including \$1,444,069 General Fund for the recommended appropriation for the Department’s R-2 request Investing in Early Care Providers.

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 2013-14 Appropriation					
Other legislation	<u>\$6,473,633</u>	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$3,473,633</u>	<u>1.0</u>
TOTAL	\$6,473,633	\$3,000,000	\$0	\$3,473,633	1.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$6,473,633	\$3,000,000	\$0	\$3,473,633	1.0
R2 Investing in early care providers	<u>1,805,086</u>	<u>1,444,069</u>	<u>361,017</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,278,719	\$4,444,069	\$361,017	\$3,473,633	1.0
Increase/(Decrease)	\$1,805,086	\$1,444,069	\$361,017	\$0	0.0
Percentage Change	27.9%	48.1%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$8,670,827	\$4,757,755	\$439,439	\$3,473,633	1.0
Request Above/(Below) Recommendation	\$392,108	\$313,686	\$78,422	\$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. The program targets the school readiness of young children who will attend eligible elementary schools that have an overall performance rating of "low" or "unsatisfactory" or that have an overall rating of "average" but have received a Transitional Colorado Assessment Program (TCAP) overall academic improvement rating of "decline" or "significant decline".

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.

Request: The Department requests continuation funding of \$2,228,586 federal Child Care Development Funds for FY 2013-14.

Recommendation: Staff recommends approval of the Department request.

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. When distributing the books, the health care providers will 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.

Request: The Department requests a new line item and an appropriation of \$100,000 General Fund to implement the Early Literacy Book Distribution Partnership.

Recommendation: Staff recommends this new line item and 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
<u>R3 Early literacy book distribution partnership</u>			-
TOTAL	\$100,000	\$100,000	0.0
Increase/(Decrease)	\$100,000	\$100,000	0.0
Percentage Change	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$100,000	\$100,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

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.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Community and Family Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
Other legislation	\$63,411,651	\$22,266,155	\$25,695,094	\$4,582,485	\$10,867,917	12.2
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$63,411,651	\$22,266,155	\$25,695,094	\$4,582,485	\$10,867,917	12.2
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$63,411,651	\$22,266,155	\$25,695,094	\$4,582,485	\$10,867,917	12.2
R12 Community provider rate	1,484,476	660,778	0	823,698	0	0.0
NP BA Mail, postage, and envelope request	741	741	0	0	0	0.0
Annualize prior year legislation	20,181	0	16,742	0	3,439	0.0
Staff-initiated Mental Health Services Program change	<u>(1,198,792)</u>	<u>(1,198,792)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$63,718,257	\$21,728,882	\$25,711,836	\$5,406,183	\$10,871,356	12.2
Increase/(Decrease)	\$306,606	(\$537,273)	\$16,742	\$823,698	\$3,439	0.0
Percentage Change	0.5%	(2.4%)	0.1%	18.0%	0.0%	0.0%
FY 2014-15 Executive Request						
Request Above/(Below) Recommendation	\$456,554	\$868,403	\$0	(\$411,849)	\$0	0.0

Issue Descriptions:

R12 Community provider rate: The recommendation is for a 3.0 percent common policy increase for programs that deliver services through community-based providers.

NP BA Mail, postage, and envelope request: Staff recommends the Committee apply the decision made during the Department of Personnel figure setting.

Annualize prior year legislation: The recommendation includes an increase of \$20,181 total funds to reflect the impact of prior year (salary survey and merit pay) and legislation, including H.B. 13-1180.

Staff-initiated Mental Health Services Program change: The recommendation includes a decrease of \$1,198,792 total funds for the transfer of the School-based Mental Health Program to the Office of Behavioral Health.

→ Staff Initiated Adjustment: Transfer of School-based Mental Health Services to the Office of Behavioral Health

- In FY 2013-14, the Early Childhood Mental Health Services line item in the Office of Early Childhood, Division of Community and Family Support was created pursuant to H.B. 13-1117.
- The bill eliminated the School-based Mental Health Services line item in the Office of Behavioral Health, Mental Health Community Programs and funds for the program were transferred to the Early Childhood Mental Health Services line item in the Office of Early Childhood.
- School-based mental health service programs are designed to serve school-aged children; whereas Early Childhood programs typically serve children ages 0-5 years.
- Staff believes it is more appropriate for the School-based Mental Health Services program to be reflected in the Office of Behavioral Health, Mental health Community Programs division in the Long Bill as those funds are not used to provide integrated mental health services to children in the Early Childhood age range.
- Staff recommends the reinstatement of the School-based Mental Health Services line item in the Office of Behavioral Health, Mental Health Community Program division; an appropriation of those program funds totaling \$1,198,792 General Fund; and a corresponding reduction in the appropriation to Early Childhood Mental Health Services line item in the Office of Early Childhood, Division of Community and Family Support.

Background

House Bill 13-1117 established the Early Childhood Mental Health Services line item in the Office of Early Childhood, Division of Community and Family Support. This program supports early childhood mental health specialists in each of the seventeen community mental health centers and psychiatric services for children with serious emotional disturbance. The moneys build a network of professionals with knowledge and capacity to identify and provide services for early childhood mental health issues. Funding that provides evaluation and psychiatric

services for children with serious emotional disturbances was requested in FY 2002-13. A supplemental request was subsequently submitted to delete the funding in FY 2002-03 due to state revenue shortfalls. The program was reinstated by the General Assembly effective the last quarter of FY 2005-06.

Pursuant to H.B. 13-1117, the School-based Mental Health Services line item in the Office of Behavioral Health, Mental Health Community Programs was eliminated and funds for the program were transferred to the Early Childhood Mental Health Services line item in the Office of Early Childhood.

Issue

School-based mental health service programs are designed to serve school-aged children; whereas Early Childhood programs typically serve children ages 0-5 years. Staff believes it is more appropriate for the School-based Mental Health Services program to be reflected in the Office of Behavioral Health, Mental Health Community Programs division in the Long Bill as those funds are not used to provide integrated mental health services to children in the Early Childhood age range.

Recommendation

Staff recommends the reinstatement of the School-based Mental Health Services line item in the Office of Behavioral Health, Mental Health Community Program division; and an appropriation of those program funds totaling \$1,198,792 General Fund, to the aforementioned line item. This will result in a corresponding reduction of the Early Childhood Mental Health Services line item in the Office of Early Childhood, Division of Community and Family Support. The appropriation to the School-based Mental Health Services line reflects an increase of \$34,916 for the 3.0 percent provider rate increase approved by the Committee.

**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.

Since FY 1997-98, the Department of Human Services has worked with the Department of Education to provide grant funds and technical assistance to local communities to design consolidated programs of comprehensive early childhood care and education services intended to serve children in low-income families. These pilot programs were allowed to blend various sources of state and federal funding and could apply for waivers of state rules. The pilots were used to identify best practices relative to increasing quality, meeting the diverse needs of families seeking child care, and integrating early childhood care with education programs. The law

authorizing pilots was repealed and reenacted pursuant to H.B. 07-1062 to create the Early Childhood Councils program. Councils represent public and private stakeholders in a local community who work to develop and improve local early childhood services, and to create a seamless network of such services statewide.

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

Funding for the pilot program was reflected in its own line item starting in FY 2000-01 (the Pilot Program for Community Consolidated Child Care Services) until being renamed the Early Childhood Councils line item after the enactment of H.B. 07-1062. House Bill 07-1062 also transferred \$2.0 million (\$1.0 million General Fund) from the Child Care Assistance Program line item to expand this program starting in FY 2007-08. The appropriation for the line item was cut by \$500,000 through FY 2010-11 supplemental action and an additional \$500,000 through FY 2011-12 figure setting action. In total, the line-item has been cut by one-third from the FY 2009-10 level.

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

Request: The Department requests an appropriation of \$1,981,756 federal funds and 1.0 FTE, including an increase of \$3,439 for centrally appropriated line items.

Recommendation: Staff recommends an appropriation of \$1,981,756 federal funds from Child Care Development Funds and 1.0 FTE.

Office of Early Childhood, Division of Community and Family Support, Early Childhood Councils				
	Total Funds	General Fund	Federal Funds	FTE
FY 2013-14 Appropriation				
Other legislation	\$1,978,317	\$0	\$1,978,317	1.0
TOTAL	\$1,978,317	\$0	\$1,978,317	1.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$1,978,317	\$0	\$1,978,317	1.0
Annualize prior year funding	3,439	0	3,439	0.0
TOTAL	\$1,981,756		\$1,981,756	1.0
Increase/(Decrease)	\$3,439	\$0	\$3,439	0.0
Percentage Change	0.2%	0.0%	0.2%	0.0%
FY 2014-15 Executive Request:	\$1,981,756	\$0	\$1,981,756	1.0
Request Above/(Below) Recommendation	\$0		\$0	0.0

Early Childhood Mental Health Services

This program supports early childhood mental health specialists in each of the seventeen community mental health centers and psychiatric services for children with serious emotional disturbance. The moneys build a network of professionals with knowledge and capacity to identify and provide services for early childhood mental health issues. Funding that provides evaluation and psychiatric services for children with serious emotional disturbances was requested in FY 2002-13. A supplemental request was subsequently submitted to delete the funding in FY 2002-03 due to state revenue shortfalls. The program was reinstated by the General Assembly effective the last quarter of FY 2005-06. Pursuant to H.B. 13-1117, this program was moved from the Office of Behavioral Health in the Department to the newly created, Office of Early Childhood, Division of Community and Family Support in FY 2013-14.

Request: The Department requests an appropriation of \$2,390,487 General Fund and 0.2 FTE, reflecting an increase of \$35,088 General Fund for a 1.5 percent provider rate increase.

Recommendation: Staff recommends an appropriation of \$1,226,783 General Fund and 0.2 FTE. This total reflects a 3.0 percent provider rate increase of \$70,176 General Fund; and a decrease of \$1,198,792 General Fund due to the transfer of the School-based Mental Health Program back to the Office of Behavioral Health.

Office of Early Childhood, Division of Community and Family Support, Early Childhood Mental Health Services			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
Other legislation	\$2,355,399	\$2,355,399	0.2
TOTAL	\$2,355,399	\$2,355,399	0.2
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$2,355,399	\$2,355,399	0.2
R12 Community provider rate	70,176	70,176	0.0
Staff-initiated Mental Health Services Program change	(1,198,792)	(1,198,792)	0.0
TOTAL	\$1,226,783	\$1,226,783	0.2
Increase/(Decrease)	(\$1,128,616)	(\$1,128,616)	0.0
Percentage Change	(47.9%)	(47.9%)	0.0%
FY 2014-15 Executive Request:	\$2,390,487	\$2,390,487	0.2
Request Above/(Below) Recommendation	\$1,163,704	\$1,163,704	0.0

Early Intervention Services

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

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

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

Colorado is required to provide EI services to all eligible infants and toddlers who seek these services, and with the increase in the zero to two year old population, the number of infants and

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

toddlers eligible for EI services continues to grow. Increases of \$3.1 million in FY 2013-14 were appropriated for Early Intervention Services to account for the growth in caseload.

Request: The Department requests an appropriation of \$36,343,538 total funds, including \$17,406,238 General Fund, and 6.5 FTE. This request reflects an increase of \$228,531 General Fund for a 1.5 percent provider rate increase.

Recommendation: Staff recommends an appropriation of \$36,572,069 total funds, including \$17,634,769 General Fund, \$10,895,900 cash funds from local funds and the Early Intervention Services Trust Fund (indicated for informational purposes only), and \$8,041,400 federal funds from Part C of the federal Individuals with Disabilities Education Improvement Act. The increase of \$457,062 General Fund, reflects a 3.0 percent provider rate increase.

Office of Early Childhood, Division of Community and Family Support, Early Intervention Services					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
Other legislation	<u>\$36,115,007</u>	<u>\$17,177,707</u>	<u>\$10,895,900</u>	<u>\$8,041,400</u>	<u>6.5</u>
TOTAL	\$36,115,007	\$17,177,707	\$10,895,900	\$8,041,400	6.5
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$36,115,007	\$17,177,707	\$10,895,900	\$8,041,400	6.5
R12 Community provider rate	<u>457,062</u>	<u>457,062</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$36,572,069	\$17,634,769	\$10,895,900	\$8,041,400	6.5
Increase/(Decrease)	\$457,062	\$457,062	\$0	\$0	0.0
Percentage Change	1.3%	2.7%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$36,343,538	\$17,406,238	\$10,895,900	\$8,041,400	6.5
Request Above/(Below) Recommendation	(\$228,531)	(\$228,531)	\$0	\$0	0.0

Early Intervention Services Case Management

This line item funds the case management expenses associated with programs operated by the Division for Developmental Disabilities. Community Center Boards (CCBs) are designated by the state to provide case management services, which include intake, developmental disability determination, financial eligibility, service plan development, and 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.

Request: The Department requests an appropriation of \$7,794,894 total funds, including \$2,800,560 General Fund. This request reflects an increase of \$479,360 total funds, including \$66,770 General Fund for a 1.5 percent provider rate increase; and \$741 for mail, postage, and envelope expense.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends an appropriation of \$8,272,772 total funds, including \$2,866,589 General fund and \$5,406,183 reappropriated funds of which \$2,703,091 is net General Fund. This recommendation includes an increase of \$957,238 total funds, including \$133,540 General Fund and \$823,698 reappropriated funds for a 3.0 percent provider rate increase. For NP BA, staff recommends the Committee apply the decision made at the Department of Personnel figure setting.

Office of Early Childhood, Division of Community and Family Support, Early Intervention Services Case Management				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2013-14 Appropriation				
Other legislation	\$7,315,534	\$2,733,049	\$4,582,485	0.0
H.B. 14-1238 (Supplemental Bill)	0	0	0	0.0
TOTAL	\$7,315,534	\$2,733,049	\$4,582,485	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$7,315,534	\$2,733,049	\$4,582,485	0.0
R12 Community provider rate	957,238	133,540	823,698	0.0
NP BA Mail, postage, and envelope request	741	741	0	0.0
TOTAL	\$8,273,513	\$2,867,330	\$5,406,183	0.0
Increase/(Decrease)	\$957,979	\$134,281	\$823,698	0.0
Percentage Change	13.1%	4.9%	18.0%	0.0%
FY 2014-15 Executive Request:	\$7,794,894	\$2,800,560	\$4,994,334	0.0
Request Above/(Below) Recommendation	(\$478,619)	(\$66,770)	(\$411,849)	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.

Request: The Department requests a continuation appropriation of \$1,114,514 total funds and 1.5 FTE.

Recommendation: Staff recommends a continuation appropriation of \$1,114,514 total funds, including \$470,914 cash funds from the Colorado Children’s Trust Fund and \$643,600 federal funds (indicated for informational purposes only), and 1.5 FTE.

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.

The Program receives 19.0 percent of tobacco settlement revenue. 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).

Request: The Department requests an appropriation of \$14,549,622 total funds and 3.0 FTE, reflecting an increase of \$16,742 from the allocation of Tobacco Settlement Moneys.

Recommendation: Staff recommends an appropriation of \$14,549,622 total funds, including 14,345,022 cash funds from the Nurse Home Visitor Program Fund and \$204,600 federal funds (indicated for informational purposes only), and 3.0 FTE.

Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
Other legislation	<u>\$14,532,880</u>	<u>\$0</u>	<u>\$14,328,280</u>	<u>\$204,600</u>	<u>3.0</u>
TOTAL	\$14,532,880	\$0	\$14,328,280	\$204,600	3.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$14,532,880	\$0	\$14,328,280	\$204,600	3.0
Annualize prior year legislation	<u>16,742</u>	<u>0</u>	<u>16,742</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,549,622	\$0	\$14,345,022	\$204,600	3.0
Increase/(Decrease)	\$16,742	\$0	\$16,742	\$0	0.0
Percentage Change	0.1%	0.0%	0.1%	0.0%	0.0%
FY 2014-15 Executive Request:	\$14,549,622	\$0	\$14,345,022	\$204,600	3.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

Staff recommends the following footnotes be **continued**:

- 19 Department of Human Services, County Administration, County Share of Offsetting Revenues** -- It is the intent of the General Assembly that, pursuant to Section 26-13-108, C.R.S., the Department utilize recoveries to offset the costs of providing public assistance. This appropriation represents an estimate of the county share of such recoveries and, if the amount of the county share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to disburse an amount in excess of this appropriation to reflect the actual county share of such recoveries.
- 21 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.
- 22 Department of Human Services, Division of Child Welfare, Child Welfare Services** – It is the intent of the General Assembly that the Department may hold out up to \$1,000,000 total funds in this line item for activities designed to maximize Colorado’s receipt of federal funds under Title IV-E of the Social Security Act. Expenditures may include, but need not be limited to, distributions to counties for Title-IV-E-related administrative costs, incentive payments to counties for improved Title IV-E claiming, automated system changes, and/or purchase of contract services designed to help the State in maximizing Title IV-E receipts. Funds held out pursuant to this footnote shall be in addition to other amounts authorized to be held out from county child welfare services allocations.
- 22a Department of Human Services, Division of Child Welfare, Child Welfare Services** – It is the intent of the General Assembly to expend in full the General Fund appropriation in this line first; and it is also the intent that the \$6,000,000 federal Temporary Assistance for Needy Families Block Grant dollars be spent last, thus allowing any unexpended federal Temporary Assistance for Needy Families Block Grant dollars to revert to the Colorado Long-term Works Reserve created in Section 26-2-721 (1), C.R.S.
- 23 Department of Human Services, Division of Child Welfare, Family and Children's Programs** -- It is the intent of the General Assembly that \$4,006,949 of the funds appropriated for this line item be used to assist county departments of social services in implementing and expanding family- and community-based services for adolescents. It is

the intent of the General Assembly that such services be based on a program or programs that have been demonstrated to be effective in reducing the need for higher cost residential services.

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

Legislative Requests for Information

Staff recommends the following requests be **added**.

1. **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 25th of the month following the end of each quarter, information concerning the progress of the development and implementation of 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 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; (v) and workload indicators of hotline administration.

Staff recommends the following requests be **continued**.

1. **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.
2. **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.

3. **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.

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

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

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

(4) COUNTY ADMINISTRATION

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

County Administration	<u>50,258,916</u>	<u>50,346,064</u>	<u>49,814,777</u>	<u>52,071,101</u>	<u>52,840,625</u> *
General Fund	19,966,191	20,053,339	17,604,170	18,338,116	18,626,022
Cash Funds	9,193,456	9,193,456	9,137,101	9,588,366	9,742,271
Reappropriated Funds	0	0	0	0	0
Federal Funds	21,099,269	21,099,269	23,073,506	24,144,619	24,472,332
Food Assistance Administration	<u>4,715,280</u>	<u>4,715,280</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	1,414,584	1,414,584	0	0	0
Cash Funds	943,056	943,056	0	0	0
Federal Funds	2,357,640	2,357,640	0	0	0
County Tax Base Relief	<u>1,000,000</u>	<u>1,762,511</u>	<u>2,697,803</u>	<u>3,879,756</u>	<u>3,879,756</u> *
General Fund	1,000,000	1,762,511	2,697,803	3,879,756	3,879,756
County Share of Offsetting Revenues	<u>3,357,152</u>	<u>2,963,460</u>	<u>2,986,000</u>	<u>2,986,000</u>	<u>2,986,000</u> *
Cash Funds	3,357,152	2,963,460	2,986,000	2,986,000	2,986,000
County Incentive Payments	<u>3,310,209</u>	<u>4,324,486</u>	<u>4,113,000</u>	<u>4,113,000</u>	<u>4,113,000</u> *
Cash Funds	3,310,209	4,324,486	4,113,000	4,113,000	4,113,000

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - (4) County Administration	62,641,557	64,111,801	59,611,580	63,049,857	63,819,381
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	22,380,775	23,230,434	20,301,973	22,217,872	22,505,778
Cash Funds	16,803,873	17,424,458	16,236,101	16,687,366	16,841,271
Reappropriated Funds	0	0	0	0	0
Federal Funds	23,456,909	23,456,909	23,073,506	24,144,619	24,472,332

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>3,354,392</u>	<u>1,677,810</u>	<u>6,441,717</u>	<u>5,727,130</u>	<u>5,727,130</u> *
FTE	39.2	36.4	61.6	61.8	61.8
General Fund	2,553,301	865,048	5,438,889	4,693,356	4,693,356
Reappropriated Funds	118,108	119,414	133,070	137,306	137,306
Federal Funds	682,983	693,348	869,758	896,468	896,468
Training	<u>5,845,188</u>	<u>5,492,238</u>	<u>6,444,548</u>	<u>6,451,963</u>	<u>6,451,963</u> *
FTE	5.1	4.7	6.0	6.0	6.0
General Fund	2,772,564	2,379,989	3,248,229	3,253,049	3,253,049
Cash Funds	37,230	37,230	37,230	37,230	37,230
Federal Funds	3,035,394	3,075,019	3,159,089	3,161,684	3,161,684
Foster and Adoptive Parent Recruitment, Training, and Support	<u>298,329</u>	<u>296,698</u>	<u>335,562</u>	<u>336,932</u>	<u>336,932</u> *
FTE	0.6	1.1	1.0	1.0	1.0
General Fund	231,460	229,531	268,395	269,491	269,491
Federal Funds	66,869	67,167	67,167	67,441	67,441

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Child Welfare Services	<u>324,267,006</u>	<u>326,528,095</u>	<u>345,826,706</u>	<u>345,861,565</u>	<u>348,170,897</u> *
General Fund	149,942,752	167,853,109	180,486,794	178,736,653	180,365,431
Cash Funds	60,805,148	60,730,814	62,068,186	63,634,499	64,096,366
Reappropriated Funds	10,935,478	8,427,164	14,579,137	14,797,824	15,016,511
Federal Funds	102,583,628	89,517,008	88,692,589	88,692,589	88,692,589
Excess Federal Title IV-E Distributions for Related County Administrative Functions	<u>0</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	17	0	0	0
Title IV-E Waiver and Evaluation Development	<u>0</u>	<u>129,860</u>	<u>500,018</u>	<u>500,018</u>	<u>500,018</u> *
General Fund	0	64,930	250,009	250,009	250,009
Federal Funds	0	64,930	250,009	250,009	250,009
Title IV-E Waiver Demonstration	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u> *
Cash Funds	0	0	0	6,000,000	6,000,000
Family and Children's Programs	<u>46,118,134</u>	<u>46,067,087</u>	<u>51,805,244</u>	<u>52,582,323</u>	<u>53,359,402</u> *
General Fund	30,296,537	34,923,362	43,441,810	44,063,473	44,685,136
Cash Funds	5,113,437	5,113,437	5,292,541	5,447,957	5,603,373
Federal Funds	10,708,160	6,030,288	3,070,893	3,070,893	3,070,893
Performance-based Collaborative Management Incentives	<u>3,216,580</u>	<u>3,038,786</u>	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,000,000</u> *
Cash Funds	3,216,580	3,038,786	3,100,000	3,100,000	3,000,000
Independent Living Programs	<u>3,321,848</u>	<u>3,388,389</u>	<u>2,826,582</u>	<u>2,826,582</u>	<u>2,826,582</u> *
FTE	3.7	3.7	4.0	4.0	4.0
Federal Funds	3,321,848	3,388,389	2,826,582	2,826,582	2,826,582

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Promoting Safe and Stable Families Program	<u>4,324,199</u>	<u>4,691,474</u>	0	0	0
FTE	1.7	2.1	0.0	0.0	0.0
General Fund	34,183	46,288	0	0	0
Cash Funds	1,064,160	1,064,160	0	0	0
Federal Funds	3,225,856	3,581,026	0	0	0
Federal Child Abuse Prevention and Treatment Act					
Grant	<u>272,931</u>	<u>365,572</u>	<u>436,054</u>	<u>442,658</u>	<u>442,658</u> *
FTE	2.4	3.2	3.0	3.0	3.0
Federal Funds	272,931	365,572	436,054	442,658	442,658
Community-based Child Abuse Prevention					
Services	0	<u>692,935</u>	<u>4,879,297</u>	<u>7,403,969</u>	<u>7,403,969</u> *
FTE	0.0	0.0	2.8	3.0	3.0
General Fund	0	692,935	4,879,297	7,403,969	7,403,969
Hotline for Child Abuse and Neglect	0	0	<u>982,093</u>	<u>5,191,104</u>	<u>3,234,694</u> *
FTE	0.0	0.0	0.6	7.0	4.0
General Fund	0	0	977,853	5,126,494	2,984,877
Federal Funds	0	0	4,240	64,610	220,472
Workforce Tools - Mobile Computing Technology	0	0	<u>723,000</u>	<u>723,000</u>	<u>723,000</u> *
General Fund	0	0	600,090	600,090	600,090
Federal Funds	0	0	122,910	122,910	122,910
Public Awareness Campaign for Child Welfare	0	0	0	<u>1,804,050</u>	<u>862,600</u>
FTE	0.0	0.0	0.0	1.0	0.5
General Fund	0	0	0	1,804,050	862,600

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Workload Study	<u>0</u>	<u>0</u>	<u>468,555</u>	<u>0</u>	<u>0</u> *
General Fund	0	0	388,901	0	0
Federal Funds	0	0	79,654	0	0
Interagency Prevention Programs Coordination	<u>0</u>	<u>0</u>	<u>133,284</u>	<u>133,284</u>	<u>133,284</u> *
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	133,284	133,284	133,284
Tony Gramscas Youth Services Program	<u>0</u>	<u>0</u>	<u>5,060,499</u>	<u>5,060,499</u>	<u>5,060,499</u> *
FTE	0.0	0.0	3.0	3.0	3.0
General Fund	0	0	1,453,849	1,453,849	1,453,849
Cash Funds	0	0	3,606,650	3,606,650	3,606,650
TOTAL - (5) Division of Child Welfare	391,018,607	392,368,961	429,963,159	444,145,077	444,233,628
FTE	<u>52.7</u>	<u>51.2</u>	<u>83.0</u>	<u>90.8</u>	<u>87.3</u>
General Fund	185,830,797	207,055,192	241,567,400	247,787,767	246,955,141
Cash Funds	70,236,555	69,984,444	74,104,607	81,826,336	82,343,619
Reappropriated Funds	11,053,586	8,546,578	14,712,207	14,935,130	15,153,817
Federal Funds	123,897,669	106,782,747	99,578,945	99,595,844	99,751,706

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(6) OFFICE OF EARLY CHILDHOOD					
(A) Division of Early Care and Learning					
Promoting Safe and Stable Families Program	<u>0</u>	<u>0</u>	4,456,680	4,467,622	4,467,622
FTE	0.0	0.0	2.0	2.0	2.0
General Fund	0	0	50,265	53,001	53,001
Cash Funds	0	0	1,064,160	1,064,160	1,064,160
Federal Funds	0	0	3,342,255	3,350,461	3,350,461
Child Care Licensing and Administration	<u>0</u>	<u>0</u>	5,227,708	6,716,252	6,716,252 *
FTE	0.0	0.0	48.1	50.9	50.9
General Fund	0	0	1,033,830	2,313,465	2,313,465
Cash Funds	0	0	770,824	838,250	838,250
Federal Funds	0	0	3,423,054	3,564,537	3,564,537
Fine Assessed Against Licenses	<u>0</u>	<u>0</u>	20,000	20,000	20,000
Cash Funds	0	0	20,000	20,000	20,000
Child Care Assistance Program	<u>0</u>	<u>0</u>	75,456,123	76,582,416	77,708,709 *
General Fund	0	0	13,604,221	13,811,345	14,018,469
Cash Funds	0	0	9,366,274	9,506,079	9,645,884
Federal Funds	0	0	52,485,628	53,264,992	54,044,356
Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements	<u>0</u>	<u>0</u>	6,473,633	8,670,827	8,278,719
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	3,000,000	4,757,755	4,444,069
Cash Funds	0	0	0	439,439	361,017
Federal Funds	0	0	3,473,633	3,473,633	3,473,633

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
School-readiness Quality Improvement Program	<u>0</u>	<u>0</u>	<u>2,228,586</u>	<u>2,228,586</u>	<u>2,228,586</u>
FTE	0.0	0.0	1.0	1.0	1.0
Federal Funds	0	0	2,228,586	2,228,586	2,228,586
Early Literacy Book Distribution Partnership	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
General Fund	0	0	0	100,000	100,000
SUBTOTAL - (A) Division of Early Care and Learning	0	0	93,862,730	98,785,703	99,519,888
FTE	<u>0.0</u>	<u>0.0</u>	<u>52.1</u>	<u>54.9</u>	<u>54.9</u>
General Fund	0	0	17,688,316	21,035,566	20,929,004
Cash Funds	0	0	11,221,258	11,867,928	11,929,311
Federal Funds	0	0	64,953,156	65,882,209	66,661,573
(B) Division of Community and Family Support					
Early Childhood Councils	<u>0</u>	<u>0</u>	<u>1,978,317</u>	<u>1,981,756</u>	<u>1,981,756</u>
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Federal Funds	0	0	1,978,317	1,981,756	1,981,756
Early Childhood Mental Health Services	<u>0</u>	<u>0</u>	<u>2,355,399</u>	<u>2,390,487</u>	<u>1,226,783</u> *
FTE	0.0	0.0	0.2	0.2	0.2
General Fund	0	0	2,355,399	2,390,487	1,226,783

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Early Intervention Services	<u>0</u>	<u>0</u>	<u>36,115,007</u>	<u>36,343,538</u>	<u>36,572,069</u>
FTE	0.0	0.0	6.5	6.5	6.5
General Fund	0	0	17,177,707	17,406,238	17,634,769
Cash Funds	0	0	10,895,900	10,895,900	10,895,900
Federal Funds	0	0	8,041,400	8,041,400	8,041,400
Early Intervention Services Case Management	<u>0</u>	<u>0</u>	<u>7,315,534</u>	<u>7,794,894</u>	<u>8,273,513</u> *
General Fund	0	0	2,733,049	2,800,560	2,867,330
Reappropriated Funds	0	0	4,582,485	4,994,334	5,406,183
Colorado Children's Trust Fund	<u>0</u>	<u>0</u>	<u>1,114,514</u>	<u>1,114,514</u>	<u>1,114,514</u>
FTE	0.0	0.0	1.5	1.5	1.5
Cash Funds	0	0	470,914	470,914	470,914
Federal Funds	0	0	643,600	643,600	643,600
Nurse Home Visitor Program	<u>0</u>	<u>0</u>	<u>14,532,880</u>	<u>14,549,622</u>	<u>14,549,622</u>
FTE	0.0	0.0	3.0	3.0	3.0
Cash Funds	0	0	14,328,280	14,345,022	14,345,022
Federal Funds	0	0	204,600	204,600	204,600
SUBTOTAL - (B) Division of Community and Family Support	0	0	63,411,651	64,174,811	63,718,257
FTE	<u>0.0</u>	<u>0.0</u>	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>
General Fund	0	0	22,266,155	22,597,285	21,728,882
Cash Funds	0	0	25,695,094	25,711,836	25,711,836
Reappropriated Funds	0	0	4,582,485	4,994,334	5,406,183
Federal Funds	0	0	10,867,917	10,871,356	10,871,356

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - (6) Office of Early Childhood	0	0	157,274,381	162,960,514	163,238,145
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>64.3</u>	<u>67.1</u>	<u>67.1</u>
General Fund	0	0	39,954,471	43,632,851	42,657,886
Cash Funds	0	0	36,916,352	37,579,764	37,641,147
Reappropriated Funds	0	0	4,582,485	4,994,334	5,406,183
Federal Funds	0	0	75,821,073	76,753,565	77,532,929

JBC Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(6) DIVISION OF CHILD CARE

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

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

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Early Childhood Councils	<u>1,978,317</u>	<u>1,978,317</u>	0	0	0
FTE	0.9	1.9	0.0	0.0	0.0
Federal Funds	1,978,317	1,978,317	0	0	0
School-readiness Quality Improvement Program	<u>2,226,745</u>	<u>2,228,586</u>	0	0	0
FTE	1.0	0.4	0.0	0.0	0.0
Federal Funds	2,226,745	2,228,586	0	0	0
TOTAL - (6) Division of Child Care	83,656,593	82,435,814	0	0	0
FTE	<u>62.8</u>	<u>62.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	15,714,245	15,844,908	0	0	0
Cash Funds	9,879,224	9,822,212	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	58,063,124	56,768,694	0	0	0
TOTAL - Department of Human Services	537,316,757	538,916,576	646,849,120	670,155,448	671,291,154
FTE	<u>115.5</u>	<u>113.3</u>	<u>147.3</u>	<u>157.9</u>	<u>154.4</u>
General Fund	223,925,817	246,130,534	301,823,844	313,638,490	312,118,805
Cash Funds	96,919,652	97,231,114	127,257,060	136,093,466	136,826,037
Reappropriated Funds	11,053,586	8,546,578	19,294,692	19,929,464	20,560,000
Federal Funds	205,417,702	187,008,350	198,473,524	200,494,028	201,756,967