DEPARTMENT OF HUMAN SERVICES
Division of Child Welfare, County Administration; Office of Early Childhood
FY 2014-15 JOINT BUDGET COMMITTEE HEARING AGENDA

Friday, January 3, 2014
9:00 am – 12:00 pm

9:00-9:10   INTRODUCTIONS AND OPENING COMMENTS

9:10-9:20   QUESTIONS COMMON TO ALL DEPARTMENTS

1. Please describe how the department responds to inquiries that are made to the department. How does the department ensure that all inquiries receive a timely and accurate response?

Questions are generally received by the assigned budget analyst and Budget Director from the JBC analyst. The assigned budget analyst forwards the questions to the program to draft responses with a due date that will allow time for the Department's clearance process through the budget analyst, unit supervisor, office director, budget director, legislative liaison, and finally, to the assigned OSPB analyst. After this series of reviews, the responses are returned by the assigned budget analyst to the JBC analyst.

9:20-10:50   DIVISION OF CHILD WELFARE

Child Welfare

2. Please provide updated data on the number of child welfare referrals, assessments, reports of abuse and neglect, and open involvement cases. For what reasons have referrals to child welfare agencies increased? For what reasons have the number of open involvements decreased?

STATE TOTALS	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Child Population Ages 0-17	1,258,823	1,281,607	1,274,619	1,250,366	1,256,840
Referrals (Families Screened)	76,144	76,628	80,094	81,734	83,045
Rate of Referrals per child population	6.0%	6.0%	6.3%	6.5%	6.6%
Percentage of Referrals appropriately Screened Out	95.2%	95.1%	96.1%	97.2%	96.8%
Assessments (Screened in Reports)	64,745	65,947	60,791	58,660	57,069
Rate of Referrals Screened in for Assessment	85.0%	86.1%	75.9%	71.8%	68.7%
Open Involvements	41,918	41,848	39,403	39,177	37,524
Rate of Assessment open for Involvment	64.7%	63.5%	64.8%	66.8%	65.8%

Note that the number of referrals is a count of reports of child abuse or neglect, not a count of children in referrals and assessments is a count of children.

Between FY 2010-11 and FY 2011-12, referrals increased by 2%, and between FY 2011-12 and FY 2012-13, the referrals increased by 1.6%. Data does not exist that documents reasons for the referral increase. The new child abuse and neglect hotline will capture more in-depth data on referrals. The definitions for referral and assessment are defined below.

Referral: "a report made to the county department that contains one or more of the following: A. Allegations of child abuse or neglect as defined in Section 19-1-103(1), C.R.S.; B. Information that a child or youth is beyond the control of his/her parent; C. Information about a child or youth whose behavior is such that there is a likelihood that the child or youth may cause harm to him/herself or to others, or who has committed acts that could cause him/her to be adjudicated by the court as a delinquent; D. Information indicating that a child or youth meets specific Program Area 6 requirements and is in need of services."

Assessment: "work conducted by a case worker to engage the family and the community, to gather information to identify the safety, risks, needs and strengths of a child, youth, family, and community to determine the actions needed."

Over the past five years, the number of open involvements has decreased but not at a greater rate than the number of assessments. The rate of referrals screened out over this five year timespan has increased. The Department's Administrative Review Division reviews referrals to determine if they are appropriately screened out, and over the last five years referrals were appropriately screened out between 95% and 97% of the time. Over this same time span, the reason for referrals being screened out because of "no information available from reporter of abuse and neglect" has increased from 49.53% in CY 2009 to 63.55% in CY 2013. In sum, while more referrals are being made in Colorado, the number of referrals that are related to abuse and neglect have not increased.

3. Please provide an update on the status of the implementation of HB 13-1271.

HB 13-1271 was signed into law in May 2013, and authorized the creation of a steering committee with three key responsibilities: make recommendations for an implementation plan for a statewide hotline reporting system, make recommendations for a corresponding public awareness campaign, and make recommendations for rules relating to the operation of the hotline system as well as consistent practices for responding to reports and inquiries. Since June 2013, the Hotline Steering Committee of State staff, county representatives, and community partners have been meeting twice monthly to develop a recommendation for a statewide child abuse and neglect hotline reporting system. The Committee, in collaboration with consultant Hornby Zeller Associates (HZA) and the National Resource Center for Child Protective Services, has conducted extensive research on call handling in Colorado counties, hotline systems in other states, and telephone system models as well as conducted site visits to New York and Ohio. In addition, HZA has conducted site visits of Broomfield, Denver, Douglas, Boulder, La Plata, Larimer, and Otero counties.

The Committee has identified six critical components to ensure a successful implementation and roll out of the hotline reporting system:
- **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 the counties and the State;**
- **Continuous quality improvement; and**
- **A public awareness campaign.**

The Committee has identified specific features of the statewide reporting system for child abuse and neglect. The following is a summary of the Committee's recommendations:
- **Establish a statewide, toll-free number;**
- **Calls will be routed to the county where the child resides;**
- **Callers will have the option of speaking the desired county's name via interactive voice response technology, or speaking with a live person through the Help Desk. The Committee recommends that the State contract with multiple counties to operate the Help Desk;**
- **Calls received after-hours through the statewide phone system will be routed to an after-hours number that is specified by the counties;**
- **All calls made either to the statewide or county number will seamlessly go through a central database for data collection purposes;**
- **An automated data collection system, call recording system, and Trails will collect data for quality assurance; and**
- **The phone system and Help Desk staff will be able to assist Spanish speakers and there will be a Language Line for other languages.**

A new comprehensive training curriculum is being developed for all new workers who will be taking calls and their supervisors. A modified curriculum will be required for current hotline workers who are experienced at call taking. The curriculum will include, among other topics, training on Enhanced Screening, which will be required in all counties. In

addition, the existing training curriculum for caseworkers is undergoing a complete revision and will include a session on hotline screening.

The Hotline Steering Committee voted unanimously to add a certification process for hotline call takers and their supervisors, which will allow the State to audit certification compliance (similar to the certification process that is already in existence for caseworkers).

In November of 2013 the Committee formed a subcommittee, in collaboration with Hornby Zeller Associates, to draft an RFP for the hotline reporting system vendor. Based on the recommendations of the Committee and RFP subcommittee, the Department completed funding requests for the hotline reporting system and public awareness campaign. The finalized funding requests were delivered to the JBC January 2, 2014.

In addition, the Department, in collaboration with the Rocky Mountain Children's Law Center and county partners, is developing rules authorized by the HB 13-1271 in two phases. The first phase will address rules related to front-end child welfare practice that are expected to be effective July 1, 2014. The second phase will address rules related to the operations of the hotline system and will be effective before the hotline rolls out in January 2015.

4. The department has provided written responses to questions regarding obtaining and photographing of evidence of abuse to a child when that evidence is located in private areas of the child's body. Please be prepared to respond to questions on this topic at the hearing.

Section 19-3-306, C.R.S. (2013) allows certain professionals (nurses, medical examiners, social workers, psychologists, law enforcement) to take, or have someone take, color photographs of areas of trauma, including x-rays. The statute specifically allows the collection of this type of evidence as it is critical in documenting injuries on a child. In order to take photographs the professional must "reasonably believe" the child has been abused or neglected. The photographs for investigative purposes must be sent to the county and local law enforcement per the statute. There is no limitation on the taking of the photographs because the purpose is to document injuries, regardless of where the injuries may be. The injuries are the focus of the photographs and any limitation on the taking of photographs could compromise the ability to collect evidence of child abuse.

Title IV-E Waiver Demonstration Project

5. Please provide information on the following:
    a. A list of the 41 counties that were awarded Title IV-E Waiver funds,
    b. The amount and term of each county's award, and
    c. A description of the process through which those counties will draw down funds, and a schedule of anticipated draw downs.

The list of the 41 counties that were awarded Title IV-E Waiver funds for FY 2013-14 and the amount of the awards are included in Attachment 1. Counties were given an allocation

letter and were authorized to spend funds through the year up to the amount of the allocation. Counties will need to reapply for funds each year.

6. Please provide a definition and examples of eligible activities for:
   a. Title IV-E Foster Care Demonstration Maintenance, and
   b. Title IV-E Foster Demonstration Administration.

Title IV-E Foster Care Maintenance, for eligible children in out-of-home placement, is to provide:
- **Room and board,**
- **Food,**
- **Clothing, and**
- **Transportation for children.**

Title IV-E Administration includes salaries of staff working with IV-E eligible children. Title IV-E Administrative costs can also include:
- **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; and**
- **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.**

7. Please discuss the lack of attention to behavioral health needs as a factor leading to the large number of older children and adolescents in extended out-of-home care, the number of youth in congregate care settings, and the number of families that are screened out without receiving services. What is the reason for this lack of attention?

Colorado has yet to develop a comprehensive system for children with extensive behavioral health needs. Most of the children with significant behavioral health needs enter the system through Child Welfare or Youth Corrections. Colorado has over-relied on the use of congregate care to treat these children, who subsequently are left in congregate care for long stays. Currently, there are caregivers of children with behavioral health needs that seek out county child welfare services. These caregivers feel that they cannot care for the child due to safety and/or the severity of the child's behavioral health needs. These children are often placed in out-of-home care, frequently in congregate care settings.

The Governor has directed the Department to reduce the over-utilization of congregate care and structure a quality system of care for these children. The Department adopted several methods to help track and address the behavioral health treatment of children through:
- **The use of C-Stat and SMART Government measures;**
- **Care Management Entity Pilot;**
- **Child Mental Health Treatment Act (HB 99-1116);**
- **Title IV-E Waiver Demonstration Projects; and**

- **Collaborating with community partners such as the Casey Family and Annie E. Casey Foundations.**

In July 2014, the Department will enhance the Title IV-E Waiver Demonstration Project to address the behavioral health needs of foster care children who have been abused or neglected. The enhancement will include two new interventions: Trauma Informed Assessment and Treatments for Medicaid eligible and Non-Medicaid Eligible children and their families. The first phase will include eight counties across the State and then expand to the additional counties by the end of the Waiver Demonstration.

8. Please provide a detailed explanation of how the IV-E Waiver benefits the State of Colorado, including the requirements for handling and using those moneys that are saved. Must the savings be returned to the federal government?

The Title IV-E funds are primarily claimed when children are placed out of the home. Colorado has increased its efforts to serve children safely in their own homes and achieve permanency for those children not returning home. As a result, Colorado is on a trajectory of reducing the amount of Title IV-E funding it receives. Colorado was able to negotiate a fixed annual amount of approximately $12 million above FY 2012-2013 expenditures. The additional funds are used to implement services that benefit Colorado's children through achieving permanency, engaging families, supporting kin, and serving abused children from a trauma-informed approach.

The Administration for Children and Families requires that the Title IV-E Waiver is cost neutral to the federal government. The requirements for using the funding are:
- **The State must meet the reporting and evaluation activities outlined in the federal terms and conditions of the Title IV-E Waiver.**
- **The State must implement the interventions as outlined in the federally approved Final Design and Implementation Plan.**
- **The State must expend funds on the federally approved interventions and on other child welfare services.**

The IV-E Waiver savings will be reinvested in Colorado unless the State and counties are unable to spend the savings on IV-E Waiver interventions and Child Welfare Services by October 1, 2018.

Tony Grampsas Youth Services (TGYS) Program

9. The TGYS program was transferred to the Department of Human services through HB 13-1117. Does the department support this transfer, or should this program be transferred back to the Department of Public Health and Environment?

Yes, the Department supports the transfer of the Tony Grampsas Youth Services Program (TGYS) from CDPHE to the Department. The location of TGYS within the Department allows the program to increase connections with other state agencies and prevention and intervention programs. TGYS is able to collaborate with other Department prevention

efforts that align with its mission, such as the Office of Behavioral Health's focus on adolescent substance abuse prevention, Child Welfare's abuse and neglect prevention, and Youth Correction's focus on reintegrating youth successfully back into the community. **TGYS is now co-located with the Department's State Youth Development Plan which allows easier collaboration with between the programs as required per HB 13-1239. All these efforts better align the continuum of services for youth from prevention to intervention, with a focus on preventing children and youth from entering the deep end of the system.**

10. Did the department request an increase in funding for this program for FY 2014-15? Does the department support the program?

The Department's funding request for FY 2014-15 matches the appropriation made in FY 2013-14. For this current fiscal year, FY 2013-14, TGYS' appropriation was increased by approximately $1.5 million from the General Fund, and the Governor made this additional appropriation part of the program's base for the FY 2014-15 request. Additionally, the Department continues to support TGYS through the provision of supervision, leadership, and data consultation.

11. Please provide a history of this program, including the following:
   a. What was the original intent of the program and how were available funds initially allocated?

TGYS, originally called the Youth Crime Prevention and Intervention Program (YCPI) and housed in the Department of Local Affairs, was created in FY 1994-95 after the Summer of Violence to provide funding to local organizations that work with youth and their families through programs designed to prevent youth crime and violence, and child abuse and neglect. TGYS awards were originally allocated on a yearly basis, through a Request for Application (RFA). A group of review teams read and determined a score for each application. The list of applicants that scored high enough were provided to the YCPI board for review and final funding recommendations.

   b. How has the intent of the program changed over time and how are the available funds currently allocated?

Currently, TGYS funding categories are: General Violence Prevention, School Dropout Prevention, Before & After School Programs, Mentoring Programs, Restorative Justice and Early Childhood Programs. These categories were established based on legislation.

- **Effective FY 1996-97, a clause was added to the TGYS legislation requiring that no less than 20 percent of the appropriation would be designated and used exclusively for Early Childhood Education and Care programs designed for children ages 0-8.**
- **In FY 1998-99, the Colorado Youth Mentoring Services Act was passed, which involved the establishment of the Youth Mentoring Services Cash Fund, and Mentoring was added as a funding category of TGYS.**

- **In FY 1999-00, Student Dropout Prevention and Intervention became a funding category, and legislation stipulated that eventually no less than 20 percent of the TGYS appropriation should be used for these programs.**
- **In FY 2006-07, Restorative Justice was added as a funding category.**
- **In FY 2007-08, the Before and After School Program funding category was established.**
- **In FY 2013-14, while the funding category for Early Childhood Education and Care remained, the requirement that 20 percent of TGYS funding should be used for Early Childhood programs was removed for future years.**

TGYS funds are awarded on a three-year grant cycle. Every three years, through a rigorous Request for Application (RFA) process, applications are evaluated, scored, and a rank ordered list of quality applications and funding recommendations are developed. Because by statute, the TGYS Board "shall choose those entities that will receive grants through the Tony Grampsas Youth Services program and the amount of each grant," TGYS provides the rank ordered list along with funding recommendations to the Board for review and approval. Additionally, statute defines that the Board, "shall submit a list of the entities chosen to receive grants to the governor for approval. The governor shall either approve or disapprove the entire list of entities by responding to the board within twenty days. If the governor does not respond to the board within twenty days after receipt of the list, the list is approved." Each year of the grant cycle, TGYS funds as many of the quality applicants as it is able to based on the program's yearly appropriation.

12. Are there any programs administered by other state agencies or activities conducted by other state agencies that duplicate this program?
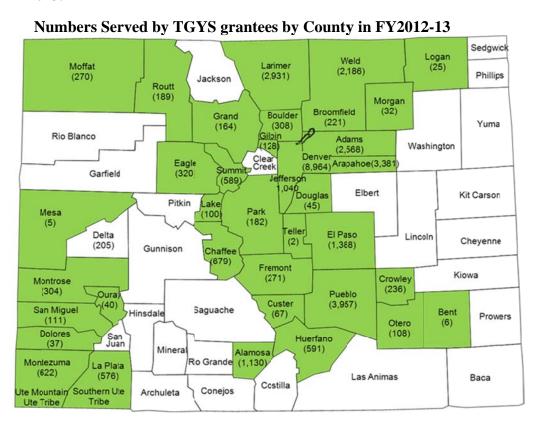
No, there is no other state agency that duplicates the work of TGYS. TGYS is not designed to be the sole funder of programs and services for youth, and other programs may augment the TGYS grants. TGYS funds a portion of grantee program budgets that relate to the TGYS goals. Many grantees pursue and leverage multiple funding sources and comingle those funds with TGYS grants to expand services.

13. Are grants awarded to organizations that are duplicating services? Can grants be awarded in a way that will streamline services?

In applying for funding, a component of the agencies' evaluations is based on their descriptions of: 1) Active collaborations with other organizations in order to share resources, coordinate efforts, and avoid duplication of services; and 2) how the agency participates in strategic alliances / collaboratives that have a direct effect on the proposed program's goals. For example, in responding to these questions, an agency could reference a resource scan that was completed for their particular community to demonstrate streamlined and coordinated services. In this way, the TGYS program values and encourages innovative programming for positive youth development.

14. How are the awards distributed geographically throughout the State? Please provide a description of process through which grant awards are determined.

In FY 2012-13, TGYS funded agencies served individuals in 38 counties. Through its Request for Application process, TGYS aims to fund communities that demonstrate a need in the community, as well as a lack of services or resources to address the need. Beginning in FY 2007-2008, TGYS implemented a new strategy to effectively and efficiently expand the statewide reach by funding Intermediary Agency Partners. These grantees are statewide entities that support local community agencies with a variety of services (including capacity building, technical assistance, evaluation coordination, and serving as liaison with the program developer / national office) in order to implement a specific evidence-based practice. Because these Intermediary Agencies have a statewide infrastructure to provide a variety of services to local community agencies with a specific programmatic expertise, TGYS is able to more effectively reach people across the State. The highlighted counties in the map below received TGYS funding for programs in FY 2012- 2013.

Numbers Served by TGYS grantees by County in FY2012-13

TGYS grant awards are determined through a rigorous Request for Application (RFA) process, which is held once every three years. It is through this process and the quality of the application that a program is defined as a Qualified Agency. The Qualified Agencies are rank ordered on an entire application score that is based on an applicant's demonstration / description of: Statement of Need and Target Population; Services and Activities; Collaboration, Evidence-Based Programming; Goals, Outcomes and Evaluation; Agency Capacity; and Budget. As described in the response to Question 11b, based on the application score, applicants are submitted to the TGYS Board and, ultimately, the

Governor for approval as Qualified Agencies. TGYS then awards grants each year of the three-year grant cycle to as many of these previously selected Qualified Agencies as possible, depending on the yearly appropriation.

15. Is there a master plan that ensures no duplication in state programs such as this; and in services provided by grantees?

No, there is not currently a master plan. However, last year, HB 13-1239 mandated the creation of a Statewide Youth Development Plan. In addition to being involved in this plan as a youth development funder, as per statute 26-1-111.3, C.R.S. (2013) "subject to available funding, the state Department, in collaboration with the Tony Grampsas Youth Services Board, created in section 26-6.8-103, shall convene a group of interested parties to create a Colorado State Youth Development Plan. The goals of the plan are to identify key issues affecting youth and align strategic efforts to achieve positive outcomes for all youth."

16. Please provide a list of the appropriations made to this program beginning in FY 99-00 through the current fiscal year.

| Fiscal Year | Fund Source | | | TOTAL APPROPRIATION |
	General Fund	Cash Funds / Cash Funds Exempt*	Federal Funds	
FY 1999-00	8,300,000	0	0	**$8,300,000**
FY 2000-01	8,871,000	1,415,946	0	**$10,286,946**
FY 2001-02	8,862,029	1,495,936	0	**$10,357,965**
FY 2002-03	8,794,816	1,415,946	0	**$10,210,762**
FY 2003-04	0	0	146,240	**$146,240**
FY 2004-05	0	2,348,545	0	**$2,348,545**
FY 2005-06	0	3,551,114	0	**$3,551,114**
FY 2006-07	0	3,495,654	0	**$3,495,654**
FY 2007-08	0	3,288,870	0	**$3,288,870**
FY 2008-09	1,000,000	4,260,142	0	**$5,260,142**
FY 2009-10	1,000,000	4,124,767	0	**$5,124,767**
FY 2010-11	0	3,841,275	0	**$3,841,275**
FY 2011-12	0	3,613,049	0	**$3,613,049**
FY 2012-13	0	3,575,764	0	**$3,575,764**
FY 2013-14	1,453,849	3,606,650	0	**$5,060,499**

Prior to FY 2004-05, Cash Funds are comprised of the Youth Mentoring Services Cash Fund and the Student Dropout Prevention Cash Fund. From FY 2004-05 to the current fiscal year, the Cash Fund is comprised of the Master Tobacco Settlement Agreement funds.

17. Please provide details on how the department evaluates the overall effectiveness and success of the Tony Grampsas Youth Services Program.

As TGYS was transferred from the Colorado Department of Public Health and Environment on July 1, 2013, the Department is taking a fresh look in partnership with the TGYS Board on the steps for evaluating the overall effectiveness and success of TGYS. TGYS Board votes to set aside funds for the purpose of evaluating the program. The current contract to manage an evaluation of the direct, measurable impacts among individuals served through the TGYS program is in its fifth year through Colorado State University (CSU).

In addition, as a part of the overall Department performance management strategies, youth programs outcome measures are being considered for inclusion in the C-Stat process in 2014.

18. Please provide details on how the department evaluates the effectiveness and success of each funded initiative.

The TGYS Program has a comprehensive program monitoring and evaluation system to ensure grantee programmatic and fiscal compliance, as well as program effectiveness. The monitoring and evaluation mechanisms include conducting site visits, reviewing semi-annual reports and grantee participation in a pre-/post-test outcome evaluation program.

As described in the previous question, grantees participate in the TGYS Evaluation program, which provides both individual grantee-level results, as well as aggregate TGYS program-level results. Following the data analysis completed at the end of each fiscal year throughout the grant cycle, grantees are provided their results which inform potential program improvements/modifications, with the assistance of the CSU Evaluation team.

19. Please provide a list of measures that will be used for establishing the baseline measurement of youth activities in the Colorado State Youth Development Plan.

The establishment of a baseline measurement has not been completed yet as this is a new law and the measures are in the process of being developed. The Colorado State Youth Development Plan is required to provide a complete plan on or before September 30, 2014, and shall update the plan biennially thereafter.

Child Protection Ombudsman

20. Background Information: Upon creation of this office, the estimated staff was 4.0 FTE based on a projected workload of 156 complaints per year. Since that time, the number of complaints has more than doubled, while the funding has remained the same. In addition, the complexity of complaints, review, and investigations have substantially increased.
    a. Given the above, why did the department choose not to request an increase in funding for the office?

The Department has not received a formal request from the Ombudsman to provide additional funding associated with an increase in complaints. However, the Department has requested a 1.5 percent provider increase across all programs including the Ombudsman Office for FY 2014-15.

    b. What additional funding is necessary to ensure the ongoing effectiveness of the Ombudsman Office?

The Department will better be able to determine if additional funding is needing pending the completion and release of the program performance and financial audit, which is anticipated to be released Spring 2014.

10:50-11:00   BREAK

11:00-11:20   DIVISION OF COUNTY ADMINISTRATION

21. Please discuss the level of fraud that has occurred in the Supplemental Nutrition Assistance Program (SNAP) as identified in the statewide audit report.

There have been no statewide audit findings for fraud for the SNAP program in Colorado. Generally, when discussing SNAP fraud, actions fall into two broad categories – retailer fraud and consumer fraud. Retailer fraud, which is investigated by the USDA, is a high risk area and typically involves illegal actions performed by small retailers, resulting in large dollar amounts being misused. Consumer fraud is investigated by county investigators and results when a household admits or is proven to knowingly withhold or misrepresent information that would affect their eligibility.

22. Please provide details on the eligibility requirements for SNAP, including rules on limitation of assets. Is the eligibility determination process means tested? Are TANF eligible clients automatically eligible for SNAP?

The eligibility process for SNAP is a means tested process. Applicants must apply and be interviewed and those households with net income equal to or below 100% of the federal poverty limit (FPL) are eligible. The monthly benefit amount varies based on both household size and household income. The asset test was eliminated with the passage of HB 10-1022 in Colorado, as allowable under federal rule. While the vast majority of TANF applicants receive SNAP benefits, primarily due to the fact that the household's income is equivalent to approximately 35% of the FPL, there is no automatic enrollment process between TANF and SNAP.

23. Please describe how discrepancies in the accuracy of SNAP eligibility determination are addressed?

Program accountability is monitored at both the local and state levels through quality assurance processes that review case actions for accuracy. Work underway in the 10 largest counties on business process reengineering (BPR) will remedy errors in part, by

ensuring consistent, standard processes. Standard desk aides, interviewing processes, and procedures will also help to eliminate variances in work amongst eligibility staff. This work is projected to be completed by September 2014.

Additionally, following a 15-year period when funding was eliminated for statewide training, the State has been able to rebuild a Staff Development Center (SDC), whose mission will be to train new and on-going eligibility staff. Funding for this effort was provided through HB 12-1339.

24. In the past there have been problems with the CBMS. Have these problems been resolved; and if so, through what mechanism?

Funding for the 18 month CBMS work plan and the 12 month BPR, coupled with Department rule changes, have created more streamlined approaches to the eligibility process. Timesavers, including aligning the redetermination application period for all programs, automating client notices that were previously handwritten, correcting information on client notices, eliminating the ability to create data entry errors, eliminating the need for monthly TANF reporting, and the creation of additional reports have all benefitted the Food Assistance program in achieving the timely processing of benefits.

A second CBMS work plan is in development and contains approximately 10 additional automated system changes that will further eliminate the possibility of creating Food Assistance payment errors, along with positive changes to client correspondence.

25. Were the counties over-spent in county administration in FY 2012-13?

Yes, the counties were over-spent in county administration in FY 2012-13 by a net over expenditure of $8,128,843. Below is a breakdown by Program:

Net Overage (Rounded)	Program Name
293,190	Child Welfare Services Block Grant
1,777,808	Child Support Enforcement
149,629	Child Care Development Fund/Temporary Aid to Needy Families
1,087,768	Title IV-E (Foster Care, Adoption, and Relative Guardianship)
1,302,330	Supplemental Nutrition Assistance Program
133,866	Child Care Development Fund
413,068	Temporary Aid to Needy Families (Colorado Works)
37,220	Low-Income Home Energy Assistance Program
59,802	Various State Programs
721	Refugee Services
2,873,441	Social Services Block Grant
$ 8,128,843	Total

26. Please provide the individual allocation and expenditures for both Medicaid and food assistance. What is the gap in funding associated with each of these? Is caseload increasing or decreasing? If caseload is increasing, why did the department not request funds if they are needed?

Department of Health Care Policy and Financing (DHCPF) Response:

Individual allocation and expenditure for FY 2013-14 Medicaid county administration can be seen in the table below. The Department of Health Care Policy and Financing notes that any unspent General Fund remaining in the appropriation may be transferred to the Department of Human Services to assist in paying counties the cost of services provided. Over the last few years, counties have slightly underspent their Medicaid appropriation, though the DCHPF anticipates this will change with the passage of SB 13-200 "Expand Medicaid Eligibility". More clients, with varying needs, are likely to drive more work for counties. The DHCPF has requested additional funding for counties in its November 1, 2013 R-6 budget request to better serve clients and ensure timely application processing.

In addition, the DHCPF notes that counties set staffing levels based on the appropriation and allocations developed at the beginning of the year. The fact that the appropriation is slightly underspent does not indicate that there is excess funding. Rather, it is likely that, given a higher appropriation level, counties would be able to increase staffing and costs to better serve clients.

FY 2012-13 Medicaid County Administration	
Item	**FY 2012-13**
Applications Processed (includes new applications and renewal applications)	**1,695,441**
County Administration Appropriation (includes regular and hospital provider fee county administration)	**$33,548,854**
County Administration Expenditure (includes regular and hospital provider fee county administration)(1)	**$32,748,121**

(1) Medicaid appropriations for county administration require 20% of funding for certain portions of the appropriation to come from counties. Although this local share is reflected in this table, it is not recorded in COFRS. Therefore, this table will not match the Department's Schedule 3.

Department of Human Services Response:

From 2008 to the present, there has been over a 100% increase in the number of individuals receiving Food Assistance benefits in Colorado as illustrated in the chart below. While the rate of growth in new applications has slowed, the number of individuals still needing assistance has remained high.

Number of Individuals Receiving Food Assistance in Colorado

Federal Year	2008	2009	2010	2011	2012	2013
Monthly Average # of Individuals	252,933	319,775	404,679	453,103	491,613	507,934
% Increase in # of Individuals Compared with Prior Year	1%	26%	27%	12%	9%	3%

Change efforts to streamline, simplify and automate processes through BPR work, the CBMS work plan, and rule changes are happening in real time and the Department needs more time let these changes settle before we will be able assess future needs.

27. If given a choice, would the counties prefer funding County Tax Base Relief or putting more money into County Administration?

The Department cannot speak to the position of the counties; however, the Department supports the request to fully fund County Tax Base Relief for Tiers II and III.

11:20-12:00   OFFICE OF EARLY CHILDHOOD

Colorado Child Care Assistance Program (CCCAP)

28.   Is the Department underspent on direct payments for child care assistance in CCCAP for FY 12-13? Please provide a history of appropriations and expenditures for the past five years.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Appropriations	$65,766,826	$66,434,288	$65,619,950	$64,200,422	$64,793,970
Expenditures	$65,766,826	$66,434,288	$65,619,950	$60,372,007	$59,159,535
Difference	$0	$0	$0	$3,828,415	$5,634,435

29.   Are there any issues with the new CCCAP payment system? If so, what is the department doing to correct them?

Yes, there are issues with CHATS (Child Care Automated Tracking System), the payment system used by child care providers and counties to process payments. The CHATS project was rolled out in late 2010 at a cost of $14.7 million. At that time, it was projected that 18.0 FTE would be necessary to maintain the system. The Department was allocated 3.5 FTE due to budget restrictions.

As a result, the system experienced a backlog of helpdesk tickets (1,314 as of Nov. 5, 2013), which are estimated to take three years to work through based on a recent Deloitte assessment. The Department is working with county users to prioritize outstanding change requests identified in the assessment and develop a remediation plan. The Department is also developing a Provider Self-Service Portal module that will allow providers real-time access to their attendance and billing information, thereby giving them the tools to effectively manage their payments.

30.   Are the CCCAP payment policies in concert with the private pay system? If not, why?

There is little uniformity in the private pay system, and child care providers may set the terms of their service. Different providers have different policies regarding payment for services rendered, such as cancellation notice, absenteeism, etc. Therefore, it is difficult to say that there is a uniform set of payment policies within the private child care market.

Statute allows counties flexibility in setting payment policies for CCCAP providers in response to local market conditions. For instance, it is common for child care providers to charge   parents   or   guardians   the   costs   of   registration,   activities,   and transportation. Counties are able to designate if they will pay fees for registration,

activities, and transportation. In addition, private pay providers can elect to bill in advance for child care services rendered. CCCAP providers must bill in arrears, and are paid the following week through CHATS. Another standard practice is for child care providers to bill for absences and holidays; however, counties may or may not elect to reimburse providers for absences and holidays.

31.   If CCCAP eligibility ends in the middle of the month, does the state have to pay for the entire month or only for the period of eligibility? How do the policies in this area compare with practices in private pay child care?

No, the State has an attendance based payment policy that only pays for services rendered during a period of eligibility. Child care providers have a variety of different policies regarding cancellation notice required. For example, some providers require full payment or prepayment for a given period of time, some require two weeks notice, and some require a month of notice.

32.   Please provide an update on the issue regarding the generation of an electronic receipt at the time of pickup or drop off.

CHATS is used for processing payments for Child Care Licensing and Administration to child care providers. The CHATS system uses a point of sale (POS) device that generates a paper receipt of the individual transactions that child care providers keep and use to monitor attendance and manage CCCAP accounts. This receipt is solely for the provider to reconcile accounts. This is a difficult method to manage accounts with, and in response to this process the Department is developing the Provider Self-Service Portal to allow providers the ability to reconcile and manage CCCAP authorizations.

The CHATS system has never had the capability to generate parent receipts, as it was designed to process CCCAP payments rather than parent co-pays, which are paid directly to the provider.

Child Care Licensing Staff

33.   Please describe the change in methodology for determining if a child care licensing inspection is "timely" or "late." Please provide the previously used and current definitions of "timely" and "late."

Prior to May 2013, a 30-day grace period was granted for supervisory child care facility licensing inspections. The new definition is more stringent and defines an inspection as late if it occurs on any date after the assigned inspection date.

34.   Please provide a cost breakdown for an inspection in a private home as compared with one in a commercial facility. Have costs associated with either type of inspection increased in the past several years?

The direct cost of a supervisory inspection is primarily labor (staff time) and travel cost, which vary with each type of facility. An average home inspection requires approximately 5 hours including preparation time. Using the hourly contract rate from the request, a 5-hour inspection would be $148.32 for direct cost. It is important to note there are also significant indirect costs such as supervision, materials, and travel time. It is also important to note that supervisory inspections are only one of the duties assigned to licensing staff.

A small commercial two-classroom facility requires approximately 8 hours including preparation time. The additional time is primarily related to reviewing files and core indicators. Using the same assumptions from above, a small facility would cost $237.30 in direct costs.

The total funding for contracts for child care licensing has decreased over the past five fiscal years. This situation, as well as cost of living increases for contract staff, has resulted in some contractors utilizing savings from long-term vacancies to cover standard operating expenses. This has further increased contractor caseloads.

35.   Are there other options for implementation, such as more frequent, less time-consuming inspections?

The Department already implements a "shortened version" of inspections. The Department currently prioritizes inspections, as directed in Section 26-6-101.4, C.R.S. (2013). After the original (initial) licensing inspection, most subsequent inspections prioritize core indicators promoting children's safety and health.

The Department has considered other options like more frequent, less time-consuming inspections. However, the additional travel time and travel expense, in addition to the need for greater coordination results in less efficiency for licensing staff. Since most inspections already use a core indicator approach, further reducing the time spent on site would seriously compromise inspectors confidence that facilities were maintaining minimum standards of health and safety.

In addition, the Department uses a weighted formula to assign caseloads to ensure that each licensing specialist is maximizing their travel and inspection time. Furthermore, in 2010 the Department began to partner with the Merage Foundation's Early Learning Ventures (ELV) shared services model. Child care centers who are members of ELV utilize a common database that allows licensing specialist to review records prior to an on-site visit which increases efficiency and allows the specialist more time for on-site safety inspections.

Licensing Inspectors currently perform the following types of on-site licensing inspections.
- Pre-licensing consultation at a new location to provide technical assistance;
- Original licensing inspection;
- Change of Address (Move) licensing inspection;
- Renewal of a time-limited licensing inspection;
- Complaint investigation;

- **Supervisory Investigation;**
- **Change of Service inspection;**
- **Monthly inspection of adverse licensing and probationary facilities; and**
- **Injury Report Inspection.**

36.   When was the last audit performed on this program, including the timeliness of issuing licenses and the compliance of licensing by providers?

The Office of the State Auditor most recently conducted an audit of the child care licensing program in 1998, with a follow up in 1999. This audit, and an additional audit from the same office in 1995, were cited in SB 00-022 as the justification in part for an additional 18 contract inspectors to reduce the Department's caseload.

37.   Why are only 25 percent of the providers licensed? What has the department done to ensure that the other 75 percent of the providers become licensed? Who monitors compliance of commercial facilities that advertise services but are not licensed?

The figure indicated above refers to the capacity of Colorado to provide licensed child care. The children of Colorado who are not provided care through licensed facilities have alternative options available for legal care, pursuant to Section 26-6-103 (1) (a), C.R.S. (2013). These facilities include:
- **Special schools or classes operated primarily for religious instruction or for a single skill-building purpose.**
- **A child care facility which is approved, certified, or licensed by any other state agency, or by a federal government department or agency, which has standards for operation of the facility and inspects or monitors the facility;**
- **Facilities operated in connection with a church, shopping center, or business where children are cared for during short periods of time while parents, persons in charge of such children, or employees of the church, shopping center, or business whose children are being cared for at such location are attending church services at such location or shopping, patronizing, or working on the premises of any such business;**
- **Occasional care of children that has no apparent pattern and occurs with or without compensation;**
- **The care of a child by a person in his or her private residence when the parent, guardian, or other person having legal custody of such child gives his consent to such care and when the person giving such care is not regularly engaged in the business of giving such care;**
- **Juvenile courts;**
- **A family child care home receiving one child for less than twenty-four-hour care or receiving two or more children who are related to each other as brother or sister from the same family household for less than twenty-four-hour care or such additional number of children as may be specified by rules promulgated by the state board of human services.**
- **Exempt family child care home providers are not required to comply with the provisions of Section 26-6-120, C.R.S (2013) unless he or she provides care for a**

child whose care is funded in whole or in part with moneys received on the child's behalf pursuant to the Colorado child care Assistance program.

- **Nursing homes which have children as residents.**

The Department acknowledges there are some providers who provide illegal, unlicensed care. The Department investigates all reported complaints of illegal unlicensed care, and issues a cease and desist letter when this care is discovered. If necessary, a legal injunction is issued to illegal unlicensed care. The Department also works closely with providers found to be operating illegally to assist them to become licensed child care providers.

38.   Would ensuring that 100 percent of providers are licensed increase the available cash fund revenue and fund licensing specialists so that General Fund would not be needed?

No, since licensing fees only cover a small portion of the actual cost of inspection, requiring 100% of providers to be licensed would require additional General Fund to cover the cost of inspections.

39.   If the department has the manpower to do mentoring, why is there not the manpower to do licensing?

The Department does not provide any mentoring services during licensing visits. However, the Department does allocate federal funds earmarked for quality for mentoring services through the School Readiness Quality Rating and Improvement Program, Colorado's Child Care Resource and Referral network, Early Childhood Councils, and Expanding Quality for Infants and Toddlers (EQIT), TEACH scholarships, and the Center for Social and Emotional Development. Federal funds earmarked for quality are not fungible to use for licensing functions.

40.   Has the department performed a bottom-up review of all rules with regard to child care?

Yes, the Department reviewed its rules regarding child care in 2011.

41.   What has the department done to reduce the regulations on providers? Do rules for home child care facilities differ from commercial child care facilities?

As a result of a comprehensive departmental rule review undertaken in 2011 for all offices and divisions, the Department repealed 40 child care rules and revised an additional 49 child care rules.

Yes, the licensing regulations for family child care homes differ from child care centers. Some examples of differences are found for capacity, education requirements for employees, and fire and health inspections. Further, centers have multiple staff members caring for tens or hundreds of children rather than the average of eight children for a family child care home. In addition, certain statutes governing family child care homes differ from statutes that govern child care centers.

42.   Please provide an update on the anticipated September 2014 reissue of rules for child care facilities (by type of facility).

In 2010 the Department convened a group of stakeholders that included licensed providers, provider organizations, other state agencies, foundations, and licensing staff to review the rules regulating Child Care Centers. The group produced a package in late 2011 that drew significant feedback and concern from child care providers. Over 1,000 comments were received and in 2012 and 2013 which were revised by the Committee and adjustments to the rules package were made. The group will continue to meet in early 2014 to refine the rules package with an anticipated formal rule making being undertaken in the summer of 2014.

43.   Is the high cost of child care in Colorado related to the degree of regulation of or compliance by providers? Are unlicensed providers saving money by remaining unlicensed?

The ranking of child care costs in Colorado and nationally is attributable to a single annual report published by Child Care Aware®, formerly the National Association of Child Care Resource and Referral Agencies (NACCRRA). While Colorado has been found to rank among the most expensive states for full-time child care center based infant and four-year-old care, the same study also concludes that Colorado's child care costs are not linked to state regulation and oversight. Rather, Colorado's child care costs appear to be market driven.

Unlicensed providers would not be subject to the fees for licensure (please see table of licensing fees on the following page), and would save the cost of these fees. In addition, child care licensing inspectors verify the fulfillment of necessary background checks by the FBI, CBI and through the Trails system, which verifies that prospective child care providers have no history of violent or repetitive criminal activity or of child abuse, dependency and neglect.

Facility Type	Capacity	Annual Licensing Fee
Family Child Care Home	1-8	$24
Large Family Child Care Home	7-12	$36
Experienced Family Child Care Home	4-9	$39
Child Care Center, Preschool, School-Age Child Care Center, Resident Camp	5-20	$77
	21-50	$121
	51-100	$176
	101-150	$270
	151-250	$374
	251 or more	$528

44.   Has the department considered combining licensing inspections with health inspections to reduce costs and increase efficiencies?

Yes, the Department has considered combining licensing inspections with health inspections. However, the purpose and frequency of each inspection is distinctly different, and requires a unique skill set for each inspector. In addition, statute affords providers different rights for disputes depending upon the inspection. Providers with disputes regarding child care licensing inspections may appeal to the Department of Human Services.

45.   How will the increased funding improve the process of ensuring that facilities are safe? What outcome is increasing the number of licensing specialists intended to improve?

Safer facilities for children, as measured by a reduction in the number of critical incidents and serious violations are the ultimate goal of this initiative. The Department is developing two data systems to measure progress towards these outcomes. The Injury Reporting System will require providers to input injury and accident information in an automated database. The Department is also implementing a workflow model that will track the nature and frequency of violations observed by licensing inspectors. This information will be used to identify the most serious concerns across providers and facilities. The Department can use this data to assess risk, and deploy resources accordingly. This will allow better targeting and resource utilization.

More frequent visits will allow the Department to collect better data regarding child care safety. The Department has also recently engaged licensing staff in verifying attendance in subsidized child care. The additional staff are also anticipated to provide another layer of

enforcement to ensure accuracy and accountability for the use of federal funds. This will help detect and reduce the incidence of CCCAP fraud.

46.   Is the department's request for funding to increase licensing specialist staff solely in response to the recommended best practice, or are there internal factors that were considered? How does the request support the overall goal of providing affordable, safe child care?

Ensuring children's safety in care outside of their home is the responsibility of the Department, and is our highest priority and is fundamental to achieving quality in the experience and outcomes for the children in care. We have reviewed our practices, evaluated our counterparts in other states, and have concluded that we are understaffed and unable to meet standards specified by the industry.   Increasing the frequency of licensing visits will increase the focus of providers on infant, toddler, and pre-school child safety.

47.   Please discuss the need for a ratio of 1:100 licensing specialist staff to facilities within the context of all types of inspections performed at each facility, including those performed by federal and local agencies and special districts. Given the additional inspections by other agencies, is it necessary to increase the frequency of state inspections, or can the inspections be coordinated across agencies?

The Department looked at the frequency of inspections performed by other agencies. Licensing inspections cannot efficiently or effectively be coordinated with other agencies. Each entity has unique regulatory time lines and there are distinct local control requirements in multiple jurisdictions. In addition, there are specific sets of non-overlapping requirements in rule and statute that demand unique education, technical expertise, and training.

48.   Please discuss the department's long-term plan to maintain a 1:100 specialist to facility ratio, and to improve it to 1:50.

The Department plans to determine if a reduction in caseload from 145 to 100 and the increased frequency of inspection contributes to a decline in the number of licensing violations and reported child care injuries. Should data indicate that a reduction in caseload contributes to a reduction in licensing violations and injuries to children, the Department will evaluate additional strategies, to further reduce the caseload to the best practice ratio of 1:50, which would further shorten the duration of time between licensing visits in an attempt to further reduce licensing violations and injuries to children.

The Department is currently implementing an Injury Reporting System (IRS) to track and monitor injuries at licensed facilities. That system will be operational in mid-2014. Providers will be required to report injuries as they occur, and the Department will establish a baseline for this performance metric.

49.   Please provide an update on the Department of Defense pilot project.

The pilot program created under HB 11-1027 requires the Department to develop a quality rating and improvement system that is inclusive, accessible, available to all child care providers, and is embedded in licensing and reflective of evidence-based practices for successful outcomes for all children and families. Over the past two years the Department worked closely with numerous representatives of various branches of the military to secure an agreement for the pilot project.

The pilot will begin in January 2014. Four facilities in Colorado Springs have been identified as pilot sites. Each of these sites is currently accredited by the National Association for the Education of Young Children (NAEYC) and already serves military families on a case by case basis. Child care licensing visits for these facilities will be done annually to meet Department of Defense (DOD) standards.

Provider Rate Increase

50.   Is the 1.5 percent provider rate increase an across the board increase, or is a portion of it used for a different reason? Will the providers actually see the 1.5 percent rate increase, or is it used by an agency (i.e. the department, county) and not passed on to the providers?

It is the policy of the Department to allocate appropriated provider rate increases directly to providers. However, because Colorado is a state supervised, county administered system there are a few significant exceptions to this policy, which are outlined in the following table.

Line Item	Request Amount	How the 1.5% Provider Rate Increase is handled
(4) County Administration	$ 769,524	Funds are provided to the Counties and counties are requested, but cannot be forced, to pass the funds to the providers.
(5) Division of Child Welfare	$ 5,847,529	In the Division of Child Welfare, provider rate increases are distributed to the counties in total through the allocation of the Child Welfare Services and the Children and Family Services appropriations. The July 13, 2013 Dear Director letter from the Office of Children, Youth and Families informed counties of the 2% provider rate increase appropriated in the 2013 legislative session. It indicated that "Counties that do not negotiate rates will see Trails base anchor rates increased by 2.0%" and "Counties that negotiate rates will need to include cost of living adjustments and provider rate increases as approved by the General Assembly as part of their negotiations and re-negotiations of provider rates." Passing the provider rate increase on to the providers cannot be mandated by the Department, as state statute (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 or another mechanism for evaluating the rates, services and outcomes that it is negotiating with such providers that is acceptable to the state department." According to section 26-5-104 (4) (a), C.R.S., "the counties may use capped allocation moneys for child welfare services without category restriction within a specific capped allocation if not prohibited by federal law." The counties have budget line flexibility within their capped allocations, therefore the state cannot place category restriction on provider rates.
(6) Office of Early Childhood		
Child Care Assistance Program	$ 1,126,293	These funds may or may not result in rate increases for providers. These funds are distributed to counties in an annual allocation process, and counties are permitted to set the provider reimbursement rate for the program.
Early Intervention Services	$ 228,531	These funds may or may not result in rate increases for providers. These funds are distributed to CCBs and individual CCBs are permitted to set the payment rates within contracts for Early Intervention.
Early Intervention Services Case Management	$ 478,619	These funds may or may not result in rate increases for providers. These funds are distributed to CCBs and individual CCBs are permitted to set the payment rates within contracts for Early Intervention.
(11) Division of Youth Corrections		
SB 91-94 Programs	$ 184,082	The entire increase is given to Judicial Districts, but each individual district does not receive an equal increase. If a district has been unable to spend out prior year's allocations, they typically do not receive a COLA increase. Conversely, if a district expended their entire allocation in the previous year and/or asked for additional funds - those districts would be given an increase.
Total	$ 8,634,578	

51.   Please provide a breakdown of how provider rates are handled by line item throughout the department.

Please see the response to question 50.

<u>Investing in Early Care Providers</u>
52.   Please provide background information on the Race to the Top Early Learning Challenge award, including the purpose for the funds, term of the grant and the annual allocation of funds.

The Colorado Department of Human Services was awarded the Race to the Top – Early Learning Challenge Grant effective January 1, 2013 through December 31, 2016, for a total award of $44.9 million. Grant funding allocations by year break out into the following:

- **Calendar Year 2013: $1,393,420.83**
- **Calendar Year 2014: $19,703,086.31**
- **Calendar Year 2015: $12,886,876.97**
- **Calendar Year 2016: $10,555,447.89**

The State of Colorado was awarded the grant based on demonstrated commitment to the goals of access for children with high needs to high-quality early learning settings, development of talented early childhood professionals, implementation of meaningful standards and infrastructure, and communication with families and stakeholders.

Grant funding is aligned with those demonstrated commitments in 6 major project areas: 1. Grant Communications and Alignment, 2. Early Learning and Development Guidelines Roll-out, 3. Next Generation Quality Rating and Improvement System Design and Implementation, 4. Professional Development, 5. Results Matter Expansion, and 6. Kindergarten Entry Assessment Roll-out.

53. Can Race to the Top funds be used to help facilities in areas with a high CCCAP eligible population keep their doors open?

No, the Race to the Top grant is one-time funding which includes funds targeted locally at high-needs programs, people, and places. The purpose of the grant is to establish infrastructure to support quality ratings. As one-time funding, grant funds are not a reliable source for early care and learning provider financial stability. Local funds for early care and learning providers will be used in support of improving quality and establishing administrative efficiencies and cost savings through a shared services model. While these funds will support program costs, they are not meant to guarantee of the sustainability of the provider's business model.

54. How does the department intend to sustain the asset developed through Race to the Top into the future?

Race to the Top funds support both projects with ongoing future costs and projects with one-time implementation costs. For those projects with ongoing need for funding the Department has several approaches to support sustainability:

- **Gradual transitions- an annual decrease in the proportion of the project paid for by grant funds to help users gradually manage the full cost to maintain participation.**

- **Reduction in costs to child care providers for ratings based on new rating formula and extension of rating cycle from two to three years.**
- **Re-alignment of internal resources – strategic mapping of Department resources against common program goals to align efforts and produce cost savings that can be re-invested in sustainability.**
- **Public-Private partners – Department coordination with state agencies, private enterprises, nonprofits, and philanthropic organizations to evaluate grant opportunities and to look at alternative funding sources.**

The federally approved grant scope of work includes ongoing sustainability planning activities. Through shared grantee resources, other awarded states are collaborating on solutions to sustainability.

55. In 2011, legislation directed the department to implement a quality rating for each provider by December 2013. What is the status of that program? How do the Race to the Top funds enhance or differentiate from that program; and how will they enhance or be differentiated from the department's request? How will quality improvements gained through the program be sustained over time to ensure that quality does not decrease when funding goes away?

HB 11-1027 directed the Department to develop a quality rating system by December 2013. The quality rating system has been developed. The RFP to identify a new rating vendor will close on January 28, 2014.

Race to the Top Federal funds are primarily intended to fund the infrastructure that will support quality enhancements such as: creating professional development information systems, new early learning and developmental guidelines, and embedding quality ratings into the child care licensing system.

This request creates a market driven opportunity to enable providers to increase their quality following ratings. Initial ratings will provide benchmarks for quality to direct future investments. The Department's intent with the present change request is to increase the availability of quality child care for the entire state, which will benefit both CCCAP parents, the private pay child care market, and child care providers.

56. Please explain why some facilities will receive grants and no coaching; and explain how quality improvements will be assured in those facilities that do not receive coaching.

The award of grants will be determined by the needs of the facilities as determined by quality ratings and the stated needs of facilities. Facilities may need grants, coaching, or a combination of both.

Accountability for quality gains will be modeled after evidence based success from other pre-school preparation programs, which provides funds for coaching and/or facility upgrades. In addition, the program administrator oversees the use and disbursement of funds to ensure they are used appropriately.

57. Please discuss the process for selecting the facilities that will receive grants and those that will receive coaching.

Grant awards will be based on the results of the needs assessments provided in quality ratings. Providers may opt to apply for materials, coaching, or materials and coaching dependent on the results of the quality ratings. Every facility seeking quality improvement funds must complete a needs assessment with a coach to assess the current and future funding needs related to quality improvement and sustaining a high quality rating.

58. How does the department plan to address the affordability of child care? Please provide a 10-year history of co-pays. Please provide guidance on how the issue of access and affordability can be addressed across the spectrum of child care.

The ranking of child care costs in Colorado and nationally is attributable to a single annual report published by Child Care Aware®, formerly the National Association of Child Care Resource and Referral Agencies (NACCRRA). While Colorado has been found to rank among the most expensive states for full-time child care center based infant and four-year-old care, the same study also concludes that Colorado's child care costs are not linked to state regulation and oversight. Rather, Colorado's child care costs appear to be market driven. The Department is interested in partnering with the provider community to better study why child care costs are so high in light of contradictory factors, such as Colorado being ranked 43rd in the country in state regulated oversight of licensed facilities, and being ranked 35th in the nation for cost of living. Please see the table below for the parental fee schedule for 1993 through 2013 (current fees are set by rule 9 CCR 2503-1).

CCCAP Parental Fees 1993 to 2013*

Federal Poverty Level	April 1993 to Aug 2000		Sep 2000 to Aug 2004		Sep 2004 to Current	
	Fee for First Child (As Percent of Household Income)	Fee for Each Additional Child	Fee for First Child (As Percent of Household Income)	Fee for Each Additional Child	Fee for First Child (As Percent of Household Income)	Fee for Each Additional Child
0.0% - 49.9%	6%	$0.00	6%	$0.00	7%	$0.00
50.0% - 74.9%	7%	$0.00	7%	$0.00	8%	$0.00
75.0% - 99.9%	8%	$0.00	8%	$0.00	9%	$5.00
100.0% - 129.9%	9%	$5.00	9%	$5.00	10%	$15.00
130.0% - 159.9%	10%	$10.00	10%	$10.00	11%	$25.00
160.0% - 184.9%	11%	$15.00	11%	$15.00	12%	$35.00
185.0% - 204.9%	N/A	N/A	12%	$20.00	13%	$40.00
205.0% - 225.0%	N/A	N/A	13%	$20.00	14%	$40.00
*COUNTY ELIGIBILITY CEILING TO 85% STATE MEDIAN INCOME***						
TOP COUNTY ELIGIBILITY to 85% STATE MEDIAN INCOME	N/A	N/A	14%	$20.00	12% to 25%**	$40.00

* Under current rule, parental fees may be reduced to $5.00 for hardship reasons for up to six months per hardship award. Hardship awards may be extended as long as the justification for the hardship exists. Fee reductions must be approved by the county director and a written justification placed in the case file.

** Fees are set by rule for all income ranges up to 225% of federal poverty. However, under current rule, counties may elect to serve families that exceed their income eligibility requirements (which are set by the counties between 130% federal poverty and 85% state median income) for an additional 6 months, provided the families' income does not exceed 85% of the state median income. For these families, counties are able to set their own rates within a set of guidelines, including: (1) the initial rate is between 12% and 25%, (2) each additional child is $40.00, and (3) the fees are increased incrementally as outlined in by the individual family transition plan up to the six month limit.

59.	How does the department balance the health, safety, and quality issues of child care with those of affordability?

Health and safety are the foundation of child care licensing and the Department's highest priority. The actual cost of child care is market driven, and based on a variety of geographic and demographic factors. The share of costs associated with licensing is not the driving force for the actual cost of child care.

Early Intervention

60. Since the Department did not request new Early Intervention (EI) resources, how does the Department plan to make up for the anticipated growth in the program? How does the Department plan to make up for the impacts (reductions) due to sequestration?

At the time the Department prepared the current budget request, FY 2012-13 EI caseload growth had slowed to 2% and the use of available funding sources, such as Medicaid and private health insurance had increased. Therefore, the Department determined additional funding was not needed. However, over the past few months there has been an slight increase in caseload growth. The Department will continue to closely monitor caseload growth to determine if the increase is an anomaly or an ongoing trend.

Sequestration is not expected to affect the federal budget for FY 2014-15. The information currently available from federal administrators indicates there will be "Sequestration Relief" for FY 2014-15, by pushing the budget cuts into 2021 and beyond. As a result, Colorado will not experience the $300,000 reduction previously anticipated for FY 2014-15.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implement or has partially implemented the legislation on this list.

2. Does Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2013? What is the department doing to resolve the outstanding high priority recommendations?
http://www.leg.state.co.us/OSA/coauditor1.nsf/All/D36AE0269626A00B87257BF30051FF84/$FILE/1337S%20Annual%20Rec%20Database%20as%20of%2006302013.pdf

3. Does the department pay annual licensing fees for its state professional employees? If so, what professional employees does the department have and from what funding source(s) does the department pay the licensing fees? If the department has professions that are required to pay licensing fees and the department does not pay the fees, are the individual professional employees responsible for paying the associated licensing fees?

4. Does the department provide continuing education, or funds for continuing education, for professionals within the department? If so, which professions does the department provide continuing education for and how much does the department spend on that? If the department has professions that require continuing education and the department does not pay for continuing education, does the employee have to pay the associated costs?

5. During the hiring process, how often does the number one choice pick candidate turn down a job offer from the department because the starting salary that is offered is not high enough?

6. What is the turnover rate for staff in the department?

Attachment 1
County IV-E Waiver Intervention Funding
FY 2013-14

COUNTY	FAMILY ENGAGEMENT	PERMANENCY ROUNDTABLES	KINSHIP SUPPORTS	TOTAL APPROVED
Adams	$ 250,051.00	$ 103,963.00	$ 268,179.00	$ 622,193.00
Arapahoe	$ 113,512.00	$ -	$ 57,489.00	$ 171,001.00
Boulder	$ 161,164.00	$ -	$ 140,282.00	$ 301,446.00
Broomfield	$ 91,200.00	$ -	$ -	$ 91,200.00
Central Region* - Clear Creek	$ -	$ 21,500.00	$ -	$ 21,500.00
Central Region - Grand	$ -	$ -	$ -	$ -
Central Region - Summit	$ 54,150.00	$ -	$ -	$ 54,150.00
Chaffee	$ 50,922.00	$ -	$ -	$ 50,922.00
Denver	$ 263,560.00	$ -	$ 520,890.00	$ 784,450.00
Douglas	$ 76,511.50	$ 75,511.50	$ -	$ 152,023.00
El Paso	$ 254,288.00	$ -	$ 645,712.00	$ 900,000.00
Fremont	$ -	$ 62,000.00	$ 142,500.00	$ 204,500.00
Huerfano	$ 39,400.00	$ 4,700.00	$ -	$ 44,100.00
Jefferson	$ 73,509.98	$ 110,859.98	$ 326,965.00	$ 511,334.96
Larimer	$ 211,427.00	$ -	$ 150,063.00	$ 361,490.00
Las Animas	$ -	$ 15,000.00	$ 33,000.00	$ 48,000.00
Mesa	$ 173,438.16	$ 97,219.08	$ 103,638.40	$ 374,295.64
Montrose	$ 81,970.00	$ 67,710.00	$ -	$ 149,680.00
NE Region* - Elbert	$ 32,500.00	$ 37,800.00	$ -	$ 70,300.00
NE Region - Kit Carson	$ 15,000.00	$ 7,200.00	$ 15,000.00	$ 37,200.00
NE Region - Lincoln	$ 5,000.00	$ -	$ 37,000.00	$ 42,000.00
NE Region - Logan	$ 41,280.00	$ 40,000.00	$ -	$ 81,280.00
NW Region* - Eagle	$ -	$ 99,092.00	$ -	$ 99,092.00
NW Region - Garfield	$ 87,205.00	$ -	$ 43,144.00	$ 130,349.00

NW Region - Moffat	$	-	$	-	$	-	$	-
NW Region - Pitkin	$	-	$	-	$	-	$	-
NW Region - Rio Blanco	$	-	$	-	$	-	$	-
NW Region - Routt	$	-	$	-	$	-	$	-
Park	$	50,239.00	$	-	$	-	$	50,239.00
Pueblo	$	104,000.00	$	113,000.00	$	58,000.00	$	275,000.00
SE Region *- Baca	$	-	$	-	$	-	$	-
SE Region - Bent	$	-	$	-	$	-	$	-
SE Region - Crowley	$	59,941.00	$	-	$	-	$	59,941.00
SE Region - Kiowa	$	-	$	-	$	-	$	-
SE Region - Otero	$	-	$	500.00	$	38,500.00	$	39,000.00
SE Region - Prowers	$	-	$	38,228.00	$	-	$	38,228.00
SW Region* - La Plata	$	118,260.50	$	118,260.50	$	24,995.00	$	261,516.00
SW Region - San Juan	$	-	$	-	$	-	$	-
Teller	$	49,966.52	$	18,750.00	$	-	$	68,715.52
Weld	$	374,942.00	$	-	$	186,221.00	$	561,163.00
Yuma	$	20,000.00	$	11,000.00	$	-	$	31,000.00
TOTAL	*$*	*2,853,437.66*	*$*	*1,042,294.06*	*$*	*2,791,578.40*	*$*	*6,687,309.12*

Process of county application
Some counties chose to work together and applied as a region. For those counties that applied by region, the application identified:

- **The county that would supervise the staff delivering the service;**
- **How the funds would be allocated, either to a single county or over several of the counties; and,**
- **If multiple counties were to receive funds, the counties identified how the funds would be used in accordance with the waiver.**

Each county in the region completed an MOU signed by their county commissioners.

DEPARTMENT OF HUMAN SERVICES
Division of Child Welfare, County Administration; Office of Early Childhood
FY 2014-15 JOINT BUDGET COMMITTEE HEARING AGENDA

Monday, January 3, 2014
9:00 am – 12:00 pm

9:00-9:10   INTRODUCTIONS AND OPENING COMMENTS

9:10-9:20   QUESTIONS COMMON TO ALL DEPARTMENTS

1. Please describe how the department responds to inquiries that are made to the department. How does the department ensure that all inquiries receive a timely and accurate response?

9:20-10:50   DIVISION OF CHILD WELFARE

Child Welfare

2. Please provide updated data on the number of child welfare referrals, assessments, reports of abuse and neglect, and open involvement cases. For what reasons have referrals to child welfare agencies increased? For what reasons have the number of open involvements decreased?

3. Please provide an update on the status of the implementation of HB 13-1271.

4. The department has provided written responses to questions regarding obtaining and photographing of evidence of abuse to a child when that evidence is located in private areas of the child's body. Please be prepared to respond to questions on this topic at the hearing.

Title IV-E Waiver Demonstration Project

5. Please provide information on the following:
    a. A list of the 41 counties that were awarded Title IV-E Waiver funds,
    b. The amount and term of each county's award, and
    c. A description of the process through which those counties will draw down funds, and a schedule of anticipated draw downs.

6. Please provide a definition and examples of eligible activities for:
    a. Title IV-E Foster Care Demonstration Maintenance, and
    b. Title IV-E Foster Demonstration Administration.

7. Please discuss the lack of attention to behavioral health needs as a factor leading to the large number of older children and adolescents in extended out-of-home care, the number of youth in congregate care settings, and the number of families that are screened out without receiving services. What is the reason for this lack of attention?

8. Please provide a detailed explanation of how the IV-E Waiver benefits the State of Colorado, including the requirements for handling and using those moneys that are saved. Must the savings be returned to the federal government?

Tony Grampsas Youth Services (TGYS) Program

9. The TGYS program was transferred to the Department of Human services through H.B. 13-1117. Does the department support this transfer, or should this program be transferred back to the Department of Public Health and Environment?

10. Did the department request an increase in funding for this program for FY 2014-15? Does the department support the program?

11. Please provide a history of this program, including the following:
    a. What was the original intent of the program and how were available funds initially allocated?
    b. How has the intent of the program changed over time and how are the available funds currently allocated?

12. Are there any programs administered by other state agencies or activities conducted by other state agencies that duplicate this program?

13. Are grants awarded to organizations that are duplicating services? Can grants be awarded in a way that will streamline services?

14. How are the awards distributed geographically throughout the state? Please provide a description of process through which grant awards are determined.

15. Is there a master plan that ensures no duplication in state programs such as this; and in services provided by grantees?

16. Please provide a list of the appropriations made to this program beginning in FY 99-00 through the current fiscal year.

17. Please provide details on how the department evaluates the overall effectiveness and success of the Tony Grampsas Youth Services Program.

18. Please provide details on how the department evaluates the effectiveness and success of each funded initiative.

19. Please provide a list of measures that will be used for establishing the baseline measurement of youth activities in the Colorado State Youth Development Plan.

Child Protection Ombudsman

20. Background Information: Upon creation of this office, the estimated staff was 4.0 FTE based on a projected workload of 156 complaints per year. Since that time, the number of complaints has more than doubled, while the funding has remained the same. In addition, the complexity of complaints, review, and investigations have substantially increased.
   a. Given the above, why did the department choose not to request an increase in funding for the office?
   b. What additional funding is necessary to ensure the ongoing effectiveness of the Ombudsman Office?

10:50-11:00   BREAK

11:00-11:20   DIVISION OF COUNTY ADMINISTRATION

21. Please discuss the level of fraud that has occurred in the Supplemental Nutrition Assistance Program (SNAP) as identified in the statewide audit report.

22. Please provide details on the eligibility requirements for SNAP, including rules on limitation of assets. Is the eligibility determination process means tested? Are TANF eligible clients automatically eligible for SNAP?

23. Please describe how discrepancies in the accuracy of SNAP eligibility determination are addressed?

24. In the past there have been problems with the CBMS. Have these problems been resolved; and if so, through what mechanism?

25. Were the counties over-spent in county administration in FY 2012-13?

26. Please provide the individual allocation and expenditures for both Medicaid and food assistance. What is the gap in funding associated with each of these? Is caseload increasing or decreasing? If caseload is increasing, why did the department not request funds if they are needed?

27. If given a choice, would the counties prefer funding County Tax Base Relief or putting more money into County Administration?

11:20-12:00   OFFICE OF EARLY CHILDHOOD

Colorado Child Care Assistance Program (CCCAP)

28. Is the department underspent on direct payments for child care assistance in CCCAP for FY 12-13? Please provide a history of appropriations and expenditures for the past five years.

29. Are there any issues with the new CCCAP payment system? If so, what is the department doing to correct them?

30. Are the CCCAP payment policies in concert with the private pay system? If not, why?

31. If CCCAP eligibility ends in the middle of the month, does the state have to pay for the entire month or only for the period of eligibility? How do the policies in this area compare with practices in private pay child care?

32. Please provide an update on the issue regarding the generation of an electronic receipt at the time of pick up or drop off.

Child Care Licensing Staff

33. Please describe the change in methodology for determining if a child care licensing inspection is "timely" or "late." Please provide the previously used and current definitions of "timely" and "late."

34. Please provide a cost breakdown for an inspection in a private home as compared with one in a commercial facility. Have costs associated with either type of inspection increased in the past several years?

35. Are there other options for implementation, such as more frequent, less time-consuming inspections?

36. When was the last audit performed on this program, including the timeliness of issuing licenses and the compliance of licensing by providers?

37. Why are only 25 percent of the providers licensed? What has the department done to ensure that the other 75 percent of the providers become licensed? Who monitors compliance of commercial facilities that advertise services but are not licensed?

38. Would ensuring that 100 percent of providers are licensed increase the available cash fund revenue and fund licensing specialists so that General Fund would not be needed?

39. If the department has the manpower to do mentoring, why is there not the manpower to do licensing?

40. Has the department performed a bottom-up review of all rules with regard to child care?

41. What has the department done to reduce the regulations on providers? Do rules for home child care facilities differ from commercial child care facilities?

42. Please provide an update on the anticipated September 2014 reissue of rules for child care facilities (by type of facility).

43. Is the high cost of child care in Colorado related to the degree of regulation of or compliance by providers? Are unlicensed providers saving money by remaining unlicensed?

44. Has the department considered combining licensing inspections with health inspections to reduce costs and increase efficiencies?

45. How will the increased funding improve the process of ensuring that facilities are safe? What outcome is increasing the number of licensing specialists intended to improve?

46. Is the department's request for funding to increase licensing specialist staff solely in response to the recommended best practice, or are there internal factors that were considered? How does the request support the overall goal of providing affordable, safe child care?

47. Please discuss the need for a ratio of 1:100 licensing specialist staff to facilities within the context of all types of inspections performed at each facility, including those performed by federal and local agencies and special districts. Given the additional inspections by other agencies, is it necessary to increase the frequency of state inspections, or can the inspections be coordinated across agencies?

48. Please discuss the department's long-term plan to maintain a 1:100 specialist to facility ratio, and to improve it to 1:50.

49. Please provide an update on the Department of Defense pilot project.

Provide Rate Increase

50. Is the 1.5 percent provider rate increase an across the board increase, or is a portion of it used for a different reason? Will the providers actually see the 1.5 percent rate increase, or is it used by an agency (i.e. the department, county) and not passed on to the providers?

51. Please provide a breakdown of how provider rates are handled by line item thought-out the department.

Investing in Early Care Providers

52. Please provide background information on the Race to the Top Early Learning Challenge award, including the purpose for the funds, term of the grant and the annual allocation of funds.

53. Can Race to the Top funds be used to help facilities in areas with a high CCCAP eligible population keep their doors open?

54. How does the department intend to sustain the asset developed through Race to the Top into the future?

55. In 2011, legislation directed the department to implement a quality rating for each provider by December 2013. What is the status of that program? How do the Race to the Top funds enhance or differentiate from that program; and how will they enhance or be differentiated from the department's request? How will quality improvements gained through the program be sustained over time to ensure that quality does not decrease when funding goes away?

56. Please explain why some facilities will receive grants and no coaching; and explain how quality improvements will be assured in those facilities that do not receive coaching.

57. Please discuss the process for selecting the facilities that will receive grants and those that will receive coaching.

58. How does the department plan to address the affordability of child care? Please provide a 10-year history of co-pays. Please provide guidance on how the issue of access and affordability can be addressed across the spectrum of child care.

59. How does the department balance the health, safety, and quality issues of child care with those of affordability?

Early Intervention

60. Since the Department did not request new Early Intervention resources, how does the Department plan to make up for the anticipated growth in the program? How does the Department plan to make up for the impacts (reductions) due to sequestration?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implement or has partially implemented the legislation on this list.

2. Does Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2013? What is the department doing to resolve the outstanding high priority recommendations?
http://www.leg.state.co.us/OSA/coauditor1.nsf/All/D36AE0269626A00B87257BF30051FF84/$FILE/1337S%20Annual%20Rec%20Database%20as%20of%2006302013.pdf

3. Does the department pay annual licensing fees for its state professional employees? If so, what professional employees does the department have and from what funding source(s) does the department pay the licensing fees?   If the department has professions that are required to pay licensing fees and the department does not pay the fees, are the individual professional employees responsible for paying the associated licensing fees?

4. Does the department provide continuing education, or funds for continuing education, for professionals within the department? If so, which professions does the department provide continuing education for and how much does the department spend on that? If the department has professions that require continuing education and the department does not pay for continuing education, does the employee have to pay the associated costs?

5. During the hiring process, how often does the number one choice pick candidate turn down a job offer from the department because the starting salary that is offered is not high enough?

6. What is the turnover rate for staff in the department?