

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2013-14

DEPARTMENT OF HUMAN SERVICES

**(Office of Information Technology Services, Office of Operations, Office of Self Sufficiency,
Adult Assistance Programs, and Division of Youth Corrections)**

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

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DEPARTMENT OF HUMAN SERVICES

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, such as assistance payments, child welfare services, mental health and alcohol and drug treatment programs, services for people with disabilities, and programs for the aging. It supervises programs that are administered at the local level by counties and other agencies and directly operates two mental health institutes, three regional centers for people with developmental disabilities, and ten institutions for juvenile delinquents. The recommendations contained in this document focus on five of the Department’s divisions: the Office of Information Technology Services, Office of Operations, Office of Self Sufficiency, Adult Assistance Programs, and Division of Youth Corrections.

Summary: FY 2013-14 Appropriation and Recommendation

Note, requests/recommendations covered in this document are highlighted in yellow in the following table. All other recommended changes in this table represent the funding levels requested by the Department.

Department of Human Services: Recommended Changes for FY 2013-14						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$2,165,096,457	\$696,785,662	\$338,613,036	\$519,719,266	\$609,978,493	4,861.3
Other legislation	<u>49,281,916</u>	<u>28,058,856</u>	<u>20,287,572</u>	<u>80,522</u>	<u>854,966</u>	<u>13.6</u>
Current FY 2013-14 Appropriation	\$2,214,378,373	\$724,844,518	\$358,900,608	\$519,799,788	\$610,833,459	4,874.9
Recommended Changes						
Current FY 2013-14 Appropriation	\$2,214,378,373	\$724,844,518	\$358,900,608	\$519,799,788	\$610,833,459	4,874.9
S1 Hotline for child abuse and neglect	993,775	988,551	0	0	5,224	0.6
S2 Public awareness campaign for Child Welfare	20,198	20,198	0	0	0	0.2
S3 Old Age Pension cost of living adjustment	670,200	0	670,200	0	0	0.0
S4 Amendment to Regional Center capital outlay	0	0	0	0	0	0.0
S5 Mental health institutes medical services	1,329,390	1,329,390	0	0	0	0.0
S6 CHATS remediation and assessment	0	0	0	0	0	0.0
S7 Mental health institutes revenue adjustment	0	1,868,032	(2,091,431)	223,399	0	0.0

JBC Staff Supplemental Recommendations: FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Department of Human Services: Recommended Changes for FY 2013-14						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
S8 Development and implementation of random moment time study	248,577	248,577	0	0	0	0.0
S9 Adult assistance programs administration	0	377,964	0	0	(377,964)	0.0
S10 Administrative Review Division funding	0	300,000	0	0	(300,000)	0.0
S11 Juvenile Parole Board allocation	31,033	0	0	31,033	0	0.2
S12 Behavioral health crisis response system delay	(10,131,955)	(10,131,955)	0	0	0	0.0
S13 Purchase contract placements	1,222,875	1,023,756	0	265,535	(66,416)	3.0
1331 Child Welfare adjustments	7,796,708	7,796,708	0	0	0	0.0
NP1 Statewide vehicle lease payment true-up	19,653	6,326	740	9,844	2,743	0.0
NP2 DD caseload and per capita adjustment	(23,564,580)	0	0	(23,564,580)	0	0.0
NP3 Mail, postage, and envelope request	16,926	4,547	2,401	0	9,978	0.0
NP4 CBMS technology improvement work	2,217,629	487,728	93,671	796,397	839,833	0.0
Recommended FY 2013-14 Appropriation	\$2,195,248,802	\$729,164,340	\$357,576,189	\$497,561,416	\$610,946,857	4,878.9
Recommended Increase/(Decrease)	(\$19,129,571)	\$4,319,822	(\$1,324,419)	(\$22,238,372)	\$113,398	4.0
Percentage Change	(0.9%)	0.6%	(0.4%)	(4.3%)	0.0%	0.1%
FY 2013-14 Executive Request	\$2,196,658,817	\$729,194,355	\$357,576,189	\$497,561,416	\$612,326,857	4,878.9
Request Above/(Below) Recommendation	\$1,380,000	\$30,015	\$0	\$0	\$1,380,000	0.0

Request/Recommendation Descriptions

S3 Old Age Pension cost of living adjustment: The Department requests, and staff recommends, an increase of \$0.7 million cash funds for FY 2013-14 from the Old Age Pension (OAP) Fund to implement a 1.5 percent cost-of-living (COLA) increase for OAP recipients.

S6 CHATS remediation and assessment: The Department requests an increase of \$1.4 million federal funds for FY 2013-14 from Child Care Development Funds to fix known issues with the Child Care Automated Tracking System (CHATS). Staff recommends rejecting this request.

S8 Development and implementation of random moment time study: The Department requests, and staff recommends, an increase of \$0.3 million General Fund for FY 2013-14 to develop and implement a new web-based Random Moment Time Study (RMTS) process, to allocate costs for State and county social service programs.

S9 Adult assistance programs administration: The Department requests, and staff recommends, a refinance of \$0.4 million federal funds from cost allocation recoveries with a like

amount of General Fund for FY 2013-14 to appropriately fund the administrative costs associated with Division of Aging and Adult Services.

S11 Juvenile Parole Board Allocation: The Department requests, and staff recommends, an increase of \$31,033 reappropriated funds and 0.2 FTE for FY 2013-14 transferred from the Department of Public Safety's Division of Criminal Justice to align spending authority with the amount of funding available from the Victims Assistance and Law Enforcement (VALE) grant.

S13 Purchase of contract placements: The Department's Division of Youth Corrections requests an increase of \$1.3 million total funds (including \$1.2 million net General Fund) and 3.0 FTE for FY 2013-14 based on the January 2014 Division of Criminal Justice (DCJ) population projections for committed youth. Staff recommends that the Committee appropriate \$1.2 million total funds (including \$1.2 million net General Fund) and 3.0 FTE for FY 2013-14. Staff's recommendation is slightly less (\$30,015 General Fund) than the Department's request due to differences in the calculation of benefits for personal services.

NP1 Statewide vehicle lease payment true-up: The Department requests an increase of \$19,653 total funds, including \$6,326 General Fund, for FY 2013-14 as part of the Statewide vehicle lease payment true-up process. This request item is addressed in a separate staff supplemental recommendations presentation for the Department of Personnel on Wednesday, January 22nd. Staff will incorporate the Committee's action into the supplemental bill. *The dollar amounts in the table represent the requested appropriation change.*

NP3 Mail, postage, and envelope request: The Department requests an increase of \$16,926 total funds, including \$4,547 General Fund, for FY 2013-14 to meet the rising costs of mail, postage, and envelopes. This request item is addressed in a separate staff supplemental recommendations presentation for the Department of Personnel on Wednesday, January 22nd. Staff will incorporate the Committee's action into the supplemental bill. *The dollar amounts in the table represent the requested appropriation change.*

NP4 CBMS technology improvement workplan: The Governor's Office of Information Technology (OIT) requests an increase of \$2.2 million reappropriated funds for FY 2013-14 transferred from the Department of Human Services and the Department of Health Care Policy and Financing for a base operating increase for hardware and software support for the Colorado Benefits Management System (CBMS). This request item is addressed in a separate staff supplemental recommendations presentation on the Office of Governor scheduled for Friday, January 24th. Staff will incorporate the Committee's action into the supplemental bill. *The dollar amounts in the table represent the requested appropriation change.*

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #3 OLD AGE PENSION COST OF LIVING ADJUSTMENT

	Request	Recommendation
Total	<u>\$670,200</u>	<u>\$670,200</u>
Cash Funds	670,200	670,200

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made	

Department Request: The Department requests a one-time increase of \$0.7 million cash funds for FY 2013-14 from the Old Age Pension (OAP) Fund to implement a 1.5 percent cost-of-living (COLA) increase for OAP recipients. Note, the Department submitted a decision item on November 1st to increase funding for the OAP program by \$1.3 million cash funds for FY 2014-15.

Staff Recommendation: Staff recommends that the Committee approve the Department’s request to appropriate an additional \$0.7 million cash funds from OAP Fund to implement a 1.5 percent COLA increase for OAP recipients.

Staff Analysis: The OAP program, authorized by the State constitution, provides cash assistance to low-income senior citizens. To be eligible for the OAP program, individuals must be 60 years of age or older, a U.S. citizen or qualified legal immigrant, have monthly income under \$737, and have resources valued at or under \$2,000 for an individual or \$3,000 for a couple. As of January 2013, individuals may receive a grant award up to \$737 a month, but this grant amount may be reduced by any other income the recipient receives including Social Security benefits, Supplemental Security Income (SSI), Veteran’s Assistance, or wage income. Currently, individuals eligible for the OAP program have total incomes (the OAP grant plus any other income) at 77 percent of the federal poverty level.

OAP is funded through excise and State sales taxes which are deposited in the OAP cash fund in lieu of the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. The General Assembly has limited control over OAP expenditures, as benefit levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill appropriation reflects anticipated expenditures and is shown for informational purposes.

As required under federal law (20 CFR 416 et. seq.), Colorado has a “maintenance of effort” (MOE) agreement with the Social Security Administration for individuals eligible for the SSI

program. The agreement requires Colorado to spend at least the same amount in State funds each year as the State spent during the previous year on programs benefiting individuals eligible for the SSI program. The amount spent on OAP recipients eligible for SSI is included in Colorado's MOE agreement.

On October 30, 2014, the SSA announced that monthly payments for SSI will increase by 1.5 percent for a COLA in 2014. Without a corresponding increase in Old Age Pension (OAP) payments, the amount of assistance provided to SSI eligible individuals from State funds is in jeopardy of falling below the amount set forth in the maintenance of effort agreement the State has with the SSA. As a result, the Department requests, and staff recommends, an increase of \$670,200 cash funds spending authority for FY 2013-14 for the OAP program to provide a 1.5 percent COLA. This request/recommendation will increase the OAP grant standard by \$11, from \$737 to \$748.

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #6 CHATS REMEDIATION AND ASSESSMENT

	Request	Recommendation
Total	<u>\$1,380,000</u>	<u>\$0</u>
Federal Funds	1,380,000	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency.	

Department Request: The Department requests a one-time increase of \$1.4 million federal funds for FY 2013-14 from Child Care Development Funds to fix known issues with the Child Care Automated Tracking System (CHATS). Additionally, the Department seeks roll-forward authority through FY 2014-15 for the requested moneys.

Staff Recommendation: Staff recommends that the Committee reject the Department's request for an increase for FY 2013-14 to remedy existing issues with CHATS. Staff recommends that the Department work with the Committee to develop a more comprehensive plan that addresses both the short- and long-term needs of the system.

Staff Analysis: The Colorado Child Care Assistance Program (CCAP) provides financial assistance to low-income families that are working, searching for employment (or are engaged in training), and families that are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. CCAP is administered through county departments of social services under the direction of the Department's Division of Child Care.

CHATS is the system used to manage family, provider, county, and payment data. After cases are entered into the system by county staff, it determines child care eligibility based on family information and county policy. The family authorization, provider rate, and payment information is then stored in CHATS. The system, based on technology implemented by the Commonwealth of Pennsylvania, was rolled out to users in 2010 and has since experienced a variety of issues negatively impacting CCAP.

Counties have consistently reported that CHATS is an “all input, no output” system, meaning that county staff enter data, yet do not have any working reporting tools to query the data and answer questions. For example, CHATS lacks basic reporting tools for applications (e.g. date of application, date of authorization, etc.), CCAP usage (e.g. days and hours used by child, days and hours used by a provider, number of children authorized by provider, etc.), and CCAP providers (e.g. days and hours used by a child versus authorized hours and days, dollar amount authorized versus dollar amount billed, etc.).

Some counties report that they have developed parallel databases to capture the same data that are entered in CHATS, but in a system that can be queried to produce reports. Other counties, however, do not have the human or financial resources to develop such workarounds. Regardless, all counties are dedicating more time to CHATS than was originally envisioned when the system was rolled out and are not receiving much benefit.

Providers report many system issues, as well. Payment information is generated from attendance records captured by a point-of-service (POS) tool whereby families swipe a benefit card when dropping off and picking up their child from a provider. A reporting tool does not exist to effectively query data captured by the POS. Providers indicate that they are not able to see client eligibility data (including paperwork status), client attendance data, client co-pay data, and virtually all other data essential for successful participation in CCAP.

For FY 2011-12 and FY 2012-13, the General Assembly appropriated \$436,000 to implement a provider self-service portal with a goal of providing data on authorization information for children in the provider's care, payments received, attendance for children swiped in to the facility, and fiscal agreements between providers and the counties for which they are authorized to do business with for the provision of child care. This solution was developed, but not implemented due to technological complexities that could not be overcome.

The Department concedes that the current CHATS system is not meeting the needs of stakeholders because it has not been maintained adequately. As evidence, the agency is currently the owner of over 1,500 unresolved help desk tickets and change requests for CHATS. The Department has worked with Deloitte to conduct a rapid assessment of the system to determine why these issues are occurring. The firm's report shows indicates that:

- Insufficient levels of technical and policy staff resources are negatively impacting the ability to support basic maintenance and operation of the system (currently 3.5 to 4.0 FTE);
- Staff supporting the system do not have the skills needed to maintain complex technologies;
- Limited or non-existent training offerings have led to improper use of the system;
- The system lacks a testing and training environment for users to run sample scenarios; and
- The help desk operations are not efficient.

CHATS is clearly not functioning as originally intended. The system deficiencies have created such administrative burdens for providers that they have now become deterrents for child care providers to participate in CCAP, thus reducing opportunities for children to receive care. The administrative burdens for counties are just as difficult, however they are not in a position to opt in or out of CCAP, thus staff time is devoted to implementing workarounds to fulfill business processes. It is obvious that the status quo will not remedy the ongoing system issues and a new course of action must be taken.

To remedy these issues, the Department requests \$1,380,000 in additional federal funds spending authority for FY 2013-14, with roll-forward authority to FY 2014-15, from Child Care Development Block Grant funds to service CHATS. The requested funds would be used for the following:

*JBC Staff Supplemental Recommendations: FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

FY 2013-14 CHATS Request	
Cost Item	Cost
Contract Staff	\$630,000
County Case Management Portal	300,000
Quality Rating Interface	200,000
Needs Assessment	200,000
Review / Prioritize Help Desk Tickets / Change Requests	50,000
TOTAL	\$1,380,000

- Contract Staff (\$630,000) – Additional contract staff are requested to conduct ongoing operations. Following the prioritization of the help desk and change request backlog, the Department requests spending authority for four contractors for a 12 month period to remediate the highest priority ticket items. The contract positions include business analysts, developers, and testers.
- County Case Management Portal (\$300,000) – The request includes moneys to build the foundation to provide counties with real time data from CHATS in a format where data can be manipulated. This phase of the project would involve the purchase of software needed to access the integrated data from CHATS, deliver self-service reporting, and support a full breadth of analytical capabilities.
- Quality Rating Interface (\$200,000) – The request seeks funding to initiate development of an interface that links data from the Quality Rating and Improvement System (QRIS) with CHATS data. The goal of the interface is to provide functionality for counties to automatically assign tiered reimbursement rates to child care providers who have earned ratings under the QRIS system. The request includes funding for two contract positions for a period of 12 months (business analyst and developer).
- Needs Assessment (\$200,000) – The request seeks funding to develop a modernization strategy to identify strategic goals, stakeholder input, technology assessment, and OIT alignment. The funding sought would be used to acquire three contract staff for a period of 12 months (project manager and business analysts).
- Review / Prioritize Help Desk Tickets / Change Requests (\$50,000) – The requests includes funds to independently validate and prioritize the help desk ticket and change request backlog using a contract project manager for a period of 12 months.

It is staff’s opinion that large information technology system projects can be analyzed across four broad categories to determine the drivers of success or failure: sponsorship and ownership (senior management buy-in/involvement, project management), system requirements (clearly articulated, process in place for change request prioritization), skills and resources (funding, skill sets, proper number), and design and technology (architected based on user needs today and in the future). For CHATS, the system failures are tied directly to design and technology and skills and resources. The requested changes represent a mixture of temporary fixes and medium-range solutions that do not address these larger issues plaguing CHATS. As a result, Staff recommends rejecting the Department’s request in whole for three reasons related to design and technology and skills and resources.

First, staff is concerned that the Department has not fully explored the long-term sustainability of the core components of CHATS, and is positioning itself to experience additional years of challenges marked by one-time funding requests to implement functions that should have been included when the system was rolled out to users in 2010. While the Department indicates it has consulted with the Governor's Office of Information Technology and the system vendor, Deloitte, and determined that the core functionality of CHATS is sound and is capable of meeting business requirements, staff has received feedback from counties and providers that the technology is outdated and must be replaced in the future. Staff cannot recommend additional funding for CHATS until it has definitively been determined that the core of CHATS represents an environment able to accommodate current needs and adapt to future needs.

Second, the requested funds do not address long-term staffing issues. Deloitte's rapid assessment report analyzed three years of actual backlog data and determined that 19.0 FTE are required to perform the ongoing maintenance and operations of CHATS for it to perform as intended. CHATS is currently staffed by 3.5 to 4.0 FTE. The request seeks to add temporary staff to address the help desk and change request backlog, but is silent on how ongoing maintenance and operations will be performed after this phase. Staff cannot recommend additional funding for CHATS for temporary staff knowing that this represents only a temporary fix to a long-term, structural issue.

Third, given prior project failures related to CHATS enhancements (e.g. provider self-service portal) that the General Assembly has funded, it is staff's opinion that it is too much of a gamble to assume that additional funding for other enhancements (e.g. county case management portal or quality reporting interface) will be successfully implemented. Staff cannot recommend additional funding for CHATS for enhancements until it has been determined that the proper resources exist to implement new tools, no matter how sorely these tools are needed by counties and child care providers.

Staff is not recommending a "do nothing" approach, however. Instead, staff recommends that the Committee work with the Department to develop a more comprehensive CHATS remediation plan and schedule. The plan must address costs associated with technology options (e.g. build on the current technology versus migrating to a different technology), adequate maintenance and operational staffing levels, and training needed to ensure that users are equipped with the knowledge to be successful interacting with CHATS. Staff recommends that the Department work with staff to provide the Committee with a plan during the figure setting process. This plan may include FY 2013-14 adjustments that would be included as an add-on to the FY 2014-15 Long Bill.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #8
DEVELOPMENT / IMPLEMENTATION OF RANDOM MOMENT TIME
STUDY**

	Request	Recommendation
Total	<u>\$248,577</u>	<u>\$248,577</u>
General Fund	248,577	248,577

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department requests a one-time increase of \$0.3 million General Fund for FY 2013-14 to develop and implement a new web-based Random Moment Time Study (RMTS) process, to allocate costs for State and county social service programs.

Staff Recommendation: Staff recommends that the Committee approve the Department's request for \$0.3 million General Fund for FY 2013-14 to develop and implement a new web-based RMTS process.

Staff Analysis: The RMTS process is a federally approved method used to accurately determine proportions of staff time spent providing certain services to particular groups of clients. The process assists the Department in documenting its federal claims for certain kinds of social service administrative monies.

Today, the Department contracts with Maximus to place 10,000 randomized telephone calls a quarter to county and State social services staff to determine what program activities individuals are working on at that moment in time. Each staff person has a copy of the numeric codes used to identify the program(s) they are working on at that moment, and keys that number in during the phone call. The data collected are provided to the Department where accountants use it to develop billing amounts from the funds used to support the various programs. These billing amounts are used by the Committee each year to correctly fund-split line items in the annual appropriations act.

The contract with Maximus expires on June 30, 2014, and the Department has released a request-for-proposals (RFP) to replace its telephone polling method with a web-based program. The Department indicates that it is preferable to move away from the telephone-based method due to inaccuracies in the data collected resulting from limitations in voice communications. For example, an individual may be working on both TANF and Medicaid, but they may only remember the numeric code for TANF when they receive the random phone call. This type of scenario produces data inaccuracies whereby one program appears to require more time to administer than is actually the case.

A web-based program sends emails to State and county staff that contain detailed response categories that generate more accurate data than are available with the current telephone model. Additionally, the data provided by staff are able to be queried in real-time to provide more timely analysis (as well as a means to flag certain agencies for consistent failures to report).

There is a one-time cost to develop and implement the web-based email solution of \$248,577 General Fund. Continued maintenance and administration costs of the program after implementation will replace the costs of maintaining and administering the telephone polling system (approximately \$300,000). Any savings generated from the change will result in an increase of moneys available for counties, as a portion of the ongoing maintenance and support costs from the telephone-based system are paid for from appropriations in the County Administration line item.

More accurate data collected result in more accurate appropriations in the Long Bill and more accurate expenditures each year from specific programs. For these reasons, staff recommends the Department's business process delivery change from a telephone-based system to a web-based system.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #9
 ADULT ASSISTANCE PROGRAMS ADMINISTRATION**

	Request	Recommendation
Total	\$0	\$0
General Fund	377,964	377,964
Federal Funds	(377,964)	(377,964)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of a technical error in calculating the original appropriation.	

Department Request: The Department requests a refinance of \$0.4 million federal funds from cost allocation recoveries with a like amount of General Fund for FY 2013-14 to appropriately fund the administrative costs associated with Division of Aging and Adult Services. The request annualizes to \$381,296 General Fund in future fiscal years.

Staff Recommendation: Staff recommends that the Committee approve the Department’s request to refinance \$0.4 million federal funds from cost allocation recoveries with a like amount of General Fund for FY 2013-14.

Staff Analysis: The Administration line item within the Adult Assistance Programs Long Bill division provides oversight and support to the Adult Protective Services unit, the State Unit on Aging, and Adult Financial Programs. For several fiscal years, including FY 2013-14, the line item included an appropriation of \$377,964 from indirect costs earned by the Division through the administration of federally-funded Older American’s Act programs. The moneys, however, have not been earned. As a result, at the close of each fiscal year, the Department transfers funds from under-expended line items across the agency to backfill the \$377,964 contained in this line item. The Department requests, and staff recommends, an increase of \$377,964 General Fund and a decrease of \$377,964 federal funds to fund the Administration line item at a level of projected consumption that does not require transfers from other programs.

This request/recommendation represents an initial step to clean up appropriations in the Department. This step limits end-of-year transfers from other line items that are unexpended, allowing the legislature to more clearly appropriate funds to line items for their intended purposes.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #11
JUVENILE PAROLE BOARD ALLOCATION**

	Request	Recommendation
Total	<u>\$31,033</u>	<u>\$31,033</u>
FTE	0.2	0.2
Reappropriated Funds	31,033	31,033

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of a technical error in calculating the original appropriation.	

Department Request: The Department requests an increase of \$31,033 reappropriated funds and 0.2 FTE for FY 2013-14 transferred from the Department of Public Safety’s Division of Criminal Justice to align spending authority with the amount of funding available from the Victims Assistance and Law Enforcement grant. The request annualizes to \$33,773 reappropriated funds and 0.2 FTE in future fiscal years.

Staff Recommendation: Staff recommends that the Committee approve the increase of \$31,033 reappropriated funds and 0.2 FTE for FY 2013-14 to align spending authority with the amount of funding available from the Victims Assistance and Law Enforcement grant.

Staff Analysis: The Colorado Juvenile Parole Board is statutorily authorized to grant, deny, modify, suspend, or revoke, and specify conditions of parole for all juvenile delinquents adjudicated to the Department of Human Services. The Board is also statutorily bound to provide notification and services to victims of juvenile crimes. These services include providing victims with information regarding juvenile parole, notification of certain events that may occur during the juvenile’s term on parole, and the opportunity for victims to be heard in the process.

The Board receives funding for victims services from a grant administered by the Department of Public Safety’s Division of Criminal Justice. Moneys for the grant program originate as surcharges levied on criminal actions and traffic offenses and voluntary victim assistance payments from inmates that are deposited in the Victims Assistance and Law Enforcement Fund. For FY 2013-14, the Board received a grant of \$45,081 to fund 0.8 FTE and associated operating expenses. The grant amount was increased by \$31,033 on January 1, 2013 to fund a full FTE (1.0) and meet the needs of an increased caseload of victims enrolling in the program. Staff recommends this increase to align the Board’s appropriation with the amount of funding it receives from the Division of Criminal Justice.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #13
PURCHASE OF CONTRACT PLACEMENTS**

	Request	Recommendation
Total	<u>\$1,252,890</u>	<u>\$1,222,875</u>
FTE	3.0	3.0
General Fund	1,053,771	1,023,756
Reappropriated Funds	265,535	265,535
Federal Funds	(66,416)	(66,416)
<i>Net General Fund*</i>	<i>1,186,539</i>	<i>1,156,524</i>

*Net General Fund equals the General Fund appropriation to the Department of Human Services plus the General Fund appropriation component of moneys reappropriated to the Department of Human Services from the Department of Health Care Policy and Financing.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

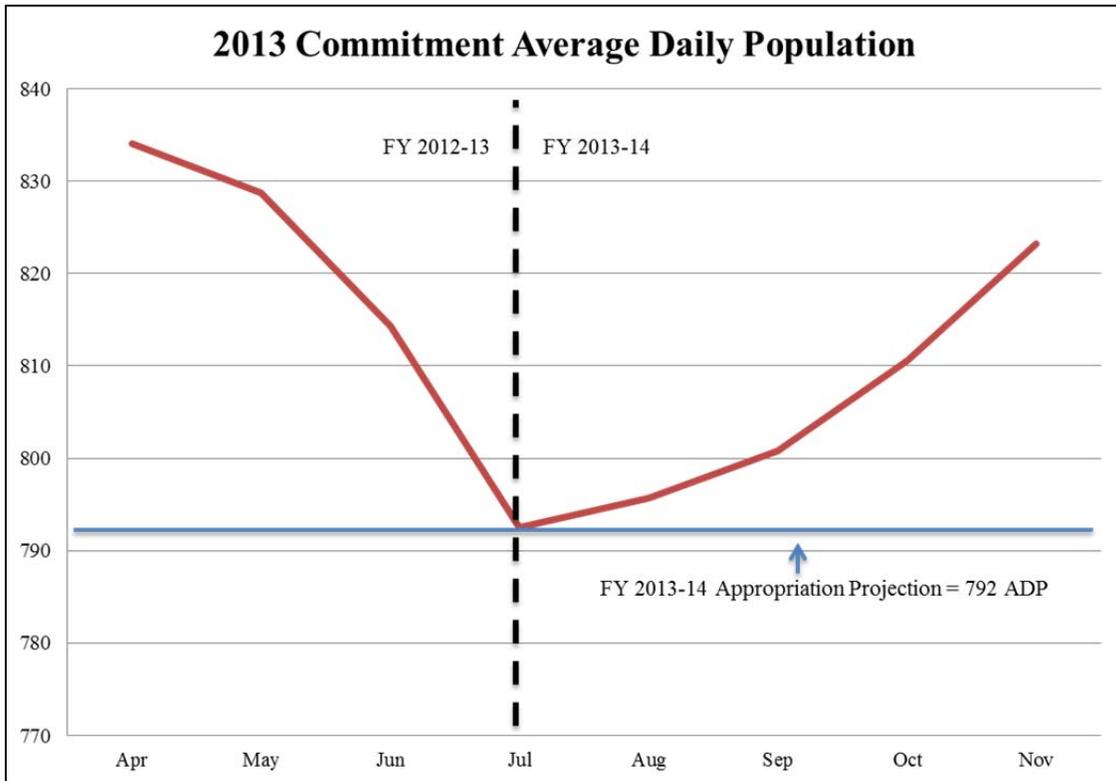
Department Request: The Department’s Division of Youth Corrections requests an increase of \$1.3 million total funds (including \$1.2 million net General Fund) and 3.0 FTE for FY 2013-14 based on the January 2014 Division of Criminal Justice (DCJ) population projections for committed youth. The request annualizes to \$0.5 million General Fund and 9.0 FTE for FY 2014-15.

Staff Recommendation: Staff recommends that the Committee appropriate **\$1.2 million total funds (including \$1.2 million net General Fund) and 3.0 FTE for FY 2013-14.** Staff’s recommendation is slightly less (\$30,015 General Fund) than the Department’s request due to differences in the calculation of benefits for personal services.

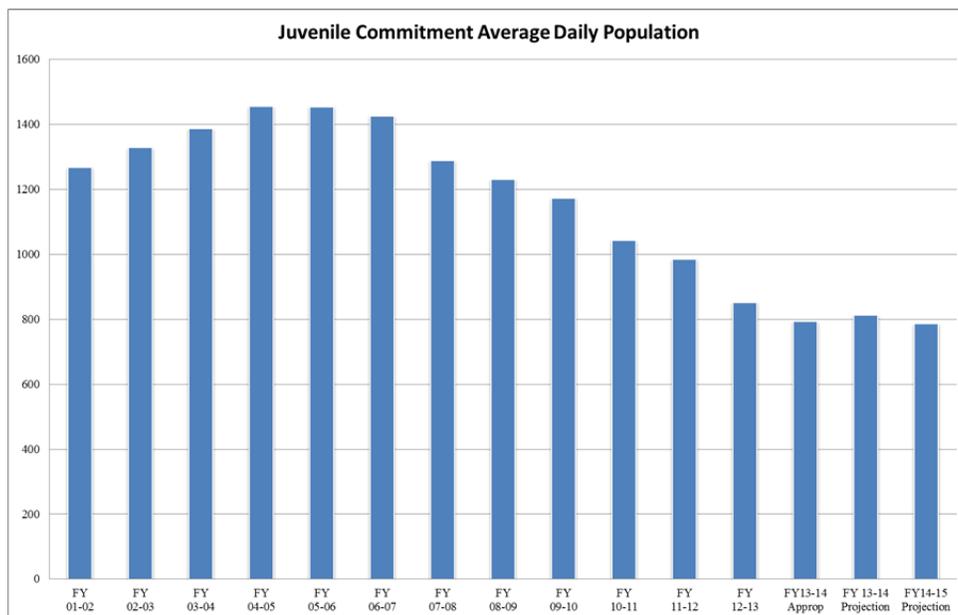
Staff Analysis: The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of juveniles held in secure detention pre- or post-adjudication, juveniles committed or sentenced to the Department by courts, and juveniles receiving six month mandatory parole services following a commitment to the Division. The agency maintains 10 secure institutional centers for these purposes, and augments this capacity with contracts for community, staff secure, and detention placements.

The January 2014 DCJ average daily population projection for FY 2013-14 for juveniles committed or sentenced to the Department by courts is higher by 19.2 than the projection used to appropriate funds for FY 2013-14. The projection used for the current appropriation is an average daily population of 792.0, while DCJ projects an average daily population of 811.2. The

following table illustrates the trends in the average daily population of committed juveniles over the past eight months (average ADP of 812.5 during this period) for reference purposes.



The following table illustrates the trends in the average daily population of committed juveniles over the past 13 years for comparison purposes. While the DCJ forecast is a slight uptick, it does not indicate an increase in population above FY 2012-13 or prior fiscal years.



*JBC Staff Supplemental Recommendations: FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

Of the projected 19.2 average daily population increase, DYC indicates that it can serve 4.8 within existing resources in State facilities. For the remaining caseload, the agency requests \$1,062,867 total funds (including \$996,516 net General Fund) for FY 2013-14 to purchase 14.4 contract beds from community providers. Staff recommends that the Committee approve funding for the purchase of community placements, as requested. As shown in the following table at the top of the prior page, DCJ’s caseload forecast appears accurate based on current trends.

FY 2013-14 Purchase of Contract Placements Request / Recommendation				
Line Item	General Fund	Reapprop. Funds	Federal Funds	Total Funds
Purchase of Contract Placements	\$863,748	\$265,535	(\$66,416)	\$1,062,867

The Department indicates that it is also experiencing over-capacity at the Mount View Youth Services Center in the Denver area. Mount View is a secure, co-ed multi-purpose facility providing detention services for the First and Fifth Judicial Districts, diagnostic/assessment services for sixteen Judicial Districts along the front range, a secure transportation unit that supports the assessment function, and the Next Step program for youth who have returned to secure committed care due to unsafe behaviors and increased risk while in the community either in a non-secure placement or on juvenile parole.

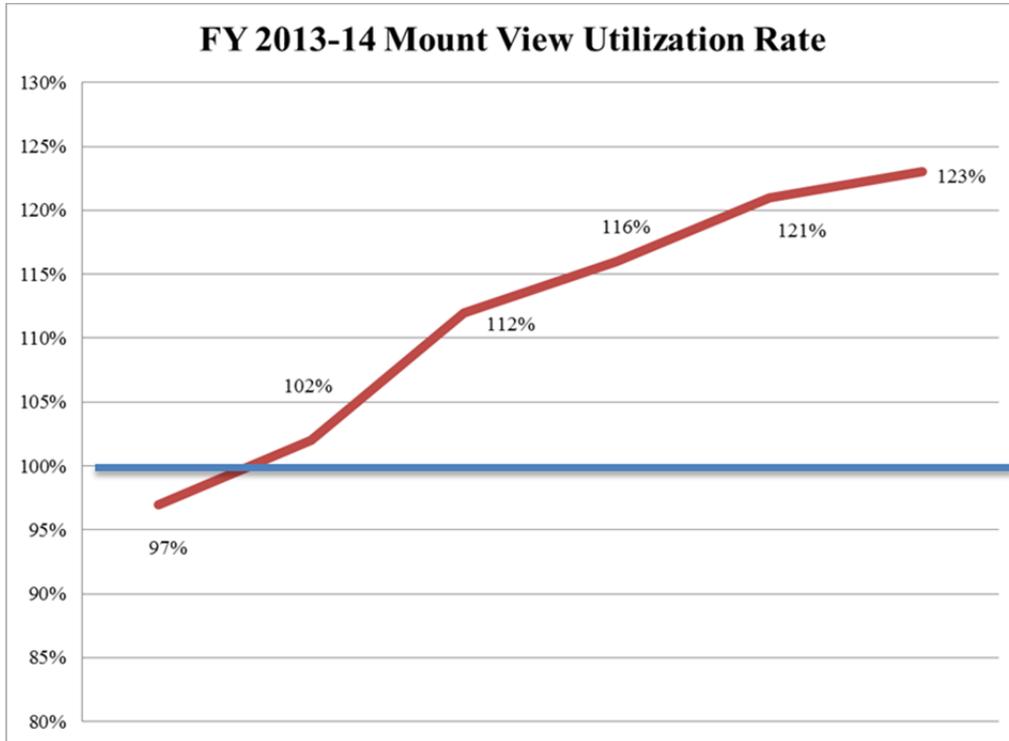
Beginning in FY 2012-13, DYC consolidated assessment activities from Greeley, Colorado Springs and Mount View into the Mount View facility only. Additionally, the Mount View facility eliminated 10 detention beds and 37 regular commitment beds, while adding 18 beds for the assessment commitment population. With this request, DYC is indicating that the number of assessment beds is not adequately sized to meet the current need.

The number of commitments has increased by 6.5 percent over the prior year, requiring Mount View to operate above capacity, as more commitments require more assessments. Additionally, DYC reports that there is shortage of placement availability in the community for youth with complex needs. Several providers, including Jefferson Hills, Devereux Cleo Wallace, Dale House, and Third Way, have indicated to the agency that they are maintaining waiting lists to take youth. This has contributed to a backlog of youth in State facilities who have been assessed and are awaiting community placement, further exacerbating the capacity issue.

To address this issue, the Division requests funds to open a 14-bed unit at the Mount View facility to ensure that youth are assessed and placed in a timely manner. Opening this unit requires 6.0 correctional youth security officers and 3.0 behavioral health specialists for a total cost of \$508,204 General Fund. Annualizing this amount for four months of FY 2013-14 results in an increase of 3.0 FTE and \$190,023 General Fund. These increased amounts for opening a new unit match the reductions associated with unit closures started in FY 2012-13.

FY 2013-14 Unit Reopening at Mount View Request		
Personal Services (3.0 FTE)	Operating Expenses	Total
\$173,064	\$16,959	\$190,023

Staff recommends that the Committee approve the Division’s request to open a unit at the Mount View Youth Services Center. The utilization rate at the facility has grown from 97 percent to 123 percent since the beginning of FY 2013-14.



It is staff’s opinion that action should be taken to relieve the pressures on youth and staff associated with operating the facility at greater than 100 percent capacity. Staff’s recommendation will not immediately achieve the goal of operating at (or slightly below) 100 percent of capacity, but it will achieve this goal over time.

In terms of financing the unit opening, staff recommends that the Committee only appropriate moneys for the personal services and operating expenses associated with hiring new FTE, and not appropriate funds for centrally appropriated line items (health, life, and dental, AED, SAED, etc.).

FY 2013-14 Unit Reopening at Mount View Request vs. Recommendation		
Line Item	Request (GF)	Recommendation (GF)
Health, Life, and Dental	\$22,105	\$0
Short-term Disability	282	0
AED	4,103	0
SAED	3,525	0
Personal Services	143,049	143,049
Operating Expenses	16,959	16,959
Total	\$190,023	\$160,008

Non-prioritized Supplemental Requests

NON-PRIORITIZED SUPPLEMENTAL #4 CBMS TECHNOLOGY IMPROVEMENT WORKPLAN

	Request	Recommendation
Total	<u>\$2,217,629</u>	<u>Pending</u>
General Fund	487,728	
Cash Funds	93,671	
Reappropriated Funds	796,397	
Federal Funds	839,833	
<i>Net General Fund*</i>	<i>875,742</i>	

*Net General Fund equals the General Fund appropriation to the Department of Human Services plus the General Fund appropriation component of moneys reappropriated to the Department of Human Services from the Department of Health Care Policy and Financing.

Department Request: The Governor’s Office of Information Technology (OIT) requests an increase of \$2.2 million reappropriated funds for FY 2013-14 transferred from the Department of Human Services and the Department of Health Care Policy and Financing for a base operating increase for hardware and software support for the Colorado Benefits Management System (CBMS).

Staff Recommendation: This request item is addressed in a separate staff supplemental recommendations presentation on the Office of Governor scheduled for Friday, January 24th. Staff will incorporate the Committee’s action into the supplemental bill.

Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Annual Fleet Supplemental True-up	\$19,653	\$6,326	\$740	\$9,844	\$2,743	0.0
Mail, Postage, and Envelope Request	<u>16,926</u>	<u>4,547</u>	<u>2,401</u>	<u>0</u>	<u>9,978</u>	<u>0.0</u>
Department's Total Statewide Supplemental Requests	\$36,579	\$10,873	\$3,141	\$9,844	\$12,721	0.0

Staff Recommendation: The staff recommendation for these requests is pending Committee approval of common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee approves this common policy supplemental. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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DEPARTMENT OF HUMAN SERVICES
Reggie Bicha, Executive Director

S3 Old Age Pension Cost of Living Adjustment

(10) ADULT ASSISTANCE PROGRAMS

(B) Old Age Pension Program

Cash Assistance Programs	<u>88,911,207</u>	<u>78,713,073</u>	<u>670,200</u>	<u>670,200</u>	<u>79,383,273</u>
General Fund	0	0	0	0	0
Cash Funds	88,911,207	78,713,073	670,200	670,200	79,383,273
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S3 Old Age Pension Cost of Living					
Adjustment	88,911,207	78,713,073	670,200	670,200	79,383,273
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	88,911,207	78,713,073	670,200	670,200	79,383,273
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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S6 Child Care Automated Tracking System Remediation and Assessment

(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES

(A) Information Technology

Child Care Automated Tracking System	<u>2,619,412</u>	<u>2,709,933</u>	<u>1,380,000</u>	<u>0</u>	<u>2,709,933</u>
Federal Funds	2,619,412	2,709,933	1,380,000	0	2,709,933

Total for S6 Child Care Automated Tracking System Remediation and Assessment	2,619,412	2,709,933	1,380,000	0	2,709,933
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Federal Funds	2,619,412	2,709,933	1,380,000	0	2,709,933

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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S8 Development and Implementation of Random Moment Time Study

(3) OFFICE OF OPERATIONS

(A) Administration

Operating Expenses	3,370,546	3,377,779	248,577	248,577	3,626,356
General Fund	2,880,766	2,454,829	248,577	248,577	2,703,406
Cash Funds	17,020	11,422	0	0	11,422
Reappropriated Funds	425,929	711,909	0	0	711,909
Federal Funds	46,831	199,619	0	0	199,619

Total for S8 Development and Implementation of Random Moment Time Study	3,370,546	3,377,779	248,577	248,577	3,626,356
<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	2,880,766	2,454,829	248,577	248,577	2,703,406
Cash Funds	17,020	11,422	0	0	11,422
Reappropriated Funds	425,929	711,909	0	0	711,909
Federal Funds	46,831	199,619	0	0	199,619

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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S9 Adult Assistance Programs Administration

(10) ADULT ASSISTANCE PROGRAMS

(A) Administration

Administration	<u>503,207</u>	<u>966,730</u>	0	0	<u>966,730</u>
FTE	4.8	11.0	0.0	0.0	11.0
General Fund	102,311	484,816	377,964	377,964	862,780
Cash Funds	0	103,950	0	0	103,950
Reappropriated Funds	103,950	0	0	0	0
Federal Funds	296,946	377,964	(377,964)	(377,964)	0

Total for S9 Adult Assistance Programs					
Administration	503,207	966,730	0	0	966,730
<i>FTE</i>	<u>4.8</u>	<u>11.0</u>	<u>0.0</u>	<u>0.0</u>	<u>11.0</u>
General Fund	102,311	484,816	377,964	377,964	862,780
Cash Funds	0	103,950	0	0	103,950
Reappropriated Funds	103,950	0	0	0	0
Federal Funds	296,946	377,964	(377,964)	(377,964)	0

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
S11 Juvenile Parole Board Allocation					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(B) Special Purpose					
Juvenile Parole Board	<u>242,932</u>	<u>247,281</u>	<u>31,033</u>	<u>31,033</u>	<u>278,314</u>
FTE	2.9	3.0	0.2	0.2	3.2
General Fund	202,199	202,200	0	0	202,200
Reappropriated Funds	40,733	45,081	31,033	31,033	76,114
Total for S11 Juvenile Parole Board Allocation	242,932	247,281	31,033	31,033	278,314
FTE	<u>2.9</u>	<u>3.0</u>	<u>0.2</u>	<u>0.2</u>	<u>3.2</u>
General Fund	202,199	202,200	0	0	202,200
Reappropriated Funds	40,733	45,081	31,033	31,033	76,114

JBC Staff Supplemental Recommendations - FY 2013-14
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	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
S13 Purchase of contract placements					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(A) General Administration					
Health, Life, and Dental	26,007,194	29,147,559	22,105	0	29,147,559
General Fund	15,637,178	17,669,591	22,105	0	17,669,591
Cash Funds	502,985	609,233	0	0	609,233
Reappropriated Funds	6,594,805	6,940,436	0	0	6,940,436
Federal Funds	3,272,226	3,928,299	0	0	3,928,299
Short-term Disability	356,844	417,329	282	0	417,329
General Fund	220,492	259,563	282	0	259,563
Cash Funds	6,928	9,412	0	0	9,412
Reappropriated Funds	76,025	85,167	0	0	85,167
Federal Funds	53,399	63,187	0	0	63,187
S.B. 04-257 Amortization Equalization Disbursement	6,524,620	7,726,678	4,103	0	7,726,678
General Fund	3,747,523	4,724,604	4,103	0	4,724,604
Cash Funds	247,144	179,431	0	0	179,431
Reappropriated Funds	1,560,540	1,622,310	0	0	1,622,310
Federal Funds	969,413	1,200,333	0	0	1,200,333
S.B. 06-235 Supplemental Amortization Equalization Disbursement	5,566,477	6,960,305	3,525	0	6,960,305
General Fund	3,265,085	4,250,101	3,525	0	4,250,101
Cash Funds	181,935	161,986	0	0	161,986
Reappropriated Funds	1,286,772	1,464,585	0	0	1,464,585
Federal Funds	832,685	1,083,633	0	0	1,083,633

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
(11) DIVISION OF YOUTH CORRECTIONS					
(B) Institutional Programs					
Personal Services	41,172,892	39,628,179	143,049	143,049	39,771,228
FTE	749.0	725.0	3.0	3.0	728.0
General Fund	41,172,892	39,628,179	143,049	143,049	39,771,228
Operating Expenses	3,270,429	3,373,312	16,959	16,959	3,390,271
General Fund	2,014,212	2,032,896	16,959	16,959	2,049,855
Reappropriated Funds	0	1,340,200	0	0	1,340,200
Federal Funds	1,256,217	216	0	0	216
(11) DIVISION OF YOUTH CORRECTIONS					
(C) Community Programs					
Purchase of Contract Placements	29,819,153	29,430,069	1,062,867	1,062,867	30,492,936
General Fund	27,670,413	27,437,093	863,748	863,748	28,300,841
Reappropriated Funds	1,427,106	1,286,378	265,535	265,535	1,551,913
Federal Funds	721,634	706,598	(66,416)	(66,416)	640,182
Total for S13 Purchase of contract placements	112,717,609	116,683,431	1,252,890	1,222,875	117,906,306
FTE	749.0	725.0	3.0	3.0	728.0
General Fund	93,727,795	96,002,027	1,053,771	1,023,756	97,025,783
Cash Funds	938,992	960,062	0	0	960,062
Reappropriated Funds	10,945,248	12,739,076	265,535	265,535	13,004,611
Federal Funds	7,105,574	6,982,266	(66,416)	(66,416)	6,915,850

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
Totals Excluding Pending Items					
HUMAN SERVICES					
TOTALS for ALL Departmental line items	1,973,827,981	2,214,378,373	3,582,700	2,172,685	2,216,551,058
<i>FTE</i>	<u>4,193.5</u>	<u>4,874.9</u>	<u>3.2</u>	<u>3.2</u>	<u>4,878.1</u>
General Fund	642,920,871	724,844,518	1,680,312	1,650,297	726,494,815
Cash Funds	341,644,206	358,900,608	670,200	670,200	359,570,808
Reappropriated Funds	441,136,150	519,799,788	296,568	296,568	520,096,356
Federal Funds	548,126,754	610,833,459	935,620	(444,380)	610,389,079