Legislative Council Staff

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Memorandum

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TO: Joint Technology Committee

FROM: Samantha Falco, Research Analyst, 303-866-4794
                   Joint Technology Committee Staff

SUBJECT: JTC Staff Analysis of JBC-Referred FY 2023-24 Operating Budget Request
                       Office of Information Technology
                       BA-04 Promoting Equity through Technology and Automation

Summary of Request

The Department of Human Services (CDHS) requests $7,510,485 total funds, including $2,642,882 General Fund and 10.5 FTE in FY 2023-24; and $9,092,195 total funds, including $3,429,251 General Fund and 11.0 FTE in FY 2024-25. The Joint Budget Committee (JBC) referred this budget amendment request to the Joint Technology Committee (JTC) pursuant to Joint Rule 45(b), for the committee's review and recommendation as an IT-related budget amendment.

Request Details

Applying for benefits. Individuals applying for public and medical assistance can apply online through the Public Eligibility and Application Kit (PEAK) or PEAKPro, the companion application which offers hands-on support. On average, about half of the applications submitted each month, 19,750 applications, are submitted through PEAK. PEAK offers information to individuals on what benefits they are eligible for and how to apply. The following programs are available on PEAK:

- Medicaid;
- Child Health Plan Plus (CHP+);
- Supplemental Nutritional Assistance Program (SNAP);
- Temporary Assistance for Needy Families (TANF);
- Adult Financial assistance;
- Child Care Assistance (CCCAP);
- Nurse-Family Partnership;
- Head Start;

- SafeCare Colorado;
- Women, Infants, and Children (WIC)
- Low Income Emergency Assistance Program (LEAP);
- RTD Low Income Discount Program; and
- Connect for Health.

The current budget is insufficient to maintain and improve PEAK and PEAKPro. House Bill 22-1278 requires all 39 Behavioral Health Administration community programs to be available in PEAKPro. The funding for this request would ensure the applications capacity to support the programs and users utilizing PEAK and PEAKPro.

Verifying income. Applicants are required to submit information about their households, income, and more for the various programs. Counties use The Work Number, through Equifax Verification Services, for several programs to verify income for applicants. Currently, not all counties can afford to use The Work Number, the manual entry of data into The Work Number is error-prone, and it is likely more expensive than if it were automated. Twenty-five counties do not currently use The Work Number due to costs and legal concerns,[1] which impedes on the customers receiving timely and accurate benefits.

This request would fund the integration of The Work Number into CBMS which in turn would streamline business processes for programs within CBMS and moderate the costs associated with verifying income in FY 2023-24. Additionally, it will cover the counties' costs to use The Work Number in FY 2024-25.

CDHS provided the following project cost information and their funding sources:

FY 2023-24:
- Integrating The Work Number into CBMS:
  - $410,617 General Fund, $42,575 in cash funds spending authority, and
  - $428,388 in federal funds spending authority; and
- Improving PEAK and PEAKPro:
  - $2,232,265 General Fund, $206,918 in cash funds spending authority,
  - $4 in Reappropriated funds, and
  - $4,189,697 in federal funds spending authority.

FY 2024-25:
- Improving PEAK and PEAKPro:
  - $1,943,679 General Fund, $219,233 in cash funds spending authority,
  - $3 in Reappropriated funds, and
  - $3,462,646 in federal funds spending authority; and
- County usage of The Work Number:
  - $1,485,572 General Fund,
  - $82,008 in cash funds spending authority, and

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[1] The Work Number contract requires an annual minimum of 350,000 hits across all contracted programs, which might cause some counties to pay for other counties' shortage in meeting the minimum usage requirement.

      o $1,899,053 in federal funds spending authority.

Program Information

Currently, there are no state funds dedicated to The Work Number and the costs the counties incur using the service. As of July 1, 2022, counties are charged $6.65 per income verification the county performs through The Work Number. These amounts are currently funded through administrative funding available to the counties.

Historically, PEAK and PEAKPro are appropriated about $600,000 and are included in the CBMS lines in the Long Bill. However, that does not include "pool hours" for PeakPro, so projects can only be completed if there are unused hours from other projects. Costs are shared amongst all programs that currently use PEAK for benefits and services online.

In FY 2022-23, the department was appropriated $10.9 million in Capital Construction Funds, $716,303 in cash funds spending authority, and $11.5 million in federal funds spending authority for the department's CBMS contract and operating costs.

Options for Committee Action

The JTC has three options for committee action when it reviews a budget amendment and makes a recommendation to the JBC. The JTC can:

- recommend the request to the JBC for funding with no concerns;
- recommend the request to the JBC for funding with concerns; or
- not recommend the request for funding.