

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

| | | | |
|---|--|---|---|
| Decision Item FY 2009-10 <input checked="" type="checkbox"/> | Base Reduction Item FY 2009-10 <input type="checkbox"/> | Supplemental FY 2008-09 <input type="checkbox"/> | Budget Amendment FY 2009-10 <input type="checkbox"/> |
|---|--|---|---|

Request Title: Regional Centers - High Needs Clients
Department: Human Services
Priority Number: DI-1

Dept. Approval by: *Will Kurl*
OSPB Approval: *[Signature]*
Date: 10-22-08
Date: 10-23-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 58,558,763 | 52,105,615 | 0 | 52,105,615 | 55,687,627 | 1,503,502 | 57,191,129 | 0 | 57,191,129 | 1,636,471 |
| | FTE | 935.6 | 955.3 | 0.0 | 955.3 | 986.1 | 39.4 | 1025.5 | 0.0 | 1025.5 | 43.0 |
| | GF | 2,914,786 | 2,615,314 | 0 | 2,615,314 | 2,615,314 | 0 | 2,615,314 | 0 | 2,615,314 | 0 |
| | CF | 2,656,884 | 2,691,642 | 0 | 2,691,642 | 2,691,642 | 0 | 2,691,642 | 0 | 2,691,642 | 0 |
| | CFE/RF | 52,979,751 | 46,788,106 | 0 | 46,788,106 | 50,370,118 | 1,503,502 | 51,832,770 | 0 | 51,832,770 | 1,636,471 |
| | FF | 7,342 | 10,553 | 0 | 10,553 | 10,553 | 0 | 10,553 | 0 | 10,553 | 0 |
| | MCF | 52,117,280 | 46,783,203 | 0 | 46,783,203 | 50,365,215 | 1,503,502 | 51,868,717 | 0 | 51,868,717 | 1,636,471 |
| | MGF | 25,236,972 | 22,412,101 | 0 | 22,412,101 | 24,162,980 | 751,751 | 24,914,731 | 0 | 24,914,731 | 818,236 |
| | NGF | 28,151,758 | 25,027,415 | 0 | 25,027,415 | 26,778,294 | 751,751 | 27,530,045 | 0 | 27,530,045 | 818,236 |
| (9) Services for People with Disabilities (B) | Total | 51,811,219 | 45,597,117 | 0 | 45,597,117 | 48,975,340 | 1,342,368 | 50,317,708 | 0 | 50,317,708 | 1,464,402 |
| Regional Centers for People with Developmental Disabilities (1) Medicaid-funded Services - Personal Services | FTE | 935.6 | 955.3 | 0.0 | 955.3 | 986.1 | 39.4 | 1,025.5 | 0.0 | 1,025.5 | 43.0 |
| | GF | 77,302 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 2,654,879 | 2,691,276 | 0 | 2,691,276 | 2,691,276 | 0 | 2,691,276 | 0 | 2,691,276 | 0 |
| | CFE/RF | 49,079,038 | 42,905,841 | 0 | 42,905,841 | 46,284,064 | 1,342,368 | 47,626,432 | 0 | 47,626,432 | 1,464,402 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 48,238,244 | 42,905,841 | 0 | 42,905,841 | 46,284,064 | 1,342,368 | 47,626,432 | 0 | 47,626,432 | 1,464,402 |
| | MGF | 23,297,454 | 20,473,419 | 0 | 20,473,419 | 22,122,404 | 671,184 | 22,793,588 | 0 | 22,793,588 | 732,201 |
| | NGF | 23,374,756 | 20,473,419 | 0 | 20,473,419 | 22,122,404 | 671,184 | 22,793,588 | 0 | 22,793,588 | 732,201 |
| (9) Services for People with Disabilities (B) Regional Centers for People with Developmental Disabilities (1) Medicaid-funded Services - Operating Expenses | Total | 2,326,997 | 2,550,164 | 0 | 2,550,164 | 2,753,953 | 40,850 | 2,794,803 | 0 | 2,794,803 | 40,850 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 2,326,997 | 2,550,164 | 0 | 2,550,164 | 2,753,953 | 40,850 | 2,753,953 | 0 | 2,753,953 | 40,850 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 2,326,997 | 2,550,164 | 0 | 2,550,164 | 2,753,953 | 40,850 | 2,794,803 | 0 | 2,794,803 | 40,850 |
| | MGF | 1,163,498 | 1,275,082 | 0 | 1,275,082 | 1,376,976 | 20,425 | 1,397,401 | 0 | 1,397,401 | 20,425 |
| | NGF | 1,163,498 | 1,275,082 | 0 | 1,275,082 | 1,376,976 | 20,425 | 1,397,401 | 0 | 1,397,401 | 20,425 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Regional Centers - High Needs Clients
Department: Human Services **Dept. Approval by:**
Priority Number: DI-1 **OSPb Approval:** **Date:**

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| (1) Executive Director's Office (A) General Administration - Shift Differential | Total | 4,420,547 | 3,958,334 | 0 | 3,958,334 | 3,958,334 | 120,284 | 4,078,618 | 0 | 4,078,618 | 131,219 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 2,837,484 | 2,615,314 | 0 | 2,615,314 | 2,615,314 | 0 | 2,615,314 | 0 | 2,615,314 | 0 |
| | CF | 2,005 | 366 | 0 | 366 | 366 | 0 | 366 | 0 | 366 | 0 |
| | CFE/RF | 1,573,716 | 1,332,101 | 0 | 1,332,101 | 1,332,101 | 120,284 | 1,452,385 | 0 | 1,452,385 | 131,219 |
| | FF | 7,342 | 10,553 | 0 | 10,553 | 10,553 | 0 | 10,553 | 0 | 10,553 | 0 |
| | MCF | 1,552,039 | 1,327,198 | 0 | 1,327,198 | 1,327,198 | 120,284 | 1,447,482 | 0 | 1,447,482 | 131,219 |
| | MGF | 776,020 | 663,600 | 0 | 663,600 | 663,600 | 60,142 | 723,742 | 0 | 723,742 | 65,610 |
| | NGF | 3,613,504 | 3,278,914 | 0 | 3,278,914 | 3,278,914 | 60,142 | 3,339,056 | 0 | 3,339,056 | 65,610 |

Non-Line Item Request: None
Letternote revised text: None
Cash or Federal Fund Name and COFRS Fund Number: Federal Title XIX Medicaid **Cash:** Client Cash
Reappropriated Funds Source, by Department and Line Item Name: DHCPF - (6) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS (F) Services for People with Disabilities - Medicaid Funding Community Services for People with Developmental Disabilities, Regional Centers
Approval by OIT? Yes No NA
Schedule 13s from Affected Departments: Health Care Policy and Financing (6) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS (A) Executive Director's Office - Medicaid Funding

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Human Services |
| Priority Number: | DI-1 |
| Change Request Title: | Regional Centers - High Needs Clients |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for 39.4 FTE and \$1,503,502 million MCF for direct care staff. These direct care staff support high needs individuals currently being served in Regional Centers for Persons with Developmental Disabilities who require dedicated, ongoing, one-to-one or greater staff supervision. This request annualizes to 43.0 FTE and \$1,636,471 Medicaid Cash Funds in FY 2010-11.

Background and Appropriation History:

The Regional Centers (RC) provide direct care and support for adults with developmental disabilities who have very significant care and treatment needs and for whom adequate services and supports are not available to safely serve them through the community system. Over the past five years, the Regional Centers have been admitting individuals with the most severe clinical and behavioral needs. However, in the spring of 2007, the RCs experienced a marked increase in the number of persons requiring dedicated, one-to-one or greater supervision requirements.

Staffing Needs

Inadequate staffing has previously been identified as a problem for the Regional Centers and, as a result, in 2006 the Department undertook a comprehensive study of the staffing

ratios of the Regional Centers to determine the appropriate level necessary to provide services to the individuals with severe medical, behavioral and psychiatric needs residing therein. The study identified the need for one staff person for every three residents during the day, one staff at night for behavioral settings with a second staff floating between four group homes, and two staff at night for medical settings. In addition to these direct care staffing requirements; the study included an allotment of staff for community outings. FY 2007-08 D-1 Regional Centers for Persons with Developmental Disabilities Staffing Shortfall (Phase I) submitted November 1, 2006 a phased plan to begin to address the identified staffing shortfall added 14.5 FTE and \$ 359,211 for FY 2007-08 with an annualized FY 2008-09 for 29.0 FTE. The study, which is scheduled to be updated every two years, had no way of anticipating or identifying the unexpected increase in the number of new admissions and existing residents that would require ongoing, one-on-one or greater staffing in the Spring of 2007. The Department is currently updating the 2006 staffing study to reflect current resident needs and trends.

Federal Waiver Changes

The State is required to implement federally mandated changes to the Home and Community Based Services for Persons with Developmental Disabilities (HCBS-DD) waiver which are further constraining revenues for the Regional Centers and hindering the provision of services to this population with severe needs. These federal changes include

- (1) The removal of certain services from the waiver and their transition to the Medicaid State Plan, and
- (2) Improved financial oversight and accountability of the program, including steps to "unbundle" services and costs in the Comprehensive Services (HCBS-DD) waiver program.

As part of the first change, Regional Centers are no longer allowed to provide medical, psychiatric and therapy services to waiver participants. These services are critical in meeting the needs of this population. Instead, these services must be accessed through Medicaid State Plan providers. The lack of providers available, or willing to operate, under the Medicaid State Plan means that Regional Center residents either do not receive these services, or Regional Centers must provide these services without Medicaid

reimbursement through General Fund appropriations. For example, some physician services are currently provided through a separate General Fund appropriation.

The second change, improved financial oversight and accountability, has resulted in a new fee-for-service rate structure that to date is inadequate for individuals with severe, extensive treatment needs who reside at the Regional Centers. Regional Center staff continues to work to negotiate an appropriate rate structure that reflects the full costs of serving this population.

Currently, 301 of the 403 Regional Centers beds are certified under HCBS-DD waiver, with the balance of 102 beds licensed under Intermediate Care Facilities for Persons with Mental Retardation (ICF/MR) regulations. Regional Centers received funding in FY 2008-09 D-6 Regional Center Staffing and ICF/MR Conversion Staff submitted November 1, 2007 to convert an additional 131 beds at the Wheat Ridge Regional Center (WRRC) from HCBS-DD waiver to ICF/MR licensure. The goal is to operate all beds under ICF/MR licensure, however, ICF/MR regulations require closer supervision of residents, and therefore, additional funding.

Role of the Regional Center Work Group

The Department has convened a work group comprised of all Regional Center Directors; the Director of the Division for Developmental Disabilities; the Director of Adult, Disability, and Rehabilitation Services; representatives from the Office of State Planning and Budgeting; the Joint Budget Committee Staff, the DHS Office of Behavioral Health and Housing; and the Department of Health Care Policy and Financing; and a representative of the community and/or a family member of a person residing at a Regional Center. Representatives met in March, April and May 2008 to deal with the immediate need of providing the Regional Centers with direction on how to proceed to meet both funding and resident requirements for FY 2008-09 beginning July 1, 2008. The recommendations of the work group are further outlined in later sections of this document.

Appropriation History for the Regional Centers

| | Total | FTE | GF | CF | RF | MCF | MGF | NGF |
|--|---------------------|--------------|------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Personal Services | | | | | | | | |
| Total FY 2006-07 Long Bill | \$40,117,878 | 887.4 | \$0 | \$2,608,448 | \$37,509,430 | \$37,509,430 | \$18,011,718 | \$18,011,718 |
| 07 S-1 Physician Services SB 07-165 | \$237,870 | 0.0 | \$237,870 | \$0 | \$0 | \$0 | \$0 | \$237,870 |
| FY 2006-07 Appropriation | \$40,355,748 | 887.4 | \$237,870 | \$2,608,448 | \$37,509,430 | \$37,509,430 | \$18,011,718 | \$18,249,588 |
| FY 2006-07 Salary Survey | \$1,343,798 | 0.0 | \$0 | \$0 | \$1,343,798 | \$1,343,798 | \$671,900 | \$671,900 |
| SB 06-219 HCPF Reorganization | (\$29,024) | 0.0 | \$0 | \$0 | (\$29,024) | (\$29,024) | (\$14,512) | (\$14,512) |
| Physician Services to GF Line | (\$237,870) | 0.0 | (\$237,870) | \$0 | \$0 | \$0 | \$0 | (\$237,870) |
| 08 D-1 Regional Centers for Persons with Developmental Disabilities Staffing Shortfall (Phase I) SB 07-239 | \$342,541 | 14.5 | \$0 | \$0 | \$342,541 | \$342,541 | \$171,271 | \$171,271 |
| Medical Inflation JBC addition | \$6,218 | 0.0 | \$0 | \$0 | \$6,218 | \$6,218 | \$3,109 | \$3,109 |
| Medicaid GF adjust JBC | \$0 | 0.0 | \$0 | \$0 | \$0 | \$0 | (\$78,761) | (\$78,761) |
| Reconcile to Long Bill HCPF | \$0 | 0.0 | \$0 | \$0 | \$0 | \$0 | \$89 | \$89 |
| JBC adjustment to client cash | \$0 | 0.0 | \$0 | \$27,558 | (\$27,558) | (\$27,558) | (\$13,779) | (\$13,779) |
| Total FY 2007-08 Long Bill SB 07-239 | \$41,781,411 | 901.9 | \$0 | \$2,636,006 | \$39,145,405 | \$39,145,405 | \$18,751,035 | \$18,751,035 |
| FY 2007-08 S-4A High Needs Clients | \$1,296,443 | 39.4 | \$0 | \$0 | \$1,296,443 | \$1,296,443 | \$648,222 | \$648,222 |
| FY 2007-08 S-4C Increase Spending Authority (WRRC and GJRC) | \$135,695 | 0.0 | \$0 | \$135,695 | \$0 | \$0 | \$0 | \$0 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| | Total | FTE | GF | CF | RF | MCF | MGF | NGF |
|---|---------------------|--------------|----------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total FY 2007-08 Long Bill Add on HB 08-1375 | \$43,213,549 | 941.3 | \$0 | \$2,771,701 | \$40,441,848 | \$40,441,848 | \$19,399,257 | \$19,399,257 |
| FY 2007-08 Salary Survey | \$1,564,223 | 0.0 | \$0 | \$0 | \$1,564,223 | \$1,564,223 | \$782,112 | \$782,112 |
| FY 2007-08 Performance Pay (80%) | \$424,644 | 0.0 | \$0 | \$0 | \$424,644 | \$424,644 | \$212,322 | \$212,322 |
| Annualization of 08 D-1 | \$479,556 | 14.5 | \$0 | \$0 | \$479,556 | \$479,556 | \$239,778 | \$239,778 |
| One Time FY 2007-08 S-4A High Needs Clients | (\$1,296,443) | (39.4) | \$0 | \$0 | (\$1,296,443) | (\$1,296,443) | (\$648,222) | (\$648,222) |
| One Time FY 2007-08 S-4C Increase Spending Authority (WRRC and GJRC) | (\$135,695) | 0.0 | \$0 | (\$135,695) | \$0 | \$0 | \$0 | \$0 |
| 2008-09 D-6 Regional Center Staffing and ICF/MR Conversion Staff | \$1,267,811 | 38.9 | \$0 | \$0 | \$1,267,811 | \$1,267,811 | \$633,906 | \$633,906 |
| 2008-09 D-6 Regional Center Staffing and ICF/MR Conversion- Provider fee adjustment | \$79,472 | 0.0 | \$0 | \$0 | \$79,472 | \$79,472 | \$39,736 | \$39,736 |
| Fund Mix adjustment | \$0 | 0.0 | \$0 | \$55,270 | (\$55,270) | (\$55,270) | \$0 | \$0 |
| Reconcile to Long Bill HCPF | \$0 | 0.0 | \$0 | \$0 | \$0 | \$0 | (\$185,470) | (\$185,470) |
| Total FY 2008-09 Long Bill HB 08-1375 | \$45,597,117 | 955.3 | \$0 | \$2,691,276 | \$42,905,841 | \$42,905,841 | \$20,473,419 | \$20,473,419 |
| Operating Expenses | | | | | | | | |
| Total FY 2006-07 Long Bill | \$2,198,203 | 0.0 | \$0 | \$0 | \$2,198,203 | \$2,198,203 | \$1,099,101 | \$1,099,101 |
| 1331 A Physician Services SB 07-165 | \$6,590 | 0.0 | \$6,590 | \$0 | \$0 | \$0 | \$0 | \$6,590 |
| FY 2006-07 Appropriation | \$2,204,793 | 0.0 | \$6,590 | \$0 | \$2,198,203 | \$2,198,203 | \$1,099,101 | \$1,105,691 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| | Total | FTE | GF | CF | RF | MCF | MGF | NGF |
|---|--------------------|------------|------------|------------|--------------------|--------------------|--------------------|--------------------|
| Physician Services to separate Line | (\$6,590) | 0.0 | (\$6,590) | \$0 | \$0 | \$0 | \$0 | (\$6,590) |
| Medical Inflation | \$15,828 | 0.0 | \$0 | \$0 | \$15,828 | \$15,828 | \$7,914 | \$7,914 |
| 08 D-1 Regional Centers for Persons with Developmental Disabilities Staffing Shortfall (Phase I) SB 07-239 | \$16,670 | 0.0 | \$0 | \$0 | \$16,670 | \$16,670 | \$8,335 | \$8,335 |
| Total FY 2007-08 Long Bill SB 07-239 | \$2,230,701 | 0.0 | \$0 | \$0 | \$2,230,701 | \$2,230,701 | \$1,115,350 | \$1,115,350 |
| FY 2007-08 S-4A High Needs Clients | \$40,850 | 0.0 | \$0 | \$0 | \$40,850 | \$40,850 | \$20,425 | \$20,425 |
| Total FY 2007-08 Long Bill Add on HB 08-1375 | \$2,271,551 | 0.0 | \$0 | \$0 | \$2,271,551 | \$2,271,551 | \$1,135,775 | \$1,135,775 |
| One Time FY 2007-08 S-4A High Needs Clients | (\$40,850) | 0.0 | \$0 | \$0 | (\$40,850) | (\$40,850) | (\$20,425) | (\$20,425) |
| One Time 08 D-1 Regional Centers for Persons with Developmental Disabilities Staffing Shortfall (Phase I) SB 07-239 | (\$2,170) | 0.0 | \$0 | \$0 | (\$2,170) | (\$2,170) | (\$1,085) | (\$1,085) |
| 2008-09 D-6 Regional Center Staffing and ICF/MR Conversion Staff | \$321,633 | 0.0 | \$0 | \$0 | \$321,633 | \$321,633 | \$160,817 | \$160,817 |
| Total FY 2008-09 Long Bill HB 08-1375 | \$2,550,164 | 0.0 | \$0 | \$0 | \$2,550,164 | \$2,550,164 | \$1,275,082 | \$1,275,082 |

General Description of Request:

The role of the Regional Centers in the Colorado developmental disability system is to serve the individuals with the greatest needs who cannot be safely served in the community system. Over time as the Regional Centers have continued to admit people

meeting these criteria that cannot be served in other systems, the concentration of individuals in the Regional Centers that demonstrate extremely high needs and require one-to-one or greater supervision has grown and currently exceeds the Regional Centers ability to provide appropriate supervision and service levels within current personal services and operating funding.

The Regional Centers received funding in FY 2007-08 and FY 2008-09 for additional staff to begin to fund the needs identified in the 2006 staffing study and to transition WRRC to licensure under ICF/MR regulations. However, there are still significant staffing needs identified by both the staffing study and to convert the remaining HCBS-DD waiver beds at the Grand Junction and Pueblo Regional Centers to ICF/MR licensure. Recognizing the limitations on state funding, the aforementioned work group discussed various alternatives to meet the needs of the Regional Center population. After research and discussions, the work group agreed the first priority of the Regional Centers must be to adequately care for the persons already in their care, and recommended the following plan to reduce Regional Center capacity and internally improve services to residents through increased staffing ratios:

- The Regional Centers had previously identified a list of individuals that could potentially be served through community providers. Movement of these individuals to community providers has been difficult, however, because there is not dedicated funding for community-based services to facilitate the transition or serve these individuals. As part of the work group efforts, staff re-evaluated the list, looking at each individual situation, and confirmed that 71 people could be appropriately served by existing community providers.
- The Division for Developmental Disabilities worked with the CCBs and an agreement was reached to use Comprehensive Services funding appropriated for FY 2008-09 to transition 20 of the 71 persons into the community.
- If funding to serve an additional 20 people is made available in both FY 2009-10 and FY 2010-11, the Regional Centers could transition 60 of the 71 people to the community over the next three fiscal years. It is anticipated that the remaining 11 people will leave the Regional Centers through normal attrition.

- The Regional Centers currently have 25 vacant beds resulting from the freeze on admissions during FY 2007-08. If those vacancies are maintained, the Regional Centers can reduce capacity by up to 96 beds (71 people transitioned and 25 vacancies) across three fiscal years.
- The staff associated with the reduced bed capacity will be retained to meet the needs of the existing Regional Center population. It is also anticipated these levels will be sufficient to provide the direct care staffing component of ICF/MR conversion for the Pueblo and Grand Junction Regional Centers.
- The Regional Centers capacity reduction will be limited to the number of beds necessary to produce adequate staff to meet the needs of the current population as identified in the staffing study and to allow conversion to ICF/MR licensure. This will be further quantified in the staffing study update and in the response to the Legislature's request for a report on the status of converting Grand Junction and Pueblo to ICF/MR licensure.
- The freeze on admissions and the aggressive reduction in the population served will be maintained until the existing residents at the Regional Centers can safely be cared for without further endangering the health and safety of both residents and staff, without further survey deficiencies, and without jeopardizing certification per compliance standards with Medicaid regulations.
- Future expansion of the Regional Center capacity and/or services to meet the needs of additional high needs individuals will require additional FTE and funds in future years.

Full implementation of the work group recommended action plan would allow the Regional Centers to appropriately care for the current residents. However, it is anticipated that the reduction in service capacity will create stress on the overall service delivery system. Partner agencies, such as the Mental Health Institutes, Department of Corrections, courts, and Community Centered Boards (CCBs), expect the Regional Centers to serve the most difficult, behaviorally challenged individuals as well as persons with a history of sex offense. The Department also believes this is the appropriate mission of the Regional Centers. Work group members also expressed concern over a long-term capacity reduction without broader discussions involving partner agencies.

However, with limited FTE and funding the Department is unable to entertain such options until the needs of current residents are addressed.

It is also important to note that this request will provide resources to serve approximately eight of the existing Regional Center residents and does not provide any new admissions identified by the work group. The previously proposed three new admissions actually represent only one-third of the current need. There are a total of nine high needs individuals identified within the community in dire need of admission to the Regional Centers. Each person needing dedicated, ongoing, one-to-one supervision across all three shifts requires 5.4 FTE (three shifts x 1.79 coverage) and almost \$185,000. Brief case studies of these individuals, without any client-specific information, are provided below for reference.

1. Male, 20 years old and turning 21 the end of June. Previously with Child Welfare in a residential treatment facility and discharged at age 21. Requires a two person physical hold, refuses to take medications and has failed in 26 different foster care homes. This person entered WRRC July 2008 as one of the planned three new admissions to the Regional Centers in FY 2008-09
2. Male, 36 years old and a convicted sex offender. Previously with the Colorado Mental Health Institute at Fort Logan for a year. Multiple suicide attempts. Has over 20 arrests ranging from grand theft, indecent exposure, harassment, etc. North Metro CCB cannot provide the structure and has requested emergency placement at a RC. This person was planned for one of the three new admissions to the Regional Centers in FY 2008-09 and was placed at WRRC in August 2008
3. Male, 26 years old with autism in need of immediate placement due to repeated incidents of property destruction and physical aggression towards providers. He entered the system in February and has had four host home placements and then placement back in his mother's home. North Metro CCB sent out RFPs six times and did not find any provider willing to meet his needs. This person was planned for one of the three new admissions to the Regional Centers in FY 2008-09 and was placed at WRRC in September 2008.
4. Male released from the Department of Corrections at the end of June 2008 to a homeless shelter in the absence of an available RC placement. He has been on the

wait list for over two years. He is a sex offender not under any supervision and community safety is at risk.

5. Male, with autism, has ADHD, and psychosis with aggressive behavior. Behaviors include running naked into traffic, sleep deprivation and non-focused aggression. He has severe mental retardation and has failed in numerous host homes. He is currently in a respite situation but will be placed at the Pueblo Regional Center (PRC) October 20, 2008. This admission was not a part of our planned three admissions to the Regional Centers this fiscal year, but due to the willingness of the CCB to take two individuals out of PRC in order to serve this individual, DDD agreed to the admission as there would not be a negative budgetary impact.
6. Four females with Borderline Personality Disorders. All have been in numerous CCB placements, at the Mental Health Institutes and have been discharged to host homes without success. They are temporarily at community mental health facilities or county jails and are highly likely to become emergencies at any point in time.

Consequences if Not Funded:

This request will provide FTE and funding to continue to ensure appropriate levels of staffing in the Regional Centers for approximately eight individuals currently residing there that require dedicated, ongoing, one-to-one or greater staff supervision. The Department has committed to hire additional full time and temporary staff to care for these complex individuals and failure to incorporate this requested funding into the base budget for FY 2009-10 could require the Department to reduce staffing through lay-offs or other means to meet appropriated levels. Additional consequences include: 1) a reduced level of safety for both staff and residents at the Regional Centers, 2) the need to reduce census further to ensure residents receive the specialized care they require, 3) over-expenditure of appropriated FTE and funds, and 4) Regional Centers will have to utilize funding for community-based services for 20 more people to transfer to the community in FY 2009-10, retaining the staff to serve the existing population.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Medicaid Cash Funds | Medicaid General Fund | Net General Fund | FTE |
|----------------------------------|--------------------|-----------------|---------------|-------------------------|---------------------------|-----------------------------|------------------------|------|
| Total Request | \$1,503,502 | \$0 | \$0 | \$1,503,502 | \$1,503,502 | \$751,751 | \$751,751 | 39.4 |
| Personal Services | \$1,342,368 | \$0 | \$0 | \$1,342,368 | \$1,342,368 | \$671,184 | \$671,184 | 39.4 |
| Operating Expenses | \$40,850 | \$0 | \$0 | \$40,850 | \$40,850 | \$20,425 | \$20,425 | 0.0 |
| Shift Differential | \$120,284 | \$0 | \$0 | \$120,284 | \$120,284 | \$60,142 | \$60,142 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Medicaid Cash Funds | Medicaid General Fund | Net General Fund | FTE |
|----------------------------------|--------------------|-----------------|---------------|-------------------------|---------------------------|-----------------------------|------------------------|------|
| Total Request | \$1,636,471 | \$0 | \$0 | \$1,636,471 | \$1,636,471 | \$818,236 | \$818,236 | 43.0 |
| Personal Services | \$1,464,402 | \$0 | \$0 | \$1,464,402 | \$1,464,402 | \$732,201 | \$732,201 | 43.0 |
| Operating Expenses | \$40,850 | \$0 | \$0 | \$40,850 | \$40,850 | \$20,425 | \$20,425 | 0.0 |
| Shift Differential | \$131,219 | \$0 | \$0 | \$131,219 | \$131,219 | \$65,610 | \$65,610 | 0.0 |

FTE calculations:

| <i>FTE and Operating Costs</i> | | <i>FY 2009-10</i> | <i>FY 2010-11</i> |
|------------------------------------|----------------|--|--------------------|
| PERSONAL SERVICES | | Title: Health Care Technician I | |
| Number of PERSONS / class title | | 43.0 | 43.0 |
| Number of months <u>working</u> | | 12 | 12 |
| Number months <u>paid</u> | | 11 | 12 |
| Calculated FTE per classification | | 39.4 | 43.0 |
| Annual base salary | | \$30,516 | \$30,516 |
| Salary | | \$1,202,839 | \$1,312,188 |
| PERA | 10.15% | \$122,088 | \$133,187 |
| Medicare | 1.45% | \$17,441 | \$19,027 |
| Subtotal Personal Services | | \$1,342,368 | \$1,464,402 |
| Shift Differential | | \$120,284 | \$131,219 |
| OPERATING EXPENSES | | | |
| Supplies @ \$500/\$500 | \$500 | \$21,500 | \$21,500 |
| Computer @ \$900/\$0 | \$900 | \$0 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$0 | \$0 |
| Office Equipment @ \$2,225 /\$0 | \$2,225 | \$0 | \$0 |
| Telephone Base @ \$450/\$450 | \$450 | \$19,350 | \$19,350 |
| Subtotal Operating Expenses | | \$40,850 | \$40,850 |
| GRAND TOTAL ALL COSTS | | \$1,503,502 | \$1,636,471 |

Assumptions for Calculations:

The calculation for needed FTE includes a coverage ratio of 1.79 calculated as follows:

| Coverage Ratio for Regional Centers | Calculation |
|--|--------------------|
| Days per week staff needed | 7 |
| Weeks per year | 52 |
| Hours per day | 8 |
| Total hours per year needed | 2,912 |
| 1 FTE available 52 weeks x 40 hrs/week | 2,080 |
| less average annual leave | (112.0) |
| less average annual sick leave | (71.7) |
| less average annual holidays | (77.2) |
| less adjusted comp hours | (20.6) |
| less other hours off (jury, funeral, military) | |
| other-admin leave-paid | (8.7) |
| other-funeral-paid | (5.1) |
| other-IOJ FMLA WC | (10.7) |
| other-IOJ WC | (2.1) |
| other-jury-paid | (0.4) |
| other-military-paid | (0.6) |
| less annual training hours | (34.0) |
| less annual hours of breaks | (108.6) |
| Net hours employee is available | 1,628.3 |
| Ratio of hrs needed to hrs available | 1.79 |

This calculation has been updated from previous presentations. All leave without pay has been eliminated, the compensatory time hours have been reduced, and the training hours have been increased to provide a more accurate coverage ratio. The comp hours refer to compensatory time, and historically the calculation included the total hours worked by direct care employees, or 48 hours. In response to JBC staff comments, the calculation has been adjusted downward to account for reductions in overtime one would expect to occur as new staff is added. The training hours included in the original calculation failed to capture the psychology and other therapy discipline training provided to direct care

staff, which is significant at 18 hours per direct care employee. This is in addition to 16 hours of required annual continuing education training in areas such as CPR, lifting, suction, wheelchair securing, verbal judo, etc. The requested amounts are summarized below.

This request is for 43.0 FTE for direct care staff.

Personal Services: The number of FTE and costs are based on OSPB budget instructions. The salary comes from the pay scales for the Health Care Technician I classification.

Operating Expenses: Requested at OSPB common policy rates, excluding computers, office suite software, and office equipment as the requested positions are direct care staff and do not require these items.

The Health Care Policy and Financing and Human Services Departments are investigating whether or not a provider fee increase is needed. If a budget amendment is appropriate, it will be submitted.

Impact on Other Government Agencies: As the single state agency for Medicaid, the Department of Health Care Policy and Financing will be affected by this increase in Medicaid expenditures.

The table below provides a summary of the impact to the Department of Health Care Policy and Financing (6) Department of Human Services –Medicaid Funded Programs.

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Net General Fund |
|----------------------------------|-------------|-----------------|------------|-------------------------|---------------|---------------------|
| Total Request | \$1,503,502 | \$751,751 | \$0 | \$0 | \$751,751 | \$751,751 |
| Executive Director's Office | \$120,284 | \$60,142 | \$0 | \$0 | \$60,142 | \$60,142 |
| Regional Centers | \$1,383,218 | \$691,609 | \$0 | \$0 | \$691,609 | \$691,609 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Net General Fund |
|-------------------------------|-------------|--------------|------------|----------------------|---------------|------------------|
| Total Request | \$1,636,471 | \$818,236 | \$0 | \$0 | \$818,235 | \$818,236 |
| Executive Director's Office | \$131,219 | \$65,610 | \$0 | \$0 | \$65,609 | \$65,610 |
| Regional Centers | \$1,505,252 | \$752,656 | \$0 | \$0 | \$752,656 | \$752,656 |

Cost Benefit Analysis:

The primary benefit to the State of this change request is the delivery of necessary treatment and support to some of the most vulnerable individuals in the state and prevent the need for further capacity reduction in the Regional Centers. It is a challenge to quantify the benefits of adequate staff to promptly change resident's undergarments, turn them as required, intervene in behavioral escalations, and prevent suicides. The appropriate handling of these situations reduces the likelihood of future CDPHE deficiencies and potential loss of federal financial participation in the Medicaid program. Consequently, this cost benefit analysis is based on potential loss of such federal funding.

| Cost Benefit Analysis | | | |
|--|--------------|--------------|--|
| Costs | FY 2009-10 | FY 2010-11 | Calculation |
| Net General Fund Costs | \$751,751 | \$818,235 | Schedule 13 Net General Fund |
| Benefits | FY 2009-10 | FY 2010-11 | Calculation |
| Avoid Loss of Medicaid Federal Financial Participation | \$23,068,965 | \$23,068,965 | RC FY 2008-09 Medicaid General Fund appropriation, assuming failure to meet conditions of participation would result in loss of the benefit of the 50% federal match that is part of the Medicaid rate. FY 2007-08 amount represents three months. |
| Net Benefit (Cost) | \$22,317,214 | \$22,250,730 | Benefits less costs |
| Benefit/Cost Ratio | 30.7 | 28.2 | Total benefits divided by total costs |

Implementation Schedule:

| Implementation Schedule | Month/Year Completed |
|---|--|
| Regional Centers move less intense individuals to the community and close beds. | Immediate and ongoing over three years |
| Regional Centers maintain necessary staffing ratios for eight high needs clients at regional centers. | Immediate and ongoing |

Statutory and Federal Authority:

27-10.5-301, C.R.S. (2008) Regional centers for persons with developmental disabilities. There are hereby established state regional centers in Wheat Ridge, Pueblo, and Grand Junction. The essential object of such regional centers shall be to provide state operated services and supports to persons with developmental disabilities.

27-10.5-302, C.R.S. (2008) Directors. The executive director shall appoint, pursuant to section 13 of article XII of the state constitution, a director for each regional center. Persons appointed must be skilled and trained administrators with experience related to the needs of persons with developmental disabilities. The director of each regional center shall appoint such other employees in accordance with section 13 of article XII of the state constitution as are necessary to carry out the functions of the regional center.

27-10.5-304, C.R.S. (2008) Admissions. There may be admitted to any regional center persons with developmental disabilities who have been ordered placed in a regional center pursuant to section 27-10.5-110, if the applicant or legal guardian is a bona fide resident of Colorado.

Performance Measures:

Division for Developmental Disabilities / Regional Centers

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|---|---|--------------------------|---|---|---|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Developmental Disabilities/ Regional Centers | Increase community safety and the safety of the treatment environment. Decrease the number of incidents where a Regional Center resident is unaccounted for, after an immediate search of the facility, residence, program site, and grounds. | Program Benchmark | 22 | 32 | 35 | 35 | 35 |
| | | Actual | 40 <i>(attributed to 30 individuals)</i> | 36 <i>(attributed to 28 individuals)</i> | 42 <i>(attributed to 32 individuals)</i> | | |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|---|---|--------------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Developmental Disabilities/ Regional Centers | Provide a safe and secure residential environment for Regional Center residents. Decrease the rate of critical incidents*, as a percentage of the average daily census, at the Regional Centers. <i>*Critical incidents involve exploitation, mental or psychological abuse, mistreatment, neglect, physical abuse, deaths, medical crisis, missing persons, serious criminal offense by a resident, serious injury to a resident, and victims of a crime.</i> | Program Benchmark | N/A | N/A | 10.56% | 10.24% | 9.93% |
| | | Actual | N/A | 10.96% | 10.13% | | |
| The benchmarks assume a 3% reduction in the total number of critical incidents and no change to the average daily census. | | | | | | | |

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STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | | |
|--|---|--------------------------------|--|-----------------------|---------------------------|--------------------------|--------------------|------------------|-----------------------|-----------------------------|------------------|---|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | | |
| Decision Item FY 2009-10 | R | Base Reduction Item FY 2009-10 | | | F | Supplemental FY 2006-09 | | | F | Budget Amendment FY 2009-10 | | F |
| Request Title: | DHS - Regional Centers - High Needs Clients | | | | | | | | | | | |
| Department: | Health Care Policy and Financing | | | | Dept. Approval by: | | John Bartholomew | | Date: | | October 31, 2008 | |
| Priority Number: | NP-6 (See also DHS DI-1) | | | | OSPB Approval: | | <i>[Signature]</i> | | Date: | | 10-21-08 | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| | Prior-Year Actual | Appropriation | Supplemental Request | Total Revised Request | Base Request | Decision/ Base Reduction | November 1 Request | Budget Amendment | Total Revised Request | Change from Base | | |
| Fund | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2010-11 | |
| Total of All Line Items | Total | 47,754,099 | 60,564,648 | 0 | 60,564,648 | 64,219,815 | 1,503,502 | 65,723,317 | 0 | 65,723,317 | 1,636,471 | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | GF | 23,037,005 | 29,230,595 | 0 | 29,230,595 | 31,024,152 | 751,751 | 31,775,903 | 0 | 31,775,903 | 818,236 | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CFE/RF | 821,658 | 979,889 | 0 | 979,889 | 1,013,916 | 0 | 1,013,916 | 0 | 1,013,916 | 0 | |
| | FF | 23,895,426 | 30,354,164 | 0 | 30,354,164 | 32,181,747 | 751,751 | 32,933,498 | 0 | 32,933,498 | 818,236 | |
| (6) Department of Human Services Medicaid-Funded Programs; (A) Executive Director's Office - Medicaid Funding | Total | 2,869,399 | 14,426,718 | 0 | 14,426,718 | 14,499,973 | 120,284 | 14,620,157 | 0 | 14,620,157 | 131,219 | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | GF | 1,434,700 | 7,141,131 | 0 | 7,141,131 | 7,177,708 | 60,142 | 7,237,850 | 0 | 7,237,850 | 65,610 | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CFE/RF | 0 | 388 | 0 | 388 | 388 | 0 | 388 | 0 | 388 | 0 | |
| | FF | 1,434,699 | 7,285,199 | 0 | 7,285,199 | 7,321,777 | 60,142 | 7,381,919 | 0 | 7,381,919 | 65,609 | |
| (6) Department of Human Services Medicaid-Funded Programs; (F) Services for People with Disabilities - Medicaid Funding, Regional Centers | Total | 44,884,700 | 46,137,930 | 0 | 46,137,930 | 49,719,942 | 1,383,218 | 51,103,160 | 0 | 51,103,160 | 1,505,252 | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | GF | 21,602,305 | 22,089,464 | 0 | 22,089,464 | 23,846,444 | 691,609 | 24,538,053 | 0 | 24,538,053 | 752,626 | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CFE/RF | 821,658 | 979,501 | 0 | 979,501 | 1,013,528 | 0 | 1,013,528 | 0 | 1,013,528 | 0 | |
| | FF | 22,460,727 | 23,068,965 | 0 | 23,068,965 | 24,859,970 | 691,609 | 25,551,579 | 0 | 25,551,579 | 752,626 | |
| Non-Line Item Request: | None | | | | | | | | | | | |
| Letternote Revised Text: | None | | | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | FF: Title XIX | | | | | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | N/A | | | | | | | | | | | |
| Approval by OIT? | Yes: <input type="checkbox"/> | No: <input type="checkbox"/> | N/A: <input checked="" type="checkbox"/> | | | | | | | | | |
| Schedule 13s from Affected Departments: | Department of Human Services | | | | | | | | | | | |

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Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Budget Office Staffing
 Department: Human Services
 Priority Number: DI-2
 Dept. Approval by: *Will [Signature]* Date: 10-22-08
 OSPB Approval: *[Signature]* Date: 10-23-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|----------------------------|------------------------|-------------------------------|--------------------------------|-----------------------|----------------------------------|-----------------------------|---------------------------|--------------------------------|--------------------------------------|
| | | Prior-Year Actual FY 07-08 | Appropriation FY 08-09 | Supplemental Request FY 08-09 | Total Revised Request FY 08-09 | Base Request FY 09-10 | Decision/Base Reduction FY 09-10 | November 1 Request FY 09-10 | Budget Amendment FY 09-10 | Total Revised Request FY 09-10 | Change from Base (Column 5) FY 10-11 |
| Total of All Line Items | Total | 2,756,968 | 2,570,950 | 0 | 2,570,950 | 2,681,082 | 152,132 | 2,833,214 | 0 | 2,833,214 | 144,284 |
| | FTE | 20.1 | 22.4 | 0.0 | 22.4 | 22.4 | 2.0 | 24.4 | 0.0 | 24.4 | 2.0 |
| | GF | (7,076) | 763,889 | 0 | 763,889 | 796,926 | 91,869 | 888,795 | 0 | 888,795 | 85,661 |
| | CF | 311,119 | 217,650 | 0 | 217,650 | 223,156 | 2,569 | 225,725 | 0 | 225,725 | 2,395 |
| | CFE/RF | 1,396,343 | 611,031 | 0 | 611,031 | 635,261 | 37,826 | 673,087 | 0 | 673,087 | 37,701 |
| | FF | 1,056,582 | 978,380 | 0 | 978,380 | 1,025,738 | 19,868 | 1,045,606 | 0 | 1,045,606 | 18,526 |
| | MCF | 472,889 | 496,545 | 0 | 496,545 | 515,201 | 31,403 | 546,604 | 0 | 546,604 | 31,713 |
| | MGF | 236,445 | 241,297 | 0 | 241,297 | 250,625 | 15,702 | 266,327 | 0 | 266,327 | 15,856 |
| | NGF | 229,369 | 1,005,186 | 0 | 1,005,186 | 1,047,551 | 107,571 | 1,155,122 | 0 | 1,155,122 | 101,518 |
| (1) Executive Director's Office (A) General Administration, Personal Services | Total | 2,268,988 | 2,076,123 | 0 | 2,076,123 | 2,186,255 | 139,776 | 2,326,031 | 0 | 2,326,031 | 142,384 |
| | FTE | 20.1 | 22.4 | 0.0 | 22.4 | 22.4 | 2.0 | 24.4 | 0.0 | 24.4 | 2.0 |
| | GF | (301,551) | 625,083 | 0 | 625,083 | 658,120 | 84,533 | 742,653 | 0 | 742,653 | 84,533 |
| | CF | 211,607 | 98,257 | 0 | 98,257 | 103,763 | 2,364 | 106,127 | 0 | 106,127 | 2,364 |
| | CFE/RF | 1,302,350 | 450,527 | 0 | 450,527 | 474,757 | 34,597 | 509,354 | 0 | 509,354 | 37,205 |
| | FF | 1,056,582 | 902,256 | 0 | 902,256 | 949,614 | 18,282 | 967,896 | 0 | 967,896 | 18,282 |
| | MCF | 378,896 | 346,556 | 0 | 346,556 | 365,212 | 28,687 | 393,900 | 0 | 393,900 | 31,295 |
| | MGF | 189,448 | 166,302 | 0 | 166,302 | 175,630 | 14,344 | 189,974 | 0 | 189,974 | 15,648 |
| | NGF | (112,103) | 791,385 | 0 | 791,385 | 833,750 | 98,877 | 932,627 | 0 | 932,627 | 100,181 |
| (1) Executive Director's Office (A) General Administration, Operating Expenses | Total | 487,980 | 494,827 | 0 | 494,827 | 494,827 | 12,356 | 507,183 | 0 | 507,183 | 1,900 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 294,475 | 138,806 | 0 | 138,806 | 138,806 | 7,336 | 146,142 | 0 | 146,142 | 1,128 |
| | CF | 99,512 | 119,393 | 0 | 119,393 | 119,393 | 205 | 119,598 | 0 | 119,598 | 32 |
| | CFE/RF | 93,993 | 160,504 | 0 | 160,504 | 160,504 | 3,229 | 163,733 | 0 | 163,733 | 496 |
| | FF | 0 | 76,124 | 0 | 76,124 | 76,124 | 1,586 | 77,710 | 0 | 77,710 | 244 |
| | MCF | 93,993 | 149,989 | 0 | 149,989 | 149,989 | 2,716 | 152,705 | 0 | 152,705 | 418 |
| | MGF | 46,997 | 74,995 | 0 | 74,995 | 74,995 | 1,358 | 76,353 | 0 | 76,353 | 209 |
| | NGF | 341,472 | 213,801 | 0 | 213,801 | 213,801 | 8,694 | 222,495 | 0 | 222,495 | 1,337 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Budget Office Staffing
 Department: Human Services Dept. Approval by: Date:
 Priority Number: DI-2 OSPB Approval: Date:

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|----------------------------|------------------------|-------------------------------|--------------------------------|-----------------------|-----------------------------------|-----------------------------|---------------------------|--------------------------------|--------------------------------------|
| | Fund | Prior-Year Actual FY 07-08 | Appropriation FY 08-09 | Supplemental Request FY 08-09 | Total Revised Request FY 08-09 | Base Request FY 09-10 | Decision/ Base Reduction FY 09-10 | November 1 Request FY 09-10 | Budget Amendment FY 09-10 | Total Revised Request FY 09-10 | Change from Base (Column 5) FY 10-11 |

Non-Line Item Request: None
Letternote Revised Text: a Of this amount, it is estimated that \$548,385 shall be from patient cash collected by the Mental Health Institutes, \$169,203 shall be from the Records and Reports Fund created in Section 19-1-307 (2.5), C.R.S., \$31,870 shall be from fees and charges for workshops and conferences, and ~~\$602,824~~ \$605,393 shall be from various sources of cash funds.
 b Of this amount, it is estimated that ~~\$13,582,547~~ \$13,613,950 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, \$1,350 shall be other funds transferred from the Department of Health Care Policy and Financing, and ~~\$2,769,169~~ \$2,775,592 shall be from various sources of reappropriated funds.
 c Of this amount, it is estimated that ~~\$707,332~~ \$717,266 shall be from the Temporary Assistance for Needy Families Block Grant, \$630,953 shall be from Section 110 vocational rehabilitation funds, ~~\$280,000~~ \$289,934 shall be from Child Care Development Funds, \$261,097 shall be from federal cost allocation recoveries, \$240,443 shall be from the Substance Abuse Prevention and Treatment Block Grant, and \$5,600,111 shall be from various sources of federal funds.

Cash or Federal Fund Name and COFRS Fund Number: Various Sources of Cash (Indirect costs from DHS administered programs), Child Care Development Funds (Federal), Temporary Assistance for Needy Families Block Grant (Federal).

Reappropriated Funds Source, by Department and Line Item Name: Medicaid and various sources of reappropriated funds (Indirect costs from DHS administered programs originally appropriated to other agencies or areas of DHS.)

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: Health Care Policy and Financing

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-2 |
| Change Request Title: | Budget Office Staffing |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The request of 2.0 FTE and \$152,132 total funds (\$107,571 General Fund for FY 2009-10) is for additional Budget Analysts to support the Department's growing need for budgetary and fiscal management. This request annualizes to 2.0 FTE and \$144,284 in FY 20010-11 (\$101,518 General Fund). With changes to fiscal, federal, and policy processes, obtaining and maintaining budgetary impacts to the department and general budgetary process improvement will require the need for additional budget staff. The Department's budget has grown over the years in amount and complexity and more budget staff are needed to meet these changing needs. This request partially offsets reductions taken to budget office in FY 2004-05.

Background and Appropriation History:

The Budget Office currently consists of 8.0 FTE, which include 6 budget analysts, 1.0 program assistant and 1.0 budget director. The impact from the FY 2004-05 budgetary cuts was a reduction of 4.0 FTE. The Departmental Budget is identified with 11 Long Bill program areas and a budget of \$2.1 billion dollars as well as over 5,700 FTE. Because of the complexity of the Department programs both in the administration as well as the financing, budget staff should be focusing time on program requirements as well as

identifying budgetary opportunities (e.g., opportunities to increase federal or other revenues) or potential problems (e.g., problems such as over expenditures and revenue shortfalls.). Because of staff limitations, this cannot currently be achieved. Limited staff has required the focus of the budget office to consist of generating necessary documentation to produce a November 1 budget submission and other items, which have the most urgent need. There is a distinct lack of staffing available to provide a more proactive approach to problem solving and fiscal planning.

General Description of Request:

The increasing size of the Department's budget and increasing budgetary and financial complexity have created the need for additional staff in the Department of Human Services (CDHS) Budget Office. The Department annually receives more than \$640M of federal funds, and the Budget Office assists individual programs with fiscal management of these funds. These federal sources include Temporary Assistance to Needy Families (TANF), Child Care Development Funds (CCDF), Social Security Administration Title IV-E funding as well as over one hundred different funding streams. The Department also receives funding and enters in annual agreements with other state agencies to operate specific programs. To name a few, the Department receives and/or sends funding to/from the Department of Regulatory Agencies, Department of Revenue, Department of Corrections, Department of Education, Department of Health Care Policy and Financing, and Judicial Department.

One of the most significant and complex interagency relationships the Department maintains is with the Department of Health Care Policy and Financing (HCPF). The Department receives or is appropriated over \$400M in Medicaid funding each year and these dollars are initially appropriated to HCPF. Working in partnership with HCPF the Department and the Budget Office must manage these funds and the complex regulations associated with the Medicaid programs. One example of this complexity are the changes to the allowable Medicaid reimbursement to programs have complicated Medicaid-related budget-financing requests and required more time and effort on behalf of the CDHS budget staff.

Budgetary financing and tracking for the Department of Human Services is very complex. The Department is in need of additional budget staff to provide all programs with appropriate support to address all areas of Department's budget.

The table below outlines the approximate number of distinct sources/funds for each funding source.

| Fund Source | Number of Distinct Sources |
|----------------------|-----------------------------------|
| General Fund | N/A |
| Cash Funds | 54 |
| Reappropriated Funds | 53 |
| Federal Funds | 37 |

As the table above shows the number of distinct funds within the Department's budget drives a tremendous amount of work and increases the complexity of the Department's operations and budget. What increases the complexity of this funding is the need to address multiple year federal funding so at any given point, tracking of at least three federal fiscal years increases the 37 federal fund sources.

Another area in the Department where the Department sees a significant need is managing and projecting various revenues within the Department. A significant challenge for the Department is managing all the various sources of revenues and having this information centrally located within the budget office. One of the biggest areas of concern is the continuous monitoring of the indirect revenues. If this request is funded the Department would like to add 1.0 FTE solely devoted to monitor and project indirect and other revenue sources throughout the Department.

The workload to the budget staff has also increased as a result of more legislation in recent years¹, this increase in Human Services bills drives an increased number of fiscal

¹ For the 2008 session of the General Assembly, the CDHS Budget Office completed a fiscal note review on 139 individual pieces of legislation. For the 2007 session of the General Assembly, the CDHS Budget Office completed a fiscal note review on 115 pieces of legislation. (Source: CDHS fiscal note tracking spreadsheet.)

analyses needed from CDHS staff. The Department understands the need for complete and high quality fiscal notes and increased staffing will allow the Budget Office to structure in a way that will allow more focus on the fiscal note process during the annual legislative session.

The Department believes partially restoring the FTE reduced in past years will enable the Department to begin to function in a more thoughtful and proactive fashion once again. Since the reduction in FY 2004-05, the CDHS budget office has operating in a “crisis” mode, where problems are addressed as they arise and staffing levels are not adequate to perform thoughtful in-depth analyses as part of the normal business practice. In evaluating the needs of the CDHS budget office, if funded, the 2.0 FTE would likely be utilized as follows;

- 1.0 FTE to project and monitor various federal, cash, and fee revenue sources and manage interagency fiscal/budgetary relationships.
- 1.0 FTE to work on programmatic budgeting (budgeting for specific program areas within CDHS) and alleviate the workload on existing budget staff.

As indicated earlier in the request the Department believes devoting a full time budget analyst to projecting and monitoring various revenues would help ensure the Department is able to maximize the existing budget. In FY 2007-08 the Department incurred a number of over expenditures that were driven by the lack of indirect or other revenue sources. The result was the appropriation as a whole was not over spent, but the Department did not have sufficient revenues to support expenditures, thus creating a General Fund over expenditure. Devoting a full time staff to this issue should reduce if not eliminate this type of over expenditure.

In addition to projecting and managing the various revenue projections, this position would manage interagency fiscal/budgetary relationships. CDHS must coordinate with a surprising number of state agencies to operate and complete the budget process. These agencies include the Department of Health Care Policy and Financing, the Department of Education, the Department of Corrections, the Department of Public Health & Environment, the Department of Personnel and Administration, the Department of Labor

and Employment. From an efficiency standpoint the Department believes having one individual responsible for this coordination would be productive.

The Department envisions the other requested position would be assigned to various program areas in the Department as the programmatic budget analyst. This would allow the Department to return to programmatic budget workload levels that allow more in-depth budget analysis and support. The Department believes this increased in-depth analysis and support will enable the analyst to work in a more proactive environment and identify errors and issues in many cases before they begin.

Consequences if Not Funded:

If this request is not funded the budget will continue with the current staffing levels. As a result the office will continue to be understaffed and experience inefficiencies as outlined in the request. For the Budget Office, the inability to reduce current workload from staff may result in hurried work product with a higher likelihood of containing errors.

Calculations for Request:

(Note: Shift in pay date included in first year calculation).

| Summary of Request FY 09-10 | Total Funds | General Fund | Cash Funds | Reappropriate d Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|---|------------------------|-------------------------|-------------------|----------------------------------|--------------------------|--------------------------------|---------------------------------------|-----------------------------|------------|
| Total Request | \$152,132 | \$91,869 | \$2,569 | \$37,826 | \$19,868 | \$31,403 | \$15,702 | \$107,571 | 2.0 |
| EDO-General Admin- Personal Services | \$139,776 | \$84,533 | \$2,364 | \$34,597 | \$18,282 | \$28,687 | \$14,344 | \$98,877 | 2.0 |
| EDO-General Admin- Operating | \$12,356 | \$7,336 | \$205 | \$3,229 | \$1,586 | \$2,716 | \$1,358 | \$8,694 | 0.0 |

| Summary of Request FY 10-11 | Total Funds | General Fund | Cash Funds | Reappropriate d Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|---|------------------------|-------------------------|-------------------|----------------------------------|--------------------------|--------------------------------|---------------------------------------|-----------------------------|------------|
| Total Request | \$144,284 | \$85,661 | \$2,395 | \$37,701 | \$18,526 | \$31,713 | \$15,856 | \$101,518 | 2.0 |
| EDO-General Admin- Personal Services | \$142,384 | \$84,533 | \$2,364 | \$37,205 | \$18,282 | \$31,295 | \$15,648 | \$100,181 | 2.0 |
| EDO-General Admin- Operating | \$1,900 | \$1,128 | \$32 | \$496 | \$244 | \$418 | \$209 | \$1,337 | 0.0 |

| OSPB Common Policy for FTE Requests | | | | | |
|--|----------------|---------------------------|------------------|--------------------|------------------|
| FTE and Operating Costs | | | | GRAND TOTAL | |
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | Budget Analyst III | | | |
| Number of PERSONS / class title | | 2 | 2 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | | |
| Calculated FTE per classification | | 2.0 | 2.0 | 2.0 | 2.0 |
| Annual base salary | | \$63,792 | \$63,792 | | |
| Salary | | \$127,584 | \$127,584 | \$127,584 | \$127,584 |
| PERA | 10.15% | \$12,950 | \$12,950 | \$12,950 | \$12,950 |
| Medicare | 1.45% | \$1,850 | \$1,850 | \$1,850 | \$1,850 |
| Subtotal Personal Services at Division Level | | \$142,384 | \$142,384 | \$142,384 | \$142,384 |
| OPERATING EXPENSES | | | | | |
| Supplies @ \$500/\$500 | \$500 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Computer @ \$900/\$0 | \$900 | \$1,800 | \$0 | \$1,800 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$660 | \$0 | \$660 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubical and chair) | \$3,998 | \$7,996 | \$0 | \$7,996 | \$0 |
| Telephone Base @ \$450/\$450 | \$450 | \$900 | \$900 | \$900 | \$900 |
| Subtotal Operating Expenses | | \$12,356 | \$1,900 | \$12,356 | \$1,900 |
| GRAND TOTAL ALL COSTS | | \$154,740 | \$144,284 | \$154,740 | \$144,284 |
| Shift in Pay Date Adjustment* | | (\$2,608) | | | |
| Grand Total Year 1 Costs | | \$152,132 | | | |

*The pay date shift only impacts the General Fund component of the request.

Assumptions for Calculations:

The Department used the OSPB common policy guidelines to develop the request for FTE. Additional assumptions for the request are listed below.

- ❑ The Department is requesting Budget and Policy Analyst III positions. The Department believes given the level of work this classified position level is most appropriate.
- ❑ The Department is requesting the fund splits based on the current long bill fund splits which includes general fund and associated indirect revenues, which include various sources of cash, Medicaid, various sources of reappropriated funds and other sources of federal revenues.

Impact on Other Government Agencies:

Not Applicable.

Cost Benefit Analysis:

This request is for a total of 2.0 budget staff FTE that support the entire Department and its programs. The Department believes these requested positions are critical to the support of the Department's programs and this support contributes to the overall success of individual programs. This cost benefit analysis clearly outlines the costs of the request and outlines the general aspects of the benefits of the additional 2.0 budget office FTE.

Cost:

The total cost of this request is \$107,571 General Fund in FY 2009-10. (\$152,132 Total Funds.)

Benefits:

The benefits of the additional 2.0 FTE will largely be seen in decreased workload to understaffed and overworked support areas of the Department. Below are a list of general benefits the department expects to see as a result of funding this request.

- The requested budget staff will provide greater fiscal oversight and allow more in-depth fiscal analysis for individual programs. The increased support and in-depth

fiscal review will assist the programs in meeting program goals and avoid financial sanctions by federal authorities due to error or fiscal mismanagement. Currently each budget analyst is responsible for an average of \$352M of appropriated funds to the Department of Human Services. If funded, this request for 2.0 additional budget staff will result in each budget analyst being responsible for an average of \$264M of appropriated funds.

Implementation Schedule:

| Task | Month/Year |
|--------------------------------------|-------------------|
| Position Description and Job Posting | May / 2009 |
| Recruitment and Selection | June / 2009 |
| Positions Hired | July / 2009 |

Statutory and Federal Authority:

Colorado Constitution Article XII, CRS 24-50-101 et. seq. and related State Personnel Rules

(3) (a) It is the purpose of the state personnel system, as a merit system, to assure that a qualified and competent work force is serving the residents of Colorado and that any person has an equal opportunity to apply and compete for state employment. Recruitment shall be from appropriate sources.

(d) The heads of principal departments and presidents of colleges and universities shall be responsible and accountable for the actual operation and management of the state personnel system for their respective departments, colleges, or universities. Such operation and management shall be in accordance with directives promulgated by the state personnel director, who shall provide post audit review of such operation and

management. Presidents of colleges and universities shall be the appointing authorities for employees of their respective institutions.

Performance Measures:

In general this request supports the vision of the Department of Human Services and all programs within the Department.

Vision Statement:

The Colorado Department of Human Services promotes the safety, health, wellbeing and independence for all Coloradoans through leadership, innovation, and accountability to human services programs throughout Colorado. The Department is committed to fulfilling Governor's Ritter's promise of a better Colorado through the improvement of individual and family outcomes, cross-system integration, and community partnerships.

More specifically this request supports fiscal accountability for the Department. One area where the Department needs to improve fiscal accountability is in the area of over expenditures. For FY 2007-08 the Department incurred seven non-entitlement over expenditures totaling more than \$1.5M. The Department's primary goal is to limit non-entitlement over expenditure to negligible amounts. It is important to note that within the Department eliminating all over expenditures may not be a realistic goal, but may be possible with increased staff.

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | |
|--|--|---|---|--------------|--|------------|------------|--|------------|------------|------------|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | |
| Decision Item FY 2009-10 <input checked="" type="checkbox"/> | | Base Reduction Item FY 2009-10 <input type="checkbox"/> | | | Supplemental FY 2008-09 <input type="checkbox"/> | | | Budget Amendment FY 2009-10 <input type="checkbox"/> | | | |
| Request Title: | | DHS - Budget Office Staffing | | | Dept. Approval by: John Bartholomew <i>JB</i> | | | Date: October 31, 2008 | | | |
| Department: | | Health Care Policy and Financing | | | OSPB Approval: <i>J. H. U. Z.</i> | | | Date: 10-23-08 | | | |
| Priority Number: | | NP-18 (See also DHS DI-2) | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Prior-Year | | Supplemental | Total | Base | Decision/ | November 1 | Budget | Total | Change |
| | Fund | Actual | Appropriation | Request | Revised | Request | Base | Request | Amendment | Revised | from Base |
| | | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | (Column 5) |
| | | | | | | | | | | | FY 2010-11 |
| Total of All Line Items | Total | 2,869,399 | 14,426,718 | 0 | 14,426,718 | 14,499,873 | 31,403 | 14,531,276 | 0 | 14,531,276 | 31,713 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 1,434,700 | 7,141,131 | 0 | 7,141,131 | 7,177,708 | 15,702 | 7,193,410 | 0 | 7,193,410 | 15,857 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 388 | 0 | 388 | 388 | 0 | 388 | 0 | 388 | 0 |
| | FF | 1,434,699 | 7,285,199 | 0 | 7,285,199 | 7,321,777 | 15,701 | 7,337,478 | 0 | 7,337,478 | 15,856 |
| (6) Department of Human Services Medicaid-Funded Programs; (A) Executive Director's Office - Medicaid Funding | Total | 2,869,399 | 14,426,718 | 0 | 14,426,718 | 14,499,873 | 31,403 | 14,531,276 | 0 | 14,531,276 | 31,713 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 1,434,700 | 7,141,131 | 0 | 7,141,131 | 7,177,708 | 15,702 | 7,193,410 | 0 | 7,193,410 | 15,857 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 388 | 0 | 388 | 388 | 0 | 388 | 0 | 388 | 0 |
| | FF | 1,434,699 | 7,285,199 | 0 | 7,285,199 | 7,321,777 | 15,701 | 7,337,478 | 0 | 7,337,478 | 15,856 |
| Non-Line Item Request: | None | | | | | | | | | | |
| Letternote Revised Text: | None | | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | FF: Title XIX | | | | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | NA | | | | | | | | | | |
| Approval by OIT? | Yes: <input type="checkbox"/> No: <input type="checkbox"/> | | N/A: <input checked="" type="checkbox"/> | | | | | | | | |
| Schedule 13s from Affected Departments: | Department of Human Services | | | | | | | | | | |

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**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Community Resources for the Developmentally Disabled
Department: Human Services **Dept. Approval by:** *Willie* **Date:** 6-10-08
Priority Number: DI-3 **OSP Approval:** *on 11/26* **Date:** 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 310,002,368 | 350,085,576 | 0 | 350,085,576 | 364,335,788 | 5,919,630 | 370,255,418 | 0 | 370,255,418 | 11,839,260 |
| | GF | 17,942,183 | 20,021,376 | 0 | 20,021,376 | 20,319,426 | 313,750 | 20,633,176 | 0 | 20,633,176 | 627,500 |
| | CF | 565,366 | 36,285,757 | 0 | 36,285,757 | 37,579,320 | 416,386 | 37,995,706 | 0 | 37,995,706 | 832,772 |
| | CFE/RF | 291,494,819 | 293,778,443 | 0 | 293,778,443 | 306,437,042 | 5,189,494 | 311,626,536 | 0 | 311,626,536 | 10,378,988 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 262,892,026 | 293,778,443 | 0 | 293,778,443 | 306,437,042 | 5,189,494 | 311,626,536 | 0 | 311,626,536 | 10,378,988 |
| | MGF | 131,446,013 | 146,782,953 | 0 | 146,782,953 | 153,112,254 | 2,594,747 | 155,707,001 | 0 | 155,707,001 | 5,189,494 |
| | NGF | 149,388,196 | 166,804,329 | 0 | 166,804,329 | 173,431,680 | 2,908,497 | 176,340,177 | 0 | 176,340,177 | 5,816,994 |
| (9) Services for People with Disabilities (A) | Total | 233,434,846 | 264,294,183 | 0 | 264,294,183 | 275,755,416 | 4,782,566 | 280,537,982 | 0 | 280,537,982 | 9,565,132 |
| Community Services for People with | GF | 1,523,193 | 1,650,459 | 0 | 1,650,459 | 1,650,459 | 0 | 1,650,459 | 0 | 1,650,459 | 0 |
| Developmental | CF | 0 | 31,955,475 | 0 | 31,955,475 | 33,109,807 | 416,386 | 33,526,193 | 0 | 33,526,193 | 832,772 |
| Disabilities - (2) | CFE/RF | 231,911,653 | 230,688,249 | 0 | 230,688,249 | 240,995,150 | 4,366,180 | 245,361,330 | 0 | 245,361,330 | 8,732,360 |
| Program Costs - Adult | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comprehensive | MCF | 207,132,459 | 230,688,249 | 0 | 230,688,249 | 240,995,150 | 4,366,180 | 245,361,330 | 0 | 245,361,330 | 8,732,360 |
| Services for 66 General Fund and 4002.5 | MGF | 103,566,230 | 115,310,141 | 0 | 115,310,141 | 120,463,592 | 2,183,090 | 122,646,682 | 0 | 122,646,682 | 4,366,180 |
| Medicaid Resources | NGF | 105,089,423 | 116,960,600 | 0 | 116,960,600 | 122,114,051 | 2,183,090 | 124,297,141 | 0 | 124,297,141 | 4,366,180 |
| (9) Services for People with Disabilities (A) | Total | 49,085,171 | 55,259,558 | 0 | 55,259,558 | 57,060,950 | 576,700 | 57,637,650 | 0 | 57,637,650 | 1,153,400 |
| Community Services for People with | GF | 7,403,678 | 7,974,941 | 0 | 7,974,941 | 7,974,941 | 0 | 7,974,941 | 0 | 7,974,941 | 0 |
| Developmental | CF | 0 | 2,774,349 | 0 | 2,774,349 | 2,864,581 | 0 | 2,864,581 | 0 | 2,864,581 | 0 |
| Disabilities - (2) | CFE/RF | 41,681,493 | 44,510,268 | 0 | 44,510,268 | 46,221,428 | 576,700 | 46,798,128 | 0 | 46,798,128 | 1,153,400 |
| Program Costs - Adult | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supported Living | MCF | 39,027,456 | 44,510,268 | 0 | 44,510,268 | 46,221,428 | 576,700 | 46,798,128 | 0 | 46,798,128 | 1,153,400 |
| Services for 692 General Fund and 3,135 | MGF | 19,513,728 | 22,255,134 | 0 | 22,255,134 | 23,110,714 | 288,350 | 23,399,064 | 0 | 23,399,064 | 576,700 |
| Medicaid Resources | NGF | 26,917,406 | 30,230,075 | 0 | 30,230,075 | 31,085,655 | 288,350 | 31,374,005 | 0 | 31,374,005 | 576,700 |

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Community Resources for the Developmentally Disabled
Department: Human Services **Dept. Approval by:**
Priority Number: DI-3 **OSPb Approval:** **Date:**

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| (9) Services for People with Disabilities (A) | Total | 6,594,039 | 6,837,871 | 0 | 6,837,871 | 7,117,269 | 279,400 | 7,396,669 | 0 | 7,396,669 | 558,800 |
| Community Services for People with | GF | 6,028,673 | 6,507,966 | 0 | 6,507,966 | 6,773,394 | 279,400 | 7,052,794 | 0 | 7,052,794 | 558,800 |
| Developmental | CF | 565,366 | 329,905 | 0 | 329,905 | 343,875 | 0 | 343,875 | 0 | 343,875 | 0 |
| Disabilities - (2) | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Program Costs - Family | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services for | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,226 General Fund | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Resources | NGF | 6,028,673 | 6,507,966 | 0 | 6,507,966 | 6,773,394 | 279,400 | 7,052,794 | 0 | 7,052,794 | 558,800 |
| (9) Services for People with Disabilities (A) | Total | 20,888,312 | 23,693,964 | 0 | 23,693,964 | 24,402,153 | 280,964 | 24,683,117 | 0 | 24,683,117 | 561,928 |
| Community Services for | GF | 2,986,639 | 3,888,010 | 0 | 3,888,010 | 3,920,632 | 34,350 | 3,954,982 | 0 | 3,954,982 | 68,700 |
| Developmental | CF | 0 | 1,226,028 | 0 | 1,226,028 | 1,261,057 | 0 | 1,261,057 | 0 | 1,261,057 | 0 |
| Disabilities - (2) | CFE/RF | 17,901,673 | 18,579,926 | 0 | 18,579,926 | 19,220,464 | 246,614 | 19,467,078 | 0 | 19,467,078 | 493,228 |
| Program Costs - Case | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Management for 3,713 | MCF | 16,732,111 | 18,579,926 | 0 | 18,579,926 | 19,220,464 | 246,614 | 19,467,078 | 0 | 19,467,078 | 493,228 |
| General Fund and | MGF | 8,366,056 | 9,217,678 | 0 | 9,217,678 | 9,537,948 | 123,307 | 9,661,255 | 0 | 9,661,255 | 246,614 |
| 7,979.5 Medicaid | NGF | 11,352,695 | 13,105,688 | 0 | 13,105,688 | 13,458,580 | 157,657 | 13,616,237 | 0 | 13,616,237 | 315,314 |

Non-Line Item Request: None
Letternote revised text: Of this amount, \$28,353,754 shall be from client cash sources and \$10,582,968 shall be from local matching funds.
Letternote revised text: Of this amount \$318,751,702 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing and \$491,314 shall be transferred from the Division of Vocational Rehabilitation. These amounts reflect the assumption that \$2,432,000 shall be received by community providers from consumers associated with posteligibility treatment of income assessments.
Cash or Federal Fund Name and COFRS Fund Number: Federal Title XIX Medicaid Cash: Client Cash COFRS - 100
Reappropriated Funds Source, by Department and Line Item Name: DHCPF - (6) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS (F) Services for People with Disabilities - Medicaid Funding Community Services for People with Developmental Disabilities, Program Costs
Approval by OIT? Yes No NA
Schedule 13s from Affected Departments: Health Care Policy and Financing

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Department of Human Services |
| Priority Number: | DI-3 |
| Change Request Title: | Community Funding for Individuals with Developmental Disabilities |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting additional funds to serve individuals with developmental disabilities. The total request is for \$5,919,630 total funds, \$5,189,494 Medicaid Cash Fund, \$416,386 Cash Funds, and \$313,750 General Fund (Net General Fund \$2,908,497). The request contains three service components and case management:

Home and Community Based Services DD (HCBS-DD) – This request would provide comprehensive services to 122 adults for an average of six months at a cost of \$4,782,566 (\$416,386 Cash Funds, \$4,366,180 Medicaid Cash Funds) in FY 2009-10. Medicaid requires a 50 percent General Fund match of \$2,183,090.

Adult Supported Living Services (SLS) – This request will provide services for 73 adults for an average of six months at a cost of \$576,700 Medicaid Cash Funds in FY 2009-10. The request is for Medicaid funds that require a 50 percent General Fund match of \$288,350.

Family Support Services Program (FSSP) - This request will provide services for 100 families for an average of six months at a cost of \$279,400 in FY 2009-10. This program is funded through the General Fund.

Case Management – This request would provide case management to these 295 adults for an average of six months at a cost of \$280,964 (\$34,350 General Fund, \$246,614 Medicaid Cash Funds) in FY 2009-10.

Background and Appropriation History: Comprehensive (HCBS-DD) and Supported Living Services (SLS) for Adults – These services for adults are provided primarily through the Community Centered Board system.

Community Centered Board (CCB) system - Comprehensive Services for adults in the CCB system are intended to meet the needs of individuals with developmental disabilities who require extensive supports to live safely in the community, and who do not have the support available to meet their needs. Comprehensive Services include group and individualized residential services in a variety of community-based settings, employment or other day services, and transportation. These services include access to 24-hour supervision. The day services component offers support, habilitation, education, and training on work habits and work-related skills, so that adults receiving services can acquire and maintain paid employment, and can attain maximum functioning in the community.

Family Support Services Program The Family Support Services (FSSP) Program helps families with the extra costs of keeping children with developmental disabilities or delays in a nurturing home environment - thus preventing the need for out-of-home placement.

The following table provides a general overview of the number of adults receiving services through the CCB system. Information is from DDD quarterly management reports.

| Comprehensive Services for Adults by the CCB system | FY 2001-02 | FY 2002-03 | FY 2003-04 | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Adults receiving Services during June | 3,371 | 3,496 | 3,582 | 3,607 | 3,652 | 3,557 |
| Increase/Decrease from prior year | N/A | 125 | 86 | 25 | 45 | -95 |

| Comprehensive Services for Adults by the CCB system | FY 2001-02 | FY 2002-03 | FY 2003-04 | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| % Change | N/A | 3.7% | 2.4% | 0.7% | 1.2% | -2.6% |
| Cumulative Growth | N/A | N/A | 211 | 236 | 281 | 186 |
| % Change | N/A | N/A | 6.3% | 7% | 8.3% | 5.5% |

Supported Living Services (SLS) – These services are aimed at adults who can either live independently with limited to moderate supports or who, if they need more extensive support, are provided this support by other persons such as their family. Supported Living Services for adults offers a variety of individualized and flexible supports to enable individuals to live in their own or their family’s home and avoid or delay more costly Comprehensive Services.

Comprehensive Community Waiting List - Colorado has long had a waiting list for Comprehensive Services. Persons on the waiting list are adults who primarily live in the home of parents, siblings or other relatives and have been waiting for Comprehensive Services for an extended period of time. Many of these adults are considered a high risk for out-of-home placement because they are in precarious situations due to aging and/or ailing caregivers or other factors.

Colorado has experienced limited growth in funding for individuals waiting for Comprehensive Services for many years. Funding has typically been directed to youth with developmental disabilities transitioning from foster care, adults in extreme emergency situations and persons moving from state-operated Regional Centers.

Family Support Services Program (FSSP) - Services include funding intended to assist families with costs and services beyond those normally experienced and needed by other families without children with a developmental disability, and to avoid or delay costly out of home placements. FSSP includes the Family Support Services Loan Fund. Per state statute 27-10.5-404 (4), and the Department is allowed to use up to seven percent of the appropriation for family support services for administrative costs within the Community Centered Boards and the Department.

The following table shows the number of individuals for whom funding has been requested and approved for the period FY 2004-05 through FY 2007-08.

| | Request FY 2004-05 | Approved FY 2004-05 | Request FY 2005-06 | Approved FY 2005-06 | Request FY 2006-07 | Approved FY 2006-07 | Request FY 2007-08 | Approved FY 2007-08 | Request FY 2008-09 | Approved FY 2008-09 |
|--|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| Comprehensive: Foster Care Transition | 49 | 36 | 48 | 48 | 64 | 60 | 39 | 39 | 45 | 45 |
| Comprehensive: Emergencies | 15 | 0 | 14 | 14 | 15 | 19 | 30 | 30 | 62 | 62 |
| Comprehensive: Waiting List | 7 | 0 | 0 | 0 | 0 | 90 | 10 | 9 | 154 | 198 |
| Family Support Services Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 100 |
| Children's Extensive Support to Supported Living Services Transition | 0 | 0 | 22 | 22 | 9 | 13 | 24 | 24 | 28 | 28 |
| Supported Living Services Waiting List | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | *317 |

*Of the funds for Supported Living Services for the waiting list, funds were appropriated for 200 individuals for 6 months and funds were appropriated for 117 individuals for 12 months.

In FY 2007-08 the former line items in (A) Developmental Disabilities Services – (1) Community Services - Adult Program Costs and (3) Services for Children and Families – Program Funding were combined and new lines were funded in SB 07-239 to reflect

Program Costs by types of services provided in the community (FY 2007-08 Figure Setting Pages 61-66, 3/14/07). The lines indicate the General Fund and Medicaid moneys provided in each appropriation but are considered to be “bottom-line funded” so there is additional flexibility in managing the funds in the community.

The following table summarizes the new lines of the program for FY 2008-09 and the changes that occurred from the Long Bill (SB 07-239) in FY 2007-08 to the Long Bill in FY 08-09 as recommended by the Joint Budget Committee and adopted by the General Assembly. Individual lines in the program which are in this decision item are described as well as the actions adopted for each line item.

| Program Costs | Total | General Fund | Cash Funds | CFE/ Reappro- priated Funds | Medicaid Cash Fund | Medicaid General Fund | Net General Fund |
|---|----------------------|---------------------|---------------------|--|-------------------------------|--------------------------------------|-----------------------------|
| FY 2007-08 Long Bill | \$348,625,078 | \$30,747,830 | \$0 | \$317,877,248 | \$281,791,710 | \$140,288,917 | \$171,036,747 |
| Reclassify funds | \$0 | \$0 | \$35,594,224 | (\$35,594,224) | (\$35,594,224) | \$0 | \$0 |
| Annualize Leap Year Adjust | (\$822,865) | (\$26,157) | (\$90,767) | (\$705,941) | (\$705,941) | (\$352,971) | (\$379,128) |
| Annualization FY 2007-08 DI-3 DDD New Resources | \$3,635,533 | \$0 | \$314,848 | \$3,320,685 | \$3,320,685 | \$1,660,343 | \$1,660,343 |
| FY 2008-09 DI-4 - DDD New Resources Request | \$8,076,580 | \$0 | \$731,985 | \$7,344,595 | \$7,344,595 | \$3,672,298 | \$3,672,298 |
| FY 2008-09 SBA - 4A Governor's Initiative for Developmental Disabilities Resources | \$6,173,632 | \$298,050 | \$561,578 | \$5,314,004 | \$5,314,004 | \$2,657,002 | \$2,955,052 |
| SLS Base Adjustment | (\$450,042) | \$0 | (\$22,502) | (\$427,540) | (\$427,540) | (\$213,770) | (\$213,770) |
| COLA for community Providers | \$4,864,329 | \$460,825 | \$137,407 | \$4,266,097 | \$4,266,097 | \$2,123,945 | \$2,584,770 |
| FY 2008-09 Long Bill HB 08-1375 | \$370,102,244 | \$31,480,548 | \$37,226,773 | \$301,394,923 | \$300,903,609 | \$149,835,764 | \$181,316,312 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| FY 2008-09 Line Item Developmental Disability Program Costs | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|----------------------|-------------------------|----------------------|----------------------|------------------------|------------------------|----------------------|
| Adult Comprehensive Services | \$264,294,183 | \$1,650,459 | \$31,955,475 | \$230,688,249 | \$230,688,249 | \$115,310,141 | \$116,960,600 |
| Adult Supported Living Services | \$55,259,558 | \$7,974,941 | \$2,774,349 | \$44,510,268 | \$44,510,268 | \$22,255,134 | \$30,230,075 |
| Early Intervention Services | \$11,663,694 | \$11,098,328 | \$565,366 | \$0 | \$0 | \$0 | \$11,098,328 |
| Family Support Services | \$6,837,871 | \$6,507,966 | \$329,905 | \$0 | \$0 | \$0 | \$6,507,966 |
| Children's Extensive Support Services | \$7,288,632 | \$0 | \$369,001 | \$6,919,631 | \$6,919,631 | \$2,950,434 | \$2,950,434 |
| Case Management and Quality Assurance | \$23,693,964 | \$3,888,010 | \$1,226,028 | \$18,579,926 | \$18,579,926 | \$9,217,678 | \$13,105,688 |
| Special Purpose | \$1,064,342 | \$360,844 | \$6,649 | \$696,849 | \$205,535 | \$102,377 | \$463,221 |
| Total | \$370,102,244 | \$31,480,548 | \$37,226,773 | \$301,394,923 | \$300,903,609 | \$149,835,764 | \$181,316,312 |

| Adult Comprehensive Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|---|---------------|-------------------------|----------------------|---------------|------------------------|------------------------|-------------------|
| FY 2007-08 Long Bill | \$247,005,842 | \$1,652,225 | \$0 | \$245,353,617 | \$214,821,368 | \$107,377,201 | \$109,029,426 |
| One-time S-4B for Hold Harmless | (\$6,106,934) | \$0 | \$0 | (\$6,106,934) | (\$6,106,934) | (\$3,053,467) | (\$3,053,467) |
| Subtotal - FY 2007-08 Appropriation | \$240,898,908 | \$1,652,225 | \$0 | \$239,246,683 | \$208,714,434 | \$104,323,734 | \$105,975,959 |
| FY 2007-08 1331 Supplemental DDD – The Resource Exchange Assistance (Non-Add) | (\$1,932,000) | | | (\$1,932,000) | (\$1,932,000) | (\$966,000) | (\$966,000) |
| FY 2007-08 Appropriation | \$238,966,908 | \$1,652,225 | \$0 | \$237,314,683 | \$206,782,434 | \$103,357,734 | \$105,009,959 |
| FY 2007-08 Appropriation for HB 08-1375 calc | \$240,898,908 | \$1,652,225 | \$0 | \$239,246,683 | \$208,714,434 | \$104,323,734 | \$105,975,959 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Adult Comprehensive Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|---|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Reclassify cash exempt funds | \$0 | \$0 | \$30,532,249 | (\$30,532,249) | \$0 | \$0 | \$0 |
| Annualize one-time S-4B for Hold Harmless | \$6,106,934 | \$0 | \$0 | \$6,106,934 | \$6,106,934 | \$3,053,467 | \$3,053,467 |
| Annualize Leap Year Adjustment | (\$822,865) | (\$26,157) | (\$90,767) | (\$705,941) | (\$705,941) | (\$352,971) | (\$379,128) |
| Annualize FY 2007-08 DI-3 DDD New Resources | | | | | | | |
| New Foster Care | \$1,701,424 | \$0 | \$151,763 | \$1,549,661 | \$1,549,661 | \$774,831 | \$774,831 |
| New Emergency | \$1,337,338 | \$0 | \$117,229 | \$1,220,109 | \$1,220,109 | \$610,055 | \$610,055 |
| New Wait List | \$380,059 | \$0 | \$35,020 | \$345,039 | \$345,039 | \$172,520 | \$172,520 |
| Reduce for portion DI-3 in case management | (\$111,338) | \$0 | (\$5,583) | (\$105,755) | (\$105,755) | (\$52,877) | (\$52,877) |
| Subtotal – Annualization /reclassification | \$8,591,552 | (\$26,157) | \$30,739,911 | (\$22,122,202) | \$8,410,047 | \$4,205,025 | \$4,178,868 |
| FY 2008-09 Base Funding | \$249,490,460 | \$1,626,068 | \$30,739,911 | \$217,124,481 | \$217,124,481 | \$108,528,759 | \$110,154,827 |
| FY 2008-09 DI-4 Division for Developmental Disabilities | | | | | | | |
| New Resources Request (Including rate increases/6 months) | | | | | | | |
| New Foster Care (6 months) | \$2,048,265 | \$0 | \$175,893 | \$1,872,372 | \$1,872,372 | \$936,186 | \$936,186 |
| New Emergency (6 months) | \$2,531,842 | \$0 | \$239,926 | \$2,291,916 | \$2,291,916 | \$1,145,958 | \$1,145,958 |
| New Wait Lists - HIGH NEEDS (6 months) | \$3,239,850 | \$0 | \$303,335 | \$2,936,515 | \$2,936,515 | \$1,468,258 | \$1,468,258 |
| Reduce for portion DI-4 in case management | (\$233,889) | \$0 | (\$11,563) | (\$222,326) | (\$222,326) | (\$111,163) | (\$111,163) |
| FY 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources | | | | | | | |
| New wait list (6 months) | \$4,026,875 | \$0 | \$454,240 | \$3,572,635 | \$3,572,635 | \$1,786,318 | \$1,786,318 |
| Reduce for portion DI-4 in case management | (\$151,711) | \$0 | (\$7,500) | (\$144,211) | (\$144,211) | (\$72,106) | (\$72,106) |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Adult Comprehensive Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Subtotal – DI-4 & SBA-4A | \$11,461,233 | \$0 | \$1,154,332 | \$10,306,901 | \$10,306,901 | \$5,153,452 | \$5,153,452 |
| Community Provider Rate* *Increase on annualized FY 2007-08 base, except VR & client cash | \$3,342,490 | \$24,391 | \$61,232 | \$3,256,867 | \$3,256,867 | \$1,627,931 | \$1,652,322 |
| TOTAL – Comprehensive Services | \$264,294,183 | \$1,650,459 | \$31,955,475 | \$230,688,249 | \$230,688,249 | \$115,310,141 | \$116,960,600 |

| Adult Supported Living Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|---|---------------|---------------------|------------------|---------------|--------------------|--------------------|---------------|
| FY 2007-08 Long Bill | \$52,858,984 | \$7,857,085 | \$0 | \$45,001,899 | \$42,347,862 | \$21,173,930 | \$29,031,015 |
| One-time S-4B for Hold Harmless | (\$2,347,889) | \$0 | \$0 | (\$2,347,889) | (\$2,347,889) | (\$1,173,945) | (\$1,173,945) |
| Subtotal - FY 2007-08 Appropriation | \$50,511,095 | \$7,857,085 | \$0 | \$42,654,010 | \$39,999,973 | \$19,999,985 | \$27,857,070 |
| FY 2007-08 1331 Supplemental (Non-Add) DDD – The Resource Exchange Assistance | (\$2,000,000) | \$0 | \$0 | (\$2,000,000) | (\$2,000,000) | (\$1,000,000) | (\$1,000,000) |
| FY 2007-08 Appropriation | \$48,511,095 | \$0 | \$0 | \$40,654,010 | \$37,999,973 | \$18,999,985 | \$26,857,070 |
| | | | | | | | |
| FY 2007-08 Appropriation for HB 08-1375 calc | \$50,511,095 | \$7,857,085 | \$0 | \$42,654,010 | \$39,999,973 | \$19,999,985 | \$27,857,070 |
| Reclassify cash exempt funds | \$0 | \$0 | \$2,654,037 | (\$2,654,037) | \$0 | \$0 | \$0 |
| Annualize one-time S-4B for Hold Harmless | \$2,347,889 | \$0 | \$0 | \$2,347,889 | \$2,347,889 | \$1,173,945 | \$1,173,945 |
| Annualize FY 2007-08 DI-3 DDD New Resources | \$216,712 | \$0 | \$10,836 | \$205,876 | \$205,876 | \$102,938 | \$102,938 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Adult Supported Living Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|---------------|---------------------|------------------|---------------|--------------------|--------------------|---------------|
| Supported Living Services caseload | | | | | | | |
| Less DI-3 annualization in case management section | (\$30,365) | \$0 | (\$1,523) | (\$28,842) | (\$28,842) | (\$14,421) | (\$14,421) |
| FY 2008-09 Base Funding | \$53,045,331 | \$7,857,085 | \$2,663,350 | \$42,524,896 | \$42,524,896 | \$21,262,447 | \$29,119,532 |
| Community Provider Rate Increase | \$795,679 | \$117,856 | \$39,950 | \$637,873 | \$637,873 | \$318,937 | \$436,793 |
| 2008-09 DI-4 Division for Developmental Disabilities New Resources Request (Including rate increases 6 mo) | \$256,623 | \$0 | \$12,831 | \$243,792 | \$243,792 | \$121,896 | \$121,896 |
| FY 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources (6 months) | \$1,833,020 | \$0 | \$91,651 | \$1,741,369 | \$1,741,369 | \$870,685 | \$870,685 |
| Less portion DI-4 new resources in case management | (\$35,399) | \$0 | (\$1,750) | (\$33,649) | (\$33,649) | (\$16,825) | (\$16,825) |
| Less portion DI-4A new resources in case management | (\$252,852) | \$0 | (\$12,500) | (\$240,352) | (\$240,352) | (\$120,176) | (\$120,176) |
| Subtotal - Decision Items | \$2,597,071 | \$117,856 | \$130,182 | \$2,349,033 | \$2,349,033 | \$1,174,518 | \$1,292,374 |
| Reduce 5% SLS base JBC action - new SLS within base: | (\$2,594,676) | \$0 | (\$129,734) | (\$2,464,942) | (\$2,464,942) | (\$1,232,471) | (\$1,232,471) |
| Assume 14% reduction in case management | \$363,255 | \$0 | \$18,163 | \$345,092 | \$345,092 | \$172,546 | \$172,546 |
| Add 117 full year resources | \$2,144,634 | \$0 | \$107,232 | \$2,037,402 | \$2,037,402 | \$1,018,701 | \$1,018,701 |
| Less portion new resources in case management section | (\$296,056) | \$0 | (\$14,844) | (\$281,212) | (\$281,212) | (\$140,606) | (\$140,606) |
| Subtotal—within base | (\$382,843) | \$0 | (\$19,183) | (\$363,660) | (\$363,660) | (\$181,830) | (\$181,830) |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Adult Supported Living Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| adjustment | | | | | | | |
| TOTAL - Adult Supported Living Services | \$55,259,558 | \$7,974,941 | \$2,774,349 | \$44,510,268 | \$44,510,268 | \$22,255,134 | \$30,230,075 |

| Family Support Services | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|---|--------------------|---------------------|------------------|---------------|--------------------|--------------------|--------------------|
| FY 2007-08 Long Bill | \$6,461,550 | \$6,150,284 | \$0 | \$311,266 | \$0 | \$0 | \$6,150,284 |
| Reclassify cash exempt funds | \$0 | \$0 | \$311,266 | (\$311,266) | \$0 | \$0 | \$0 |
| Community Provider Rate Increase | \$96,923 | \$92,254 | \$4,669 | \$0 | \$0 | \$0 | \$92,254 |
| 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources (6 mo.) | \$313,737 | \$298,050 | \$15,687 | \$0 | \$0 | \$0 | \$298,050 |
| Less Case Mgt. portion of SBA-4 | (\$34,339) | (\$32,622) | (\$1,717) | \$0 | \$0 | \$0 | (\$32,622) |
| Total - Family Support Services | \$6,837,871 | \$6,507,966 | \$329,905 | \$0 | \$0 | \$0 | \$6,507,966 |

| Case Management, Quality Assurance | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|--------------|---------------------|------------------|---------------|--------------------|--------------------|---------------|
| FY 2007-08 Long Bill | \$22,886,608 | \$3,794,605 | \$0 | \$19,092,003 | \$17,922,441 | \$8,890,004 | \$12,684,609 |
| FY 2007-08 one-time S-4B for Hold Harmless | (\$642,536) | \$0 | \$0 | (\$642,536) | (\$642,536) | (\$318,669) | (\$318,669) |
| Subtotal - FY 2007-08 Appropriation | \$22,244,072 | \$3,794,605 | \$0 | \$18,449,467 | \$17,279,905 | \$8,571,335 | \$12,365,940 |
| Reclassify cash exempt funds | \$0 | \$0 | \$1,169,562 | (\$1,169,562) | \$0 | \$0 | \$0 |
| Annualize FY 2007-08 one- | \$642,536 | \$0 | \$0 | \$642,536 | \$642,536 | \$318,669 | \$318,669 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Case Management, Quality Assurance | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|--------------|---------------------|------------------|---------------|--------------------|--------------------|---------------|
| time S-4B for Hold Harmless | | | | | | | |
| Annualize FY 2007-08 DI-3 DDD New Resources – Comprehensive case management | \$111,338 | \$0 | \$5,583 | \$105,755 | \$105,755 | \$52,877 | \$52,877 |
| Annualize FY 2007-08 DI-3 DDD New Resources – Supported Living case management | \$30,365 | \$0 | \$1,523 | \$28,842 | \$28,842 | \$14,421 | \$14,421 |
| FY 2008-09 Base Funding | \$23,028,311 | \$3,794,605 | \$1,176,668 | \$18,057,038 | \$18,057,038 | \$8,957,302 | \$12,751,907 |
| Community Provider Rate Increase | \$345,425 | \$56,919 | \$17,650 | \$270,856 | \$270,856 | \$134,360 | \$191,279 |
| FY 2008-09 DI-4 Division for Developmental Disabilities New Resources Request - Comprehensive case management | \$233,889 | \$0 | \$11,563 | \$222,326 | \$222,326 | \$111,163 | \$111,163 |
| FY 2008-09 DI-4 Division for Developmental Disabilities New Resources Request - Supported Living case management | \$35,399 | \$0 | \$1,750 | \$33,649 | \$33,649 | \$16,825 | \$16,825 |
| FY 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources | | | | | | | |
| SBA-4A - Comprehensive case management | \$151,711 | \$0 | \$7,500 | \$144,211 | \$144,211 | \$72,106 | \$72,106 |

| Case Management, Quality Assurance | Total | General Fund | Cash Fund | CFE/RF | Medicaid CF | Medicaid GF | Net GF |
|--|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| SBA-4A - SLS case management | \$252,852 | \$0 | \$12,500 | \$240,352 | \$240,352 | \$120,176 | \$120,176 |
| SBA-4A - FSSP case management | \$34,339 | \$32,622 | \$1,717 | \$0 | \$0 | \$0 | \$32,622 |
| Technical clean up from Early Intervention | (\$324,626) | \$0 | \$0 | (\$324,626) | (\$324,626) | (\$162,313) | (\$162,313) |
| Technical clean up from Children's Extensive Support | \$3,864 | \$3,864 | \$0 | \$0 | \$0 | \$0 | \$3,864 |
| JBC SLS base adjustment - reduction | (\$363,255) | \$0 | (\$18,163) | (\$345,092) | (\$345,092) | (\$172,546) | (\$172,546) |
| JBC SLS base adjustment - increase (doesn't annualize) | \$296,055 | \$0 | \$14,843 | \$281,212 | \$281,212 | \$140,606 | \$140,606 |
| Total - Case Management and Quality Assurance | \$23,693,964 | \$3,888,010 | \$1,226,028 | \$18,579,926 | \$18,579,926 | \$9,217,678 | \$13,105,688 |

General Description of Request:

Wait List - DDD has identified additional needs in the areas of Comprehensive Services (both Emergencies and Wait List), Supported Living Services and Family Support Services programs. The current Wait List numbers show 1,368 individuals waiting for Comprehensive Services, 2,324 individuals waiting for Supported Living Services and 4,178 individuals waiting for Family Support Services Program. In addition, in prior years, DDD has requested and been approved for additional funding for most of these service categories. (See table page 6) Those funds have provided for the following:

- Youth with developmental disabilities transitioning from out-of-home foster care placement have continuity of services by receiving adult Comprehensive Services.
- Adults in emergency/crisis situations due to loss of their home, death, or infirmity of caregivers and/or abuse/neglect for whom no resource is available through CCB turnover are served.

- Comprehensive Community Waiting List - Persons on the waiting list are adults primarily living in the home of parents, siblings or other relatives and have been waiting for Comprehensive Services for an extended period of time. Many are considered a high risk for out-of-home placement because they are in precarious situations due to aging and/or ailing caregivers or other factors. Funding for persons on the Comprehensive Services waiting list is a significant need.
- Youth, who meet all the high-risk criteria, and are aging out of the CES program at age 18 but who can remain in the family home with on-going services through Supported Living.

Due to significant waiting lists, the high demand for services, and the inability of local CCBs to address emergency and high risk situations other than through limited turnover, vulnerable Colorado citizens will not have access to needed services.

SB 07-239 (the FY 2006-07 Long Bill) combined Children and Adult Program costs into a single appropriated line Program Costs, which incorporates each of the individual types of service including Adult Comprehensive Services and Supported Living Services. According to Footnote 38 in H.B. 08-1375 “It is the intent of the General Assembly that expenditures for these services be recorded only against the Long Bill Group total for Program Costs.” DDD expects that it will be necessary to adjust the Medicaid waiver caps for each of the waivers in order to accommodate these additional funds. DDD is in the process of submitting the required waiver amendments for the HCBS-DD (Comprehensive) waiver and the Supported Living Services waiver and will incorporate any approved additional funds.

Consequences if Not Funded:

Not funding this request could place persons in inappropriate and high cost settings such as state-operated Regional Centers or other intermediate care facilities (if space is available), Mental Health Institutes (MHI) or nursing facilities. Vacancies as a result of normal attrition in CCB or Regional Center programs would need to be filled by youth from the Child Welfare System leaving little ability for the CCB or Regional Center system to address emergencies or people on the Waiting List. Additionally, the inappropriate placement of youth and persons experiencing crisis situations into nursing facilities is in violation of Federal Pre-Admission Screening and Annual Resident

Review (PASARR) requirements and similarly results in noncompliance with the Olmstead ruling and could place DD Medicaid funding at risk. The key issue relating to youth needing to leave the Foster Care system is that the State of Colorado has already assumed responsibility for these individuals. Due to their developmental disability, these individuals will continue to need a place to live, supervision, care and habilitation.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Net General Fund |
|--------------------------------------|--------------------|---------------------|-------------------|-----------------------------|-------------------------|
| Total Request | \$5,919,630 | \$313,750 | \$416,386 | \$5,189,494 | \$2,908,497 |
| Adult Comprehensive Services | \$4,782,566 | \$0 | \$416,386 | \$4,366,180 | \$2,183,090 |
| Adult Supported Living Services | \$576,700 | \$0 | \$0 | \$576,700 | \$288,350 |
| Family Support Services | \$279,400 | \$279,400 | \$0 | \$0 | \$279,400 |
| Case Management Services | \$280,964 | \$34,350 | \$0 | \$246,614 | \$157,657 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Net General Fund |
|--------------------------------------|--------------------|---------------------|-------------------|-----------------------------|-------------------------|
| Total Request | \$11,839,260 | \$627,500 | \$832,772 | \$10,378,988 | \$5,816,994 |
| Adult Comprehensive Services | \$9,565,132 | \$0 | \$832,772 | \$8,732,360 | \$4,366,180 |
| Adult Supported Living Services | \$1,153,400 | \$0 | \$0 | \$1,153,400 | \$576,700 |
| Family Support Services | \$558,800 | \$558,800 | \$0 | \$0 | \$558,800 |
| Case Management Services | \$561,928 | \$68,700 | \$0 | \$493,228 | \$315,314 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| | FY 2008-09 Funded Rate per Person (PP) | FY 2009-10 with no inflationary increase | Annual Client Cash PP Client Cash/ Room and Board (\$18.70 PP per day) | PP Annual Excluding Room and Board | Number of People | FY 2009-10 TOTAL FUNDS | FY 2009-10 Cash Funds | FY 2009-10 Total Medicaid Funds | FY 2009-10 Net General Fund |
|--|---|---|---|---|------------------------|------------------------------|-----------------------------|--|-----------------------------------|
| Emergency | \$79,143 | \$79,143 | \$375,430 | \$72,317 | 55 | \$2,176,433 | \$187,715 | \$1,988,718 | \$994,359 |
| Foster Care | \$88,505 | \$88,505 | \$252,562 | \$81,679 | 37 | \$1,637,343 | \$126,281 | \$1,511,062 | \$755,531 |
| Regular Wait List | \$64,586 | \$64,586 | \$204,780 | \$57,760 | 30 | \$968,790 | \$102,390 | \$866,400 | \$433,200 |
| Subtotal Adult Comprehensive Services | | | \$832,772 | | 122 | \$4,782,566 | \$416,386 | \$4,366,180 | \$2,183,090 |
| SLS (CES to SLS) | \$252,562 | \$15,800 | \$0 | N/A | 29 | \$229,100 | \$0 | \$229,100 | \$114,550 |
| SLS Wait List | \$204,780 | \$15,800 | \$0 | N/A | 44 | \$347,600 | \$0 | \$347,600 | \$173,800 |
| Subtotal Supported Living Services | | | | | 73 | \$576,700 | \$0 | \$576,700 | \$288,350 |
| FSSP (GF) | \$5,588 | \$5,588 | \$0 | N/A | 100 | \$279,400 | \$0 | \$0 | \$279,400 |
| Case Management Adult | | | N/A | | | | | | |
| Comprehensive | \$2,529 | \$2,529 | | \$2,529 | 122 | \$154,269 | \$0 | \$154,269 | \$77,135 |
| SLS | \$2,530 | \$2,530 | N/A | \$2,530 | 73 | \$92,345 | \$0 | \$92,345 | \$46,173 |
| FSSP (GF) | \$687 | \$687 | N/A | \$687 | 100 | \$34,350 | \$0 | \$0 | \$34,350 |
| Subtotal Case Management Services | | | | | 295 | \$280,964 | | \$246,614 | \$157,657 |
| Request Grand Total: FY 2009-10 | | | | | | \$5,919,630 | \$416,386 | \$5,189,494 | \$2,908,497 |
| Request Grand Total: FY 2010-11 | | | | | | \$11,839,260 | \$832,772 | \$10,378,988 | \$5,816,994 |

| Calculation of FY 2009-10 Letternote | | | |
|--|----------------------|---------------------|---------------------|
| | Medicaid | Local | Client Cash |
| FY 2008-09 HB 08-1375 Letternote | \$300,903,609 | \$9,528,108 | \$27,698,665 |
| FY 2009-10 Continuation Budget difference from FY 2008-09 added | | | |
| Comprehensive Services | \$10,306,901 | \$1,040,890 | \$113,442 |
| Supported Living Services | \$1,711,160 | \$0 | \$90,232 |
| Family Support Services Program | \$0 | \$13,970 | \$0 |
| Case Management | \$640,538 | \$0 | \$35,029 |
| Total Continuation Request | \$12,658,599 | \$1,054,860 | \$238,703 |
| FY 2009-10 Decision Item added | | | |
| Comprehensive Services | \$4,366,180 | \$0 | \$416,386 |
| Supported Living Services | \$576,700 | \$0 | \$0 |
| Family Support Services Program | \$0 | \$0 | \$0 |
| Case Management | \$246,614 | \$0 | \$0 |
| Total Decision Item | \$5,189,494 | \$0 | \$416,386 |
| Results for 2009-10 letternotes | \$318,751,702 | \$10,582,968 | \$28,353,754 |

Assumptions for Calculations:

The previous tables show detail calculations for the request. Assumptions include:

- The proposed mix of services is based upon projected need balanced to available funds. Services are estimated for half a year.
- The requested rates are based on FY 2008-09 funded rates for DD services.
- For FY 2010-11 the amounts double for a full year of services.

Impact on Other Government Agencies:

This request will require funding changes in Health Care Policy and Financing budget to reflect the changes in Medicaid funding for that Department as the single state Medicaid agency.

The table below provides a summary of the impact to the Department of Health Care Policy and Financing.

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Net General Fund |
|-------------------------------|-------------|--------------|------------|----------------------|---------------|------------------|
| Total Request | \$5,292,883 | \$2,646,442 | \$0 | \$0 | \$2,646,441 | \$2,646,442 |
| Community Services | \$5,189,494 | \$2,594,747 | \$0 | \$0 | \$2,594,747 | \$2,594,747 |
| Medical Services Premiums | \$92,565 | \$46,283 | \$0 | \$0 | \$46,282 | \$46,283 |
| Mental Health Capitation | \$10,824 | \$5,412 | \$0 | \$0 | \$5,412 | \$5,412 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Net General Fund |
|-------------------------------|--------------|--------------|------------|----------------------|---------------|------------------|
| Total Request | \$10,594,478 | \$5,297,240 | \$0 | \$0 | \$5,297,238 | \$5,297,240 |
| Community Services | \$10,378,988 | \$5,189,494 | \$0 | \$0 | \$5,189,494 | \$5,189,494 |
| Medical Services Premiums | \$192,641 | \$96,321 | \$0 | \$0 | \$96,320 | \$96,321 |
| Mental Health Capitation | \$22,849 | \$11,425 | \$0 | \$0 | \$11,424 | \$11,425 |

As shown in the table above there will be an increase in the Medicaid premiums and mental health capitations related to the Supported Living services portion of the request. The request estimates that 30 percent of waiting list persons newly eligible for Supported Living Services were not receiving Medicaid services prior to enrollment in the waiver program. The calculation of these impacts is shown in the next two tables.

Calculation of Newly Medicaid eligible persons

| | | |
|--------------------------------------|------|--|
| A. New SLS people | 44 | Requested SLS waiting list resources |
| B. Assume 30% Medicaid Eligible | 30% | Assumption 30% are newly eligible for Medicaid |
| C. Estimated newly Medicaid eligible | 13.2 | A x B |

Calculation of Medicaid Premiums and Mental Health costs to be incurred by HCPF

| | Annual Cost | Newly Medicaid Eligible people | FY 2009-10* | | FY 2010-11 | |
|--|-------------|--------------------------------|-------------|-----------------------|-------------|-----------------------|
| | | | Total Funds | Medicaid General Fund | Total Funds | Medicaid General Fund |
| FY 2009-10 Annual Medicaid premium cost | \$14,025 | 13.2 | \$92,565 | \$46,283 | N/A | N/A |
| FY 2010-11 Annual Medicaid premium cost | \$14,594 | 13.2 | N/A | N/A | \$192,641 | \$96,321 |
| FY 2009-10 Annual Mental Health premium cost | \$1,640 | 13.2 | \$10,824 | \$5,412 | NA | NA |
| FY 2010-11 Annual Mental Health premium cost | \$1,731 | 13.2 | NA | NA | \$22,849 | \$11,425 |

* Costs for FY 2009-10 are based on an estimated 6 months of services

Cost Benefit Analysis:

The cost benefit for the Wait List and SLS services is based on a comparison of funding the request at the rates and months of services as shown in the tables above, versus the cost to place these individuals in a setting comparable to the Regional Centers. Family Support Services are not included in this analysis, as that program would in all likelihood not place individuals in a similar habitation setting.

| Benefit | Amount |
|---|--------------------|
| Placement of 195 people (37 Foster Care + 55 Emergency + 30 Wait List + 73 Supported Living Services=195) individuals in Regional Center or similar habilitation setting @ average daily cost of \$437* = 195 individuals X 181 days X \$437 = \$15,423,915 | \$15,423,915 |
| Decision Item Total for Comprehensive and Supported Living Services and associated Case Management for 181 days | \$5,852,494 |
| Cost Benefit Difference | \$9,571,421 |

Implementation Schedule:

| Task | Month/Year |
|---|---------------------|
| Adjust Contracts with Community Centered Boards to allocate new funds | June-July 2009 |
| Gain approval from CMS to increase the waiver caps | July 2009 |
| CCBs distribute funds to communities and provide services | July 2009 - ongoing |

Statutory and Federal Authority:

27-10.5-104, C.R.S. (2007) Authorized services and supports - conditions of funding - purchase of services and supports - boards of county commissioners - appropriation.

(1) Subject to annual appropriations by the general assembly, the department of human services shall provide or purchase, pursuant to subsection (4) of this section, authorized services and supports through the community centered boards for persons who have been determined to be eligible for such services and supports pursuant to section [27-10.5-106](#), and as specified in the eligible person's individualized plan. Those services and supports may include, but are not limited to, the following:

(c) Case management services;

(d) Respite care services, which include temporary care of a person with a developmental disability in order to offer relief to the person's family or caregiver, or to allow the family or caregiver to deal with emergency situations or to engage in personal, social, or routine activities and tasks that otherwise may be neglected, postponed, or curtailed due to the demands of caring for a person who has a developmental disability;

(e) Day services and supports which offer opportunities for persons with developmental disabilities to experience and actively participate in valued adult roles in the community. These services and supports will enable persons receiving services to access and participate in community activities, such as work, recreation, higher education, and senior citizen activities. Day services and supports, including early intervention services, may also include the administration of nutrition or fluids through gastrostomy tubes, if

administered by an individual authorized pursuant to section 27-10.5-103 (2) (k) and supervised by a licensed nurse or physician.

(f) Residential services and supports, which include an array of training, learning, experiential, and support activities provided in living alternatives designed to meet the individual needs of persons receiving services and may include the administration of nutrition or fluids through gastrostomy tubes, if administered by an individual authorized pursuant to section 27-10.5-103 (2) (k) and supervised by a licensed nurse or physician;

(g) Ancillary services, which include activities that are secondary but integral to the provision of the services and supports specified in this subsection (1).

Performance Measures:

| Program | Performance Measure | Outcome* | FY 2005-06 Actual | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Estimate | FY 2009-10 Request |
|----------------------------|--|-------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|---------------------------|
| Developmental Disabilities | Increase the number of individuals with developmental disabilities receiving appropriate community services and supports through Colorado's developmental disabilities system. | Adult Programs | | | | | |
| | | Benchmark (#of people to be served) | N/A | N/A | 7,456 | 7,895.5 | 8162 |
| | | <i>Change from previous year</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>5.57%</i> | <i>3.27%</i> |
| | | Actual (total served) | N/A | N/A | 8,353 | | |
| | | <i>Change from previous year</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | | |
| | | Child and Family Programs | | | | | |
| | | Benchmark (#of people to be served) | N/A | N/A | 3,747 | 3,797 | 3,847 |
| | | <i>Change from previous year</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>1.32%</i> | <i>1.30%</i> |
| | | Actual (total served) | N/A | N/A | 11,463 | | |
| | | <i>Change from previous year</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | | |

| Program | Performance Measure | Outcome* | FY 2005-06 Actual | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Estimate | FY 2009-10 Request |
|--|----------------------------|-----------------|--------------------------|--------------------------|--------------------------|----------------------------|---------------------------|
| <p>This measure illustrates the impact of how new funding provided for developmental disabilities services translates into additional people receiving appropriate community services and supports, thereby improving their physical, mental, and social functioning, as well as their general well-being. *The number of adults served reflects the total number of people receiving Residential (Comprehensive) and Supported Living services during the fiscal year. The number of children served reflects the total number of people receiving Family Support, Early Intervention, or Children’s Extensive Support services during the fiscal year. The counts are unduplicated in that a person is only counted once if they transition from one program to another in the same category within the fiscal year. Benchmarks for current and prior fiscal years reflect the number of people to be served each year. For the request year, the benchmark reflects the number of people to be served in the continuation budget request.</p> | | | | | | | |

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STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | |
|---|--------------|---|---------------|--------------|---|---------------|------------|-------------------------------|------------|---------------|------------|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | |
| Decision Item FY 2009-10 | | Base Reduction Item FY 2009-10 | | | Supplemental FY 2008-09 | | | Budget Amendment FY 2009-10 | | | |
| Request Title: | | DHS - Community Funding for Individuals with Developmental Disabilities | | | Dept. Approval by: John Bartholomew JB | | | Date: October 31, 2008 | | | |
| Department: | | Health Care Policy and Financing | | | OSPB Approval: <i>[Signature]</i> | | | Date: 10-21-08 | | | |
| Priority Number: | | NP-3 (See also DHS DI-3) | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 8 | 9 | 10 | |
| | | Prior-Year | | Supplemental | Total | Base | Decision/ | November 1 | Budget | Total | Change |
| | | Actual | Appropriation | Request | Revised | Request | Base | Request | Amendment | Revised | from Base |
| | Fund | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | Reduction | FY 2009-10 | FY 2009-10 | FY 2009-10 | (Column 5) |
| | | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2010-11 |
| Total of All Line Items | Total | 2,696,191,044 | 2,830,801,094 | 0 | 2,830,801,094 | 2,866,853,249 | 5,292,863 | 2,872,146,132 | 0 | 2,872,146,132 | 10,594,478 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 939,300,888 | 949,964,461 | 0 | 949,964,461 | 957,523,419 | 2,646,442 | 960,169,861 | 0 | 960,169,861 | 5,297,240 |
| | GFE | 327,500,000 | 369,000,000 | 0 | 369,000,000 | 369,000,000 | 0 | 369,000,000 | 0 | 369,000,000 | 0 |
| | CF | 0 | 92,840,718 | 0 | 92,840,718 | 103,307,837 | 0 | 103,307,837 | 0 | 103,307,837 | 0 |
| | CFE/RF | 77,081,725 | 2,775,203 | 0 | 2,775,203 | 2,775,203 | 0 | 2,775,203 | 0 | 2,775,203 | 0 |
| | FF | 1,352,308,431 | 1,416,220,712 | 0 | 1,416,220,712 | 1,434,246,790 | 2,646,441 | 1,436,893,231 | 0 | 1,436,893,231 | 5,297,238 |
| (2) Medical Services Premiums | Total | 2,237,284,805 | 2,322,097,599 | 0 | 2,322,097,599 | 2,343,782,122 | 92,565 | 2,343,874,687 | 0 | 2,343,874,687 | 192,641 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 714,806,487 | 703,222,480 | 0 | 703,222,480 | 704,128,595 | 46,283 | 704,174,878 | 0 | 704,174,878 | 96,321 |
| | GFE | 327,500,000 | 369,000,000 | 0 | 369,000,000 | 369,000,000 | 0 | 369,000,000 | 0 | 369,000,000 | 0 |
| | CF | 0 | 85,281,324 | 0 | 85,281,324 | 95,217,469 | 0 | 95,217,469 | 0 | 95,217,469 | 0 |
| | CFE/RF | 72,252,413 | 2,767,998 | 0 | 2,767,998 | 2,767,998 | 0 | 2,767,998 | 0 | 2,767,998 | 0 |
| | FF | 1,122,725,905 | 1,161,825,797 | 0 | 1,161,825,797 | 1,172,668,060 | 46,282 | 1,172,714,342 | 0 | 1,172,714,342 | 96,320 |
| (3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments | Total | 196,011,033 | 207,799,886 | 0 | 207,799,886 | 209,508,719 | 10,824 | 209,519,543 | 0 | 209,519,543 | 22,849 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 94,172,151 | 96,906,217 | 0 | 96,906,217 | 97,229,660 | 5,412 | 97,235,072 | 0 | 97,235,072 | 11,425 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 6,976,195 | 0 | 6,976,195 | 7,507,169 | 0 | 7,507,169 | 0 | 7,507,169 | 0 |
| | CFE/RF | 4,311,729 | 7,205 | 0 | 7,205 | 7,205 | 0 | 7,205 | 0 | 7,205 | 0 |
| | FF | 97,527,153 | 103,910,269 | 0 | 103,910,269 | 104,764,685 | 5,412 | 104,770,097 | 0 | 104,770,097 | 11,424 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | |
|---|---|------------------------------|--|--|-------------|-------------|-------------------------------|-------------|------------|-------------|------------|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | |
| Decision Item FY 2009-10 | Base Reduction Item FY 2009-10 | | | Supplemental FY 2008-09 | | | Budget Amendment FY 2009-10 | | | | |
| Request Title: | DHS - Community Funding for Individuals with Developmental Disabilities | | | | | | | | | | |
| Department: | Health Care Policy and Financing | | | Dept. Approval by: John Bartholomew | | | Date: October 31, 2008 | | | | |
| Priority Number: | NP-3 (See also DHS DI-3) | | | OSPB Approval: | | | Date: | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Prior-Year | | | Total | | Decision/ | | | Total | Change |
| | | Actual | Appropriation | Supplemental | Revised | Base | Base | November 1 | Budget | Revised | from Base |
| | Fund | FY 2007-08 | FY 2008-09 | Request | Request | Request | Reduction | Request | Amendment | Request | (Column 5) |
| | | | | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2010-11 |
| (6) Department of Human Services Medicaid-Funded Programs; (F) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs | Total | 262,895,206 | 300,903,609 | 0 | 300,903,609 | 313,562,408 | 5,189,494 | 318,751,902 | 0 | 318,751,902 | 10,378,988 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 130,322,250 | 149,835,764 | 0 | 149,835,764 | 156,165,164 | 2,594,747 | 158,759,911 | 0 | 158,759,911 | 5,189,494 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 583,199 | 0 | 583,199 | 583,199 | 0 | 583,199 | 0 | 583,199 | 0 |
| | CFE/RF | 517,583 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 132,055,373 | 150,484,646 | 0 | 150,484,646 | 156,814,045 | 2,594,747 | 159,408,792 | 0 | 159,408,792 | 5,189,494 |
| Non-Line Item Request: | None | | | | | | | | | | |
| Letternote Revised Text: | None | | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | FF: Title XIX | | | | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | N/A | | | | | | | | | | |
| Approval by OIT? | Yes: <input type="checkbox"/> | No: <input type="checkbox"/> | N/A: <input checked="" type="checkbox"/> | | | | | | | | |
| Schedule 13s from Affected Departments: | Department of Human Services | | | | | | | | | | |

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Functional Family Therapy
 Department: Human Services Dept. Approval by: *Will [Signature]* Date: *10-10-08*
 Priority Number: DI-4 OSPB Approval: *[Signature]* Date: *10-15-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 0 | 0 | 0 | 0 | 0 | 3,281,941 | 3,281,941 | 0 | 3,281,941 | 3,226,834 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.0 | 0.5 | 0.5 |
| | GF | 0 | 0 | 0 | 0 | 0 | 2,632,599 | 2,632,599 | 0 | 2,632,599 | 2,587,996 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 649,342 | 649,342 | 0 | 649,342 | 638,838 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 2,632,599 | 2,632,599 | 0 | 2,632,599 | 2,587,996 |
| (5) Child Welfare, Functional Family Therapy [NEW LINE] | Total | 0 | 0 | 0 | 0 | 0 | 3,281,941 | 3,281,941 | 0 | 3,281,941 | 3,226,834 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.0 | 0.5 | 0.5 |
| | GF | 0 | 0 | 0 | 0 | 0 | 2,632,599 | 2,632,599 | 0 | 2,632,599 | 2,587,996 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 649,342 | 649,342 | 0 | 649,342 | 638,838 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 2,632,599 | 2,632,599 | 0 | 2,632,599 | 2,587,996 |

Non-Line Item Request: None
 Letternote Revised Text: These amounts shall be from local funds.
 Cash or Federal Fund Name and COFRS Fund Number: Local Funds
 Reappropriated Funds Source, by Department and Line Item Name: Not applicable.
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-4 |
| Change Request Title: | Functional Family Therapy (FFT) |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The department is requesting \$3,281,941 in total funding to implement four Functional Family Therapy (FFT) programs in needed areas of Colorado and a half-time program administrator to assist in the development and support of these evidence-based services for Child Welfare clients throughout the State. Total request of \$3,281,941 includes \$2,632,599 General Fund and \$649,342 Cash Funds (Local Funds). FFT is a validated evidence-based service of high risk, serious offenders ages 11-17. FFT is used both before youth are placed out-of-home in expensive residential settings or institutions, as well as, when youth are being discharged following placements. These funds will be first targeted to a county or region of counties participating in the Collaborative Management Program and in need of additional FFT services for populations of youth identified in their Collaborative Management Memorandum of Understanding.

Background and Appropriation History:

FFT is an empirically grounded, well-documented and highly successful family intervention for at-risk and juvenile justice involved youth. Its high rates of effectiveness have been recognized by: The Office of Juvenile Justice and Delinquency Prevention, The Center for Substance Abuse Prevention, The Center for Disease Control and

Prevention and The U.S. Surgeon General's Report on Youth Violence. FFT is one of the nationally recognized Blueprints programs, produced by Delbert Elliot, Center for the Study and Prevention of Violence, Institute of Behavioral Science, University of Colorado at Boulder. FFT benefits youth ages 11-17, and their families, whose problems range from acting out to conduct disorder to alcohol/substance abuse. Often these families tend to have limited resources, histories of failure, a range of diagnoses and exposure to multiple systems. FFT treats the youth in the context of their family using extensive clinical involvement with the youth and family in the family's home. Use of FFT has produced outcomes of reduction or prevention of recidivism and delinquency.

The FFT program provides 8-12 sessions on average to each family, although direct service time can range up to 30 hours, depending on the family's needs. The FFT approaches the target behaviors by working with the family in motivating the family to change, targeting specific skill development and working with the family. The specific skills which are focused on with families range from improving communication, developing problem solving skills, developing parenting skills, improving family relationships, and others, depending on the family's particular needs. These skills are developed by practicing skills in session, supporting the family's use of these skills out of session, and continued development of motivation for the family. The FFT Therapist is intensely supervised with weekly group case consultation with an FFT site-certified supervisor to maintain model adherence and fidelity.

FFT programs provide 24-hour response services for the families being served. FFT services are provided in-home and in the community.

Historically each county is allocated a Core Services Program funding line. If counties have Core Services funds available after offering the required menu of services (Home Based Intervention, Intensive Family Therapy, Mental Health, Substance Abuse, Life Skills, Sexual Abuse Services, and Day Treatment), counties may request approval to provide an optional County Designed Service targeted to address the particular need(s) of the county. The County Designed Service must prevent the out-of-home placement of children or facilitate reunification or another form of permanence for the child. County

Designed Programs are approved on an annual basis by CDHS, Child Welfare Division, and are subject to available Core Services funds. Due to the limits of the appropriation, funding isn't available to support the provision of FFT.

General Description of Request:

The department is requesting to implement four Family Functional Therapy Teams, which is an empirically grounded, well-documented and highly successful family intervention program for dysfunctional youth. The services are applied to a wide range of at-risk youth aged 11-17 and their families, including youth with problems such as conduct disorder, violent acting-out, and substance abuse. The intervention ranges from, on average, 8 to 12 sessions up to 30 sessions of direct service for more difficult situations. The therapy is conducted both in clinic settings as an outpatient therapy and as a home-based model.

The FFT clinical model is appealing because of its clear identification of specific phases which organize intervention in a coherent manner, thereby allowing clinicians to maintain focus in the context of considerable family and individual disruption. Each phase includes specific goals, assessment foci, specific techniques of intervention, and therapist skills necessary for success. The details of the clinical model can be found in the chart below.

Early intervention as is offered through FFT with youth is critical in preventing further delinquent acts. Incarceration and or placing youth in restrictive out-of-home placements are not effective and indeed can create further delinquent behaviors as youth are further exposed to negative influences.

This program would treat youth in their own homes with their families and could reduce association with negative delinquent peers. The program also provides the family with skills to supervise, discipline, and support the youth. In-home and community based services such as FFT have demonstrated effectiveness in halting negative behaviors and in making changes in family behaviors that are sustainable after discharge from services. FFT intervention can divert youth from out-of-home placements.

Consequences if Not Funded:

The consequence of not funding this request is that counties will have fewer alternatives in placing at risk or delinquent youth in restrictive out-of-home placements. Current funding does not support offering FFT at the level needed to assure the array of services necessary to address the youth's acting out, substance abusing or delinquent behaviors in their home and community.

If counties must place youth in restrictive out-of-home placements rather than treat youth in their own home, then the Federal and state mandates to serve youth in the least restrictive, most appropriate setting available to meet the needs of the youth are met. This mandate can be better achieved with a full continuum of service such as provided through the FFT program.

If this request is not funded, youth will likely penetrate deeper into public systems in artificial environments such as residential treatment facilities or juvenile corrections facilities, which oftentimes, do not lead to sustainable change. Research indicates that a large percentage of offenders in the adult corrections system had prior child welfare and juvenile justice involvement. Failing to offer successful treatment programs such as FFT only serves to continue the pattern of destructive behaviors, as these youth become adults. Without early intervention negative behaviors tend to be assumed by younger siblings and may become generational.

Commonplace interventions such as individual and group intervention with seriously delinquent youth simply do not have the same positive outcomes or sustainable success as can be provided through FFT therapies.

Another consequence of not funding FFT is that it will not be available in areas of the state other than the counties in which it is currently being used.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|-------------|--------------|------------|----------------------|---------------|-----|
| Total Request | \$3,281,941 | \$2,632,599 | \$649,342 | \$0 | \$0 | 0.5 |
| (5) Child Welfare, Functional Family Therapy [NEW LINE] | \$3,281,941 | \$2,632,599 | \$649,342 | \$0 | \$0 | 0.5 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|-------------|--------------|------------|----------------------|---------------|-----|
| Total Request | \$3,226,834 | \$2,587,996 | \$638,838 | \$0 | \$0 | 0.5 |
| (5) Child Welfare, Functional Family Therapy [NEW LINE] | \$3,226,834 | \$2,587,996 | \$638,838 | \$0 | \$0 | 0.5 |

Cash Funds Projections:

All counties participating in this program will provide the 20% local share match.

Assumptions for Calculations:

The request, if funded, will significantly expand the use of FFT in counties involved in the Collaborative Management Program. It is estimated that a 0.5 FTE is needed to assure the program is implemented according to FFT standards, to monitor the on-going operation of the program, to monitor the outcomes being achieved by the program and to provide ongoing technical assistance and support to counties in the Collaborative Management program implementing FFT. A General Professional IV level position is needed to staff the program.

| FTE and Operating Costs | | | | GRAND TOTAL | |
|--|----------------|-----------------|-----------------|--------------------|--------------------|
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | GP IV | | | |
| Number of PERSONS / class title | | 0.5 | 0.5 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12.0 | 12.0 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 | | 11.0 | 12.0 | | |
| Calculated FTE per classification | | 0.5 | 0.5 | 0.5 | 0.5 |
| Annual base salary | | \$56,796 | \$56,796 | | |
| Salary | | \$26,032 | \$28,398 | \$26,032 | \$28,398 |
| PERA | 10.15% | \$2,642 | \$2,882 | \$2,642 | \$2,882 |
| Medicare | 1.45% | \$377 | \$412 | \$377 | \$412 |
| Subtotal Personal Services at Division Level | | \$29,051 | \$31,692 | \$29,051 | \$31,692 |
| OPERATING EXPENSES | | | | | |
| Supplies @ \$500/\$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| Computer @ \$900/\$0 | \$900 | \$900 | \$0 | \$900 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$330 | \$0 | \$330 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubicle and chair) | \$3,998 | \$3,998 | \$0 | \$3,998 | \$0 |
| Telephone Base @ \$450/\$450 | \$450 | \$450 | \$450 | \$450 | \$450 |
| Subtotal Operating Expenses | | \$6,178 | \$950 | \$6,178 | \$950 |
| Program Cost | | | | \$3,246,712 | \$3,194,192 |
| GRAND TOTAL ALL COSTS | | \$35,229 | \$32,642 | \$3,281,941 | \$3,226,834 |

Cost estimates of implementing four additional FFT teams are as shown below in the FFT Program Cost for FY 2009-10 chart.

| FFT Program Cost | | |
|--|---------------------------|---------------------------|
| Summary of Annual Program Costs | | |
| Four Teams Included | | |
| | <u>FY 2009-10</u> | <u>FY 2010-11</u> |
| First Year Program Development & Start-up Fees | | |
| Single Team Development | \$0 | N/A |
| Multiple Team Development | \$42,000 | N/A |
| Travel Estimate (Actual billed at cost) | <u>\$9,000</u> | <u>N/A</u> |
| Total First Year Program Development & Startup | <u>\$51,000</u> | <u>N/A</u> |
| Ongoing Annual Program Operation Expenses | | |
| Subtotal Contractor Services Expense | \$2,061,973 | \$2,061,973 |
| Subtotal Local Travel Expense | \$122,400 | \$122,400 |
| Subtotal Program Services Expense* | \$824,789 | \$824,789 |
| Subtotal Local Flexible Spending Funds | \$48,000 | \$48,000 |
| Subtotal Annual License Fees | \$18,270 | \$10,150 |
| Subtotal Annual FFT Training and Support Fees | \$109,080 | \$82,080 |
| Subtotal Contingency for Training of Replacement Staff | <u>\$11,200</u> | <u>\$44,800</u> |
| Total Annual Cost of FFT Program Operations | <u>\$3,195,712</u> | <u>\$3,194,192</u> |
| Total Program Development & Start-up plus One Year of Operations: | <u>\$3,246,712</u> | <u>\$3,194,192</u> |

* These expenses are associated with the cost between the FFT Teams and the National FFT Organizational Offices for daily data collection, weekly individual supervisions, weekly team evaluation, client polling, and monitoring of fidelity of the program model.

Impact on Other Government Agencies: Not Applicable.

Cost Benefit Analysis: Funding this request will result in both fiscal and programmatic benefits for the State of Colorado. Some of the most apparent benefits include:

- Cost Benefit/Avoidance by keeping children stable within their home and avoiding high cost Out-of-Home Placements.
- Improved youth behavior and family functioning as measured by the youth, family, and caseworker rating.
- Reduction in further penetration into the social services or youth corrections systems through reduced out-of-home placements in Therapeutic Residential Child Care Facilities (TRCCF), Psychiatric Residential Treatment Facilities (PRTF), or Detention and Correctional facilities.

Functional Family Therapy (FFT) is considered “Evidence-Based” due to its proven ability to divert youth from residential care and commitment facilities. The Child Welfare League of America has found that youth whom are placed in any form of group, non-family care are two and a half times more likely to re-offend than those who are not. The Annie Casey Foundation reports that youth entering detention facilities are three times more likely to be placed in detention again. This request seeks to address this issue of high rate of re-offending by implementing a program that services youth in the home with an array of services.

The Washington State Institute for Public Policy (WSIPP)¹ has published Cost Benefit estimates for Functional Family Therapy based on that state’s experience. By comparing the Evidence-Based program outcomes to traditional case handling the researchers were able to define an “effect size”, or amount of decreased recidivism, associated with each program. WSIPP found an effect size of 15.9% reduction with Functional Family

¹ www.wsipp.wa.gov

Therapy. This cost benefit analysis uses this information from the Washington State Institute study as a key assumption in determining the impact Functional Family Therapy will have on avoiding future out-of-home placements in Colorado.

The 15.9% non-recidivism rate cited in the WSIPP study for the FFT programs has been used in this cost benefit analysis. The point of entry into the FFT program does not play a significant role as to why the youth would be eligible to receive FFT. Behavioral patterns displayed by these youth are similar be that the youth enters through Division of Youth Corrections, Division of Child Welfare, or Division of Community Mental Health. These FFT program provide effective treatment for a wide range of adolescent and family issues including: serious disrespect and disobedience to authority figures, aggressive behavior (fighting and property destruction), running away from home, drug and alcohol abuse, violence towards other, parent-child/family conflict issues, truancy and academic problems, criminal behavior, and gang involvement.

Costs (W):

The Department is requesting \$2,632,599 General Fund for the first year in funding to implement four Functional Family Therapy Teams, that will serve 480 youths, in needed areas of Colorado and a halftime Program Administrator (0.5 FTE) to assist in the development and support of these evidence based services for Child Welfare clients throughout the State. The cost drops to \$2,587,996 General Fund after the first year's start-up cost drops off. The local share portions for this request (80/20 match) are \$649,342 for the first year and \$638,838 for the following years. The total costs including both State General Fund and Local Share for this program are \$3,281,941 for the first year and \$3,226,834 thereafter.

Benefits (V):

The fiscal benefits of these programs can be identified by quantifying the number of youths that will be served and how many of those youths will non-recidivate, then identifying the cost associated with out-of-home placement types and the average length

of time a child is in those out-of-home settings for the identified population. The benefit total, as displayed in the summary section, is simply the non-recidivism youths served multiplied by the total cost of out-of-home placements minus the requested cost of the program.

The Four FFT teams will serve approximately 480 youths. Applying the WSIPP non-recidivism 15.9 percentage to this population, approximately 76 of these youths will avoid out-of-home placements cost. It should be noted that the main targeted population for FFT's are youths with whose problems range from acting out to conduct disorders to those with alcohol/substance abuse issues; therefore the cost has been focused on placements that usually serve this population.

Cost of placements and average length of stays.

I. Therapeutic Residential Child Care Facility (TRCCF)

| | Amounts | Formula |
|---|------------|-------------|
| Cost Per Day –TRCCF | \$160.00 * | (a) |
| Cost Per Day –Therapeutic Fee Services | \$16.00 * | (b) |
| Total Cost | \$176.00 | (c)=(a)+(b) |
| Average Length of Stay in a TRCCF | 287 days * | (d) |
| Total cost of one youth in TRCCF for 287 days | \$ 50,512 | (e)=(c)*(d) |

* Note TRCCF cost based on data from report SFY 2007 Costs, Average length of stay base on data from report SFY 2008 average length of removals ending in 2008

II. Out-of-Home Placement Costs for Non-TRCCF placements**

| | Amounts | Formula |
|--|-----------|-------------|
| Average Cost Per Day –Non TRCCF | \$ 44.42* | (f) |
| Average Length of Stay in a Non-TRCCF of a placement | 339 days* | (g) |
| Total cost of one youth in a Non-TRCCF 336 days | \$ 15,058 | (h)=(f)*(g) |

* Note a child previously placed in an TRCCF total out-of-home placement run 626 days (626-287=339): based on data from report SFY 2008 average length of removals ending in 2008

** OOH Placement Costs include such costs as associate with family Foster Homes and Group Homes placements.

III. Division of Youth Corrections (DYC) Commitment Placement

| | Amounts | Formula |
|--|-------------|-------------|
| Cost per Day in DYC Commitment Facility | \$ 205.58** | (i) |
| Average Length of Stay in DYC Facility | 554* | (j) |
| Total cost of one youth in DYC Placement | \$ 113,891 | (k)=(i)*(j) |

*DYC monthly SFY 2007 reported that the average stay in commitment is 18.4 months (554 days)

** DYC Commitment cost as of SFY 2007

IV. Length of stay in out-of home placements for FFT Population and quantifying the percentage that stays in child welfare and those that move to DYC

The second part in determining the fiscal cost benefit for the state is to examine the length that a child is in the system. A youth/delinquent that is placed within a TRCCF has an average length of stay within that placement setting of 287 days, but then steps down into another placement setting for an additional 339 days (total 626 day).

Those youths that move from a Child Welfare TRCCF Placement of 287 days then step up into a Department of Youth Corrections Commitment Placement length of stay averages an additional 18.5 months (564 more days) over the 287 initial days. From an analysis of DYC and CW data for SFY2007 approximately 13.9% of all the CW population transitioning out of TRCCF ended up in commitment placements within the next fiscal year.

V. Calculating the Benefit

The 76 non-recidivism youth that will be served are then multiplied by the 13.9% in order to get the direct distribution for the total cost for this population. Therefore 64 of these youths stay within Child Welfare and incur the cost of the TRCCF 287 days plus the 339 days out-of-home placement cost. The 10 youths (76 x 13.9%) that step up into the DYC placements incur the 287 days TRCCF placement cost plus the additional 18.4 months DYC placement cost.

Initial Year-In the first year of this program only 25% of the total projected population will be served, due to the time constraints of issuing an RFP plus the approval/awarding process, hiring and training of staff then building the caseloads. The cost associated with the served population (19 youth-non-recidivism 15.9% applied to the 120 youth projected to be served) will only incur the cost (92 days of TRCCF cost) for that quarter with the rest being carried over to the following years. The average costs of the youth that are served in that initial year will carry forward.

Placement cost for TRCCF 287 days for Child Welfare

| | FY 2009-10* | | FY 2010-11 | | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | Formula | |
|-----------------------------|------------------|------|--------------------|------|--------------------|------|--------------------|------|--------------------|------|---------------------|------|
| FFT Program | Youth | Days | Youth | Days | Youth | Days | Youth | Days | Youth | Days | Youth | Days |
| CW TRCCF | 19 | 92 | 76 | 287 | 76 | 287 | 76 | 287 | 76 | 287 | A | B |
| CW TRCCF C/O | 0 | 0 | 19 | 195 | 0 | 0 | 0 | 0 | 0 | 0 | A1 | B1 |
| Total number of days | 1748 | | 25,517 | | 21,812 | | 21,812 | | 21,812 | | C=(A*B)+ (A1*B1) | |
| Cost per day | \$176.00 | | \$176.00 | | \$176.00 | | \$176.00 | | \$176.00 | | D | |
| Total Cost Avoidance | \$307,648 | | \$4,490,992 | | \$3,838,912 | | \$3,838,912 | | \$3,838,912 | | E=C*D | |

* Only 25% of clients will be served in the start-up year (25% of 76 =19) and these will only incur cost for the last quarter of the year (92 days) with the remaining daily cost (195 days) carrying over into the New Year. C/O = Carry Over.

Additional Placement Cost after Child Welfare TRCCF for Child Welfare Population

| FFT Program | FY 2009-10* | | FY 2010-11 | | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | Formula | |
|-----------------------------|-------------|------|------------------|------|--------------------|------|--------------------|------|--------------------|------|-----------------------|------|
| | Youth | Days | Youth | Days | Youth | Days | Youth | Days | Youth | Days | Youth | Days |
| CW to CW OOH | 16* | 0 | 66 | 78 | 66 | 78 | 66 | 78 | 66 | 78 | F | G |
| OOH C/O 626 days | 0 | 0 | 16 | 144 | 66 | 339 | 66 | 339 | 66 | 339 | H | I |
| OOH C/O 626 days | 0 | 0 | 0 | 0 | 16 | 195 | 0 | 0 | 0 | 0 | H1 | I2 |
| Total number of days | 0 | | 7,452 | | 30,642 | | 27,522 | | 27,522 | | J=(F*G)+(H*I)+(H1*I1) | |
| Cost per day | \$44.42 | | \$44.42 | | \$44.42 | | \$44.42 | | \$44.42 | | K | |
| Total Cost Avoidance | \$0 | | \$331,018 | | \$1,361,118 | | \$1,222,527 | | \$1,222,527 | | L=J*K | |

*Since the program will not be up and running for the first 3 quarters the youth population that would be transition to OOH placement will actually only incur the CW 92 day TRCCF costs for the initial year with the c/o TRCCF cost the next. . The out- of-home savings would not hit until the following year. C/O = Carry Over.

Additional Placement Cost after Child Welfare TRCCF for Division of Youth Corrections

| FFT Program | FY 2009-10 | | FY 2010-11 | | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | Formula | |
|-----------------------------|------------|------|------------------|------|--------------------|------|--------------------|------|--------------------|------|-----------------------------|------|
| | Youth | Days | Youth | Days | Youth | Days | Youth | Days | Youth | Days | Youth | Days |
| CW to DYC | 3* | 0 | 10 | 78 | 10 | 78 | 10 | 78 | 10 | 78 | M | N |
| DYC C/O | 0 | 0 | 3 | 170 | 10 | 365 | 10 | 365 | 10 | 365 | O | P |
| DYC C/O | 0 | 0 | 0 | 0 | 3 | 365 | 10 | 111 | 10 | 111 | Q | R |
| DYC C/O | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 19 | 0 | 0 | Q1 | R1 |
| Total number of days | 0 | | 1,290 | | 5,525 | | 5,597 | | 5,540 | | S=(M*N)+(O*P)+(Q*R)+(Q1*R1) | |
| Cost per day | \$205.58 | | \$205.58 | | \$205.58 | | \$205.58 | | \$205.58 | | T | |
| Total Cost Avoidance | \$0 | | \$265,198 | | \$1,135,830 | | \$1,150,631 | | \$1,138,913 | | U=S*T | |

* Since the program will not be up and running for the first 3 quarters the youth population that would be transition to DYC will actually only incur the CW 92 day TRCCF costs for the initial year and then the remaining 195 the following year plus. The DYC savings would not hit until the second year. DYC c/o actually goes for two fiscal years as the average length of stay is 18.4 months (554 days). C/O = Carry Over.

The chart below summarizes the results discussed in detail of this analysis.

| | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | Formula |
|-----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cost | \$3,281,941 | \$3,226,834 | \$3,226,834 | \$3,226,834 | \$3,226,834 | (W) |
| Benefit CW TRCCF Cost | \$307,648* | \$4,490,992 | \$3,838,912 | \$3,838,912 | \$3,838,912 | E |
| Benefit CW OOH Cost | \$0 | \$331,018 | \$1,361,118 | \$1,222,527 | \$1,222,527 | L |
| Benefit DYC | \$0 | \$265,198 | \$1,135,830 | \$1,150,631 | \$1,138,913 | U |
| Total Benefit | \$307,648 | \$5,087,208 | \$6,335,860 | \$6,212,070 | \$6,200,352 | V=E+L+U |
| Cost Avoidance | (\$2,974,293) | \$1,860,374 | \$3,109,026 | \$2,985,236 | \$2,973,518 | (X)=(V)-(W) |

* See Calculating the Benefit section for an explanation of first years cost.

VI. Further Cost Benefits

The researchers in the state of Washington found that 70% of the adult corrections population had been involved in the juvenile justice system. Washington state government is now diverting money for construction of adult prisons to the juvenile system for use with evidence-based programs as research documents that these programs do reduce further criminal behavior and in the long term the adult prison population.² Therefore, it does not appear unreasonable to assume that an unknown yet very real benefit of evidence based programs such as FFT will result in fewer adults in prison.

Implementation Schedule:

| Task | Month/Year |
|----------------------|-------------------|
| FTE Hired | October / 2009 |
| RFA Issued | December / 2009 |
| County Plan Approved | February / 2010 |
| Start-Up Date | March / 2010 |

² www.wsipp.wa.gov

Statutory and Federal Authority:

26-5.5-102 C.R.S. (2008) Legislative Declaration for Family Preservation Services

(1) The general assembly finds and declares that:

(a) Maintaining a family structure to the greatest degree possible is one of the fundamental goals that all state agencies must observe, and the state's intervention in family dynamics should not exceed that which is necessary to rectify the cause for intervention;

(b) Out-of-home placement is often the most expensive and disruptive method of providing services to troubled families;

(c) It is becoming increasingly difficult to attract foster parents for the number of children placed out of the home;

(d) The principle of appropriate state intervention is a cornerstone of family preservation services. Such services, when properly targeted and administered, provide states with an opportunity to initiate the systemic reform of children, youth, and families public services by providing services that are family-focused, outcome-driven, and cost-efficient.

(e) Family preservation programs implemented in other states, such as the "homebuilder's" model in the state of Washington, have resulted in improved family-functioning rates. Placement prevention rates of up to eighty-eight percent have been reported in some of the thirty-one states that have initiated some form of a family preservation program.

(f) A statewide family preservation program may be financed to provide intensive services for families where a child is at risk of an out-of-home placement based on criteria established by the state board of human services and to provide phased-in services aimed at reunifying families where a child has been placed out of the home, where appropriate, by tapping into other available federal funds or through moneys realized from cost avoidance in prevention of placement;

26-5.5-104 C.R.S. (2008) Statewide family preservation program – creation – single status agency designated – program criteria established – available services – powers and duties of agencies – local oversight – feasibility report.

(3) Family preservation services shall, at a minimum, include the following:

(a) Screening to determine the appropriateness of providing family preservation services, including intensive services and reunification services, to a family.

(b) An assessment of the risk to a child and the needs of a child and the child's family, considering any special needs of a child and the cultural background of the family.

(c) Appropriate intervention to meet the assessed needs of the child and the child's family, taking into account the geographical location of the family and available resources in such locale;

(d) Referral to community services and support systems; and

(e) Follow-up care, where appropriate.

(4) (a) Short-term intensive services shall be available for at-risk families in the family home for a period not to exceed six weeks, as deemed necessary by the family development specialist. Such services shall include, at a minimum, the following:

(I) Family preservation services described in subsection (3) of this section; except that the screening of a family for intensive services shall occur within twenty-four hours after referral by the investigating or placement agency to decide the appropriateness of providing intensive services to the family where the child has been determined by the investigating or placement agency to be at imminent risk of out-of-home placement;

(II) Crisis intervention, including in-home counseling, by a family development specialist, which intervention shall be available on a twenty-four-hour basis;

(III) Concentrated assistance in the development and enhancement of parenting skills, stress reduction, and problem solving from a family development specialist who shall carry a caseload consisting of no more that two at-risk families;

(IV) Individualized and group counseling.

Performance Measures:

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|---|---------------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Children have permanency and stability in their living situations. The percentage of children that are reunified with their parents or caretakers when discharged from foster care within 12 months will exceed the national standard of 76.2%. | National Benchmark | 76.2% | 76.2% | 76.2% | 76.2% | 76.2% |
| | | Actual | 80.00% | 77.2% | 76.8% | | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Direct Care Capital Outlay for Regional Centers, Mental Health Institutes, and Facilities Management & Facilities Management Operating Increase
 Department: Human Services Dept. Approval by: *Will K... [Signature]* Date: *10-10-08*
 Priority Number: DI-5 OSPB Approval: *[Signature]* Date: *10-14-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 103,411,985 | 98,281,051 | 0 | 98,281,051 | 102,425,115 | 569,359 | 102,994,474 | 0 | 102,994,474 | 643,959 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 83,168,359 | 77,081,081 | 0 | 77,081,081 | 81,225,145 | 405,109 | 81,630,254 | 0 | 81,630,254 | 479,709 |
| | CF | 3,409,649 | 10,491,293 | 0 | 10,491,293 | 10,491,293 | 0 | 10,491,293 | 0 | 10,491,293 | 0 |
| | CFE/RF | 16,833,055 | 10,506,221 | 0 | 10,506,221 | 10,506,221 | 164,250 | 10,670,471 | 0 | 10,670,471 | 164,250 |
| | FF | 921 | 202,456 | 0 | 202,456 | 202,456 | 0 | 202,456 | 0 | 202,456 | 0 |
| | MCF | 4,492,827 | 4,267,592 | 0 | 4,267,592 | 4,267,592 | 164,250 | 4,431,842 | 0 | 4,431,842 | 164,250 |
| | MGF | 2,246,415 | 2,133,798 | 0 | 2,133,798 | 2,133,798 | 82,125 | 2,215,923 | 0 | 2,215,923 | 82,125 |
| | NGF | 85,414,774 | 79,214,879 | 0 | 79,214,879 | 83,358,943 | 487,234 | 83,846,177 | 0 | 83,846,177 | 561,834 |
| (3) Office of Operations, Operating Expenses | Total | 2,639,457 | 3,433,463 | 0 | 3,433,463 | 3,433,463 | 327,459 | 3,760,922 | 0 | 3,760,922 | 327,459 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 2,150,375 | 2,201,726 | 0 | 2,201,726 | 2,201,726 | 327,459 | 2,529,185 | 0 | 2,529,185 | 327,459 |
| | CF | 5,465 | 13,743 | 0 | 13,743 | 13,743 | 0 | 13,743 | 0 | 13,743 | 0 |
| | CFE/RF | 482,696 | 1,015,538 | 0 | 1,015,538 | 1,015,538 | 0 | 1,015,538 | 0 | 1,015,538 | 0 |
| | FF | 921 | 202,456 | 0 | 202,456 | 202,456 | 0 | 202,456 | 0 | 202,456 | 0 |
| | MCF | 482,696 | 482,605 | 0 | 482,605 | 482,605 | 0 | 482,605 | 0 | 482,605 | 0 |
| | MGF | 241,349 | 241,304 | 0 | 241,304 | 241,304 | 0 | 241,304 | 0 | 241,304 | 0 |
| | NGF | 2,391,724 | 2,443,030 | 0 | 2,443,030 | 2,443,030 | 327,459 | 2,770,489 | 0 | 2,770,489 | 327,459 |
| (8) Mental Health and Alcohol and Drug Abuse Services (C) Mental Health Institutes | Total | 100,692,279 | 94,767,339 | 0 | 94,767,339 | 98,911,403 | 77,650 | 98,989,053 | 0 | 98,989,053 | 152,250 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 81,017,984 | 74,879,355 | 0 | 74,879,355 | 79,023,419 | 77,650 | 79,101,069 | 0 | 79,101,069 | 152,250 |
| | CF | 3,404,184 | 10,477,550 | 0 | 10,477,550 | 10,477,550 | 0 | 10,477,550 | 0 | 10,477,550 | 0 |
| | CFE/RF | 16,270,110 | 9,410,434 | 0 | 9,410,434 | 9,410,434 | 0 | 9,410,434 | 0 | 9,410,434 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 3,929,882 | 3,704,738 | 0 | 3,704,738 | 3,704,738 | 0 | 3,704,738 | 0 | 3,704,738 | 0 |
| | MGF | 1,964,941 | 1,852,369 | 0 | 1,852,369 | 1,852,369 | 0 | 1,852,369 | 0 | 1,852,369 | 0 |
| | NGF | 82,982,925 | 76,731,724 | 0 | 76,731,724 | 80,875,788 | 77,650 | 80,953,438 | 0 | 80,953,438 | 152,250 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Direct Care Capital Outlay for Regional Centers, Mental Health Institutes, and Facilities Management & Facilities Management Operating Increase
Department: Human Services **Dept. Approval by:** **Date:**
Priority Number: DI-5 **OSPB Approval:** **Date:**

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| (9) Services for People with Disabilities (B) | Total | 80,249 | 80,249 | 0 | 80,249 | 80,249 | 164,250 | 244,499 | 0 | 244,499 | 164,250 |
| Regional Centers for People with Developmental Disabilities (1) Medicaid Funded Services, Capital Outlay | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 80,249 | 80,249 | 0 | 80,249 | 80,249 | 164,250 | 244,499 | 0 | 244,499 | 164,250 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 80,249 | 80,249 | 0 | 80,249 | 80,249 | 164,250 | 244,499 | 0 | 244,499 | 164,250 |
| | MGF | 40,125 | 40,125 | 0 | 40,125 | 40,125 | 82,125 | 122,250 | 0 | 122,250 | 82,125 |
| | NGF | 40,125 | 40,125 | 0 | 40,125 | 40,125 | 82,125 | 122,250 | 0 | 122,250 | 82,125 |

Non-Line Item Request: None
Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number:
Reappropriated Funds Source, by Department and Line Item Name: Medicaid, DHCP&F (6) Department of Human Services Medicaid-Funded Programs (F) Services for People with Disabilities - Medicaid Funding Community Services for People with Developmental Disabilities, Regional Centers
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: Health Care Policy and Financing

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Department of Human Services |
| Priority Number: | DI-5 |
| Change Request Title: | Direct Care Capital Outlay for Regional Centers, Mental Health Institutes and Facilities Management & Facilities Management Operating Increase |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request seeks a \$569,359 total fund increase to the current funding levels for direct care capital outlay items: \$77,650 for the Mental Health Institutes, \$164,250 for the Regional Centers for the Developmentally Disabled, and \$327,459 for the Division of Facilities Management to replace old, deteriorated, and broken furniture, fixtures, and equipment. FY 2009-10 is the first year of a four-year plan for capital outlay replacement for the Regional Centers and the first year of a two-year plan for the Mental Health Institutes and the Office of Operations, Division of Facilities Management.

The Division of Facilities Management (DFM) also requests an operating base increase for maintenance and housekeeping supplies to enable the department to appropriately maintain the department's physical plant and building systems which support the client residential programs.

Background and Appropriation History: Capital Outlay:

CDHS direct care programs (Regional Centers for Persons with Developmental Disabilities and the Mental Health Institutes) need to replace the old deteriorated furniture, fixtures, and equipment for their respective client populations. The number and cost of items requiring immediate replacement continues to grow each year. Unable to keep up with this increasing level of need, the programs are now facing a capital outlay backlog that cannot be met within the current funding level. Each program has developed a four-year plan to meet the most critical of their equipment needs.

The Regional Centers (RCs) for persons with Developmental Disabilities are serving a population with increasingly more severe needs. The Regional Centers have been operating under new admissions criteria that were fully implemented in April 2003. These criteria call for the Regional Centers to serve individuals who are high needs medical, high needs behavioral, or those who have criminal involvement and/or are dangerous to others.

Physical suicide risks are a great concern and hazard in facilities housing and treating acutely mentally ill clients, incarcerated persons, and individuals committed to a State institution for any reason. The capital project for suicide risk doesn't not address needs in the Youth detention centers or the DD houses. Wheat Ridge currently has pending litigation involving a successful suicide.

The Regional Center Capital Outlay-Patient Needs appropriation provides funding for the purchase of capital equipment that is used by or on behalf of the residents of the Regional Centers. Such equipment includes therapeutic, medical, and adaptive equipment, program equipment and technical aids; health and safety repairs and equipment; and furnishings and environmental improvements. This current appropriation is \$80,249. The appropriation has not been increased in the last nine years.

The Mental Health Institutes do not have a separate appropriation for capital outlay. All such purchases are included in the general operating budget. The Institutes have not received an increase related to capital outlay in over five years.

Facilities Operating Funds:

The Office of Operations operating expenses appropriation provides for most of the non-personal services costs with the exception of leased space, leased vehicles and utilities. The expenses include the materials and supplies needed by the Office of Operations divisions of facilities management, accounting, and procurement.

In FY 2007-08 the legislature provided funding for a portion of the request submitted by the Department for an increase in operating funds for the Office of Operations, Division of Facilities Management. The original request for \$434,476 in operating dollars was partially funded in the amount of \$288,753. This request is for funding of the remaining \$145,723 need identified in FY 2007-08 with an inflationary increase of 12%, a total of \$163,209.

The FY07-08 Long Bill appropriated \$2,637,856 for the Office of Operations operating expenses. This reflected a continuation level of \$2,345,383 with increases for:

- Supplemental #S-1J for the 20-Bed Competency Restoration at the Colorado Mental Health Institute at Pueblo added an initial \$10,383 and the appropriation was later increased again by the S-1J amendment with an additional \$583.
- Two FY 2005-06 decision items were annualized – DI#7 annualization of \$6,288 for the Division of Youth Corrections Sol Vista facility maintenance and annualization of the Department of Corrections decision item for the La Vista facility maintenance for an decrease of one-time start-up costs of (\$14,000).
- Funds for DI#4 Facilities Management Operating Funds were added in the amount of \$288,753.

The Joint Budget Committee FY2007-08 Figure Setting report states that:

“In General, staff believes the Department is facing significant problems with regards to its facility maintenance, in light of its aging infrastructure. A 2002 building audit demonstrated that the condition of state facilities used by CDHS programs is poor. The Facilities Condition Index is a number used by State Buildings Programs to gauge overall building condition throughout State

Government. The 2002 audit showed Department building with a facilities condition index of 65.6 percent, the lowest of any state agency, and well below the statewide goal of 85 percent. The Department's deferred maintenance cost in FY 2003 –2004 totaled 49.7 percent of the value of its assets. Aging infrastructure has also resulted in substantial need for emergency funding. Through FY 1998 – 99, the department's emergency controlled maintenance requests were in the \$100,000 to \$200,000 range. In the last few years these cost have increased dramatically, given reduced access to non-emergency controlled maintenance funding, aging buildings, and cuts in the Departments facility maintenance and operations budget"... "Staff believes there is strong evidence that the additional operating amounts are warranted for equipment and routing maintenance activities".

HB 08-1375, the FY 2008-09 Long Bill, appropriated \$3,433,463. This included the continuation level of \$2,637,856 with the following changes:

- Two Special Bills were included – SB07-004 for \$5,441 with the FY 2009-09 annualization of (\$4,505) to reduce one-time costs associated with a position added in FY 2007-08. The reduction is in cash funds form payments by insurance providers to manage early intervention programs. SB 07-228 increased the operating expenses appropriation by \$500 and that requires the department implements a variety of new steps to monitor contractor performance on state contracts.
- Two decision items were added: DI#1 added \$296,364 additional facilities operating funds for the new High Security Forensics Institute and SBA#1 reduced the appropriation by (\$500) to reflect the operating expense savings achieved through consolidation of the department meal preparation and food related purchasing in an effort to increase efficiency and reduce costs. The two mental health institutes develop menus and order food separately. By consolidating menu preparation and food ordering at the two institutes duplicative functions were eliminated.
- A technical adjustment was made to align maintenance personnel operating costs with the facilities that they maintain and fund them from the appropriate line item. Funds in the amount of \$97,900 were transferred from the Office of Operations Buildings and Grounds Fund to the Operating Expenses appropriation to better reflect the

resources devoted to the maintenance of facilities that house Department of Human Services programs from those which house external lease tenants.

- A transfer of \$400,407 was made from the leased space appropriation to the operating expenses line. These amounts represent funds for maintaining property currently being used by the Division of Youth Corrections and Alcohol and Drug Abuse Division. These divisions previously leased property from private entities for office space; however, they have now moved into Department of Human Services buildings on the Fort Logan campus. Operating expense amounts will help support maintenance for the buildings that these agencies use.

The FY 2009-10 continuation request is for a \$3,433,463 continuation level of funding with the following adjustments:

- HB 08-1047 Special Bill Set Aside Program DD Employment added \$2,200; then annualized with a (\$1,200) reduction for one-time costs.
- Annualizations for two FY 2008-09 Decision items are also included – (\$39,212) for one-time costs related to DI#1 that provided facilities support for the High Security Forensics Institute, and a reduction of (\$500) for SBA#1 to consolidate the department food procurement process and food storage.

General Description of Request:

Capital Outlay

Regional Centers:

Each of the Regional Centers have medical equipment that is considered necessary for the health and safety of residents acquired through the years either through existing capital outlay, or through previous capital construction projects. Of the latter, one example is the group home remodel projects at Grand Junction Regional Center (GJRC) and Wheat Ridge Regional Center (WRRC), which resulted in the redesign of the bathrooms and installation of tubs and lift systems specifically designed for the disabled.

The Regional Centers are currently developing a long-range equipment replacement schedule. As part of this schedule, a portion of existing capital outlay will be reserved to replace at least one tub and lift system per agency each year.

All three Regional Centers will triage current requests replacing the most critical items first to the extent possible. Priority is given to items related to health and safety concerns such as infection control and physical injury. For example, GJRC could afford to replace only one reclining lift this year (\$11,000) and was then cited by the Colorado Department of Public Health and Environment (CDPHE) Survey for the other lift that has a cracked surface and infection control concerns.

During the past four years, 75% of the Regional Center homes have been inspected by the Colorado Department of Public Health and Environment and have received citations for:

- Cracked tile floors and chipped porcelain
- Broken windows and missing window screens
- Beds that are unsafe or do not meet the specific needs of the person
- Fabrics that are not flame retardant
- Poor alarm systems
- Torn upholstery
- Torn, buckled, and frayed carpeting
- Marred doors, broken door locks and door knobs

If additional deficiencies from CDPHE occur, they could contribute to the decertification of the Regional Centers. Much of the equipment is critical to the safety of both clients and staff and should the equipment fail causing an injury, other consequences up to and including lawsuits are possible. Equipment that is faulty is currently being removed by all three Regional Centers and warehoused until funds are available to repair or replacement.

The medical equipment includes Arjo tubs, Arjo lifts, Vander lifts, and bathing tables. The tubs, lifts, and bathing tables are used every day, and are exposed to the water and constant use. Arjo reports that the natural life of a tub and lift system is ten years. By the time the natural life is reached, parts are discontinued and the model is considered obsolete. Each of these devices are essential to the health, safety and care of the people

that the Regional Centers serve and support and also provide significant safety features for staff to prevent back injuries from lifting and repositioning residents.

➤ The three Regional Centers have a total of 25 specialty tubs at an average replacement cost of \$16,600 (there are different models and configurations) for a total of \$415,000 that have a useful life of 10 years. All of WRRC's and a majority of GJRC's tubs are at or exceed 10 years in age.

➤ The Regional Centers have over 47 lifts at an average replacement cost of \$7,875 (again, different models, some fully mechanical, some power with specialty batteries) for a total of \$370,125. The electronic lifts having a life span of 10 years, and the mechanical a somewhat longer life.

➤ The Capital Outlay appropriation for the Regional Centers in FY 2007-08 was \$80,249. This amount has not changed appreciably in the last five years. Furniture, appliances, special office needs, dietary and other medical needs (hearing aids and wheel chairs for ICF/MR) also compete for these limited funds.

The need to repair damage to group homes by behaviorally challenged individuals has grown as the population of the Regional Centers includes more higher needs individuals. These repairs include the damage to or destruction of drywall, windows, doors and fixtures. Generally the repairs are made with 'hardened' materials i.e. lexan windows, to reduce future replacement costs. Repairs must be made on an immediate basis to protect the health and safety of both residents and staff. These expenditures have caused a drain on the capital outlay and operating appropriations and prevent the purchase of much needed medical equipment.

The table below illustrates the need, cost and conditions of \$657,000 in assets within the Regional Center network that have failed or exceeded their useful life and includes the detail of the equipment to be replaced through this request and for a four year period.

Division of Developmental Disabilities

| Year 1 FY 2009-10 Equipment | Comments | AHA Useful Lives | FY 2009-10 Request | Net General Fund |
|---|---|--|---------------------------|-------------------------|
| Year 1: Immediate Replacement and Repair of 5 Arjo Tubs, Shower Trolleys, Lifts, Slings, Batteries, Bathing Tables and Associated Equipment | Specialized bathing equipment required for medically fragile residents. Most tubs are older than the 10-year natural life and replacement parts are not longer available. | Arjo tubs 7 years, batteries, 5 years, Lifts 10 years, Tables 15 years | \$164,250 | \$82,125 |
| Total: | | | \$164,250 | \$82,125 |

| Year 2 FY 2010-11 Equipment | Comments | AHA Useful Lives | FY 2010-11 Request | Net General Fund |
|---------------------------------------|--|--|---------------------------|-------------------------|
| Defibrillator/Cardiac Monitor | Provide proper equipment for monitoring residents under going conscious sedations dental procedures. | Defibrillator 5 years, Cardiac Monitor 5 Years | \$13,000 | \$6,500 |
| Emergency Suction Machine Replacement | Current equipment is over 30 year old. | 5 Years * Estimate | \$11,970 | \$5,985 |
| Portable Blood Pressure Machine | Replacement of outdated unit. | 6 years | \$4,000 | \$2,000 |
| Wheelchair Scale | Current scale does not provide accurate weights require frequent repairs. | 15 years for a platform scale | \$2,800 | \$1,400 |
| Flimm Fighters (6) | Equipment required for residents with respiratory difficulties. | 5 years * Estimate | \$4,110 | \$2,055 |
| Intermittent Compression Sleeves (2) | Required for residents with edema. | | \$1,280 | \$640 |
| Welch Allen 3 in 1 with stand | Current machine is broken and cannot be repaired. | | \$2,136 | \$1,068 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| | | | | |
|--|---|---|------------------|-----------------|
| Cavitron Select SPS Ultrasonic and ancillary equipment | Current unit is 25 years old. Required for cleaning of resident's teeth. | 10 years | \$3,400 | \$1,700 |
| Miscellaneous small medical equipment | Includes replacement or addition of items such as pulse oximetry, hospital beds for new residents while their needs are being evaluated, sensory, positioning and mats | Pulse Oxymeter 7 years, Electric hospital bed 12 years, Manual hospital bed 15 years, | \$35,000 | \$17,500 |
| Repair of damage to group homes by behaviorally challenged individuals | Costs continue to escalate due to the number of behaviorally challenged high needs residents that are in the census. | Wall covering paint or wallpaper 5 years, Carpentry work 15 years | \$50,000 | \$25,000 |
| New Flooring and Carpeting | On-going requirement by the Colorado Department of Public Health and Environment (CDPHE) for re-certification of licenses. Most floor coverings at the group homes are over 10 years old. | Carpet 5 years, Vinyl Tile 10 years | \$36,554 | \$18,277 |
| Total FY 2010-11 | | | \$164,250 | \$82,125 |

| Year 3 FY 2011-12 Equipment | Comments | AHA Useful Lives | FY 2010-11 Request | Net General Fund |
|--|---|---|---------------------------|-------------------------|
| Year 2 Replacement of 7 Arjo tub systems | These tubs are currently functioning but are past the 10-year natural life span. They are required to meet the health and safety needs of the medically fragile residents at the Regional Centers. | Arjo tubs 7 years | \$116,200 | \$58,100 |
| Replacement of 6 of 42 lifts | These lifts are currently functioning but are past the 10-year natural life span. They are required to meet the health and safety needs of the medically fragile residents at the Regional Centers. | Patient lifts 10 years | \$47,250 | \$23,625 |
| Miscellaneous small medical equipment | Includes replacement or addition of items such as pulse oximetry, hospital beds for new residents while their needs are being evaluated, sensory, positioning and mats | Pulse Oxymeter 7 years, Electric hospital bed 12 years, Manual hospital bed 15 years, | \$800 | \$400 |
| Total FY 2011-12 Request | | | \$164,250 | \$82,125 |

| Year 4 FY 2012-13 Equipment | Comments | AHA Useful Lives | FY 2011-12 Request | Net General Fund |
|--|---|---|---------------------------|-------------------------|
| Year 3 Replacement of 7 Arjo tub systems | These tubs are currently functioning but are past the 10-year natural life span. They are required to meet the health and safety needs of the medically fragile residents at the Regional Centers. | Arjo tubs 7 years | \$116,200 | \$58,100 |
| Replacement of 6 of 42 lifts | These lifts are currently functioning but are past the 10-year natural life span. They are required to meet the health and safety needs of the medically fragile residents at the Regional Centers. | Patient lifts 10 years | \$47,250 | \$23,625 |
| Miscellaneous small medical equipment | Includes replacement or addition of items such as pulse oximetry, hospital beds for new residents while their needs are being evaluated, sensory, positioning and mats. | Pulse Oxymeter 7 years, Electric hospital bed 12 years, Manual hospital bed 15 years, | \$800 | \$400 |
| Total FY 2012-13 Request | | | \$164,250 | \$82,125 |

Mental Health Institutes

Both the Colorado Mental Health Institute at Ft. Logan (CMHIFL) and the Colorado Mental Health Institute at Pueblo (CMHIP) continue to experience difficulty in replacing furniture, fixtures, and equipment in a timely manner. The annual funding for the Institutes for Capital Outlay is inadequate. As shown in the following table, funding has actually decreased slightly over the last 5 years:

| | |
|------------|-----------|
| FY 2002-03 | \$166,483 |
| FY 2003-04 | \$154,259 |
| FY 2004-05 | \$141,335 |
| FY 2005-06 | \$154,259 |
| FY 2006-07 | \$154,259 |
| FY 2007-08 | \$154,259 |

The table below illustrates some of the greatest needs at this time. As documented, much of the equipment is old and obsolete. In many cases, the existing equipment is no longer being manufactured and repair parts are becoming increasingly difficult to locate. Once parts are no longer available, there is no choice but to replace the equipment. Waiting until equipment absolutely has to be replaced is not prudent. In the interim, there is potential liability to the State as both patient and staff safety are a concern when equipment is broken and not working properly.

Only large cost items \$5,000 and over have been listed. There are a myriad of other small equipment needs in the \$1,000-\$4,999 category that are small individually, but total hundreds of thousands of dollars in the aggregate. By funding this request, additional dollars will be provided to begin to systematically replace some of the equipment on an annual basis in an order prioritized by management.

Mental Health Institutes

| Year 1 FY 2009-10 Equipment | Comments | AHA Useful Lives | FY 2009-10 Request |
|--|---|--------------------------------|---------------------------|
| CMHIFL— Electroencephalographic (EEG) machine for Medical Clinic | Replace existing machine that is 29 years old and obsolete; the study is printed on paper that is no longer manufactured; bought up all the paper from various suppliers several years ago; have a 1 year supply left, then the machine will be useless; must be replaced as EEG studies are a vital part of the psychiatric work-up of patients. | Electroencephalograph, 7 years | \$ 40,000 |
| CMHIP—Patient furniture for Forensic Advanced Cognitive Behavioral Unit (Wardrobes and Captain’s Beds w/drawers Qty—10 each) | Current wardrobes and beds are over 20 years old and are basically falling apart; some patients no longer have a wardrobe as the one they were using became so bad it was disposed of. | Beds, Manual 15 years | \$ 13,170 |
| CMHIFL—Women’s bathroom remodel on Adult Team 2 | Currently Adult Team 2 has one bathroom for 16 female patients; due to safety concerns, only one patient can use the bathroom at a time unless staff is present; as a result, there have been numerous patient complaints related to the delay in having access to the bathroom; existing bathroom is constructed in such a way that it can be divided into 2 with a tub or shower, toilet, and sink in each half; having 2 bathrooms will reduce the delay in access to a bathroom, thereby reducing the potential for conflict, reducing staff needed for monitoring, and increasing patient privacy. | Partitions, toilet 15 years | \$ 7,150 |
| CMHIP—Integrated Bolt Down Security Seating for Dining Area on Locked Adolescent Unit (Qty—5 Tables) | Currently dining room has tables with individual chairs; this is a maximum security unit with high risk children who have picked up and thrown chairs at staff and peers; requested seating bolts to the floor and chairs can not be separated to use as a weapon. | | \$ 5,830 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Year 1 FY 2009-10 Equipment | Comments | AHA Useful Lives | FY 2009-10 Request |
|--|--|-------------------------|---------------------------|
| CMHIP—Centrifuge for Laboratory Department | Need to replace existing centrifuge purchased 10/01/89; currently 19 years old. | Centrifuge 7 years | \$ 6,500 |
| CMHIFL—Replace carpet in the Pharmacy Department | Existing carpet is worn and ripped at the seams; CMS surveyor identified it as a fall risk and safety hazard for staff; need to replace as soon as possible. | Carpet 5 years | \$ 5,000 |
| Total FY 2009-10 | | | \$ 77,650 |

| Year 2 FY 2010-11 Equipment | Comments | AHA Useful Lives | FY 2010-11 Request |
|--|---|--|---------------------------|
| CMHIP—Refinish gym floor in Recreation Center | Gym floor last refinished 12 years ago; needs to be done again as it has “dead” spots-shoes won’t slide causing patients to fall. | Hardwood floor finishes 10 years | \$ 58,875 |
| CMHIFL—Expand panic alarm code red alarm system including cameras and monitors | Current panic alarm system is several years old and obsolete; most of the actual components/devices no longer exist; cameras/monitors have been removed over time. | Alarm system 10 years; Cameras/Monitors 5 years | \$ 50,000 |
| CMHIFL—Dental chair/apparatus/light/delivery/installation in Dental Clinic | Existing unit is 35 years old and hydraulics are starting to go out; needs to be replaced. | Chair, Dental 15 years | \$ 13,500 |
| CMHIFL—EKG machines (Qty—2) | Current machines are 8 years old and require constant service and parts, including hard to locate items like motherboards; bioengineer has notified CMHIFL that EKGs are outdated and need to be replaced; quality equipment is required to safely monitor patients for cardiac side effects of antipsychotic medications routinely used at CMHIFL. | Electrocardiograph 7 years | \$ 10,500 |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Year 2 FY 2010-11 Equipment | Comments | AHA Useful Lives | FY 2010-11 Request |
|---|---|--------------------------|--------------------|
| CMHIFL—Electric parallel bars for the Physical Therapy Department | Existing bars are 48 years old and are wobbly and crank adjusted; therapist is required to step away from the client to adjust the four uprights which is a potential safety hazard; the proposed electric bars can be adjusted with the push of a button allowing the therapist to remain in close proximity to the client. | Parallel bars, 15 years | \$ 6,875 |
| CMHIFL—Dental X-ray machine/delivery system/software in Dental Clinic | Replace current unit that is 15 years old. | Xray unit 5 years | \$ 7,000 |
| CMHIFL—Hi-Lo Mat for Physical Therapy Department | Currently Physical Therapy has no exercise mat; clients exercise on a narrow treatment table; those of large girth or who have limited physical ability are unable to roll side to side for safety reasons; the Hi-Lo mat will allow the therapist to adjust the height so multiple sitting activities can be accomplished and the therapist can work at a height conducive to good body mechanics. | Table, Therapy, 15 years | \$ 5,500 |
| Total FY 2010-11 | | | \$ 152,250 |

Facilities Management:

This request will provide funding for the replacement of critical capital outlay equipment supporting direct care services for the Department of Human Services. Purchase of replacement cleaning equipment is necessary to maintain efficient housekeeping and to comply with the Joint Commission for Accrediting Health Organizations (J.C.A.H.O.) standards for cleanliness. For example, the Kai-vac no touch cleaning system allows staff to properly clean and sanitize patient areas with one application. This list was developed with input from all Housekeeping District Managers statewide and equipment vendors that offer the newest and latest technology of equipment available in the industry. The chart below identifies component systems and their useful life expectancies.

Division of Facilities Management

| Year 1 FY 2009-10 Equipment | Unit Cost | Quantity | Extended Cost | Comments | AHA Useful Lives | FY 2009-10 Request |
|--|------------------|-----------------|----------------------|--|-------------------------|---------------------------|
| Compressors, Fans and Coils. The air-conditioning compressor units at Adams Youth Service Center (8) and the Developmentally Disabled Group Homes Statewide (61 units) | \$5,000 | 10 | \$50,000 | Each of these units was rated a poor on the Facilities Condition Audit, and exceeding life expectancy. | 15 years | \$50,000 |
| Pumps, Valves and Piping. The Fort Logan Mental Health center is 45 years old, 7 buildings the average building age of Pueblo Mental Health center is 57 years old, 43 buildings the average ago of the building at Grand Junction Regional center is 60, 31 buildings. The life expectancy for pumps valves and piping is 15 years. (81 units) | \$5,000 | 20 | \$100,000 | Each of these units was rated a poor on the Facilities Condition Audit, and exceeding life expectancy. | 15 years | 100,000 |
| Water Heaters and Fixtures. Of the 340 buildings in the Department of Human services the average age is 50.3 years old. The life expectancy of a hot water heater is 10 years. State wide a replacement program of 3% of the hot water heaters is 10 units per year. | \$1,000 | 10 | \$10,000 | The department will replace water heaters that are over 10 years old reducing the number of failures causing catastrophic damages and program interruptions. | 10 years | \$10,000 |
| Cleaning Equipment. New cleaning equipment at the Grand Junction regional center to meet accreditation standards. | \$4,250 | 1 | \$4,4250 | Provide a new carpet extractor | 10 years | \$4,250 |
| Total FY 2009-10 | | | | | | \$164,250 |

| Year 2 FY 2010-11 Equipment | Unit Cost | Quantity | Extended Cost | Comments | AHA Useful Lives | FY 2010-11 Request |
|--|-----------|----------|---------------|--|------------------|--------------------|
| Compressors, Fans and Coils. The air conditioning compressor units at Adams Youth Service Center (8) and the developmentally disable group homes (61 units) have exceed their life expectancy. | \$5,000 | 10 | \$50,000 | Each of these units was rated a 1 on the Facilities Condition Audit, indicating failure is certain. | 15 years | \$50,000 |
| Pumps, Valves and Piping. The Fort Logan Mental Health center is 45 years old, 7 buildings the average building age of Pueblo Mental Health center is 57 years old, 43 buildings the average ago of the building at Grand Junction Regional center is 60, 31 buildings. The life expectancy for pumps valves and piping is 15 years. (81 units) | \$5,000 | 20 | \$100,000 | Each of these units was rated a poor on the Facilities Condition Audit, and exceeding life expectancy. | 15 years | \$100,000 |
| Water Heaters and Fixtures Of the 340 buildings in the Department of Human services the average age is 50.3 years old. The life expectancy of a hot water heater is 10 years. State wide a replacement program of 3% of the hot water heaters is 10 units per year. | \$1,000 | 10 | \$10,000 | The department will replace water heaters that are over 10 years old reducing the number of failures causing catastrophic damages and program interruptions. | 10 years | \$10,000 |
| Cleaning Equipment Provide for new cleaning equipment at the Pueblo Mental Health center to meet accreditation standards. | \$4,250 | 1 | \$4,250 | Provide a new carpet extractor | 10 years | \$4,250 |
| Total FY 2010-11 | | | | | | \$164,250 |

Office of Operations, Operating Expenses Increase

This request is for an increase in operating expense funding of \$145,723 plus an increase of 12 %, a total of \$163,209. The 12 % represents a 6% increase per year from the last request. The following examples illustrate the financial impacts brought on due to program changes, technological advancements and aging facilities:

- Price of Oil
 - The price of oil impacts fuel costs for service trucks and surcharges.
 - The impact also affects related items such as paints, solvents, lubricants, manufacturing processes, rubber products, asphalt, and increase in costs for contractors.
 - Propylene Glycol costs have increased 20% over the past two years.
 - Chemical treatment costs have increased 20% over the past two years.
 - Recycling and disposal cost increases of regulated and control substances.

- Technology
 - Youth detention centers advanced from key to electronic operated locks and intercom systems, which now cost more to operate and maintain and require more labor to support. In 2005, approximately \$15,000 was spent on various repairs and reverse engineering at the Marvin W. Foote Center.
 - Video and audio monitoring maintenance and support. Monitoring of clients and facilities historically was managed by staff and by a small number of cameras and monitors. Today, monitoring is electronically controlled, more sophisticated with multiples of cameras and monitors being utilized to watch all areas of buildings.
 - Building automation systems (BAS) costs have increased for maintenance and upgrades.
 - Technicians now need laptops and palm pilots to interface with equipment and operating systems.
 - Control valves were \$400 in 2003 and are now \$1200.

- In the past 5 years lock systems have increased from \$400 per unit to \$1300 per unit with advancements in technological key systems that are now electronic (panic override buttons, security systems, life safety systems etc.)
 - A laptop computer was purchased to support the new fire alarm system. The laptop will need replacement within three years at a cost of approximately \$1800.
 - New security key system created and patented for DFM.
 - New keyway keys are more costly.
 - Swipe locks for HIPPA requirements that have been recently installed in: (clinic, personnel, server rooms, medical records, pharmacy etc.)
 - Communication systems have advanced to wireless services, which increases the costs of telecommunications.
 - New technology electrical circuit breakers for critical electrical systems have increased in costs in excess of 250%.
 - New, more restrictive regulatory requirements have increased our direct costs, i.e., Florescent lights that could previously be discarded in a dumpster must now be disposed of in an approved container and process. DFM is now installing GREEN light bulbs, which do not require special disposal, however the average cost of the new bulb is \$2.00/ bulb higher than the previously used bulb. For perspective the Fort Logan campus has 7,800 light fixtures with two bulb per fixture or 15,600 bulbs. Fort Logan makes up less than 17% of the CDHS square footage.
 - Infrastructure costs have increased.
 - Copper wire network infrastructures have been replaced with fiber optics networks.
- Appliances/Kitchen Equipment
 - Stainless steel costs have increased significantly.
 - Technology has advanced in the appliance/equipment area. Costly microprocessors now run ice machines instead of mechanical systems.

- CFC refrigerant replacements costs have increased significantly due to codes and EPA regulations.
- A 30lb container of R22 in 2005 was \$40 and now in 2006 is \$90.
- A 5-ton 10 seer-condensing unit in 2005 was \$600 and now the minimum efficiency is a 5-ton 13 seer-condensing unit, which is \$900 in 2006.

- Clients and program Impacts
 - Clients have shown a more aggressive behavior resulting in extreme damage of the facilities. Wall finishes, clients have torn off i.e. cabinets, and drywall, plumbing fixtures are broken beyond repair, and clients regularly destroy exterior window screens, which are required by the State Health Department. Exterior window replacement at one Pueblo facility is much more frequent: 2 to 4 per month. In the DYC facilities, intake and detention cells require frequent painting to remove gang graffiti from interior walls, beds, doors, etc.
 - Windows and finishes have been tagged with graffiti inside and outside of the buildings.
 - Seclusion rooms have experienced extensive damage, the average lock life expectancy in seclusion room is now months rather than years.

Consequences if Not Funded:

Regional Centers:

If not funded, the programs will be unable to systematically replace equipment on an annual basis. Instead of an organized plan to be proactive, the program will be forced to be reactive and operate in a crisis mode as each piece of equipment begins to fail. If several of the high-cost items fail in the same year, an over expenditure is likely as operating dollars are already stretched to the maximum and would most likely not be able to cover it.

Regional Centers:

If additional deficiencies from CDPHE occur, they could contribute to the decertification of the Regional Centers. Much of the equipment is critical to the safety of both clients and staff and should the equipment fail causing an injury, other consequences up to and including lawsuits are possible. Equipment that is faulty is currently being removed by all three Regional Centers and warehoused until funds are available to repair or replacement.

Mental Health Institutes:

The Institutes' ability to provide both adequate psychiatric services to patients and medical services to patients and DOC inmates would be restricted. The Institutes are governed by a number of regulatory bodies, including CMS, the Colorado Department of Public Health and Environment, and the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). Failure to fund this request could potentially result in loss of CMS certification to bill for Medicare and Medicaid and loss of JCAHO accreditation.

There is also a concern that old equipment could result in an injury to patients or staff, with the potential for a lawsuit. In addition, if key equipment breaks down, particularly in the Medical/Surgical, Operating Room, or Medical Clinic areas, services may have to be stopped resulting in higher outside medical costs.

Facilities Management:

The Facilities Management capital outlay affects the care, safety and use of all DHS buildings and facilities, and is therefore linked to all programs that occupy all DHS buildings, as well as staff, clients, families, other state employees and all visitors and members of the public in buildings and campuses.

The equipment list detail demonstrates the need for additional capital outlay funds. These are tools, materials, components and pieces of equipment that facilities management department typically buys in a fiscal year, but for which there is insufficient funding to buy enough to meet needs within DHS. The number listed is not the number bought in a typical year, but the number the department needs to buy above currently funding levels of \$22,000 per year.

Standards mandated by organizations such as Joint Commission on Accreditation of Healthcare Organizations, The American Correctional Association, International Building Code, Colorado Department of Public Health and Environment and the Environmental Protection Agency are the among performance measures DFM is required to meet on behalf of DHS agencies. The capital outlay fund shortfall has compromised the department's ability to comply with those standards in critical areas. Examples are: Repair vs. replacement of system components such as compressors, pumps and control valves create the risk of failure of entire HVAC systems. Timely replacement would reduce system failures. Repair vs. replacement of security components, including cameras and monitors, door hardware, and electronic locks create a risk for failure of security systems. Timely replacement increases security and reduces risk. Shortages of needed tools, materials and equipment for employees creates inefficiencies and lowers productivity. Since staffing is also an issue, DFM needs to maximize the productivity of every employee. Not having access to all the needed tools and materials exacerbates staffing shortages and creates even more problems with workload and efficiency of service. Investing in tools, equipment and materials will increase productivity. All of these shortages result in more frequent failures, insufficient replacement of equipment, systems and components, a reduction in service to customers, and an increase in Emergency Controlled Maintenance requests.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappro- priated Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|--|------------------------|-------------------------|-----------------------|---------------------------------------|--------------------------|------------------------------------|---------------------------------------|---------------------------------|------------|
| Total Request | \$569,359 | \$405,109 | \$0 | \$164,250 | \$0 | \$164,250 | \$82,125 | \$487,234 | 0.0 |
| Regional Centers | \$164,250 | \$0 | \$0 | \$164,250 | \$0 | \$164,250 | \$82,125 | \$82,125 | 0.0 |
| Mental Health Institutes | \$77,650 | \$77,650 | \$0 | \$0 | \$0 | \$0 | \$0 | \$77,650 | 0.0 |
| Facilities Management | \$327,459 | \$327,459 | \$0 | \$0 | \$0 | \$0 | \$0 | \$327,459 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappro- priated Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|--|------------------------|-------------------------|-----------------------|---------------------------------------|--------------------------|------------------------------------|---------------------------------------|---------------------------------|------------|
| Total Request | \$643,959 | \$479,709 | \$0 | \$164,250 | \$0 | \$164,250 | \$82,125 | \$561,834 | 0.0 |
| Regional Centers | \$164,250 | \$0 | \$0 | \$164,250 | \$0 | \$164,250 | \$82,125 | \$82,125 | 0.0 |
| Mental Health Institutes | \$152,250 | \$152,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$152,250 | 0.0 |
| Facilities Management | \$327,459 | \$327,459 | \$0 | \$0 | \$0 | \$0 | \$0 | \$327,459 | 0.0 |

Cash Funds Projections:

Not applicable.

Assumptions for Calculations:

Regional Center Assumptions:

Costs for medical equipment are based on the most current costs as obtained from web sites and or current price lists for various medical equipment manufacturers and/or distributors. Carpet and flooring costs are based on recent replacements at Regional Center group homes that have been completed in FY 2007-08 assuming that future replacements will be of similar materials and labor costs. Estimates for the call system and generator replacements were obtained from Facilities Management.

Mental Health Institutes Assumptions:

Costs for equipment are based on the most current costs as obtained from web sites, estimates received from vendors, and the CCI price agreement. Costs for remodeling, refinishing the gym floor, etc. were based on estimates provided by Facilities.

Facilities Management Assumptions:

Life expectancy information is based on the “American Hospital Association Health and Data Management Group” “Estimated Useful Lives of Depreciable Hospital Assets Revised 2004 Edition”. The assigned life of each asset represent the consensus among experienced representatives from leading appraisal companies, hospitals, hospital construction firms suppliers, and other familiar with the most common types of assets purchased for the hospital setting. These representatives have sought to assign the useful life of the asset according to the most prevalent condition of service for that asset in the health care field.

The assumptions for the calculations of operating expenses are the amount of the request in FY 07-08 that was not funded plus 12% (6% per year for the last two years).

Impact on Other Government Agencies:

Regional Centers:

As the single state agency for Medicaid, the Department of Health Care Policy and Financing will be affected by this increase in Medicaid expenditures

Mental Health Institutes:

If approved, this request has no impact on other governmental agencies. If not funded and equipment failure causes the General Hospital in Pueblo to restrict medical services, the Department of Corrections will be negatively impacted. They would have to seek an alternate provider at a potentially higher cost for the medical services previously done by CMHIP.

Facilities Management:

The Facilities Management capital outlay affects the care, safety and use of all DHS buildings it is therefore linked to all programs that occupy all DHS buildings, as well as staff, clients, families, other state employees and all visitors and members of the public in buildings and campuses.

The beneficiaries of the increased operating funds are the programs, residents, patients and clients served by DHS, including Mental Health Institutes, DYC Youth Services Centers, and DD Regional Centers. These additional operating dollars, in part will improve the safety, security, and environment of care, which houses and serves people of the state. Continued degradation of life safety and security systems will impose a potential threat to the community and staff due to the increased risk for escapes, forced evacuations of buildings, and risk to life if fire alarm system fails or patients can harm themselves due to hanging risks.

Cost Benefit Analysis:

Regional Centers:

| Cost Benefit Analysis- Regional Centers | | | |
|--|--------------|--------------|--|
| | | | |
| Costs | FY 2009-10 | FY 2010-11 | Calculation |
| Net General Fund Costs | \$82,125 | \$82,125 | Schedule 13 General Fund |
| | | | |
| Benefits | FY 2009-10 | FY 2010-11 | Calculation |
| Avoid Loss of Medicaid Federal Financial Participation | \$23,068,965 | \$23,068,965 | Regional Center FY 2008-09 Medicaid General Fund appropriation, assuming failure to meet conditions of participation would result in loss of the benefit of the 50% federal match that is part of the Medicaid rate. |
| | | | |
| Net Benefit (Cost) | \$22,986,840 | \$22,986,840 | Benefits less costs |
| Benefit/Cost Ratio | 279.9 | 279.9 | Total benefits divided by total costs |

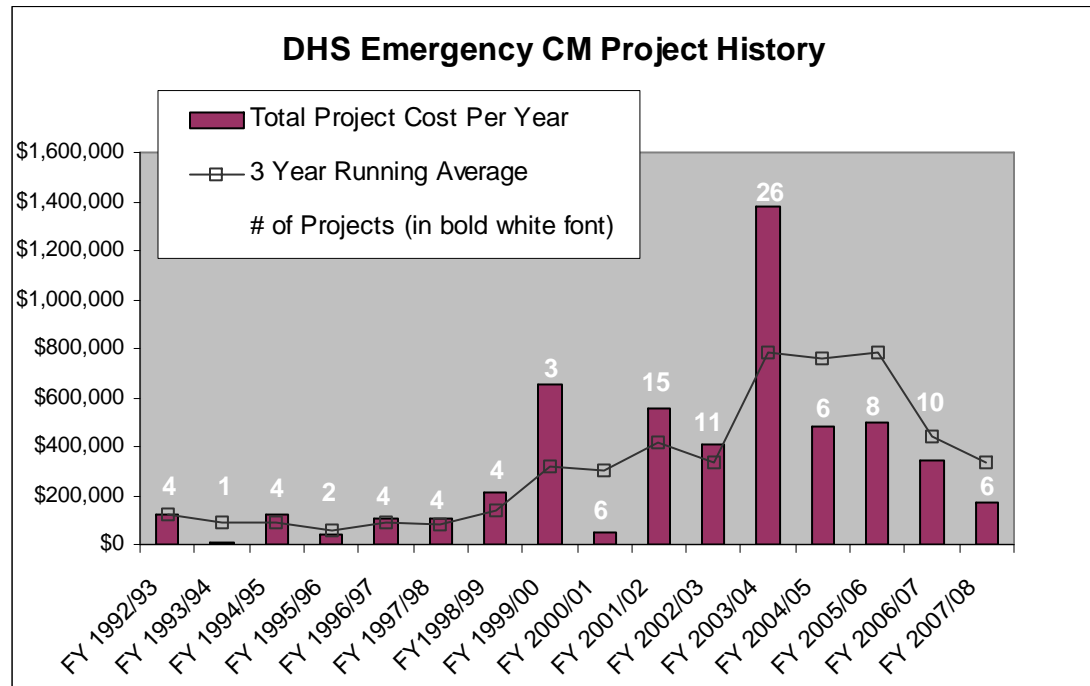
Mental Health Institutes:

As noted in the previous “Consequences if Not Funded” section, failure to fund this request could potentially result in loss of CMS certification to bill for Medicare and Medicaid and loss of JCAHO accreditation. The loss of revenue from these sources would have to be backfilled with General Fund. In FY2007-08, estimated Medicare/Medicaid revenue totaled \$15.8 million.

Operations, Facilities Management:

A reduction in critical life safety, security and maintenance will take place. Mechanical failures resulting in potential closures of buildings and or campus’s will have significant financial impact. The cost of displaced residents to alternate providers should a unit be closed due to poor physical conditions will be significant. Additionally the potential for lawsuits increases as building conditions deteriorate.

As mentioned above in the background information the Department saw an increase in emergency controlled maintenance when the operating funding was reduced. From FY 1993/94 to FY 1997/98 the emergency controlled maintenance did not exceed \$100,000. In FY 2003/04 through FY 2005/06 the emergency controlled maintenance was over \$750,000 three years in a row. With the \$288,753 approved previously the number of emergency request has declined as well as the value to \$388,266 last year. Through proper preventive maintenance failures are being reduced. The chart and table below illustrate the positive effects proper maintenance has.



| Fiscal Year | Total Project Cost Per Year | Total Project Cost 3 Years | 3 Year Running Average | # of Projects (in bold white font) |
|--------------------|------------------------------------|-----------------------------------|-------------------------------|---|
| FY 1992/93 | \$125,520 | \$376,560 | \$125,520 | 4 |
| FY 1993/94 | \$6,700 | \$257,740 | \$85,913 | 1 |
| FY 1994/95 | \$126,323 | \$258,543 | \$86,181 | 4 |
| FY 1995/96 | \$38,955 | \$171,978 | \$57,326 | 2 |
| FY 1996/97 | \$106,657 | \$271,935 | \$90,645 | 4 |
| FY 1997/98 | \$103,182 | \$248,794 | \$82,931 | 4 |
| FY 1998/99 | \$211,543 | \$421,382 | \$140,461 | 4 |
| FY 1999/00 | \$650,394 | \$965,119 | \$321,706 | 3 |
| FY 2000/01 | \$48,355 | \$910,292 | \$303,431 | 6 |
| FY 2001/02 | \$558,493 | \$1,257,242 | \$419,081 | 15 |
| FY 2002/03 | \$405,348 | \$1,012,196 | \$337,399 | 11 |
| FY 2003/04 | \$1,376,254 | \$2,340,095 | \$780,032 | 26 |
| FY 2004/05 | \$484,951 | \$2,266,553 | \$755,518 | 6 |
| FY 2005/06 | \$497,666 | \$2,358,871 | \$786,290 | 8 |
| FY 2006/07 | \$340,660 | \$1,323,277 | \$441,092 | 10 |
| FY 2007/08 | \$173,353 | \$1,011,679 | \$337,226 | 6 |

Implementation Schedule:

| Task | Month/Year |
|-----------------------------------|--------------------------|
| Internal Research/Planning Period | May 2008-July 2008 |
| Verify and Confirm Cost Estimates | May 2009-July 2009 |
| Procurement/ Bids | August 2009-October 2009 |
| Bid Awards | November 2009 |
| Orders Placed | December 2009 |
| Implementation and Installation | January 2010-June 2010 |

Statutory and Federal Authority:

Regional Centers:

Section 27-10.5-301, C.R.S. (2007) Regional centers for persons with developmental disabilities. There are hereby established state regional centers in Wheat Ridge, Pueblo, and Grand Junction. The essential object of such regional centers shall be to provide state operated services and supports to persons with developmental disabilities.

Mental Health Institutes and Office of Operations:

Section 26-1-105, C.R.S. (2006) Department of human services created - executive director - powers, duties, and functions.

(1) Effective July 1, 1994, there is hereby created a department of human services, the head of which shall be the executive director of the department of human services, which office is hereby created. The executive director shall be appointed by the governor, with the consent of the senate, and shall serve at the pleasure of the governor. The reappointment of an executive director after an initial election of governor shall be subject to the provisions of section 24-20-109, C.R.S. The executive director has those powers, duties, and functions prescribed for the heads of principal departments in the "Administrative Organization Act of 1968", article 1 of title 24, C.R.S.

(1.5) The department of human services shall consist of a state board of human services, an executive director of the department of human services, and such divisions, sections, and other units as may be established by the executive director pursuant to the provisions of subsection (2) of this section.

(2) (a) The executive director may establish such divisions, sections, and other units within the state department as are necessary for the proper and efficient discharge of the powers, duties, and functions of the state department. The executive director may allocate the powers, duties, and functions previously assigned to statutorily created divisions or sections of the state department of social services and the department of institutions to the divisions, sections, and other units established pursuant to this subsection (2). The executive director is authorized to create, eliminate, or alter such sections and units

within the state department as the executive director determines are necessary to effectively and efficiently operate consistent with the plan for restructuring health and human services, as set forth in article 1.7 of title 24, C.R.S.

(b) (Deleted by amendment, L. 93, p. 1105, § 20, effective July 1, 1994.)

(3) The department of human services shall be responsible for the administration of human services programs as set forth in part 2 of this article.

Performance Measures:

Developmental Disabilities/Regional Centers

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|---|---|-------------------|------------|------------|------------|------------|
| | | | Actual | Actual | Current | Request |
| Developmental Disabilities/ Regional Centers | Increase community safety. Decrease the number of incidents of Regional Center residents who are unaccounted for after executing initial search protocol. | Program Benchmark | 22 | 32 | 35 | 35 |
| | | Actual | 41* | 35** | | |

*In FY 06, 41 incidents were attributed to 30 individuals.
**In FY 07, 35 incidents were attributed to 28 individuals.

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|---|---|-------------------|------------|------------|------------|------------|
| | | | Actual | Actual | Current | Request |
| Developmental Disabilities/ Regional Centers | Provide a safe and secure residential environment for Regional Center residents. Decrease the rate of critical incidents, as a percentage of the average daily census, at the Regional Centers. | Program Benchmark | N/A | N/A | 10.56% | 10.27% |
| | | Actual | N/A | 10.96% | | |

The benchmarks assume a 3% reduction in the total number of critical incidents and no change to the average daily census.

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|---|--|-------------------|------------|------------|------------|------------|
| | | | Actual | Actual | Current | Request |
| Developmental Disabilities/ Regional Centers | Provide adult services in the least restrictive setting. Increase the number of adults receiving 24-hour residential services who are able to be moved from institutional settings (Regional Centers, nursing facilities, and Mental Health Institutes) into community-based settings. | Program Benchmark | N/A | 32 | 35 | 36 |
| | | Actual | 32 | 35 | | |

Mental Health Institutes

This performance measure reflects the Department's efficient use of General Fund resources associated with this request.

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|--------------------------|--|-----------|-----------------|-------------------|------------------|------------|
| | | | Actual* | Actual | Current** | Request*** |
| Mental Health Institutes | The Mental Health Institutes will manage the budget within less than 0.1% of the General Fund appropriation. | Benchmark | \$69,708 | \$74,658 | \$72,774 | |
| | | Actual | 58,046 0.08% | \$43,346 0.06% | \$72,774 0.1% | |

*Total General Fund appropriation including allocations from items centrally appropriated to the Executive Director's Office (e.g. salary survey).

**FY 2007-08 Long Bill General Fund appropriation.

***FY 2008-09 General Fund Request as of November 1, 2007.

Office of Operations Performance Measures/Workload Indicators:

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|--|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Current | Request |
| Facilities Management | Actual maintained gross square foot/FTE as compared to industry benchmark of 19,751 GSF/FTE. | 31,977 | 29,929 | 29,651 | 29,788 | 19,751 |

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|---|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Current | Request |
| Facilities Management | Actual cleanable square foot/FTE as compared to industry benchmark of 10,791 CSF/FTE. | 15,595 | 15,644 | 15,042 | 14,992 | 10,791 |

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|--|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Current | Request |
| Facilities Management | Percentage of monthly work orders that are completed as scheduled. | 91.3% | 89.5% | 88.0% | 92.0% | 92.0% |

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|--|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Current | Request |
| Facilities Management | Percentage of monthly preventative maintenance work orders that are completed. | 92.9% | 94.0% | 89.0% | 96.0% | 96.0% |

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|---|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Current | Request |
| Facilities Management | Percentage of monthly housekeeping inspections that are passed. | 93.0% | 96.0% | 99.0% | 96.0% | 96.0% |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | |
|---|---|--------------------------------|--|-------------------------|----------------------------|-----------------------------|--------------------------|------------|------------------|------------|------------|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | |
| Decision Item FY 2009-10 | <input checked="" type="checkbox"/> | Base Reduction Item FY 2009-10 | <input type="checkbox"/> | Supplemental FY 2008-09 | <input type="checkbox"/> | Budget Amendment FY 2009-10 | <input type="checkbox"/> | | | | |
| Request Title: | DHS - Direct Care Capital Outlay for Regional Centers, Mental Health Institutes, and Facilities Management & Facilities Management Operating Increase | | | | | | | | | | |
| Department: | Health Care Policy and Financing | | | Dept. Approval by: | John Bartholomew <i>JB</i> | | | Date: | October 31, 2008 | | |
| Priority Number: | NP-8 (See also DHS DI-5) | | | OSPB Approval: | <i>Inuz</i> | | | Date: | 10-15-08 | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Prior-Year | | Supplemental | Total | Base | Decision/ | November 1 | Budget | Total | Change |
| | | Actual | Appropriation | Request | Revised | Request | Base | Request | Amendment | Revised | from Base |
| | Fund | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2010-11 |
| Total of All Line Items | Total | 44,884,700 | 46,137,930 | 0 | 46,137,930 | 49,719,942 | 164,250 | 49,884,192 | 0 | 49,884,192 | 164,250 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 21,602,305 | 22,089,464 | 0 | 22,089,464 | 23,846,444 | 82,125 | 23,928,569 | 0 | 23,928,569 | 82,125 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 821,668 | 979,501 | 0 | 979,501 | 1,013,528 | 0 | 1,013,528 | 0 | 1,013,528 | 0 |
| | FF | 22,460,727 | 23,068,965 | 0 | 23,068,965 | 24,859,970 | 82,125 | 24,942,095 | 0 | 24,942,095 | 82,125 |
| (6) Department of Human Services Medicaid-Funded Programs; (F) Services for People with Disabilities - Medicaid Funding, Regional Centers | Total | 44,884,700 | 46,137,930 | 0 | 46,137,930 | 49,719,942 | 164,250 | 49,884,192 | 0 | 49,884,192 | 164,250 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 21,602,305 | 22,089,464 | 0 | 22,089,464 | 23,846,444 | 82,125 | 23,928,569 | 0 | 23,928,569 | 82,125 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 821,668 | 979,501 | 0 | 979,501 | 1,013,528 | 0 | 1,013,528 | 0 | 1,013,528 | 0 |
| | FF | 22,460,727 | 23,068,965 | 0 | 23,068,965 | 24,859,970 | 82,125 | 24,942,095 | 0 | 24,942,095 | 82,125 |
| Non-Line Item Request: | None | | | | | | | | | | |
| Letternote Revised Text: | None | | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | | | | FF: Title XIX | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | | | | | N/A | | | | | | |
| Approval by OIT? | Yes: <input type="checkbox"/> | No: <input type="checkbox"/> | N/A: <input checked="" type="checkbox"/> | | | | | | | | |
| Schedule 13s from Affected Departments: | Department of Human Services | | | | | | | | | | |

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Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Welfare Staffing Recommendations from the Division Organizational Assessment
Department: Human Services **Dept. Approval by:** *Wally Kral* **Date:** *10-16-08*
Priority Number: DI-6 **OSPB Approval:** *Jn 4/26* **Date:** *10-19-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 2,628,307 | 2,900,820 | 0 | 2,900,820 | 3,024,432 | 592,556 | 3,616,988 | 0 | 3,616,988 | 583,242 |
| | FTE | 22.3 | 31.5 | 0.0 | 31.5 | 32.0 | 8.3 | 40.3 | 0.0 | 40.3 | 9.0 |
| | GF | 1,652,771 | 2,065,741 | 0 | 2,065,741 | 2,143,750 | 458,933 | 2,602,683 | 0 | 2,602,683 | 459,594 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | FF | 846,127 | 704,367 | 0 | 704,367 | 743,104 | 133,623 | 876,727 | 0 | 876,727 | 123,648 |
| | MCF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | MGF | 64,705 | 65,357 | 0 | 65,357 | 68,790 | 0 | 68,790 | 0 | 68,790 | 0 |
| | NGF | 1,717,476 | 2,131,098 | 0 | 2,131,098 | 2,212,540 | 458,933 | 2,671,473 | 0 | 2,671,473 | 459,594 |
| (5) Division of Child Welfare, Administration | Total | 2,628,307 | 2,900,820 | 0 | 2,900,820 | 3,024,432 | 592,556 | 3,616,988 | 0 | 3,616,988 | 583,242 |
| | FTE | 22.3 | 31.5 | 0.0 | 31.5 | 32.0 | 8.3 | 40.3 | 0.0 | 40.3 | 9.0 |
| | GF | 1,652,771 | 2,065,741 | 0 | 2,065,741 | 2,143,750 | 458,933 | 2,602,683 | 0 | 2,602,683 | 459,594 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | FF | 846,127 | 704,367 | 0 | 704,367 | 743,104 | 133,623 | 876,727 | 0 | 876,727 | 123,648 |
| | MCF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | MGF | 64,705 | 65,357 | 0 | 65,357 | 68,790 | 0 | 68,790 | 0 | 68,790 | 0 |
| | NGF | 1,717,476 | 2,131,098 | 0 | 2,131,098 | 2,212,540 | 458,933 | 2,671,473 | 0 | 2,671,473 | 459,594 |

Non-Line Item Request: None
Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number: Title IV-E
Reappropriated Funds Source, by Department and Line Item Name: Not applicable.
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-6 |
| Change Request Title: | Child Welfare Staffing Recommendations from the Division Organizational Assessment Placeholder |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting a Fiscal Year 2009-10 placeholder for 8.3 FTE (annualized to 9.0 FTE) to address identified concerns and gaps in the Child Welfare Division's supervisory responsibility as identified from the Department's internal staffing review for the Division of Child Welfare. The current estimate for the request is \$592,556 Total Funds, including \$458,933 General Fund and \$133,623 Federal Funds in FY 2009-10, which annualizes to \$583,242 Total Funds including \$459,594 General Fund and \$123,648 Federal Funds in FY 2010-11. This is a rough estimate until the study results are released.

This request will be submitted as a Budget Amendment after the organizational assessment study is finalized by January 2009.

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Welfare Training Academy
Department: Human Services
Priority Number: DI-7

Dept. Approval by: *Will [Signature]*
OSPb Approval: *[Signature]*

Date: 10-15-08
Date: 10-15-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 5,426,797 | 5,684,693 | 0 | 5,684,693 | 5,684,693 | 1,615,448 | 7,300,141 | 0 | 7,300,141 | 1,594,754 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.5 | 5.5 | 0.0 | 5.5 | 6.0 |
| | GF | 2,600,233 | 2,778,630 | 0 | 2,778,630 | 2,778,630 | 918,656 | 3,697,286 | 0 | 3,697,286 | 902,204 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 3,341 | 40,043 | 0 | 40,043 | 40,043 | 0 | 40,043 | 0 | 40,043 | 0 |
| | CFE/RF | 185,292 | 220,037 | 0 | 220,037 | 220,037 | 0 | 220,037 | 0 | 220,037 | 0 |
| | FF | 2,637,931 | 2,645,983 | 0 | 2,645,983 | 2,645,983 | 696,792 | 3,342,775 | 0 | 3,342,775 | 692,550 |
| | MCF | 123,551 | 174,337 | 0 | 174,337 | 174,337 | 0 | 174,337 | 0 | 174,337 | 0 |
| | MGF | 61,776 | 87,169 | 0 | 87,169 | 87,169 | 0 | 87,169 | 0 | 87,169 | 0 |
| | NGF | 2,662,009 | 2,865,799 | 0 | 2,865,799 | 2,865,799 | 918,656 | 3,784,455 | 0 | 3,784,455 | 902,204 |
| (5) Division of Child Welfare, Training | Total | 4,878,538 | 4,981,462 | 0 | 4,981,462 | 4,981,462 | 1,606,952 | 6,588,414 | 0 | 6,588,414 | 1,586,258 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.5 | 5.5 | 0.0 | 5.5 | 6.0 |
| | GF | 2,245,129 | 2,348,055 | 0 | 2,348,055 | 2,348,055 | 910,160 | 3,258,215 | 0 | 3,258,215 | 893,708 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 37,230 | 0 | 37,230 | 37,230 | 0 | 37,230 | 0 | 37,230 | 0 |
| | CFE/RF | 37,230 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 2,596,179 | 2,596,177 | 0 | 2,596,177 | 2,596,177 | 696,792 | 3,292,969 | 0 | 3,292,969 | 692,550 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 2,245,129 | 2,348,055 | 0 | 2,348,055 | 2,348,055 | 910,160 | 3,258,215 | 0 | 3,258,215 | 893,708 |
| (3) OFFICE OF OPERATIONS | Total | 548,259 | 703,231 | 0 | 703,231 | 703,231 | 8,496 | 711,727 | 0 | 711,727 | 8,496 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (A) Administration | GF | 355,104 | 430,575 | 0 | 430,575 | 430,575 | 8,496 | 439,071 | 0 | 439,071 | 8,496 |
| Vehicle Lease Payments | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 3,341 | 2,813 | 0 | 2,813 | 2,813 | 0 | 2,813 | 0 | 2,813 | 0 |
| | CFE/RF | 148,062 | 220,037 | 0 | 220,037 | 220,037 | 0 | 220,037 | 0 | 220,037 | 0 |
| | FF | 41,752 | 49,806 | 0 | 49,806 | 49,806 | 0 | 49,806 | 0 | 49,806 | 0 |
| | MCF | 123,551 | 174,337 | 0 | 174,337 | 174,337 | 0 | 174,337 | 0 | 174,337 | 0 |
| | MGF | 61,776 | 87,169 | 0 | 87,169 | 87,169 | 0 | 87,169 | 0 | 87,169 | 0 |
| | NGF | 416,880 | 517,744 | 0 | 517,744 | 517,744 | 8,496 | 526,240 | 0 | 526,240 | 8,496 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Welfare Training Academy
 Department: Human Services Dept. Approval by: _____ Date: _____
 Priority Number: DI-7 OSPB Approval: _____ Date: _____

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |

Non-Line Item Request: None
 Letternote Revised Text: ^b Of this amount, ~~\$2,340,464~~ 3,037,253 shall be from Title IV-E of the Social Security Act, and \$255,716 shall be from the Title XX Social Services Block Grant.

Cash or Federal Fund Name and COFRS Fund Number: Title IV-E
 Reappropriated Funds Source, by Department and Line Item Name: Not Applicable.
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Personnel and Administration

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-7 |
| Change Request Title: | Child Welfare Training Academy |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting \$370,137 to fund 5.5 FTE (annualized to 6.0 FTE) and \$1,245,311 for personal services training. For FY 2009-10 the total request of \$1,615,448 includes \$918,656 General Fund and \$696,792 Federal Funds (Title IV-E) which annualizes to \$1,594,754 of which comprises of \$902,204 General Fund and \$692,550 Federal Funds. This request is to establish a training academy for newly hired child welfare caseworkers and newly hired or promoted child welfare supervisors. The Academy would provide for new caseworkers 40 hours of pre-requisite computer based training; 4 weeks of pre-service classroom instructions coupled with two weeks of on-the-job training, 24 two-day sessions of Legal preparation training; and three weeks of pre-service for newly hired or promoted child welfare supervisors and two-weeks of on-the-job training; plus training evaluation and oversight. The two weeks of on-the-job training for new workers and new supervisors would be coordinated and monitored by five regional field training specialists.

Background and Appropriation History:

In January 1992, the Colorado Lawyers Committee (CLC) formed a task force to investigate the child welfare system. At the same time the State and the Counties formed

a task force designed to evaluate child welfare programs and services. The goal of the State/County task force was to enhance and improve the child welfare system. On June 15, 1994 the CLC filed a civil action in the United States District Court for the District of Colorado on behalf of Colorado's foster care children and those who are known to the State because of their abuse or neglect. The civil action challenged the staffing levels, policies, practices, operations and protocols of the State and counties. The State, counties and the CLC determined that it would be in the best interest of the children of Colorado to enter into negotiations. An agreement was reached and signed between the State of Colorado and the CLC in February 1995. Two of the components of the settlement agreement were training newly hired child welfare caseworkers and newly promoted or hired child welfare supervisors.

In an effort to meet the training needs of the child welfare system, Colorado Department of Human Services in partnership with Universities and private providers developed the Competency-Based Training System. Training is delivered to county departments of human services staff, foster parents, and service providers. The centralized administration of Child Welfare training ensures that there is uniform interpretation, integration and implementation of federal and state statutes, federal and state regulations and generally accepted "best practice" standards. The training is focused on the knowledge, skills and abilities that workers need to provide quality services to children and their families. In addition, the training is also designed to meet federal requirements allowing the State to continue earning federal Title IV-E revenue and avoid federal fiscal penalties.

During Fiscal Years 2002, 2003, and 2004 the Child Welfare training program experienced reductions in funding which resulted in reductions in the services being provided. The reduction in services has caused significant challenges in providing a level of services to ensure that county child welfare workers meet the minimum mandated training requirements. As the economy has recovered, county departments have renewed their efforts to fill positions that were kept vacant, which has resulted in an increased demand for training.

General Description of Request:

This request will increase the existing training for newly hired child welfare caseworkers and newly hired or promoted child welfare supervisors by 388 days. In addition, it will restructure the training into an academy model which will certify that new child welfare workers and newly hired or promoted child welfare supervisors have attained the basic knowledge and skills necessary to perform their duties. The department is envisioning that prior to receiving the training, the workers will be asked to commit in writing that they will remain employed with their county department for a minimum of one year.

The restructuring of the existing training program will be handled by modifying the existing contracts and MOUs of the current training provider organizations to increase the number of classroom deliverables and by adding pre and post tests components to all of the courses. This process would begin around March 2009. Simultaneously the department will form a state/county work group of subject matter experts to update and revise the existing On-The-Job (OTJ) training manual.

Upon hiring or promotion, child welfare staff will be enrolled in the academy by their county department and assigned to a regional training specialist. The specialist will provide the initial mentoring, begin the OJT process and work with the worker's supervisor to ensure the field practice experiences are conducive to learning and skill development. While participating in the academy, a newly hired or promoted workers will be tested and evaluated weekly to assess their progress and acquisition of knowledge and skills.

Upon a workers' or supervisors' successful completion of the academy the department will issue a certificate of completion that certifies the minimum level of knowledge and skill necessary to satisfactorily to perform their duties has been achieved.

Trainings are being conducted by four universities: University of Denver, University of Colorado at Denver, Colorado State University College at Pueblo, and Metropolitan State College of Denver. When expanding the training, the state will continue to contract with these Universities to conduct the training.

The expanded courses to be offered are as follows:

New Caseworker Core I: Family-Centered Child Welfare

Family-Centered Child Welfare is the first of four parts of the competency-based Core curriculum for new child welfare caseworkers. This module addresses the knowledge and skills required for caseworkers to provide services related to family preservation and protection of abused, neglected, and sexually abused children. Upon completion of the training, at a minimum, workers will be able to demonstrate that they can:

- Accurately identify physical, emotional, and behavioral indicators of abuse and neglect in child victims and their families;
- Know the State's legal definitions of physical abuse, sexual abuse, neglect, exploitation, and dependency;
- Know the responsibilities of the child protection agency and caseworker, including investigating reports of maltreatment, providing in-home services, temporary out-of-home care placements, and permanent homes for children; and,
- Know the philosophy, values, and characteristics of family-centered child welfare; and understand how effective in-home family services can prevent the removal of children from their homes.

New Caseworker Core II: Case Planning & Family-Centered Casework

Case Planning and Family-Centered Casework is the second of four parts of the competency-based curriculum for new caseworkers. This module addresses the knowledge and skills required for caseworkers to provide services related to family preservation and protection of abused, neglected, and sexually abused children. This module stresses the importance of proper case planning to assure timely, high quality services to families, and presents casework as the preferred intervention method to promote family preservation, preservation for children, and positive change. Upon completion of the training, at a minimum, workers will be able to demonstrate that they will:

- Know how social work values and principles apply to child welfare practice, including respecting the family's dignity, individuality, culture, and right to self-determination;
- Know the proper roles and responsibilities of other community agencies in the child protective service process, and know how to collaborate with these agencies and practitioners to develop case plans and provide services that assure a safe and permanent family environment for children; and,
- Know some strategies to engage family members into constructive and collaborative casework relationships that engage and empower families, and that promote joint case assessment, planning, and service provision.

New Caseworker Core III: The Effects of Abuse & Neglect on Child Development

The Effects of Abuse and Neglect on Child Development is the third module of the competency-based curriculum for new child welfare caseworkers. This module explores the developmental consequences of child abuse and neglect, establishes a framework for the early recognition of developmental problems, and stresses the importance of including developmental and remedial services in child welfare case plans. Upon completion of the training, at a minimum, workers will be able to demonstrate that they:

- Know the physical, cognitive/language, and psychosocial developmental domains and their importance to child welfare practice;
- Know the impact of culture and other factors (quality of parenting, poverty, substance abuse, and domestic violence) on child development; can Identify typical developmental characteristics and behaviors (including developmental delays and disabilities) that put children at risk of maltreatment;
- Know the stages, processes, and milestones of normal physical, cognitive/language, and psychosocial development of children from birth through adolescence;
- Know the potential negative effects of child abuse and neglect on a child's development and identify indicators; and,
- Are able to identify developmental service needs and address these needs in family case plans, making appropriate referrals for developmental assessment and services in collaboration with the service team.

New Caseworker Core IV: Separation, Placement, & Reunification

Separation, Placement, and Reunification in Child Welfare is the fourth module of the competency-based Core curriculum for new child welfare caseworkers. This module addresses the knowledge and skills required for child welfare caseworkers to provide services related to child placement, separation and placement services, family intervention, working with foster caregivers, reunification and stress management. The competencies taught in this curriculum module are comprised of knowledge and skills needed by all child welfare caseworkers. Upon completion of the training, at a minimum, workers will be able to demonstrate that they:

- Understand the necessity of permanency planning and reasonable efforts to prevent placement or promote timely reunification;
- Understand the potentially traumatic outcomes of the separation and placement experience for children and their families, including serious disruption of family relationships and disturbances in the child's cognitive, emotional, social, and physical development;
- Know how to design placement activities for the child, parent, and foster parent, including pre-placement preparation and visits, to minimize stress and provide emotional support to the child and family; and,
- Work collaboratively with caregivers to assess a child's need for special developmental, medical, educational, social, psychological, and other services; to identify resources; and to obtain needed services.

Legal Preparation for Caseworkers

This workshop provides knowledge and skills to new workers on the Dependency and Neglect proceedings including all federal and state time frame mandates and levels of evidence. Participants have an opportunity to learn the varying roles and responsibilities of each person involved in the legal process and what their role is as a caseworker. Trainers provide an opportunity to understand how to prepare for pre court meetings with county attorneys; how to organize their thinking in terms of the case facts; tips for giving

testimony and withstanding cross examination; and how to form expert opinions about the presenting facts. Participants role-play how to respond to being qualified as an expert. Thorough out the training caseworkers are reminded that the outcomes are for the child's well-being, safety and permanence.

Supervisory Training: Putting the Pieces Together

Administrative Supervision: Supervisor as Manager

This three-day workshop will help supervisors articulate their agency's mission; develop and awareness of personal, unit, and agency values and strengths; develop knowledge of management theories and incorporate their use; develop comfort with transition from worker to supervisor; understand their role as change agent within and outside of the agency; acquire skills to ensure unit performance accountability; advance knowledge about effective recruitment and retention strategies; and be able to assess staff performance.

Educational Supervision: Supervisor as Coach

Participants in this three-day training session will understand adult learning theory and the principles and application of adult learning styles and techniques, learn how to administer an Individual Training Needs Assessment (ITNA) to staff, and describe and support the elements of the new worker Core training series. They will also understand the value of a developmental approach to supervision, facilitate the transfer of learning by staff from training setting to practice, identify and encourage best practice standards and applications, and acquire new coaching skills to enhance worker capacity and performance. Prerequisites: Supervisory Training: Putting the Pieces Together: Administrative Supervision.

Supportive Supervision: Supervisor as Team Leader

This three-day workshop will help supervisors cultivate the skills necessary to establish and maintain a positive work environment. Participants will learn how to motivate staff to maximize performance and cooperation, recognize and debrief secondary trauma

situations; prevent and address burnout, establish a cohesive work group, identify and manage conflict, and increase knowledge and skills regarding staff retention. Prerequisites: Supervisory Training: Putting the Pieces Together: Administrative Supervision.

Regionally based trainers (Specialists)

The regionally based trainers (Specialists) would be responsible for mentoring, tracking and assessing the development of the new caseworkers and new supervisors from their region. They would provide coaching and mentoring for the new employees assigned supervisor to ensure that new employee receives the maximum benefit from the on-the-job training portion. It is expected that the regional training specialist will continue to work with the new employee for two to four months after their completion of the formalized academy training.

- Conduct an individualized training needs assessment with the new employee
- Observe and evaluate the new employees success in achieving the learning objectives of the on-the-job training experience
- Provide over the shoulder mentoring and coaching for the front line supervisor
- Provide specialized training topics based on the needs of the new workers and their supervisors

Consequences if Not Funded:

The training program will continue to provide educational services to county child welfare caseworkers and child welfare supervisors however the training program will not be able to meet the current need. Not meeting the training need could result in a continued erosion of public trust, a workforce with inadequate knowledge and skills to attend to the safety of children, and an increase risk of federal fiscal sanctions for non-performance.

The State currently is out of compliance in the same areas that were outlined in the 2002 Child and Family Services Review (CFSR). In 2009, the Administration of Children and Families (ACF) will conduct another CFSR in Colorado. This is an increase from the 90% standard of the 2002 review. The increase in training will move the State in a

positive direction toward achieving compliance. The State must meet a standard of 95% compliance with the national standards. Should the State not meet substantial conformity the State could be subject to fiscal sanctions.

The amount of federal Title IV-B and Title IV-E funds subject to penalties due to a determination that a State is not operating in substantial conformity for the second review is based on a pool of funds defined as follows:

- The State's allotment of Title IV-B funds for each of the years to which the withholding applies; and
- An amount equivalent to 10 percent of the State's Federal claim for Title IV-E foster care administrative costs for each of the years to which withholding applies.

The amount of funds to be withheld from the pool is an amount equivalent to two percent of the funds included in the pool for each outcome or systemic factor that is determined not to be substantially achieved or not in substantial conformity for the year under review and for each succeeding year until the State's failure to comply is ended either through the successful completion of a program improvement plan or until a subsequent full review determines the State is operating in substantial conformity.

For example, the pool for FY 2006-07 would be approximately \$8.6 million dollars. Each outcome or systemic factor not in substantial conformity could result in a \$172,000 penalty for just that year. The penalty would be applied for the year under review, and also all subsequent years in which substantial conformity is not achieved under the program improvement plan.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$1,615,448 | \$918,656 | \$0 | \$0 | \$696,792 | 5.5 |
| (5) Division of Child Welfare, Training | \$1,606,952 | \$910,160 | \$0 | \$0 | \$696,792 | 5.5 |
| (3) OFFICE OF OPERATIONS (A) Administration, Vehicle Lease Payments | \$8,496 | \$8,496 | \$0 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$1,594,754 | \$902,204 | \$0 | \$0 | \$692,550 | 6.0 |
| (5) Division of Child Welfare, Training | \$1,586,258 | \$893,708 | \$0 | \$0 | \$692,550 | 6.0 |
| (3) OFFICE OF OPERATIONS (A) Administration, Vehicle Lease Payments | \$8,496 | \$8,496 | \$0 | \$0 | \$0 | 0.0 |

Cash Funds Projections:

Not Applicable.

Assumptions for Calculations:

There are 5.5 FTE included in this request for \$370,137. 0.9 FTE is to provide administrative support and is expected by an Administrative Assistant III level position. There are also 4.6 FTE for trainers that are expected to be at a General Professional III level.

Currently, training are being conducted by four universities: University of Denver, University of Colorado at Denver, Colorado State University College at Pueblo, and Metropolitan State College of Denver. All Universities have typical program services cost, such as, the accounting support department, contract management support for Sponsored programs, and work-study student programs. When contracting with the Universities, the program cost becomes part of the overall training cost.

| FTE and Operating Costs | | | | | | GRAND TOTAL | |
|--|----------------|------------------------------|-----------------|--------------------------|------------------|--------------------|--------------------|
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | Administrative Assistant III | | General Professional III | | | |
| Number of PERSONS / class title | | 1 | 1 | 5 | 5 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | 12 | 12 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | 12 | 12 | | |
| Calculated FTE per classification | | 0.9 | 1.0 | 4.6 | 5.0 | 5.5 | 6.0 |
| Annual base salary | | \$34,764 | \$34,764 | \$46,740 | \$46,740 | | |
| Salary | | \$34,764 | \$34,764 | \$233,700 | \$233,700 | \$268,464 | \$268,464 |
| Shift in Pay (General Fund portion only) | | (\$1,388) | \$0 | (\$9,286) | \$0 | (\$10,674) | \$0 |
| PERA | 10.15% | \$3,529 | \$3,529 | \$23,721 | \$23,721 | \$27,250 | \$27,250 |
| Medicare | 1.45% | \$504 | \$504 | \$3,389 | \$3,389 | \$3,893 | \$3,893 |
| Subtotal Personal Services at Division Level | | \$37,409 | \$38,797 | \$251,524 | \$260,810 | \$288,933 | \$299,607 |
| OPERATING EXPENSES | | | | | | | |
| Supplies @ \$500/\$500 | \$500 | \$500 | \$500 | \$2,500 | \$2,500 | \$3,000 | \$3,000 |
| Computer @ \$900/\$0 | \$900 | \$900 | \$0 | \$4,500 | \$0 | \$5,400 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$330 | \$0 | \$1,650 | \$0 | \$1,980 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubicle and chair) | \$3,998 | \$3,998 | \$0 | \$19,990 | \$0 | \$23,988 | \$0 |
| Telephone Base @ \$450/\$450 | \$450 | \$450 | \$450 | \$2,250 | \$2,250 | \$2,700 | \$2,700 |
| Vehicle Lease, 3 Jeep Liberty (Per month rate) | \$236 | | | \$8,496 | \$8,496 | \$8,496 | \$8,496 |
| Mileage (Estimate 12,000/year/vehicle) | \$0.48 | | | \$17,280 | \$17,280 | \$17,280 | \$17,280 |
| Lodging (36 nights) | \$85 | \$3,060 | \$3,060 | \$15,300 | \$15,300 | \$18,360 | \$18,360 |
| Subtotal Operating Expenses | | \$9,238 | \$4,010 | \$71,966 | \$45,826 | \$81,204 | \$49,836 |
| Personal Services Training Total | | | | | | \$1,245,311 | \$1,245,311 |
| GRAND TOTAL ALL COSTS | | \$46,647 | \$42,807 | \$323,490 | \$306,636 | \$1,615,448 | \$1,594,754 |

Personal Service Training Summary Cost:

| | |
|--|---------------------------|
| Curriculum Review and oversight | \$59,102 |
| New Caseworker CORE 1, 2, 3, 4 | \$512,000 |
| New Supervisor Core Training | \$96,795 |
| Legal Preparation for Caseworkers | \$79,261 |
| Participant Registration | \$382,903 |
| Computer Based Training and Evaluation | \$115,250 |
| Total | <u>\$1,245,311</u> |

| Curriculum Review and oversight | | | |
|---|------------------------|------------------------------|------------------------|
| | <u>Expenses</u> | | <u>Expenses</u> |
| 1. Personal Services | | 3. Operating Expenses | |
| President/Project Director (.2 FTE at \$62/hr.) | \$25,792 | Office Expenses | \$4,000 |
| Adm. Coordinator (.25 FTE at \$23/hr.) | \$11,960 | Telephone/faxes | \$500 |
| Benefits (20%) | \$7,550 | Travel/Lodging | \$1,000 |
| SUBTOTAL | <u>\$45,302</u> | Refreshments - meetings | \$800 |
| 2. Contract Fees - Curriculum Reviews | <u>\$6,000</u> | Training Materials | \$1,500 |
| | | SUBTOTAL | <u>\$7,800</u> |
| | | TOTAL | <u>\$59,102</u> |

| New Caseworker CORE 1, 2, 3, 4 | |
|---|---------------------|
| COST CATEGORIES | PROJECT COST |
| Direct Costs: | |
| Project Staff | 348,188 |
| Materials (Including Training Materials / Supplies, Coping, Postage, Telephone, Books and Journals) | 14,962 |
| Other Expenses (Including Travel, Facility and Meals) | 40,000 |
| Total Direct Costs | 403,150 |
| Program Services Cost (Modified Total Direct Costs) | 108,850 |
| GRAND TOTAL | \$512,000 |

| New Supervisor Core Training | | | | | |
|---|----------------------|----------------------|------------------------|-------------------------|-----------------------|
| Daily Rate: Professional = \$500, Clerical = \$300 | | | | | |
| PERSONNEL COSTS | | | | | |
| Function | Prof/Trainer Days | Prof/Trainer Cost | Administrative Days | Administrative Costs | CDHS Cost Per Task |
| Project Administration | | | | | |
| 1.a. Attend Qtrly Provider/ Program Mtgs | 7.5 | \$3,750 | 4.0 | \$1,200 | \$4,950 |
| 1.a. Attend Qtrly Contract Management/Review Mtgs | 7.5 | \$3,750 | 0.0 | \$0 | \$3,750 |
| 1.b. Coordinate Participant Registration | 4.0 | \$2,000 | 4.0 | \$1,200 | \$3,200 |
| 1.c. Internal Management Project Director | 4.0 | \$2,000 | 2.0 | \$600 | \$2,600 |
| 1.c. Internal Management Assistant Project Director | 6.0 | \$3,000 | 4.0 | \$1,200 | \$4,200 |
| 1.d. Web Page | 3.0 | \$1,500 | 5.0 | \$1,500 | \$3,000 |
| <i>subtotal</i> | 32.0 | \$16,000 | 19.0 | \$5,700 | \$21,700 |
| Curriculum Modification | | | | | |
| 2.a. Curriculum Modification Professional Trainer 1 | 12.0 | \$6,000 | 15.0 | \$4,500 | \$10,500 |
| 2.a. Curriculum Modification Professional Trainer 2 | 12.0 | \$6,000 | 0.0 | \$0 | \$6,000 |
| <i>subtotal</i> | 24.0 | \$12,000 | 15.0 | \$4,500 | \$16,500 |
| Training Delivery | | | | | |
| 3.a. Prepare Materials | 6.0 | \$3,000 | 15.0 | \$4,500 | \$7,500 |
| 3.b. Prepare/Train Professional Trainer 1 | 31.0 | \$15,500 | 8.5 | \$2,550 | \$18,050 |
| 3.b. Prepare/Train Professional Trainer 2 | 31.0 | \$15,500 | 0.0 | \$0 | \$15,500 |
| <i>subtotal</i> | 68.0 | \$34,000 | 23.5 | \$7,050 | \$41,050 |
| Personnel Cost Budget | 124.0 | \$62,000 | 57.5 | \$17,250 | \$79,250 |

| OTHER DIRECT COSTS | | | | | CDHS Cost |
|---------------------------------|--|--|--|--|------------------|
| Meals | | | | | \$10,480 |
| Facilities | | | | | \$3,000 |
| Local Travel | | | | | \$200 |
| Materials | | | | | \$2,000 |
| Copying | | | | | \$850 |
| Phone/fax | | | | | \$20 |
| Mailing | | | | | \$20 |
| Protecting Children Issues | | | | | \$975 |
| Other Subtotal | | | | | \$17,545 |
| | | | | | |
| Total Budget (CDHS Cost) | | | | | \$96,795 |

| Legal Preparation For Caseworkers | | |
|--|-----------------|-----------------|
| | Expenses | Totals |
| I. Personnel | | \$56,946 |
| II. Training Materials & Equipment (\$8 x 440) | | \$3,520 |
| III. Training Rooms & Refreshments | | \$6,980 |
| IV. Travel for Trainers | | \$1,300 |
| A. Mileage/Air Fare | \$596 | |
| B. Per Diem | \$284 | |
| C. Lodging | \$420 | |
| V. Telephone (\$33/mo x 5) | | \$330 |
| VI. Postage (\$24/mo x 12) | | \$288 |
| VII. Office Supply, Equipment & Management | | \$9,897 |
| A. Office Supplies for Project (\$32/mo x 5 mo's) | \$480 | |
| B. Management Operations & Support | | |
| = 20% x Total all items (excluding III. Trng Rm/Rfrsh)= \$47,089 x 20% = 9,417 | \$9,417 | |
| TOTAL | | \$79,261 |

| Participant Registration | |
|---|-------------------|
| Budget Category | CDHS Share |
| Total I. Personnel | \$100,693 |
| II. Travel/Per Diem | |
| A. CR MSCD Centralized Registration Faculty/Staff | |
| 1. CR Mileage 300 x .46/mi | \$138 |
| 2. CR Staff Development | \$0 |
| B. CR Trainee Hotel/Travel Reimbursement | \$178,000 |
| Total II. Travel/Per Diem | \$178,138 |
| III. Materials/Supplies | |
| A. CR Office Supplies \$184/mon * 12 mos | \$1,208 |
| B. CR Printing/Copying - | \$708 |
| Copy Machine - \$231/mo X 12 mos. | \$0 |
| C. CR Telephones (match 3.73 x \$20 x 12/mo) | |
| Daily usage -(includes 1-888 number, long distance & cell phone, 4 desk ext.) | \$2,000 |
| D. CR Postage - \$138 x 12 mos | \$0 |
| E. CR Equipment | |
| 1. Personal Computer/setup costs | \$3,700 |
| F. CR Official Functions/Food Refreshment-Providers | \$1,000 |
| G. CR Personal Computer Rental (20% SW Director x \$350 x 12) | \$0 |
| Total III. Materials/Supplies | \$8,616 |
| IV. Facilities | |
| A. CR MSCD Room Rental (\$75 X 6 days) | \$450 |
| B. CR Office Space (200 sq feet x \$18/sq ft x 3.73) | \$0 |
| Total IV. Facilities | \$450 |
| TOTAL DIRECT | \$287,897 |
| Program Services Cost | \$95,006 |
| TOTAL COST OF PROJECT | \$382,903 |
| CR = Central Registration | |
| MSCD = Metropolitan State College of Denver | |

| Computer Based Training and Evaluation | |
|---|--------------------|
| | <u>COST</u> |
| COMPUTER BASED TRAINING (CBT): | |
| Update Existing CBT, Web Enable | \$ 64,000 |
| Cost for Materials (media, software upgrades etc) | \$ 3,500 |
| Office costs (supplies, telephone etc) | \$ 1,500 |
| TRAINING EVALUATION: | |
| Satisfaction/Opinion Evaluations | \$ 25,750 |
| Caseworker Core Knowledge Assessment | \$ 4,375 |
| Caseworker Core Follow-up Evaluations | \$ 4,375 |
| Supervisor Core Knowledge Assessment | \$ 4,375 |
| Supervisor Core Follow-up Evaluations | \$ 4,375 |
| Office costs (supplies, telephone etc) | \$ 1,500 |
| Management | \$ 1,500 |
| <u>TOTAL COST</u> | \$115,250 |

Impact on Other Government Agencies: Department of Personnel and Administration.

Cost Benefit Analysis: Training expenditures are a unique form of business expense. Unlike other expenses, training costs represents an investment by the firm in their employees. As with any other investment, a commitment to training is directly related to the expected returns from the training dollars invested. Assessing the value of these returns has been the subject of a large body of national and international research. Almost unanimously, studies have concluded that enterprises are interested in training as a means of securing improved workplace performance and greater profitability (OTFE 1998; Billett & Cooper 1998; Baker & Wooden 1995).

A review of studies in the United States of America, the United Kingdom and Europe clearly indicates that human resource management (HRM) practices, taken together, are far and away the most powerful predictor of improvements in companies' productivity and profitability (Office of Training and Further Education, 1998). Company commitment to the skill and training of its employees is a dominating aspect of a company's HRM practices.

Human service agencies are dependent on human capital. High turnover represents a significant depletion of productive capacity and reduced organizational effectiveness (Balfour&Neff, 1993). High turnover rates place strain on social service agency budgets, workers and supervisors, which may lead to inconsistencies in the services provided to families due to increased workload for remaining workers (Winefield & Barlow, 1995).

The costs of turnover in child welfare are great. It has long been acknowledged that the financial cost of replacing workers can be high. In child welfare, there are other costs of turnover; therapeutic relationships with vulnerable children and families need to be reestablished, workloads are increased as staff cover caseloads until a new worker can be hired and trained, and meanwhile the child and family continues to need vital services to heal as they face the challenge of their lifetime.

The following US Department of Labor, Bureau of Labor Standards, November 2004 comparison of State and Local Government Workers and Child Welfare Workers illustrates the significantly higher turnover rate in human services staff when compared with other state government staff.

| Category of Worker | Vacancy Rate | Turnover, or Separation Rate |
|------------------------------------|---------------------|-------------------------------------|
| State and local government workers | 1.5% | 9.6% |
| CPS workers | 8.5 | 22.1 |
| In-home protective service workers | 9.9 | 15.1 |
| Foster care and adoption workers | 9.5 | 17.7 |
| Multiple program workers | 9.8 | 19.9 |
| Front-line supervisors | 6.8 | 11.8 |

Stability of the workforce is essential, as the professional relationships formed by the child welfare workforce with the children and families form the cornerstone for the transformative work needed in order for a child to be reunified with his or her family or for a decision to be made that reunification is not possible.

Annual agency turnover in child welfare agencies has been estimated at between 20 and 40 percent (Annie E. Casey Foundation, 2003; Reagh, 1994). High turnover rates have several potential costs: time spent hiring and training new workers, money spent on administrative needs rather than services, strain on the existing workforce, and service degradation.

Training has been empirically proved as a significant factor in the reduction of staff turnover. A 2003 study by Irma Browne Jamison found that both pre-service and in-service training for human services was among the top two factors that positively impacted retention rates. A 2006 study (Cornerstone for Kids) of human service agencies from twelve California counties found that on average, the agencies with the lowest turnover had the highest number of training days for new employees, and agencies with the highest turnover invested a lower number of days in new staff training.

“The unsolved challenge of system reform” (The Annie E. Casey Foundation, 2003) reports that frontline work in human services is about relationships. Workers are not interchangeable parts, and a child or family suffers when caseworkers don’t know how to help, or when they leave and are replaced by new, inexperienced workers. Caseworkers

staying in their jobs continuously are an essential element of workers' effectiveness. The consequences of high turnover; for example, families with children in foster care are less likely to be reunited in a timely way and children in childcare centers show slower development. Their research found two recurring themes. The first is that a stable, motivated, and prepared workforce achieves better outcomes. The second is that workers identify issues of support, respect, training, and respite as critical factors in job satisfaction.

The cost benefit of training for staff has also been well established in the private sector. A study by Carnevale and Schulz (1990) came up with the very similar findings that training typically benefits firms through:

- increased revenue and lower unit costs resulting from increased productivity of capital and labor
- reduced expenses resulting from less wasted time and materials, less absenteeism and fewer accidents
- difficult to measure improvements in productive culture, such as greater employee flexibility and improved employee morale.

A study conducted by the Australian National Training Authority (2000) of various businesses concluded that the indices for training quantity and training quality were two of the four main explanatory variables of firm profitability. Training quantity was significant at the 20 per cent level and training quality was significant at the five percent level. Both display a positive sign suggesting that higher levels of training are associated with higher firm profitability. They also found that the quantity of training was inversely related to involuntary labor turnover.

The American Public Human Services Association (APHSA) conducted a Child Welfare Workforce Survey in 2004. One of the areas surveyed was the national average of the number of training hours for various categories of human service staff. They collected data from about 29 states. The results are presented in the table below with a comparison to the hours of training presently offered in Colorado.

| Comparison of Training hours between Colorado and Surveyed States | | | | | | |
|--|------------------------------------|---|---|--------------------------------------|---------------------------------|-------------------------------|
| Types of Training | Number of States Responding | Child Protective Service Workers | In-Home Protective Service Workers | Foster Care/ Adoption Workers | Multiple Program Workers | Front-Line Supervisors |
| Average number of hours of mandatory pre-service training | 23-29 | 141 | 147 | 151 | 133 | 84 |
| Colorado number of hours of Mandatory pre-service training | | 90 | 90 | 90 | 90 | 54 |
| Average number of hours of mandatory in-service training each year | 21-29 | 29 | 29 | 30 | 27 | 28 |
| Colorado number of hours of Mandatory in-service training each year | | 6 | 6 | 6 | 6 | 0 |

The above table illustrates a significant difference in the mandatory training hours between Colorado and the average among the surveyed states. Colorado's mandatory training hours are lower than the national average (among the surveyed states) across all levels of human services workers and for both pre-service and in-service trainings. This demonstrates a potential need for additional training hours.

Implementation Schedule:

| Task | Month/Year |
|---|-------------------|
| Internal Research/Planning Period | March / 2009 |
| Rules Written | March / 2009 |
| Post positions after Long Bill (FY 2009-10) has been signed by the Governor | May / 2009 |
| FTE Hired | July / 2009 |
| Contract or MOU Written | July / 2009 |
| Rules Passed | July / 2009 |
| Contract Amended | July / 2009 |
| Start-Up Date | July / 2009 |

Statutory and Federal Authority: Federal Regulations (45 CFR, 1356.6, and 235.65)

26-5-102 C.R.S. (2008) Provision of child welfare services system reform goals.

(2) Reforms in child welfare and related delivery systems shall be directed at the following objectives:

(g) Successful training efforts directed at county staff, judges, court staff, providers, parents, and families and other appropriate entities that are involved in managed care service systems. Notwithstanding any limitation of the "M" notation of the appropriation in the annual appropriation act for child welfare services, the state department is authorized to expend any additional federal or private funding that may be available to support the training efforts identified in this subsection (2).

Performance Measures:

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|--|------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Permanency through adoption will be achieved timely. Adoptions will be finalized within 12-months of the date the child becomes legally free for adoption. | Benchmark | N/A | N/A | 53.7% | 53.7% | 53.7% |
| | | Actual | N/A | N/A | 50.9% | | |

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|---|------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Children are first and foremost protected from abuse and neglect. For children who were victims of substantiated or indicated abuse or neglect, the percentage of children that do not experience another incident of abuse or neglect within the following 6-month period, shall exceed the national standard. | Benchmark | 94.60% | 94.60% | 94.60% | 93.90% | 93.90% |
| | | Actual | 96.24% | 95.7% | 95.65% | | |

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|---|---------------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Children have permanency and stability in their living situations. The percentage of children that are reunified with their parents or caretakers when discharged from foster care within 12 months will exceed the national standard of 76.2%. | National Benchmark | 76.2% | 76.2% | 76.2% | 76.2% | 76.2% |
| | | Actual | 80.00% | 77.2% | 76.8% | | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Care Business Partnership Program
 Department: Human Services
 Priority Number: DI-8

Dept. Approval by: *Will [Signature]*
 OSPB Approval: *[Signature]*

Date: 10-10-08
 Date: 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 82,359,194 | 82,418,328 | 0 | 82,418,328 | 82,621,504 | (11,057) | 82,610,447 | 0 | 82,610,447 | (10,423) |
| | FTE | 57.7 | 65.5 | 0.0 | 65.5 | 65.5 | 1.0 | 66.5 | 0.0 | 66.5 | 1.0 |
| | GF | 17,805,614 | 17,785,508 | 0 | 17,785,508 | 17,881,963 | 0 | 17,881,963 | 0 | 17,881,963 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 9,695,361 | 9,933,299 | 0 | 9,933,299 | 9,962,594 | (11,057) | 9,951,537 | 0 | 9,951,537 | (10,423) |
| | CFE/RF | 666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 54,857,553 | 54,699,521 | 0 | 54,699,521 | 54,776,947 | 0 | 54,776,947 | 0 | 54,776,947 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 17,805,614 | 17,785,508 | 0 | 17,785,508 | 17,881,963 | 0 | 17,881,963 | 0 | 17,881,963 | 0 |
| (6) Division of Child Care, Child Care Licensing and Administration | Total | 6,690,868 | 6,549,749 | 0 | 6,549,749 | 6,752,925 | 91,163 | 6,844,088 | 0 | 6,844,088 | 85,935 |
| | FTE | 57.7 | 65.5 | 0.0 | 65.5 | 65.5 | 1.0 | 66.5 | 0.0 | 66.5 | 1.0 |
| | GF | 2,486,032 | 2,431,287 | 0 | 2,431,287 | 2,527,742 | 0 | 2,527,742 | 0 | 2,527,742 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 513,864 | 731,546 | 0 | 731,546 | 760,841 | 0 | 760,841 | 0 | 760,841 | 0 |
| | CFE/RF | 666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 3,690,306 | 3,386,916 | 0 | 3,386,916 | 3,464,342 | 91,163 | 3,555,505 | 0 | 3,555,505 | 85,935 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 2,486,032 | 2,431,287 | 0 | 2,431,287 | 2,527,742 | 0 | 2,527,742 | 0 | 2,527,742 | 0 |
| (6) Division of Child Care, Child Care Assistance Program | Total | 75,668,326 | 75,868,579 | 0 | 75,868,579 | 75,868,579 | (102,220) | 75,766,359 | 0 | 75,766,359 | (96,358) |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 15,319,582 | 15,354,221 | 0 | 15,354,221 | 15,354,221 | 0 | 15,354,221 | 0 | 15,354,221 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 9,181,497 | 9,201,753 | 0 | 9,201,753 | 9,201,753 | (11,057) | 9,190,696 | 0 | 9,190,696 | (10,423) |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 51,167,247 | 51,312,605 | 0 | 51,312,605 | 51,312,605 | (91,163) | 51,221,442 | 0 | 51,221,442 | (85,935) |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 15,319,582 | 15,354,221 | 0 | 15,354,221 | 15,354,221 | 0 | 15,354,221 | 0 | 15,354,221 | 0 |

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 **Base Reduction Item FY 2009-10** **Supplemental FY 2008-09** **Budget Amendment FY 2009-10**

Request Title: Child Care Business Partnership Program
Department: Human Services **Dept. Approval by:** **Date:**
Priority Number: DI-8 **OSPb Approval:** **Date:**

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |

Non-Line Item Request: None
Letternote Revised Text: ^b Of this amount, ~~\$3,246,525~~ \$3,307,688 shall be from Child Care Development Funds and \$170,391 shall be from Title IV-E of the Social Security Act. ^f Of this amount, ~~\$50,342,605~~ \$50,221,442 shall be from Child Care Development Funds and \$1,000,000 shall be from the Title XX Social Services Block Grant. ^e This amount shall be from local funds.
Cash or Federal Fund Name and COFRS Fund Number: Child Care Development Fund, Local Funds
Reappropriated Funds Source, by Department and Line Item Name: Not applicable.
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-8 |
| Change Request Title: | Child Care Business Partnership Program |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting 1.0 FTE to coordinate and implement the newly created Child Care Business Partnership program. The FTE will be funded using \$91,163 Child Care Development Fund (CCDF) transferred from the Child Care Assistant Program (CCAP) line to the Child Care Licensing and Administration. Based on a successful model in Florida, the Child Care Business Partnership (CCBP) program will establish a public/private partnership that helps employers meet the needs of working families by providing access to subsidized child care. Through this program, Child Care Assistance Program dollars, will be matched with employer funds on a 50/50 basis, which participating employers may use to offer child care assistance to their employees who are eligible for child care assistance. In addition, an expanded eligibility system up to the federal maximum allowable level for the Child Care Assistance Program will be available to participating employers so additional families can be served through this program. The coordinator for the Child Care Business Partnership Program will be responsible for identifying businesses and counties to participate in the program, conducting outreach, and providing statewide technical assistance and support to businesses, counties, and Early Childhood Councils once the program is operational.

Background and Appropriation History:

Currently, Child Care Development Fund (CCDF) dollars are used to provide child care subsidies to families in Colorado within 85% of State Median Income, which is currently 299% of Federal Poverty Level.

Florida's model program, The Executive Partnership Program, is funded with CCDF funds. The state matches each dollar an employer contributes for child care, thus doubling the available funds for families who are income-eligible for subsidized child care. In the first eighteen months of the program, the partnership leveraged more than \$6 million from the private sector. The \$6 million in state matching funds comes from CCDF funds. More than 26,000 additional children were served under the provision of these leveraged funds.

Colorado is currently ranked as the 4th least affordable state for full-time infant care in the nation and 3rd least affordable for a 4-year-old's full-time care. A 2008 review completed by the National Association of Child Care Resource & Referral Agencies (NACCRRA) found that the average cost of monthly infant care was higher than the average amount that families spent on food. Child care fees for children at any age exceeded median rent costs and were nearly as high as or even higher than the average mortgage payment.

Nearly 12 million children under the age of 5 are in child care each week. Overall, states reported increases in child care fees from 2006 to 2007. In thirty states, including Colorado, center care for infants and 4-year-olds increased. Within the same timeframe (2006-2007), the price of full time care for one infant and one 4-year-old increased an average of 6.5 percent and 5.2 percent, respectively, almost twice the rate of inflation.

While 2-parent households struggle to pay for child care, single parents in entry level positions face an uphill battle. Very few employers currently offer child-care subsidies, forcing working parents to choose between a paycheck or child care. For employers, the cost of turnover averages 150% of the annual salary of the position. An employee earning \$12 an hour has a turnover cost of \$37,440. While this may not seem impacting in a world of million dollar budgets, an employer that has 100 employees and a 15%

average annual turnover spends approximately \$561,600 on position replacement. The goal of the CCBP program is to divert money the employer is already spending on retraining and replacement and emphasize retention instead of child care related turnover. This change in philosophy should positively impact state/federally-funded programs such as Unemployment Insurance, Colorado Works (TANF), Food Stamps, and Medicaid.

General Description of Request

This request funds a statewide coordinator position to create and implement the Child Care Business Partnership program within the Department of Human Services. The Child Care Business Partnership (CCBP) program is a public/private partnership that helps employers meet the needs of working eligible families by providing access to child care. Through the CCBP program, counties will provide incentives to employers wishing to provide child care subsidies to families, by expanding eligibility up to the allowable federal maximum allowable level and matching funds on a dollar-for-dollar basis. Counties who elect to participate will use allocated CCDF dollars to subsidize the county portion of the provider payments. This program will be targeted to counties where eligibility levels are below the allowable maximum of 85% of the State Median Income. CCCAP eligibility will apply, and counties who elect to participate will use allocated child care assistance dollars to subsidize the county portion of the provider payments.

The Child Care Business Partnership benefits employers, eligible employees and the State of Colorado in several ways. Employers benefit from the program because they have the ability to offer more attractive compensation packages to eligible employees, which will likely increase the recruitment, retention and attendance of these employees. Eligible employees directly benefit from the program by receiving low cost child care, which otherwise may be too costly for working families to afford, and ultimately affect their ability to maintain employment. The State benefits from this program by leveraging public funds with dollars from the private sector, to double the amount of funds available to serve low-income families served through this program and ultimately strengthen the State's workforce. In addition, access to and participation in the Child Care Assistance Program may increase because this program would be advertised in an employee's place of business. Many employees in industries such as banking, retail, food and beverage, and tourism qualify for child care assistance subsidies paid for with CCDF dollars.

FY 2009-10 funds are requested to fund a General Professional IV position to provide coordination, outreach, and technical assistance to interested counties and employers within their region. This staff authority will work with the counties to set appropriate eligibility guidelines, provider payment systems, and recruit employers to support this new program. This position will also be responsible for monitoring and establishing reporting standards for participating counties. In addition, this position will provide a report to the Department and the Governor's Office of State Planning and Budgeting by the end of FY 2009-10 detailing the implementation plan for this program.

The FY 2009-10 fiscal year will be utilized to establish program protocols and processes. During this time, the coordinator would be responsible for:

- Developing the parameters of the program with input from the counties and promulgate rules within the Colorado Child Care Assistance Program necessary for implementation.
- Conducting outreach activities with the counties and businesses; utilizing Early Childhood Councils as local partners.
- Providing training and oversight to the counties and councils so that outreach activities can be done locally as the program expands.
- Working with the counties to target businesses that employ parents or guardians that may be eligible through income guidelines.
- The position would involve a significant amount of travel as the program is initially being implemented. Also, if participation in the program can begin in FY 2009-10, the statewide coordinator will facilitate this.

Counties that wish to participate will be required to set aside funds from their existing CCAP allocation.

Consequences if Not Funded:

If funding is not approved, local employers will continue to see higher turnover due to child care issues within low income (working poor) families. Additionally, counties will not have access to an additional recruitment tool and will not see increased participant numbers.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | (\$11,057) | \$0 | (\$11,057) | \$0 | \$0 | 1.0 |
| Child Care Licensing and Administration | \$91,163 | \$0 | \$0 | \$0 | \$91,163 | 1.0 |
| Child Care Assistance Program (CCAP) | (\$102,220) | \$0 | (\$11,057) | \$0 | (\$91,163) | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | (\$10,423) | \$0 | (\$10,423) | \$0 | \$0 | 1.0 |
| Child Care Licensing and Administration | \$85,935 | \$0 | \$0 | \$0 | \$85,935 | 1.0 |
| Child Care Assistance Program (CCAP) | (\$96,358) | \$0 | (\$10,423) | \$0 | (\$85,935) | 0.0 |

Child Care Development Fund (CCDF) has a local share component of 12.129%. In the Child Care Assistance Program (CCAP) line, \$91,163 (annualized to \$85,935) is being reduced and transferred to the Child Care Licensing and Administration line to fund 1.0 FTE to coordinate and implement the newly created Child Care Business Partnership program. The Local Fund will also need to be reduced by an additional \$11,057 (\$91,163 * 12.129%) in the CCAP line (annualized to (\$10,423)) as the Local share portion is not allowed in the Child Care Licensing and Administration line.

Cash Funds Projections:

Child Care Development Fund (CCDF) has a Local share component of 12.129%, as County Share of Direct Client Benefit Allocation (MOE) is being reduced.

Assumptions for Calculations:

- General Professional IV salary and general operating expenses for 1.0 FTE (\$69,563).
- Outreach materials (\$12,000):
 - Flyers to recruit program participants: \$0.10 per page reproduction cost * 3,000 = \$300
 - Postage: \$0.42 * 2,000 mailings = \$840

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

- Employer Packet (design/reproduction): \$12 per packet * 905 = \$10,860
- Travel (\$9,600):
 - 3 hotel stays per month, per fiscal year, at \$85 per night = \$3,060
 - 1,211 estimated miles per month, at 2-wheel drive rate of \$0.45 per mile = \$6,540

| FTE and Operating Costs | | | | GRAND TOTAL | |
|--|----------------|-------------------------|-----------------|--------------------|-----------------|
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | General Professional IV | | | |
| Number of PERSONS / class title | | 1.0 | 1.0 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12.0 | 12.0 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12.0 | 12.0 | | |
| Calculated FTE per classification | | 1.0 | 1.0 | 1.0 | 1.0 |
| Annual base salary | | \$56,796 | \$56,796 | | |
| Salary | | \$56,796 | \$56,796 | \$56,796 | \$56,796 |
| PERA | 10.15% | \$5,765 | \$5,765 | \$5,765 | \$5,765 |
| Medicare | 1.45% | \$824 | \$824 | \$824 | \$824 |
| Subtotal Personal Services at Division Level | | \$63,385 | \$63,385 | \$63,385 | \$63,385 |
| OPERATING EXPENSES | | | | | |
| Supplies @ \$500/\$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| Computer @ \$900/\$0 | \$900 | \$900 | \$0 | \$900 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$330 | \$0 | \$330 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubicle and chair) | \$3,998 | \$3,998 | \$0 | \$3,998 | \$0 |
| Telephone Base @ \$450/\$450 | \$450 | \$450 | \$450 | \$450 | \$450 |
| Travel (Lodging / Mileage) | | \$9,600 | \$9,600 | \$9,600 | \$9,600 |
| Outreach materials | | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Subtotal Operating Expenses | | \$27,778 | \$22,550 | \$27,778 | \$22,550 |
| GRAND TOTAL ALL COSTS | | \$91,163 | \$85,935 | \$91,163 | \$85,935 |

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis:

Long-term implications are that the state will be creating a strong public-private partnership that will help to leverage taxpayer dollars with private sector funds and increase access to child care services for low-income working families.

This is an employer-match program, which will allow counties to received an additional \$1 for every \$1 of CCAP invested, thus resulting in serving more families. If this position is not funded for the Child Care Business Partnership Program, then CCAP funding would remain the same and no additional families will be served.

Benefits to State:

- Builds a strong public/private partnership.
- Allows additional families to be served with CCAP funds.
- Strengthens the state's workforce by retaining trained employees who are able to perform all job functions.

Benefits to Counties:

- Doubles the amount of funding available for the CCAP program.
- Frees up CCAP dollars that would normally have been spent on child care and allows counties to reinvest these funds in the community.
- Allows counties to expand eligibility levels.

Benefits to Employers:

- Increases employee recruitment and retention.
- Matches employer funds on a 50/50 basis.

Benefits to Eligible Employees:

- Low-income employees will benefit by receiving child care subsidies through their place of employment.
- Some employees who may not have otherwise qualified for CCAP assistance will now receive services.

Implementation Schedule:

| Task | Month/Year |
|-----------------|-------------------|
| FTE Hired | July / 2009 |
| Planning Report | June / 2010 |

Statutory and Federal Authority:

C.R.S. 26-6-110 (2008) Acceptance of Federal Grants.

The department is authorized to accept, on behalf of the state, any grants of federal funds made available for any purposes consistent with the provisions of this part 1. The executive director of the department, with the approval of the governor, has the power to direct the disposition of any such grants so accepted in conformity with the terms and conditions under which given.

C.R.S. 26-2-805 (2008) Services – Assistance Provided – Rules.

(1) (a) Subject to available appropriations, and pursuant to rules promulgated by the state department, a county shall provide child care assistance to a participant or any person or family whose income is not more than one hundred thirty percent of the federal poverty level.

(b) (I) Subject to available appropriations and pursuant to rules promulgated by the state department, and except as provided for in subparagraph (II) of this paragraph (b), a county shall provide child care assistance for a family transitioning off the works program due to employment or training without requiring the family to apply for low-income child care, but shall redetermine the family's eligibility within six months after the transition, and may provide child care assistance for any other family whose income does not exceed eighty-five percent of the state median income for a family of the same size. A recipient of child care assistance shall be responsible for paying a portion of such child care based upon the recipient's income and the formula developed by rules of the state board. For any participant or any person or family whose income rises to the level set by the county at which the county may deny said participant, person, or family child care assistance, the county is strongly encouraged to continue to provide such assistance for a period of six months; except that in no event shall assistance be provided if said income exceeds the maximum level for eligibility for services set by federal law for a family of the same size. During such

period the county shall work with said participant, person, or family to provide a gradual transition off of the child care assistance provided pursuant to this paragraph (b) over a six-month period.

(c) A participant who is employed shall pay a portion of his or her income for child care assistance under the Colorado child care assistance program. The amount that such a participant shall be required to pay under the provisions of this paragraph (c) shall be determined by a formula that shall be established by rules of the state board.

CCDF Regulations (45 CFR 98.52)

(a) Not more than five percent of the aggregate funds expended by the Lead Agency from each fiscal year's allotment, including the amounts expended in the State pursuant to Sec. 98.53(b), shall be expended for administrative activities. These activities may include but are not limited to:

- (1) Salaries and related costs of the staff of the Lead Agency or other agencies engaged in the administration and implementation of the program pursuant to Sec. 98.11. Program administration and implementation include the following types of activities:
 - (i) Planning, developing, and designing the Child Care and Development Fund program;
 - (ii) Providing local officials and the public with information about the program, including the conduct of public hearings;
 - (iii) Preparing the application and Plan;
 - (iv) Developing agreements with administering agencies in order to carry out program activities;
 - (v) Monitoring program activities for compliance with program requirements;
 - (vi) Preparing reports and other documents related to the program for submission to the Secretary;
 - (vii) Maintaining substantiated complaint files in accordance with the requirements of Sec. 98.32;
 - (viii) Coordinating the provision of Child Care and Development Fund services with other Federal, State, and local child care, early childhood development programs, and before-and after-school care programs;

- (ix) Coordinating the resolution of audit and monitoring findings;
 - (x) Evaluating program results; and
 - (xi) Managing or supervising persons with responsibilities described in paragraphs (a)(1)(i) through (x) of this section;
- (2) Travel costs incurred for official business in carrying out the program;
 - (3) Administrative services, including such services as accounting services, performed by grantees or subgrantees or under agreements with third parties;
 - (4) Audit services as required at Sec. 98.65;
 - (5) Other costs for goods and services required for the administration of the program, including rental or purchase of equipment, utilities, and office supplies; and
 - (6) Indirect costs as determined by an indirect cost agreement or cost allocation plan pursuant to Sec. 98.55.
 - (b) The five percent limitation at paragraph (a) of this section applies only to the States and Territories. The amount of the limitation at paragraph (a) of this section does not apply to Tribes or tribal organizations.
 - (c) Non-Federal expenditures required by Sec. 98.53(c) (i.e., the maintenance-of-effort amount) are not subject to the five percent limitation at paragraph (a) of this section.

Pursuant to 45 C.F.R. 98.51, no less than four percent of the aggregate Child Care and Development Fund funds expended by the Agency for a fiscal year, and including the amounts expended in the State pursuant to 45 C.F.R. 98.53(b), shall be expended for quality activities.

(a) Quality activities may include but are not limited to:

1. Activities designed to provide comprehensive consumer education to parents and the public;
2. Activities that increase parental choice; and
3. Activities designed to improve the quality and availability of child care, including, but not limited to those described in paragraph (3)(b) of this rule.

(b) Activities to improve the quality of child care services may include, but are not limited to:

1. Operating directly or providing financial assistance to organizations (including private non-profit organizations, public organizations, and units of general purpose local

- government) for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care;
2. Making grants or providing loans to child care providers to assist such providers in meeting applicable state, local, and tribal child care standards, including applicable health and safety requirements, pursuant to 45 C.F.R. 98.40 and 98.41;
 3. Improving the monitoring of compliance with, and enforcement of, applicable state, local, and tribal requirements pursuant to 45 C.F.R. 98.40 and 98.41;
 4. Providing training and technical assistance in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and care of children with special needs;
 5. Improving salaries and other compensation (such as fringe benefits) for full-and part-time staff who provide child care services for which assistance is provided under this part; and
 6. Any other activities that are consistent with the intent of this section.
- (c) Pursuant to 45 C.F.R. 98.16(h), the Agency shall describe in the state’s Child Care and Development Fund Plan the activities it will fund under this subsection.
- (4) Non-Federal expenditures required by 45 C.F.R. 98.53(c) are not subject to the requirement of subsection (3) of this rule.

Performance Measures:

Department Goal #4: *Promote stability, permanence and self-sufficiency.*

| | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 |
|--|--------------------------|-------------------|-------------------|-------------------|
| Number of Counties Participating in the CCBP | Planning Year - Baseline | 3 | 6 | 9 |
| Number of Families Participating in the CCBP | Planning Year - Baseline | 24 | 48 | 72 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Title IV-E Administrative Claims for CPA Administrative Activities
Department: Human Services **Dept. Approval by:** *Will [Signature]* **Date:** 10-14-08
Priority Number: DI-9 **OSPB Approval:** *[Signature]* **Date:** 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 2,628,306 | 2,900,820 | 0 | 2,900,820 | 3,024,432 | 321,250 | 3,345,682 | 0 | 3,345,682 | 220,000 |
| | FTE | 22.3 | 31.5 | 0.0 | 31.5 | 32.0 | 0.0 | 32.0 | 0.0 | 32.0 | 0.0 |
| | GF | 1,652,770 | 2,065,741 | 0 | 2,065,741 | 2,143,750 | 321,250 | 2,465,000 | 0 | 2,465,000 | 220,000 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | FF | 846,127 | 704,367 | 0 | 704,367 | 743,104 | 0 | 743,104 | 0 | 743,104 | 0 |
| | MCF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | MGF | 64,705 | 65,357 | 0 | 65,357 | 68,790 | 0 | 68,790 | 0 | 68,790 | 0 |
| | NGF | 1,717,475 | 2,131,098 | 0 | 2,131,098 | 2,212,540 | 321,250 | 2,533,790 | 0 | 2,533,790 | 220,000 |
| (5) Division of Child Welfare, Administration | Total | 2,628,306 | 2,900,820 | 0 | 2,900,820 | 3,024,432 | 321,250 | 3,345,682 | 0 | 3,345,682 | 220,000 |
| | FTE | 22.3 | 31.5 | 0.0 | 31.5 | 32.0 | 0.0 | 32.0 | 0.0 | 32.0 | 0.0 |
| | GF | 1,652,770 | 2,065,741 | 0 | 2,065,741 | 2,143,750 | 321,250 | 2,465,000 | 0 | 2,465,000 | 220,000 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | FF | 846,127 | 704,367 | 0 | 704,367 | 743,104 | 0 | 743,104 | 0 | 743,104 | 0 |
| | MCF | 129,409 | 130,712 | 0 | 130,712 | 137,577 | 0 | 137,577 | 0 | 137,577 | 0 |
| | MGF | 64,705 | 65,357 | 0 | 65,357 | 68,790 | 0 | 68,790 | 0 | 68,790 | 0 |
| | NGF | 1,717,475 | 2,131,098 | 0 | 2,131,098 | 2,212,540 | 321,250 | 2,533,790 | 0 | 2,533,790 | 220,000 |

Non-Line Item Request: None
Letternote Revised Text:
Cash or Federal Fund Name and COFRS Fund Number: Not applicable.
Reappropriated Funds Source, by Department and Line Item Name: Not applicable.
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None

* The Department estimates an additional \$758,032 Title IV-E will be claimed annually upon implementation of the Random Moment Sampling (RMS) process to claim allowable CPA administrative costs through Title IV-E funding starting in FY 2010-11. This may offset the need for General Fund for Child Welfare in future years.

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-9 |
| Change Request Title: | Title IV-E Administrative Claims for CPA Administrative Activities |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting \$321,250 General Fund to implement administrative claiming of Child Placement Agency (CPA) case management costs through Title IV-E funding (annualized to \$220,000). The Department is seeking to increase federal reimbursement of these allowable administrative costs through Title IV-E funding. The requested funds will allow the Department to contract for the development and implementation of a federally allowable sampling process including CPA administrative costs in the Department's federal cost allocation process.

Background and Appropriation History:

Many Colorado counties have privatized some portion of the foster care system and provide services through a dual system, using both county workers and private or nonprofit CPA's. CPA's recruit and administer foster care providers and place children in homes; about half of Colorado children in foster care are placed by CPA's while the other half reside in county recruited and supervised foster family homes and kinship placements. Federal reimbursements under Title IV-E are allowable within the three categories: 1) maintenance costs, which support the physical needs of the child such as room and board; 2) administrative costs, which include staffing, legal and licensing costs,

and other costs incurred while serving the child; and 3) training costs for staff and foster parents working with the child and family. The CPA case management costs are allowable for Title IV-E reimbursement as administrative costs.

Title IV-E administrative costs may be claimed when the State contracts with child-placing agencies to perform foster care related administrative functions of the State. The list of allowable State administrative costs is included in federal regulation under 45 CFR 1356.60 (c)(2). These include those costs that are necessary for the administration of the foster care program.

A 2007 State Auditor's performance audit of the Colorado foster care system found that case management services (claimable administrative costs under Title IV-E), provided by contracted CPA's were not submitted to the federal government for reimbursement. The State Auditor's projected loss of Title IV-E funding of case management costs and the Department agreed to pursue a federally allowable method of claiming CPA case management costs through Title IV-E funding. The Department researched the federal requirements for claiming CPA case management cost and contacted several other states to identify common application of administrative claiming for these administrative costs.

In order to claim the costs through a commonly accepted process, the state needs to invest in time studies for CPA administrative activities, similar to what was done in other states.

The Colorado Government Efficiency and Management (GEM) Performance Review was conducted to increase the efficiency and effectiveness of state government. The following finding on Page 225-226 of the GEM report released in June 2008 relates to this funding request:

Case Management Services Provided by Child Placement Agencies

A 2007 State Auditor's performance audit of the Colorado foster care system found that case management services, which are part of administrative costs under Title IV-E, provided by contracted CPA's were not submitted to the federal

government for reimbursement. This error cost the state \$4.5 million from 2002 through 2006, or \$1 million annually. DHS staff report that to claim these services for federal reimbursement, the state must invest in time studies for CPA services.

Other states have done exactly that. Washington State and New York increased federal reimbursement for administrative costs by 140 and 20 percent, respectively, by improving the RMS (time studies) for outsourced services to see exactly what staff were providing within the Title IV-E allowable services. Kansas, the first state to completely privatize its foster care system, relies on contractors' use of an automated, email-based RMS system to claim Title IV-E reimbursements and has been doing so since 1997. Ohio also uses RMS via its contractors to identify and claim case management expenditures.

Texas uses cost reports to claim administrative Title IV-E reimbursements for case management services provided by CPAs and uses RMS at the state level to allocate costs for state-administered services.

The GEM report recommends on Page 227:

Recommendations

1. DHS should claim case management services provided by child placement agencies through federally acceptable methods.

General Description of Request:

The Department is seeking \$321,250 General Fund for startup costs of implementing a RMS method for claiming Title IV-E allowable administrative costs of Child Placement Agencies (annualizes to \$220,000 General Fund for FY 2010-11). The review recommends funding for implementing a method of capturing Title IV-E funding for case management activities conducted by Child Placement Agencies (CPAs). The Department is seeking funding to contract for the expertise of a Title IV-E consultant for startup and

ongoing costs. The Department's administrative cost allocation process does not currently have the capacity to claim the CPA case management costs through a federally allowable method.

In order to identify the correct categories of costs associated with providing services under Title IV-E, Colorado Department of Human Services (CDHS) and the counties use time studies, including Random Moment Sampling (RMS) to identify the portion of employee time spent on these different types of reimbursable activities. Title IV-E funding will be claimed through a RMS process. Staff employed by the Child Placement Agencies will be polled regarding the work being performed at random times during the reporting period. Eligibility for reimbursement of administrative costs of the CPAs will be determined by the percentage of time that the CPA staff are working on Title IV-E eligible activities and by the percentage of children in the CPA caseload that are eligible under the Title IV-E program. The Department's current RMS process does not include CPAs in the reporting population. CPAs would be a new reporting population for the Department with new or additional cost pools, CPA specific activities, sampling mechanisms, trainings, etc. Cost reports submitted to the state by child placement agencies (CPA's) on a quarterly basis are another method used to provide actual costs by line item.

Consequences if Not Funded:

If this request is not funded, the State will not be able to obtain funding that the State is eligible for CPA administrative activities. The Department will lose the opportunity to bring in additional federal resources through reimbursement of allowable Title IV-E claims. Title IV-E is one of the few remaining entitlement programs supporting children in the Child Welfare system. Title IV-E eligibility has been steadily falling across the nation and in Colorado due to the obsolete Aid to Families with Dependent Children (AFDC) eligibility requirements. While Title IV-E spending has increased overall, this is due in large measure to continued increases in Adoption Assistance funds for families who adopt children in state custody. Colorado, like many states, increasingly relies on a greater proportion of general funds to cover foster care costs.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$321,250 | \$321,250 | \$0 | \$0 | \$0 | 0.0 |
| (5) Division of Child Welfare, Administration | \$321,250 | \$321,250 | \$0 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$220,000 | \$220,000 | \$0 | \$0 | \$0 | 0.0 |
| (5) Division of Child Welfare, Administration | \$220,000 | \$220,000 | \$0 | \$0 | \$0 | 0.0 |

Cash Funds Projections:

Not Applicable.

Assumptions for Calculations:

The cost of implementing this project will require startup costs for implementing a RMS process for claiming CPA administrative activities. Project costs were based on preliminary estimates from several consultants that have experience in this area.

FY 2009-10 ESTIMATED STARTUP COSTS:

| Component | FY 2009-10 | |
|--|-------------------|---|
| Assessment | \$ 100,000 | |
| Program Design and Implementation | \$ 100,000 | |
| Training Materials | \$ 20,000 | |
| Training Sessions (RMS and Cost Reporting) | \$ 30,000 | * |
| Total contract Startup | \$ 250,000 | |
| Estimated Trails Modification costs | \$ 71,250 | |
| Total Startup | \$ 321,250 | |
| * 6 onsite sessions | | |

FY 2010-11 ESTIMATED ONGOING COSTS:

| Component | FY 2010-11 |
|---|-------------------|
| RMS Software License, Hosting, Support (estimating 2 samples) | \$ 20,000 |
| RMS Operations | \$ 200,000 |
| Total Startup | \$ 220,000 |

Impact on Other Government Agencies:

Not Applicable.

Cost Benefit Analysis:

The Department estimates an additional \$758,032 Federal Funds (Title IV-E) will be claimed annually upon implementation of the RMS process to claim allowable CPA administrative costs through Title IV-E funding starting from FY 2010-11. This may offset the need for General Fund for Child Welfare in future years. In FY 2006-07 CPA Administrative Services costs were \$5,492,986. The Foster Care Financial Activities Audit report from September 2007 (see page 56. of the report) indicated based on the CPAs reviewed that approximately 69% (\$3,790,160) of these administrative costs were “case management” costs that should be claimable under the Title IV-E program. Reimbursement is limited to the proportion of Title IV-E eligible children. Therefore, assuming that approximately 50% of the children in Colorado are eligible based on current Title IV-E eligibility trends, claimable costs will be \$1,895,080. Title IV-E reimburses at a 50% match rate for allowable administrative costs resulting in \$947,540 in Title IV-E funds for the State. Based on feedback from providers, it is estimated that CPA workers will report working on Title IV-E allowable activities 80% of the sampled times, resulting in approximately \$758,032 in additional federal Title IV-E funding.

| Cost Benefit Analysis | | | | | | | |
|---|------------|------------|------------|------------|------------|--------------------|--|
| Costs | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | Total over 5 years | Comment |
| Net General Fund Costs | \$321,250 | \$220,000 | \$220,000 | \$220,000 | \$220,000 | \$1,201,250 | Schedule 13 Net General Fund |
| Benefits | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | | Comment |
| Increase Federal Title IV-E Reimbursement | \$0 | \$758,032 | \$758,032 | \$758,032 | \$758,032 | \$3,032,128 | Refer to the Cost Benefit narrative above. |

Implementation Schedule:

| Task | Month/Year |
|----------------------------------|------------------|
| RFP Issued | July / 2009 |
| Rules Written | September / 2009 |
| Contract or MOU Written | October / 2009 |
| Contract or MOU Awarded/Signed | November / 2009 |
| Start-Up Date | December / 2009 |
| Rules Passed | January / 2010 |
| Trails System Modifications Made | April / 2010 |

Statutory and Federal Authority:

26-1-109 C.R.S. (2008) Cooperation with Federal Government – grant-in-aid

(4.5) In addition to the powers granted the state department in subsection (4) of this section, the state department shall take necessary measures to obtain increased federal reimbursement moneys available under the Title IV-E program created under the federal "Social Security Act", as amended, based on the out-of-home placements and alternative care treatment by county departments of children eligible for Title IV-E federal assistance, which moneys shall be allocated to county departments in proportion to each county's eligible placements, to help defray program costs. Nothing in this subsection

(4.5) shall be construed to allow counties to continue to receive an amount equal to the increased funding in the event the said funding is no longer available from the federal government.

45 CFR 1356.60 (2008) Fiscal requirements (Title IV-E).

(c)(2). The following are examples of allowable administrative costs necessary for the administration of the foster care program:

- (i) Referral to services;
- (ii) Preparation for and participation in judicial determinations;
- (iii) Placement of the child;
- (iv) Development of the case plan;
- (v) Case reviews;
- (vi) Case management and supervision;
- (vii) Recruitment and licensing of foster homes and institutions;
- (viii) Rate setting; and
- (ix) A proportionate share of related agency overhead.
- (x) Costs related to data collection and reporting.

Performance Measures:

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|---|---------------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Children have permanency and stability in their living situations. The percentage of children that are reunified with their parents or caretakers when discharged from foster care within 12 months will exceed the national standard of 76.2%. | National Benchmark | 76.2% | 76.2% | 76.2% | 76.2% | 76.2% |
| | | Actual | 80.00% | 77.2% | 76.8% | | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Welfare Services Block Increase
 Department: Colorado Department of Human Services
 Priority Number: DI-10
 Dept. Approval by: *[Signature]* Date: 10-16-08
 OSPB Approval: *[Signature]* Date: 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 337,446,740 | 351,124,654 | 0 | 351,124,654 | 351,124,654 | 9,128,592 | 360,253,246 | 0 | 360,253,246 | 9,128,592 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 168,846,941 | 179,710,637 | 0 | 179,710,637 | 179,710,637 | 5,157,711 | 184,868,348 | 0 | 184,868,348 | 5,157,711 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 57,588,959 | 0 | 57,588,959 | 57,588,959 | 1,506,161 | 59,095,120 | 0 | 59,095,120 | 1,506,161 |
| | CFE/RF | 75,949,417 | 18,773,007 | 0 | 18,773,007 | 18,773,007 | 365,144 | 19,138,151 | 0 | 19,138,151 | 365,144 |
| | FF | 92,650,382 | 95,052,051 | 0 | 95,052,051 | 95,052,051 | 2,099,576 | 97,151,627 | 0 | 97,151,627 | 2,099,576 |
| | MCF | 13,778,035 | 18,773,007 | 0 | 18,773,007 | 18,773,007 | 365,144 | 19,138,151 | 0 | 19,138,151 | 365,144 |
| | MGF | 6,889,018 | 9,386,504 | 0 | 9,386,504 | 9,386,504 | 182,572 | 9,569,076 | 0 | 9,569,076 | 182,572 |
| | NGF | 175,735,959 | 189,097,141 | 0 | 189,097,141 | 189,097,141 | 5,340,283 | 194,437,424 | 0 | 194,437,424 | 5,340,283 |
| (5) Division of Child Welfare, Child Welfare Services | Total | 337,446,740 | 351,124,654 | 0 | 351,124,654 | 351,124,654 | 9,128,592 | 360,253,246 | 0 | 360,253,246 | 9,128,592 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 168,846,941 | 179,710,637 | 0 | 179,710,637 | 179,710,637 | 5,157,711 | 184,868,348 | 0 | 184,868,348 | 5,157,711 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 57,588,959 | 0 | 57,588,959 | 57,588,959 | 1,506,161 | 59,095,120 | 0 | 59,095,120 | 1,506,161 |
| | CFE/RF | 75,949,417 | 18,773,007 | 0 | 18,773,007 | 18,773,007 | 365,144 | 19,138,151 | 0 | 19,138,151 | 365,144 |
| | FF | 92,650,382 | 95,052,051 | 0 | 95,052,051 | 95,052,051 | 2,099,576 | 97,151,627 | 0 | 97,151,627 | 2,099,576 |
| | MCF | 13,778,035 | 18,773,007 | 0 | 18,773,007 | 18,773,007 | 365,144 | 19,138,151 | 0 | 19,138,151 | 365,144 |
| | MGF | 6,889,018 | 9,386,504 | 0 | 9,386,504 | 9,386,504 | 182,572 | 9,569,076 | 0 | 9,569,076 | 182,572 |
| | NGF | 175,735,959 | 189,097,141 | 0 | 189,097,141 | 189,097,141 | 5,340,283 | 194,437,424 | 0 | 194,437,424 | 5,340,283 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Title IV-B; Title IV-E, and Title XX
 Reappropriated Funds Source, by Department and Line Item Name: Department of Health Care Policy and Financing
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Health Care Policy and Financing

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|----------------------------|---------------------------------------|
| Department: Human Services | Colorado Department of Human Services |
| Priority Number: | DI-10 |
| Change Request Title: | Child Welfare Services Block Increase |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting \$9,128,592 increase in funding to the Division of Child Welfare; Child Welfare Services line to support children and families receiving services through the Child Welfare Block funding. This request is to provide appropriate and adequate funding to the Child Welfare Block to continue to meet the need by the counties for the care of children requiring protection from abuse and neglect, and their families needing assistance in caring for these children.

Background and Appropriation History:

Prior to FY 1999-00, funding for child welfare services was determined annually based on estimated caseloads and average rates (including cost-of-living adjustments and changes in the average cost of each case or "case mix") for individual services (e.g., out-of-home care, subsidized adoptions, child welfare-related child care, etc.); related county administrative funding was increased based on an annual increase based on the merit system. County administration was only increased in relation to changes in caseloads through decision items. The following table summarizes increases provided since FY 1998-99 (including caseload and inflationary components):

| Appropriations for the Child Welfare Services Block | | | | |
|---|----------------|-------------------|-----------------------|------------------------------|
| Fiscal Year | Appropriation | Caseload Increase | Inflationary Increase | Annual Change in Total Funds |
| FY 1998-99 | \$232,750,327 | | | |
| FY 1999-00 | \$241,218,855 | 0.99% | 2.00% | 3.64% |
| FY 2000-01 | \$263,056,077 | 5.75% | 2.00% | 9.05% |
| FY 2001-02 | \$280,921,405 | 3.17% | 2.50% | 6.79% |
| FY 2002-03 | \$289,944,933 | 3.40% | 0.00% | 3.21% |
| FY 2003-04 | \$297,146,124 | 2.80% | 0.00% | 2.48% |
| FY 2004-05 | \$302,016,627 | 2.34% | 0.00% | 2.14% |
| FY 2005-06 | \$315,785,901 | 2.50% | 2.00% | 4.50% |
| FY 2006-07 | \$328,042,534 | 0.56% | 3.25% | 3.88% |
| FY 2007-08 | *\$339,701,380 | 2.05% | 1.50% | 3.55% |
| FY 2008-09 | \$351,124,654 | 1.86% | 1.50% | 3.36% |

* This amount includes supplemental Funding for FY 2007-08.

In the last nine fiscal years, total county child welfare expenditures have exceeded the amounts appropriated. County expenses in excess of the Child Welfare Block allocations are covered through transfers of federal TANF funds to Title XX or county-only funds or a combination of both. The funding gap is listed below for each fiscal year:

| State Fiscal Year | County Over Expenditure |
|--------------------------|--------------------------------|
| SFY 1999-00 | \$20.6 million |
| SFY 2000-01 | \$21.4 million |
| SFY 2001-02 | \$33.4 million |
| SFY 2002-03 | \$24.4 million |
| SFY 2003-04 | \$12.37 million |
| SFY 2004-05 | \$10.89 million |
| SFY 2005-06 | \$14.21 million |
| SFY 2006-07 | \$16.72 million |
| SFY 2007-08 | \$20.29 million |

In FY 2000-01, the Department began working with a vendor under the direction of the Child Welfare Allocation Committee to develop a new method of allocating child welfare funding among counties. The “optimization” model was designed as a module to allocate funds. The optimization model also lays the foundation for a method of determining overall level of resources required to support a range of local practices. The funding projection module within the optimization model operates with the same cost drivers and application of variance reductions as used for the allocations model. The projection tool estimates funding need by factoring in population growth projections obtained from the Office of the State Demographer to the cost driver data from the most recently ended State fiscal year. Funding projections for the FY 2009-10 appropriation are based on FY 2007-08 data.

The optimization model uses measurable cost drivers to allocate and project need for resources. A cost driver variable is considered appropriate for inclusion in the model if: (a) there is currently variability among counties; (b) the variable is measurable and manageable; and (c) variability among counties is potentially diminished through variance reduction processes.

The Child Welfare Allocation Committee approved the nine variables included in the model for recommendation to the Department. The Child Welfare Allocation Committee also makes recommendations to the Department regarding desired ranges of variability for each variable. The following table summarizes the cost drivers and variables that

were approved for the Ten Large counties (Adams, Arapahoe, Boulder, Denver, El Paso, Jefferson, Larimer, Mesa, Pueblo and Weld) to be included in the model for purposes of allocating funds for FY 2007-08, the actual range of data for the Ten Large counties, and the desired range of variability.

| Child Welfare Optimization Model: Ten Large County Cost Drivers for FY 2007-08 | | |
|--|---|-----------------------------------|
| Description of Cost Driver | Range of Actual SFY2008 Data for Largest 10 Counties | Desired Range |
| Total child/adolescent population (0 - 17) | 33,555 to 157,644 | No variance reduction is applied. |
| Referrals | 50.92 to 93.86 | 50.70 to 94.30 |
| Assessments (children) as a percent of referrals | 26.5% to 44.0% | 26.5% to 44.0% |
| New involvements as a percent of assessments | 19.9% to 35.9% | 19.9% to 35.9% |
| Out-of-home placements as percent of open involvements | 20.4% to 42.8% | 20.4% to 42.8% |
| Average days per year per child in out-of-home placement | 122.3 to 187.9 | 129.0 to 181.5 |
| Average cost per day per child in out-of-home placement | \$43.50 to \$78.39 | \$52.65 to \$73.58 |
| Program services costs per open involvement (administration and other services related to foster care) | \$2,460 to \$6,336 | \$3,053 to \$5,378 |
| Average cost per youth per day for adoption | \$11.85 to \$18.58 | \$12.38 to \$17.77 |

| Child Welfare Optimization Model: Projection for Ten Large Counties | |
|--|--|
| Description of Cost Driver (The data used by model is adjusted per desired range) | County Projections |
| Total child/adolescent population (0 - 17) | Range of 35,495 to 164,521 |
| Referrals | Range of 2,148 to 11,125 |
| Children Assessed | Range of 1,909 to 10,068 |
| New involvements | Range of 550 to 2,539 |
| Out-of-home placements as percent of total open involvements | Range of 20.4% to 42.8% |
| Average days per year per child/adolescent in out-of-home placement | Range of 129.0 to 181.5 |
| Average cost per day per child/adolescent in out-of-home placement | Range of \$52.65 to \$73.58 |
| Total projected out-of-home placement costs per model | Range of \$4,855,535 to \$32,254,732 |
| Program services costs per open involvement | Range of \$3,053 to \$5,378 |
| Total projected program services costs per model | Range of \$5,561,364 to \$36,503,755 |
| Children receiving Adoption Subsidy | Range of 373 to 1,927 |
| Average cost per child/adolescent per day for adoption | Range of \$12.38 to \$17.77 |
| Total projected subsidized adoption costs per model | Range of \$1,161,622 to \$9,604,063 |
| Total projected county costs per model | Range of \$13,043,268 to \$78,132,451 |

As indicated above, the Child Welfare Allocation Committee recommended variance reduction adjustment for several variables. Counties operating outside the range for a selected driver are identified as outliers for the driver and adjustments are made to lessen

the variability of these counties and move the data closer to the mean. The optimization model allocates or projects resources based on adjusted county-by-county data for each variable.

The projection model uses the same variables of cost drivers and the variance reductions determined by the Child Welfare Allocation Committee. The funding projection model estimates FY 2009-10 expenditures by using the individual county child/adolescent population projections for FY 2009-10. The projection model estimates increases or decreases of funding needs by projecting changes to cost drivers based on population growth projections and adjusts the funding projection by applying variance reductions for counties operating outside the desired range. These adjustments can be increases or decreases to the projected funding need. The adjustments are made to county data populated into the cost drivers when the county is operating outside of the desired range determined reasonable for the cost drivers by the Child Welfare Allocation Committee.

The optimization model is intended to allow flexibility in county practice while providing a standardized method for distributing and projecting funding. The optimization model is intended to support an incremental consensus on the degree of acceptable variation in practices. The model is not intended to force counties to mirror one another in every aspect of program administration. However, the model does provide limits to how much funding is contributed to counties that operate in excess of the desired range and attempts to assure adequate funding for counties that are operating below the desired range to improve child safety. If a county's expenditures have been higher for out-of-home placements than the approved desired range, the model will apply a reduction to the projected funding need related to this cost driver. Given that the county will not receive an allocation that would support out-of-home costs above the desired range, the county may need to adjust practice or use county only funds to cover the costs in excess of the funds allocated. Conversely, if a county's out-of-home placement expenditures are below the desired range, the optimization model will apply an increase to the projected funding need to provide adequate funding for the county to safely care for children.

The Department has provided data indicating the resources estimated to be required to cover projected increases/decreases in individual counties' child/adolescent populations. This approach differs from the past practice of applying a flat percentage increase (based on an estimate of the increase in the overall child welfare caseload) to the current appropriation, as it differentiates between population increases that occur in counties with relatively low child welfare costs and those with relatively high child welfare costs. Data available since the optimization model was implemented indicates large changes in allocations for some counties from year to year. Small counties appear to be impacted more often by these significant swings in allocations.

General Description of Request:

The FY 2009-10 continuation base for this request is \$360,253,246. The calculation is shown in the table below.

| | |
|--|----------------------|
| FY 2009-10 Funding Model Projection | \$359,610,269 |
| | |
| FY 2008-09 Original Funding Projection | \$347,989,050 |
| Plus Adjustment for Supplemental / Budget Amendment* | <u>\$2,492,627</u> |
| Revised Total FY 2008-09 Funding Projection | \$350,481,677 |
| | |
| FY 2009-10 Funding Projection Based on Caseload Growth Projection. (\$359,610,269-\$350,481,677) | \$9,128,592 |
| Net Funding Increase Due to Caseload Growth | \$9,128,592 |
| | |
| FY 2008-09 Continuation Request (=Long Bill + Special Bills + Annualizations) | \$351,124,654 |
| FY 2009-10 Total Estimated Child Welfare Funding Needs for the State of Colorado (\$351,124,654 + \$9,128,592) | \$360,253,246 |
| | |

* Supplemental Budget Amendment #7 RTC Redesign Alternative submitted January 2, 2008 increased FY 2007-08 and FY 2008-09 by \$2,492,627.

The number of children requiring protection and families needing assistance in caring for their children continues to increase. To meet this need, funding for the Child Welfare Services Block appropriation should also be increased. The Child Welfare Services Block Appropriation provides funding for Child Welfare Services as defined in 26-5-101, C.R.S. with the exception of certain services (such as Core services, Promoting Safe and Stable Families services, and Chafee Independent Living services). Counties may use funding without categorical restriction in order to provide the least restrictive, most appropriate service available to meet the child's need. To operate within the current capped allocation, counties can negotiate provider rates, services, and outcomes. The Child Welfare Services allocated block provides funding to County Departments of Social Services/Human Services to be used to protect children from harm, to assist families in caring for, and protecting their children, and to move those children who cannot remain in their own home to a permanent placement as quickly as possible. The following are brief descriptions of some of the broad categories of service, which may be provided through this allocation.

Child Welfare Block Services

- Out of Home Placement provides 24-hour temporary or long-term care for those children who must live outside their own homes. Out-of-Home Placement Services are provided in the least restrictive most appropriate setting that meets the child's need. This includes a variety of settings including county department family foster homes, kinship care homes and group care, Child Placement Agency family foster and group care (CPAs), Therapeutic Residential Child Care Facility (TRCCF), Psychiatric Residential Treatment Facility (PRTF), and Residential Child Care Facilities (RCCFs) and Children's Habilitation Residential Program (CHRP) placements.
- Subsidized Adoption provides funding to families adopting children with special needs. These special needs include significant physical or mental disabilities, emotional disturbance or other considerations such as membership in a sibling group.

Most of the children adopted with this subsidy were previously in out-of-home placement.

- Case Services Payments for Subsidized Adoptions provides funding for certain one-time costs incurred in freeing a child for adoption, such as legal fees. In addition, these payments fund certain ongoing costs incurred in maintaining the child in the adoptive home, such as physical and speech therapy, special transportation needs or funding for pre-existing medical conditions that are not covered by insurance. These payments are necessary for the initial adoptions and to prevent later disruptions.
- Child Welfare Related Child Care (Special Circumstance Child Care) provides less than 24-hour care to children at risk of out-of-home placement due to abuse, neglect or exploitation. This care is authorized by the county department and is provided primarily by private child care facilities. These services are used to prevent out-of-home placements and to maintain children in the least restrictive settings and most appropriate setting as possible.
- County Administration provides funding to the county department for caseworker and administrative staff to implement child welfare programs. This funding is for both direct client services as well as administrative costs. The appropriation includes funding for personal services, operating expenses and other associated costs.

Consequences if Not Funded:

If this request is not fully funded, counties will provide less services or utilize county only funds to provide the state mandated services and could impact the Department's ability to meet its objectives of child safety, permanency, and family/child well being.

Colorado held its Child Family Services Review in June 2002, the federal report on compliance and non-compliance was issued and Colorado has implemented the Performance Improvement Plan (PIP). Part of the review is the determination of the State's compliance with key performance indicators such as the ones shown in this decision item. It is important that the counties receive the resources needed in order to have the fullest opportunity to meet safety and permanency outcomes for children and

families. Colorado has not successfully met the measures negotiated in the Program Improvement Plan with the federal office and sanctions may be imposed. The second Child and Family Services review is expected to occur in March 2009. Adequate funding is critical to assure that counties have the resources to successfully implement the requirements of the Child and Family Services Plan and to comply with any imposed Program Improvement Plan as a result of this review to avoid federal sanctions.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$9,128,592 | \$5,157,711 | \$1,506,161 | \$365,144 | \$2,099,576 | 0.0 |
| (5) Division of Child Welfare, Child Welfare Services | \$9,128,592 | \$5,157,711 | \$1,506,161 | \$365,144 | \$2,099,576 | 0.0 |

The Medicaid share of the increase was calculated using the expenditures reported on the FY 2008 preliminary closeout document for PRTF, Fee for Service and CHRP which came to \$13,845,799. This amount was divided by the total Child Welfare expenditures of \$343,631,586 which rounded is 4%. The total request for the DI is \$9,128,592 and 4% of this number is \$365,144, the estimated Medicaid share of the funding increase requested.

Cash Funds Projections:

Not Applicable.

Assumptions for Calculations:

The model has been updated to reflect FY 2007-08 final closeout expenditures and the most recent FY 2007-08 child/adolescent population increase projections by county and the FY 2007-08 cost drivers and desired ranges. The projection indicates that counties will require a total of \$9,128,592 in FY 2009-10 to cover the increased costs of providing child welfare services related to caseload increases. Below is the final closeout information for the ten large counties.

Impact on Other Government Agencies:

Health Care Policy and Financing (Medicaid is a part of the funding of this request.)

Cost Benefit Analysis:

Not Required – Caseload Driven Request.

Implementation Schedule:

Not applicable.

Statutory and Federal Authority:

Section 26-5-101, C.R.S. (2008). As used in this article, unless the context otherwise requires:

(1) "Capped allocation" means a capped amount of funds distributed to counties or a group of counties for the purpose of providing all or a portion of the child welfare services as defined in subsection (3) of this section.

(1.5) "Caseload" means the number of children who are eligible for child welfare services that are defined in subsection (3) of this section and who are currently receiving such child welfare services on a regular basis from a county.

(2) "Child welfare allocations committee" means a committee that is organized and authorized pursuant to the provisions of section 26-5-103.5 C.R.S. (2008).

(3) "Child welfare services" means the provision of necessary shelter, sustenance, and guidance to or for children who are or who, if such services are not provided, are likely to become neglected or dependent, as defined in section 19-3-102, C.R.S. (2008). "Child welfare services" includes but is not limited to:

(a) Child protection; (b) Risk assessment; (c) Permanency planning; (d) Treatment planning; (e) Case management; (f) Core services, as defined in section 19-3-208, C.R.S. (2008); (g) Adoption and subsidized adoption; (h) Emergency shelter; (i) Out-of-home placement, including foster care; (j) Utilization review; (k) Early intervention and prevention; (l) Youth-in-conflict functions; and (m) Administration and support functions.

(4) "County" means a county or a city and county or any two or more counties.

(5) "Governing body" means the board of county commissioners of a county or the city council and mayor of a city and county.

(6) "Targeted allocation" means a fixed amount of funds from a capped allocation to a group of counties that is designated for a specific county within that group of counties.

Section 26-5-104, C.R.S. (2008) (4) (a) Allocations. (a) For state fiscal year 1997-98, and for each state fiscal year thereafter, all counties shall receive capped allocations for child welfare services. A county may receive one or more capped allocations for the provision of child welfare services. 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.

Performance Measures:

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|--|-----------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Permanency through adoption will be achieved timely. Adoptions will be finalized within 12-months of the date the child becomes legally free for adoption. | Benchmark | N/A | N/A | 53.7% | 53.7% | 53.7% |
| | | Actual | N/A | N/A | 50.9% | | |

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|--|-----------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Children are first and foremost protected from abuse and neglect. For children who were victims of substantiated or indicated abuse or neglect, the percentage of children that do not experience another incident of abuse or neglect within the following 6-month period, shall exceed the national standard of 94.6%. | Benchmark | 94.60% | 94.60% | 94.60% | 94.60% | 94.60% |
| | | Actual | 96.24% | 95.7% | 95.65% | | |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|------------------------|---|--------------------|------------|------------|------------|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Child Welfare Services | Children have permanency and stability in their living situations. The percentage of children that are reunified with their parents or caretakers when discharged from foster care within 12 months will exceed the national standard of 76.2%. | National Benchmark | 76.2% | 76.2% | 76.2% | 76.2% | 76.2% |
| | | Actual | 80.00% | 77.2% | 76.8% | | |

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | |
|---|--------|--|------------------------------|--|--|------------|-----------------------------|--|------------------------|------------|--------------------------|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | |
| Decision Item FY 2009-10 <input checked="" type="checkbox"/> | | Base Reduction Item FY 2009-10 <input type="checkbox"/> | | | Supplemental FY 2008-09 <input type="checkbox"/> | | | Budget Amendment FY 2009-10 <input type="checkbox"/> | | | |
| Request Title: | | DHS - Child Welfare Caseload | | | | | | | | | |
| Department: | | Health Care Policy and Financing | | | Dept. Approval by: | | John Bartholomew <i>JBS</i> | | Date: October 31, 2008 | | |
| Priority Number: | | NP-4 (See also DHS DI-10) | | | OSPB Approval: | | <i>for m z</i> | | Date: 10-19-08 | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Prior-Year | | Supplemental | Total | Base | Decision/ | November 1 | Budget | Total | Change |
| | | Actual | Appropriation | Request | Revised | Request | Base | Request | Amendment | Revised | From Base |
| | Fund | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 13,778,035 | 18,773,007 | 0 | 18,773,007 | 18,773,007 | 365,144 | 19,138,151 | 0 | 19,138,151 | 365,144 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 6,889,018 | 9,386,504 | 0 | 9,386,504 | 9,386,504 | 182,572 | 9,569,076 | 0 | 9,569,076 | 182,572 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 6,889,017 | 9,386,503 | 0 | 9,386,503 | 9,386,503 | 182,572 | 9,569,075 | 0 | 9,569,075 | 182,572 |
| (6) Department of Human Services Medicaid-Funded Programs; (D) Division of Child Welfare - Medicaid Funding, Child Welfare Services | Total | 13,778,035 | 18,773,007 | 0 | 18,773,007 | 18,773,007 | 365,144 | 19,138,151 | 0 | 19,138,151 | 365,144 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 6,889,018 | 9,386,504 | 0 | 9,386,504 | 9,386,504 | 182,572 | 9,569,076 | 0 | 9,569,076 | 182,572 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 6,889,017 | 9,386,503 | 0 | 9,386,503 | 9,386,503 | 182,572 | 9,569,075 | 0 | 9,569,075 | 182,572 |
| Non-Line Item Request: | | None | | | | | | | | | |
| Letternote Revised Text: | | None | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | | | | FF: Title XIX | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | | | | N/A | | | | | | | |
| Approval by OIT? | | Yes: <input type="checkbox"/> No: <input type="checkbox"/> | | N/A: <input checked="" type="checkbox"/> | | | | | | | |
| Schedule 13s from Affected Departments: | | | Department of Human Services | | | | | | | | |

**Schedule 13
Change Request for FY 09-10 Budget Request Cycle**

| | | | | |
|-------------------------|--|---|--|--|
| Request Title: | Decision Item FY 09-10 <input checked="" type="checkbox"/> Establish Electronic Benefits Transfer (EBT) Fraud Investigation Unit | Base Reduction Item FY 09-10 <input type="checkbox"/> | Supplemental FY 08-09 <input type="checkbox"/> | Budget Amendment FY 09-10 <input type="checkbox"/> |
| Department: | Human Services | Dept. Approval by: <i>Will Paul</i> | | Date: 10-15-08 |
| Priority Number: | DI-11 | OSP Approval: <i>JMZ</i> | | Date: 10-15-08 |

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|----------------------------|------------------------|-------------------------------|--------------------------------|-----------------------|-----------------------------------|-----------------------------|---------------------------|--------------------------------|--------------------------------------|
| | | Prior-Year Actual FY 07-08 | Appropriation FY 08-09 | Supplemental Request FY 08-09 | Total Revised Request FY 08-09 | Base Request FY 09-10 | Decision/ Base Reduction FY 09-10 | November 1 Request FY 09-10 | Budget Amendment FY 09-10 | Total Revised Request FY 09-10 | Change from Base (Column 5) FY 10-11 |
| Total of All Line Items | Total | 3,209,063 | 3,201,710 | 0 | 3,201,710 | 3,222,851 | 112,981 | 3,335,832 | 0 | 3,335,832 | 106,871 |
| | FTE | 4.9 | 5.0 | 0.0 | 5.0 | 5.0 | 2.0 | 7.0 | 0.0 | 7.0 | 2.0 |
| | GF | 830,595 | 831,264 | 0 | 831,264 | 839,984 | 54,318 | 894,302 | 0 | 894,302 | 53,436 |
| | CF | 242,951 | 890,707 | 0 | 890,707 | 890,707 | 0 | 890,707 | 0 | 890,707 | 0 |
| | CFE/RF | 634,746 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 1,500,771 | 1,479,739 | 0 | 1,479,739 | 1,492,160 | 58,663 | 1,550,823 | 0 | 1,550,823 | 53,435 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 830,595 | 831,264 | 0 | 831,264 | 839,984 | 54,318 | 894,302 | 0 | 894,302 | 53,436 |
| (7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (6) Electronic Benefits Transfer Service | Total | 3,209,063 | 3,201,710 | 0 | 3,201,710 | 3,222,851 | 112,981 | 3,335,832 | 0 | 3,335,832 | 106,871 |
| | FTE | 4.9 | 5.0 | 0.0 | 5.0 | 5.0 | 2.0 | 7.0 | 0.0 | 7.0 | 2.0 |
| | GF | 830,595 | 831,264 | 0 | 831,264 | 839,984 | 54,318 | 894,302 | 0 | 894,302 | 53,436 |
| | CF | 242,951 | 890,707 | 0 | 890,707 | 890,707 | 0 | 890,707 | 0 | 890,707 | 0 |
| | CFE/RF | 634,746 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 1,500,771 | 1,479,739 | 0 | 1,479,739 | 1,492,160 | 58,663 | 1,550,823 | 0 | 1,550,823 | 53,435 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 830,595 | 831,264 | 0 | 831,264 | 839,984 | 54,318 | 894,302 | 0 | 894,302 | 53,436 |

Non-Line Item Request: None
Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number: Federal Funds shall be from various sources of federal funds

Reappropriated Funds Source, by Department and Line Item Name:
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments:

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-11 |
| Change Request Title: | Establish Electronic Benefits Transfer (EBT) Fraud Investigation Unit |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Electronic Benefits Transfer Service (EBT) Program is requesting total funding in the amount of \$112,981, of which \$54,318 is General Fund and \$58,663 is Federal Funds, with two (2.0) FTE, for the purposes of creating an EBT Fraud Investigation Unit. These staff members will work extensively with the County Departments of Human/Social Services Food Assistance Programs by providing oversight and direction, training, and technical assistance in order to strengthen anti-fraud policies, procedures, and practices.

Background and Appropriation History:

In June 2008, the findings of a United States Department of Agriculture, Office of the Inspector General audit of Colorado's EBT Program were published. The Colorado Department of Human Services (CDHS) was cited for two significant weaknesses, including the failure to establish a state level fraud detection unit to detect the illegal exchange of Food Assistance benefits for cash and the failure to properly monitor EBT Management Reports made available to the State by the automated system vendor. A

more comprehensive approach is needed to ensure that the State and county officials systematically review a wide array of management reports for improprieties and possible food stamp fraud. Additional staff are required to provide more comprehensive oversight and evaluation of program operations statewide.

Currently, local Food Assistance offices are responsible for investigating any case of alleged fraud and insuring that appropriate cases are acted upon either through administrative hearings, or by referral to a court of appropriate jurisdiction or by obtaining a “Waiver of Intentional Program Violation Hearing”. Local Food Assistance staff confer with their legal representatives to determine whether a case should be referred for possible criminal or civil prosecution, following state fraud statutes.

An administrative hearing is initiated: whenever the facts of the individual case do not warrant civil or criminal prosecution through the appropriate court system; in cases that were previously referred for prosecution and were declined by the appropriate legal authority; and, in previously referred cases where no action was taken with a reasonable period of time and which were formally withdrawn by the Food Stamp office.

The Food Stamp Office may allow persons accused of an intentional program violation to waive their rights to an administrative disqualification hearing or to sign a disqualification consent agreement for plea bargained cases or cases of deferred adjudication.

The Electronic Benefit Transfer Service line was appropriated \$3,201,710 in FY 2008-09, per the Long Bill (HB08-1375). The appropriation includes funding for 5.0 FTE, for the contracted EBT system vendor, and for the operating costs related to the line item.

General Description of Request:

The Department requests two (2.0) program staff to create an EBT Fraud Investigation Unit. The role and function of the unit will be to monitor the propriety of transactions made by the Food Assistance Program through the monitoring and review of EBT reports

in order to identify cases of suspicious activity for investigative follow-up and to disqualify recipients involved in trafficking. This staff will work extensively with the County Departments of Human/Social Services by providing oversight and direction, training, and technical assistance to ensure that assistance programs are administered and monitored with integrity. While the Federal Government monitors retailer participation, it is the State's responsibility to monitor actions by benefit recipients. Increased vigilance is needed to assure integrity of the EBT Program.

Additionally, USDA, Food and Nutrition Service, requires state agencies to conduct Management Evaluation reviews and monitor benefit issuers to assure that day-to-day operations comply with federal regulation. Large project areas are reviewed annually, medium project areas every two years, and small project areas once every three years. Colorado has been approved by FNS to conduct 32 local office reviews in FFY 2009 and 35 reviews in FFY 2010. The State will incorporate the process of reviewing, evaluating, and reporting on a County's adherence to the review of EBT management reports and subsequent follow-up on potential fraud situations as a component of the Management Evaluation process.

Adding 2.0 FTE to the program will allow the State to staff the oversight process.

These two positions will:

- Monitor, analyze, and evaluate EBT automated system management reports from the EBT system vendor;
- Implement and maintain fraud prevention policies, procedures, and controls to prevent potential fraudulent activities by benefit recipients, retailers, and program staff;
- Review and monitor county policies, procedures, and controls to prevent and deter fraud;
- Review and monitor counties' processes and procedures for fraud claims establishment, recoveries, and resolution;

- Develop and implement automated system tools that will identify potential fraud through data analysis;
- Develop appropriate data activity reports and disseminate to County and Department management;
- Provide outreach to county employees and other stakeholders that will support them in detecting, reducing, and preventing fraud; and
- Actively participate with other agencies with fraud prevention objectives, including the State Auditor's Office, the Colorado Welfare Fraud Council, the CDHS Audit Division and the Association of Certified Fraud Examiners.

Workload of EBT Fraud Investigation Unit

Monitoring Statewide Daily and Monthly EBT Reports

The 2.0 FTE will be the lead staff in monitoring statewide EBT reports. There are currently a total of 24 EBT Management Reports. 10 are daily reports and 14 are monthly reports. All encompass statewide data. The daily reports take a total of 4 hours to review each day including verification of the information, comparison, documentation, notification and follow-up to the appropriate parties when action needs to be taken. (4 hours/day x 5 days/week = 20 hours/week x 52 weeks = 1,040 hours per year).

The monthly reports take an average of 6 hours to review per report including verification of the information, comparison, documentation, notification and follow-up to the appropriate parties when action needs to be taken. (14 reports x 6 hours/per report x 12 months = 1,008 hours per year).

Annual number of hours for Daily report review = 1,040

Annual number of hours for Monthly report review = 1,008

Total Annual Number of Work Hours to Review Reports = 2,048

Managing New Data Warehouse

Effective October 1, 2008, the State acquires access to a new database made available by the EBT payment vendor. This data will allow the State to create ad hoc reports that can

be used to detect payment assistance fraud. Access to the database will be granted to limited County and State staff. A full-time FTE is needed to create standard reports, train County staff, and monitor statewide reports. Total number of hours dedicated to this function is 20 hours/week x 52 weeks = 1,040 hours per year.

Conducting Monthly Management Evaluations

There are 33.5 federally required Management Evaluation reviews that need to be conducted each year. Each review takes 20 hours to complete, including travel, and the completion of the final evaluation and write-up. The State will be adding the review of the EBT Management Reports and the performance of the county in acting and following through on fraud findings to the current Management Evaluation process. (33.5 annual reviews x 20 hours per review = 670 hours per year).

Technical Assistance, Follow-Up, and Training

The new staff will provide training and technical assistance to the counties on how to review and follow-up on the EBT Management Reports; in the identification, referral, and prosecution of fraud cases; and on reporting requirements. This staff will also serve as the coordination point between county offices and FNS when suspicious activity is detected that could involve both the retailer and the benefit recipient. During the first year, training will be provided quarterly. In subsequent years, training will be provided at least twice a year. Staff will also participate in regular meetings with the Colorado Welfare Fraud Council, the State Audit Division, and the vendor-led state workgroups that meet and discuss fraud prevention. It is estimated that 30 hours per month will be spent on technical assistance, training and meetings. (30 hours/month x 12 months = 360 hours per year).

| Workload Activity | Total Number of Annual Staff Hours |
|--|---|
| Monitoring Statewide Daily and Monthly EBT Reports | 2,048 |
| Managing New Data Warehouse | 1,040 |
| Conducting Monthly Management Evaluations | 670 |

| | |
|---|-------|
| Technical Assistance, Follow-Up, and Training | 360 |
| Total Number of Annual Work Hours | 4,118 |

2.0 FTE (4,118 total hours per year / 2,080 hours per FTE) are needed to complete these critical tasks.

Consequences if Not Funded:

CDHS is responsible for the basic oversight of operations necessary to ensure the integrity of Federal funds provided for the Food Assistance Program in Colorado. Federal funds include benefit payments as well as half of the funds used to administer those benefits. The weaknesses identified in the OIG audit, if not addressed, leaves Federal funding for the Food Assistance Program susceptible to misuse. OIG has warned Colorado that CDHS risks having Federal Food Stamp Administrative funds be suspended or disallowed if internal and recipient fraud detection, investigation and assistance in prosecution are not significantly strengthened. Currently there is \$1.2 M of Federal administrative funding at risk. Lost administrative funds would result in the State having to pay for 100% of the identified costs instead of 50%.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|-------------|--------------|------------|----------------------|---------------|-----|
| Total Request (7) Office of Self-Sufficiency (C) Special Purpose Welfare Programs (6) Electronic Benefits Transfer Service | \$112,981 | \$54,318 | \$0 | \$0 | \$58,663 | 2.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|-------------|--------------|------------|----------------------|---------------|-----|
| Total Request (7) Office of Self-Sufficiency (C) Special Purpose Welfare Programs (6) Electronic Benefits Transfer Service | \$106,871 | \$53,436 | \$0 | \$0 | \$53,435 | 2.0 |

Assumptions for Calculations:

| OSPB Common Policy for FTE Requests | | | |
|---|---------------|--------------------------|------------------|
| FTE and Operating Costs | | | |
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | General Professional III | |
| Number of PERSONS / class title | | 2 | 2 |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 ¹ | | 12 | 12 |
| Calculated FTE per classification | | 2.0 | 2.0 |
| Annual base salary | | \$93,480 | \$93,480 |
| Salary | | \$93,480 | \$93,480 |
| Shift in Pay (General Fund portion only) | | (\$4,346) | \$0 |
| PERA | 10.15% | \$9,488 | \$9,488 |
| Medicare | 1.45% | \$1,355 | \$1,355 |
| Subtotal Personal Services at Division Level | | \$99,977 | \$104,323 |
| Department Specific Average Cost for HLD / Employee ² | | 0.17% | 0.17% |
| Subtotal for Health, Life, Dental (if over 20 FTE) | N/A | \$0 | \$0 |
| Subtotal for Short Term Disability (if over 20 FTE) | Varies | \$0 | \$0 |
| OPERATING EXPENSES | | | |

| | | | |
|---|----------------|------------------|------------------|
| Supplies @ \$500/\$500 ³ | \$500 | \$1,000 | \$1,000 |
| Computer @ \$900/\$0 | \$900 | \$1,800 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$660 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubical and chair) | \$3,998 | \$7,996 | \$0 |
| Telephone Base @ \$450/\$450 ³ | \$450 | \$900 | \$900 |
| Milage - (2 FTE x 720 miles/year @ \$0.45/mile) | | \$648 | \$648 |
| Subtotal Operating Expenses | | \$13,004 | \$2,548 |
| | | | |
| GRAND TOTAL ALL COSTS | | \$112,981 | \$106,871 |

Impact on Other Government Agencies:

The EBT Fraud Investigation Unit would be staffed and under the direction of the State. This Unit would interact with County Department of Human/Social Service Offices by providing oversight, monitoring, and technical assistance. This Unit will work in conjunction with existing County staff toward the resolution, evaluation, and tracking of suspicious fraudulent activity.

Cost Benefit Analysis:

| Cost | Benefit |
|---|---|
| \$112,981 for FY 2009-10; \$106,871 for FY 2010-11 | <p>The additional staff will provide the State with the necessary resources it needs to provide more comprehensive oversight and evaluation of program operations statewide, as recommended by the Office of the Inspector General as a result of the recent audit. The Department, the General Assembly, auditors and other stakeholders will benefit from the additional information regarding the program's performance.</p> <p>The State can avoid the withholding of any federal administrative funds (up to \$1.2 Million), for failure to monitor for fraudulent benefit activity. Any disallowed administrative costs would need to be paid for with State funds.</p> |

Implementation Schedule:

| Task | Month/Year |
|-----------------------------------|----------------------------|
| Internal Research/Planning Period | Jan 2009 though April 2009 |
| FTE Hired | July 2009 |
| Start-Up Date | July 2009 |

Statutory and Federal Authority:

26-2-104. C.R.S (2008) Public assistance programs – electronic benefits transfer service – rules.

(2) (a) The state department is authorized to implement an electronic benefits transfer service for administering the delivery of public assistance payments and food stamps to recipients.

USDA, Food and Nutrition Service Code of Federal Regulations, Title 7 (Agriculture), Chapter II – Food and Nutrition Service, Part 274 – Issuance and Use of Coupons, Section 274.2 – Providing benefits to participants.

(a) General. Each State agency is responsible for the timely and accurate issuance of benefits to certified eligible households in accordance with these regulations.

Performance Measures:

| BSC# | Office | Program | Measure | FY 2008 Target | FY 2009 Target | FY 2010 Target |
|-------|----------------------------|---------|---|----------------|---|---|
| 1-3-6 | Office of Self-Sufficiency | EBT | The State will review EBT system activity reports monthly including the Out of State Usage, Manual Transaction and the Even Dollar Transaction Reports. The State will track and monitor action taken at either the State or County level to investigate the findings of suspicious and unusual benefit activity. | N/A | 12 reviews of monthly reports to be conducted | 12 reviews of monthly reports to be conducted |

Schedule 13
Change Request for FY 09-10 Budget Request Cycle

Decision Item FY 09-10 Base Reduction Item FY 09-10 Supplemental FY 08-09 Budget Amendment FY 09-10

Request Title: Deficit Reduction Act (DRA) Child Support Mandates

Department: Human Services

Dept. Approval by: *Will Ford*

Date: 10-10-08

Priority Number: DI-12

OSPB Approval: *for u*

Date: 10-15-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|----------------------------|------------------------|-------------------------------|--------------------------------|-----------------------|----------------------------------|-----------------------------|---------------------------|--------------------------------|--------------------------------------|
| | | Prior-Year Actual FY 07-08 | Appropriation FY 08-09 | Supplemental Request FY 08-09 | Total Revised Request FY 08-09 | Base Request FY 09-10 | Decision/Base Reduction FY 09-10 | November 1 Request FY 09-10 | Budget Amendment FY 09-10 | Total Revised Request FY 09-10 | Change from Base (Column 5) FY 10-11 |
| Total of All Line Items | Total | 0 | 0 | 0 | 0 | 0 | 138,354 | 138,354 | 0 | 138,354 | 184,472 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 83,346 | 83,346 | 0 | 83,346 | 111,128 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 55,008 | 55,008 | 0 | 55,008 | 73,344 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 83,346 | 83,346 | 0 | 83,346 | 111,128 |
| (4) County Administration, Offset Loss To Counties Due To DRA Change In TANF Applicant Assignment Of Rights To Arrears [New Line] | Total | 0 | 0 | 0 | 0 | 0 | 138,354 | 138,354 | 0 | 138,354 | 184,472 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 83,346 | 83,346 | 0 | 83,346 | 111,128 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 55,008 | 55,008 | 0 | 55,008 | 73,344 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 83,346 | 83,346 | 0 | 83,346 | 111,128 |

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: Federal funds shall be from Title IV-D of the Social Security Act

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments:

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-12 |
| Change Request Title: | Deficit Reduction Act (DRA) Child Support Mandates |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for \$138,354 total funding, of which \$83,346 is General Fund and \$55,008 is Federal Funds, to offset the loss of revenue to counties to operate their child support programs as a result of a mandatory provision of the Deficit Reduction Act of 2005 (DRA). A new line, County Administration, Offset Loss To Counties Due To DRA Changes In TANF Applicant Assignment Of Rights To Arrears, is being created for the request. The DRA eliminated the requirement that, as a condition of eligibility, applicants for Temporary Assistance for Needy Families (TANF) benefits assign to the government their rights to any past due child support they are owed. Effective October 1, 2009, TANF applicants will no longer assign those arrears to the state and any collections made on them will be sent to the family rather than be split between the counties and the federal government as they are currently. Since counties use these funds to support their child support programs, this loss in revenue will affect the services those programs provide. This request is intended to make up for the loss and help insure that child support enforcement efforts are not reduced.

Background and Appropriation History:

On February 8, 2006, the President signed into law the Deficit Reduction Act of 2005 (DRA). As a result, effective October 1, 2009, section 7301 of the DRA will take effect, revising section 408 (a) (3) and section 457 of the Social Security Act. Under this new requirement, support assignments executed on or after the effective date will be limited to the amount of support that accrues during the assistance period.

Currently, custodial parties receiving TANF are required, as a condition of receiving State assistance, to assign to the State any rights the family members had to past due support (arrear). As these funds are collected, 50% of what is retained is passed through to the counties with the other half being reimbursed to the Federal Government. Per the DRA, TANF applicants will no longer assign their rights to their arrears to the State at the time of application and as a result, states and the federal government will no longer be permitted to retain these collections as a source of revenue. The benefit to families from the DRA change is that they will receive an additional \$276,708 in FY 2009-10 and \$368,944 in FY 2010-11, as they will receive the funds the State and Federal governments currently retain.

However, this mandatory change is projected to result in a loss to all Colorado counties in the amount of \$138,354 for FY 2009-10 and \$184,472 in FY 2010-11, and continuing thereafter. The counties rely upon these funds as part of the budget for their child support enforcement programs. As revenues to the county programs are reduced, first affected are those non-mandatory or pilot programs. For example, when the El Paso County CSE program was looking at which services to cut due to a reduction in funding, they targeted their Parent Opportunity Program (POP), which finds sustainable employment for non-custodial parents so they can meet their child support obligations. Other examples of the kind of programs that could be adversely affected by this change are those that seek to increase the payment of support through helping fathers with employment and training issues and other barriers to steady employment, that address access and visitation issues and provide mediation services to resolve disputes in that area, and that work with incarcerated non-custodial parents and parolees to help them with child support issues as they re-integrate into society. While there is no direct link as to which programs will be affected since it varies county by county; any loss in funding may adversely impact

county child support enforcement efforts and jeopardize the ability of those programs to increase child support collections.

General Description of Request:

This proposed decision item is a request for State General Fund dollars in the amount of \$83,346 to offset the cost to counties due to the mandatory DRA changes starting October 1, 2009. The benefit to the State under this proposal is that the Federal Government will match these State funds at a rate of 66% (or \$55,008); thereby offsetting the estimated \$138,354 loss to Colorado counties for FY 2009-10 with the State having only supplied a portion of that amount. Some of the services provided by counties for child support enforcement on over 142,000 cases include location of the non-custodial parent; establishment of paternity, child support, and medical support; enforcement of child support orders; calculating payments and arrears; review and adjustment of orders; and processing and distribution of over \$300 million in child support payments. It is important to maintain funding for these programs in order to continue the annual increase in the number of children with paternity and support orders and the collections on those orders that Colorado children and the state as a whole have benefited from for over twenty years.

Consequences if Not Funded:

If this proposal is not funded, the counties will go into FY 2009-10 with a deficit of \$138,354 in revenue, growing to \$184,472 in FY 2010-11 (\$111,128 General Fund is the \$83,346 from FY 10 annualized for the full 12 months), and continuing in subsequent years. The counties will need revenues to backfill this loss of funds or will have to reduce staff and/or services in their child support programs. It is anticipated that counties would start by reducing non-mandated services such as Fatherhood and other programs that have helped improve the collection of current support and reduce the accumulation of arrears, and by de-emphasizing those mandatory services that are not currently tied to federal incentive revenues, such as the establishment and enforcement of orders for medical support. Cutbacks in these areas will adversely affect families and will negatively impact our performance measures and ultimately the amount of federal incentives Colorado receives.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request (4) County Administration, Offset Loss To Counties Due To DRA Change In TANF Applicant Assignment Of Rights To Arrears [New Line] | \$138,354 | \$83,346 | \$0 | \$0 | \$55,008 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request (4) County Administration, Offset Loss To Counties Due To DRA Change In TANF Applicant Assignment Of Rights To Arrears [New Line] | \$184,472 | \$111,128 | \$0 | \$0 | \$73,344 | 0.0 |

Assumptions for Calculations:

In Calendar Year 2007 the State collected \$368,944 from Pre-Assistance arrears assignments for active TANF cases. Of that amount collected, the State retained 50% or \$184,472 with the other half being distributed to the Federal Government. Since the change to the assignment of rights is effective October 1, 2009, the State will be losing three-quarters, or \$138,354 ($\$184,472 * .75 = \$138,354$) of these retained collections during FY 2009-10. Additionally, the State is reimbursed at a rate of 66% on all General Fund dollars, thus, the need for \$83,346 in State monies that will in turn generate \$55,008 in Federal Financial Participation (FFP), for a total of \$138,354.

Impact on Other Government Agencies: The mandatory change will affect the budgets of all 64 counties. Starting with individuals who apply for TANF after October 1, 2009, the State will no longer have the authority to retain and pass-through to the counties the monies collected from Pre-Assistance arrears.

Cost Benefit Analysis:

| Cost | | Benefit |
|-------------|-----------|--|
| FY 2009-10 | \$138,354 | <ul style="list-style-type: none"> • The loss in revenues resulting from the DRA requirements related to Pre-Assistance arrears assignments will be offset • Enables families to receive the full amount of arrears due to them prior to receiving TANF, a projected amount of \$276,709 in FY 2009-10 and \$368,944 in FY 2010-11 and thereafter • Will draw down federal reimbursement at 66%, thus addressing the Government Efficiency Management (GEM) goal of maximizing federal revenue • Continued increases in child support collections • Reduces risk of staff cuts and child support services due to loss of funding • Continued program improvements and new remedies |
| FY 2010-11 | \$184,472 | |
| | | |

Implementation Schedule:

| Task | Month/Year |
|-----------------------------------|-----------------------------------|
| Internal Research/Planning Period | January 2008 to October 1, 2009 |
| System Modifications Made | Effective date by October 1, 2009 |
| Rules Written | May 2009 |
| Rules Passed | Effective date by October 1, 2009 |
| Start-Up Date | October 1, 2009 |

Statutory and Federal Authority:

United States Code (U.S.C.), Title 42, Section 408. Prohibitions; requirements

(a) In general.; (3) No assistance for families not assigning certain support rights to the State. A State to which a grant is made under section 403 shall require, as a condition of paying assistance to a family under the State program funded under this part, that a member of the family assign to the State any right the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so paid to the family, which accrues during the period that the family receives assistance under the program.

United States Code (U.S.C.), Title 42, Section 457. Distribution of collected support

(a) In general. Subject to subsections (d) and (e), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows: (3)Limitations. (A)Federal reimbursements. The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3). (B)State reimbursements. The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to the family pursuant to section 408(a)(3).

26-13-108, C.R.S. (2008) Recovery of public assistance paid for child support and maintenance - interest collected on support obligations.

(1) Whenever the state department, a county department or its authorized agent, or a district attorney recovers any amounts of support for public assistance recipients, such amounts shall be deposited in the county social services fund, and, if such support is used to reimburse public assistance paid in accordance with federal law, the federal government shall be entitled to a share in accordance with applicable federal law, the county shall be entitled to a share in accordance with state law, and the state shall be entitled to the remaining share. In addition, the county shall be entitled to a share proportionate to one-half the amount of state funds paid. The state may redirect the state's share to the county pursuant to section 26-13-112.5. Costs and expenses reasonably and necessarily incurred by the office of district or county attorney, as contractual agent for a county department, in carrying out the provisions of this article shall be billed to county departments of social services or a county department of social services within the judicial district for the actual cost of services provided. Each county shall make an annual accounting to the state department on all amounts recovered.

Performance Measures:

| Performance Measure | FY 05-06 Actual | FY 06-07 Actual | FY 07-08 Actual | FY 08-09 Current |
|---------------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Percent of current child support paid | 57.90% | 59.30% | 60.90% | 63.90% |

If this proposal is not funded, it may have an adverse effect on the “percent of child support paid.” This is the most difficult performance measure the Federal and State Child Support Enforcement (CSE) programs track. It requires constant vigilance and effort and the loss in funds to the counties as a result of the mandatory DRA change to the assignment of rights will cause a decrease in staffing patterns and services that will result in less time devoted to ensuring that proper and timely measures are taken to collect on financial support needed by families.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Homeless Program Funding
 Department: Human Services
 Priority Number: DI-13

Dept. Approval by: *[Signature]*
 OSPB Approval: *[Signature]*

Date: 10-16-08
 Date: 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 16,434,535 | 20,037,922 | 0 | 20,037,922 | 20,089,757 | 241,718 | 20,331,475 | 0 | 20,331,475 | 254,752 |
| | FTE | 14.7 | 19.0 | 0.0 | 19.0 | 19.0 | 0.0 | 19.0 | 0.0 | 19.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 241,718 | 241,718 | 0 | 241,718 | 254,752 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 212,526 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 16,222,009 | 20,037,922 | 0 | 20,037,922 | 20,089,757 | 0 | 20,089,757 | 0 | 20,089,757 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 241,718 | 241,718 | 0 | 241,718 | 254,752 |
| (8) Mental Health & Alcohol & Drug Abuse Services (A) Administration-Supportive Housing and Homeless Program | Total | 16,434,535 | 20,037,922 | 0 | 20,037,922 | 20,089,757 | 241,718 | 20,331,475 | 0 | 20,331,475 | 254,752 |
| | FTE | 14.7 | 19.0 | 0.0 | 19.0 | 19.0 | 0.0 | 19.0 | 0.0 | 19.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 241,718 | 241,718 | 0 | 241,718 | 254,752 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 212,526 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 16,222,009 | 20,037,922 | 0 | 20,037,922 | 20,089,757 | 0 | 20,089,757 | 0 | 20,089,757 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 241,718 | 241,718 | 0 | 241,718 | 254,752 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 09-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-13 |
| Change Request Title: | Homeless Program Funding |

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 09-10
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department requests \$241,718 General Fund (annualizes to \$254,752 General Fund in FY 2010-11) for Supportive Housing and Homeless Programs (SHHP) to continue operating several of the Department's homeless programs. The homeless programs for which funding is requested include the Shelter Plus Care (S+C) Program, the Office of Homeless Youth Services, and participation in initiatives related to homelessness. This funding request includes three components:

- 1) \$22,017 in unfunded administrative cost and operating expenses overhead (General Professional III position) to continue administering seven federal Shelter Plus Care (S+C) Program grants totaling \$2.9 million;
- 2) \$92,302 for a General Professional III position to continue staffing the statutorily required Office of Homeless Youth Services (OHYS); and
- 3) \$127,399 for a General Professional VI position to continue management and oversight of SHHP's homeless programs, grant acquisition and administration, and participation in initiatives related to homelessness.

Background and Appropriation History:

| Long Bill Line Item | FY 2006-07 Appropriation | FY 2006-07 FTE | FY 2007-08 Appropriation | FY 2007-08 FTE | FY 2008-09 Appropriation | FY 2008-09 FTE | FY 2009-10 Request | FY 2009-10 FTE |
|---|--------------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------|----------------|
| Supportive Housing and Homeless Program | \$15,656,900 | 13.5 | \$19,991,858 | 19.0 | \$20,037,922 | 19.0 | \$20,331,475 | 19.0 |
| General Fund | \$0 | | \$0 | | \$0 | | \$241,718 | |
| Federal Funds | \$15,656,900 | | \$19,991,858 | | \$20,037,922 | | \$20,089,757 | |

Historically, all staff positions and administrative expenses including SHHP’s homeless programs have been 100% federally funded by Section 8 administrative funding from the Department of Housing and Urban Development (HUD). Prior to 2004, HUD also allowed agencies to use Section 8 administrative funds and reserves that were not needed to cover administrative costs for general housing purposes.

Effective January 1, 2004, HUD regulations changed, mandating the use of these funds solely for activities related to the provision of Section 8 tenant-based housing. As a result, the Long Bill appropriation does not cover costs associated with the administration of SHHP’s homeless programs.

Allowable by HUD, SHHP continues to use its pre-2004 reserves to develop and administer its homeless programs. These reserves are currently covering the costs requested in this decision item to operate the Shelter Plus Care (S+C) program; operate the Office of Homeless Youth Services; pursue grant funding and provide grant oversight; and participate in initiatives such as the Governor’s Colorado Community and Interagency Council on Homelessness. Additionally, these reserves are used to operate

the Homeless Management Information System (HMIS), for which funding is not requested in this decision item. The reserves will be depleted on July 1, 2009.

General Description of Request:

This Decision Item requests \$241,718 General Fund to continue operating the Department's only homeless programs. These programs provide statewide leadership, technical assistance and coordination of homelessness initiatives, and leverage \$3.2 million in federal funding. There are three inter-related and interdependent program components to this request. Common among all components are the following:

- All components are currently funded with HUD reserves that accumulated prior to a 2004 HUD regulatory change that prohibited the further use of HUD Section 8 administrative funding for homeless programs.
- Reserves for all components will be depleted on July 1, 2009.
- When reserves are depleted, all homeless program components will be at risk of being discontinued. The potential result would be the loss of valuable resources to the State, local communities, and consumers in their efforts to address homelessness.

Funding is requested as follows:

\$22,017 for administrative cost and operating expenses overhead to continue administering the Shelter Plus Care (S+C) program:

The S+C program provides rental assistance and supportive services to disabled persons who are homeless. SHHP has operated the S+C Program since 1993 and currently has seven separate federal grants from the U.S. Department of Housing and Urban Development (HUD) that total \$2,934,264 in annual funding. SHHP operates the S+C program with 1.0 General Professional III FTE Housing Coordinator. The grants cover the salary of the position, but do not cover \$22,017 in administrative and operating costs associated with the position for which General Fund dollars are needed.

HUD allows the use of S+C grant funds to be used only for activities associated with administering rental assistance. This includes:

- Processing payments to landlords;

- Determining participant income and rent contributions;
- Providing housing information and assistance;
- Conducting Housing Quality Standards inspections; and
- Receiving participants into the program.

S+C grants disallow the use of grant funds for many necessary activities related to administering the grants. Non-covered grant activities include:

- Operating costs;
- Administrative support;
- Renewing existing grants and acquiring new grants;
- Staff supervision;
- Report writing; and
- Grant monitoring and auditing.

The S+C grants provide housing to 460 previously homeless households (74% of households are single clients and 26% are families). All program participants have disabilities, and often have additional complex circumstances that require coordination between housing and supportive service providers. For example, in FY 2007-08:

- 100% of head of households have a mental illness;
- 48% of head of households have a co-occurring substance abuse disorder;
- 39% of the participants were chronically homeless prior to being housed; and
- Many of the participants also have developmental disabilities, HIV/AIDS-related illnesses, physical disabilities, and/or are victims of domestic violence.

SHHP contracts with 12 community agencies throughout the State, such as mental health centers and other non-profit community based agencies serving homeless persons to provide supportive services such as mental health and substance abuse treatment, vocational rehabilitation, and life development skills. To receive rental assistance, S+C program participants are required to accept supportive services. In FY 2006-07, supportive services provided by community agencies to S+C program participants totaled \$4,249,817.

SHHP is an expert in managing housing programs linked with supportive services, leading to high performance outcomes in both program administration and participant success. For example, in FY 07-08:

- Through efficient budget monitoring and leasing practices, SHHP has been able to increase the number of households served with the seven S+C grants from the minimum 333 households required by HUD to 460.
- 95% of SHHP's S+C program participants maintained housing for a period of at least one year. The national benchmark established by HUD for the past 4 years (FY 2005 through FY 2008) is that 75% of participants maintain housing for one year.
- Client termination from the program for non-participation in the required supportive services and for program violations is approximately 12%, with almost 40% of program exits being the result of clients transitioning into other permanent housing programs or successfully completing the program.

The S+C funding cycle is such that grant applications must be submitted a year prior to the grant award year. At the time of application, agencies are required to certify that they have funding available to cover the administrative and operating costs not covered by the grants. If SHHP were unable to certify the availability of administrative and operating costs, SHHP would not apply for S+C grants in June 2009 for the funding period of FY 2010-11. SHHP would use the FY 2009-10 period to attrition the program and attempt to find other housing options for S+C consumers.

S+C grants cannot be transferred from SHHP to another grantee. When a grantee is unable to meet its obligation to provide the administrative and operating costs not covered by S+C grants, HUD "de-obligates" the funding. Thus, the funds would revert to a pool of funds for future applicants nationwide. There is no mechanism to ensure that another Colorado entity will be awarded grants, or to maintain the continuity of housing for program participants.

Applying the FY 2006-07 program attrition rate of 23%, few, if any, of the estimated 354 S+C participants who would be on the S+C program if the grants were terminated would be able to maintain housing without the monthly rental assistance provided by the S+C

grants. Participants' average gross income is \$597 per month. The average monthly fair market rent for the 12 counties in which S+C operates is \$637, which exceeds participants' average monthly income by \$40 and does not take into consideration the additional necessary costs associated with food, clothing, transportation or health care. Further, given their multiple disabilities, very low income, and history of homelessness, possible outcomes for participants are a return to homelessness, dependence on shelters, and decomposition with regard to mental illness and substance abuse.

\$92,302 to continue operating the Office of Homeless Youth Services:

The Department requests \$92,302 General Fund to cover the cost of a General Professional III position (1.0 FTE) to staff the statutorily required Office of Homeless Youth Services (OHYS). While the Department of Human Services was appropriated 1.0 FTE, no funding was appropriated.

The Colorado Homeless Youth Services Act was originally established by HB 02-1159 in response to the numerous and diverse needs of homeless youth ages 15-21, and was housed in the Colorado Department Public Health and Environment (CDPHE). The legislation appropriated 1.0 FTE. It was anticipated that CDPHE would receive federal funding for the position from the Youth Crime Prevention and Positive Intervention Program (now called the Tony Grampsas Youth Services Program). However, the funding did not materialize and the OHYS was unfunded and unstaffed in FY 2003-04.

HB 04-1107 repealed the original 2002 legislation and reestablished the OHYS in the Department of Human Services. The OHYS was located in Supportive Housing and Homeless Programs (SHHP). Colorado Legislative Staff notes dated April 12, 2004 concerning the fiscal impact of the legislation indicate that the Department had sufficient funds to support 1.0 FTE with federal block grant moneys, and thus no funding appropriation was required. While SHHP's federal HUD Section 8 funds are not block grant funds, the HUD Section 8 funds have been and continue to be the funds used to support the 1.0 FTE position.

The intent of the OHYS stated in statute is to:

- Identify and remove obstacles to service provision;
- Improve the service quality;
- Reduce needless expenditures caused by overlapping services; and
- Identify funding resources available to entities serving homeless youth.

Homeless youth face access barriers to education, housing, health care, and employment. According to point in time counts of the homeless conducted in 2006 and 2007, there are between 1,200 and 1,500 homeless youth (ages 15-21) on any given night in Colorado.¹ Youth homelessness is a significant cross-systems issue for the Colorado Department of Human Services that impacts the Divisions of Child Welfare, Youth Corrections, and Behavioral Health (mental health and alcohol and drug abuse services). National and local research indicates that:

- 40% of homeless youth in Colorado had Child Welfare system involvement.²
- Approximately 10-18% of youth exiting youth corrections in Colorado are discharged to a situation of homelessness due to a lack of housing options, the majority of who are former foster youth or have sexual offenses on their records.³
- 45% of homeless youth reported mental health problems in the past year; 30-40% of homeless youth report alcohol problems in their lifetime; and 40-50% report drug problems.⁴

The Office of Homeless Youth Services is strongly encouraged by statute to work with the Departments of Corrections, Education, Health Care Policy and Financing, Human Services, Public Safety, Public Health and Environment, the Judicial Department, private nonprofit and not-for-profit organizations serving homeless youth, appropriate federal departments, and other key stakeholders in the community.

¹ O'Brien, T. & Applebaum, L., Ph.D. (2007). Colorado Statewide Homeless Count, Winter 2007.

² Vance, M & Grove, H. (2007) Urban Peak Public Health Survey Report 2007: A Multi-city Collaborative. Urban Peak: Denver, CO.

³ Hall, J., Ph.D. (2008, June 30). Personal interview with Jennine Hall, Ph.D. Program Manager of Transition and Parole Services, Division of Youth Corrections, Colorado Department of Human Services.)

⁴ Burt, Martha R. (2007, June 19). Testimony, Subcommittee on Income Security and Family Support of the Ways and Means Committee of the U.S. House of Representatives, Washington, DC.

Under the direction of the Homeless Youth Coordinator position, an Advisory Committee on Homeless Youth (ACHY), comprised of approximately 60 members representing the aforementioned Departments, agencies, programs and stakeholders was created to advise and assist the OHYS in carrying out the intent of the Homeless Youth Services Act. In 2007, the ACHY implemented a five-year strategic action plan with specific action steps targeted at prevention of youth homelessness, youth housing development, inter-organizational planning to develop homeless youth resources, and community outreach and education. The Governor's Colorado Community and Interagency Council on Homelessness additionally endorses this inter-departmental, inter-agency plan.

The OHYS' mandate to collaborate and coordinate programs serving homeless youth has resulted in numerous positive outcomes. For example:

- In partnership with Urban Peak, a community program that serves at-risk youth, the OHYS developed 5 units of permanent supportive housing in Denver for homeless former foster and juvenile justice system youth with disabilities;
- The OHYS partnered with Mile High United Way to complete a gaps analysis of housing for homeless youth across Colorado;
- The OHYS facilitated the reorganization of the Colorado Network of Youth Services, a group of homeless youth service providers, to improve the coordination of service delivery among agencies and to connect with regional and national homeless youth planning and policy initiatives;
- The OHYS and representatives of other homeless programs developed a training program for county caseworkers regarding human trafficking of youth who are at risk for sexual exploitation, drug running, and potentially exploitive labor pools;
- The OHYS and the Colorado Department of Public Health and Environment developed a matrix that outlines the State's programs that serve adolescents and young adults to increase inter-departmental collaboration and decrease potential for duplicate program development. A focus group of State service providers meets quarterly to coordinate cross-program efforts.

In addition to the substantial statewide accomplishments realized by the OHYS, other states are looking to Colorado for guidance and direction in developing similar

initiatives. For example, in 2008, the OHYS Youth Services Coordinator provided direction to the Ohio Coalition on Homelessness and Housing at a statewide conference regarding the processes needed to replicate Colorado's OHYS. Additionally, this position provided technical assistance to public officials and private organizations at the Jim Casey Youth Opportunities Initiative 2008 national conference on how to develop successful strategies to prevent youth homelessness for former foster care youth.

If this request is not funded, beginning July 1, 2009, the Department will need to determine other strategies to meet its statutory obligation to operate the OHYS. For example, the OHYS could be transferred to another Division or Department that can fund the Coordinator of Homeless Youth Services position, or a statutory change regarding the existence of the OHYS, its staffing requirements, or scope of work can be considered. Given the progress of the OHYS and its location in a Division with similar programs serving homeless persons, it is recommended that SHHP continue to operate the OHYS.

\$127,399 to continue the Manager of Homeless Programs position:

The Department requests \$127,399 General Fund to continue staffing a General Professional VI position (1.0 FTE) that manages SHHP's homeless programs. In existence since September 1993, this is a central, pivotal position in the administration of SHHP's homeless programs, grant acquisition and oversight, and in several cross-departmental, statewide, and community initiatives. The primary functions of this position include:

Grant acquisition and administration: This position applies for grants to further the availability and access of housing and supportive services to Colorado's homeless populations. For example, this position secured grant funding resulting in the acquisition of \$3,275,600 in annual federal funding. This position further provides overall administrative oversight for these grants including grant renewal, extensive HUD report development, contract development with community agencies, monitoring of grant compliance, and similar tasks associated with the operation of the grants. The renewal process for grants is an extensive process that requires complex data collection,

coordination with community agencies, ongoing monitoring of announcements and regulatory information, and preparation of high level monthly, quarterly, and annual reports. The grants disallow the use of grant funding to apply for or renew grants and for several aspects of grant oversight. There is no other funding that SHHP receives that could be used for these activities. Without this position or a similar position, SHHP would have no capacity for grant acquisition and oversight.

Participation in interdepartmental and state-level initiatives: In May 2007, Governor Bill Ritter, Jr. issued an Executive Order to reconvene (and rename) the Colorado Community and Interagency Council on Homelessness. The original Interagency Council on Homelessness was established in May 1989 by Governor Roy Romer, and again reauthorized through Executive Order of Governor Bill Owens in October 2003. The Council serves as the advisory body to the Governor on homeless issues and recommends policies and programs it believes will assist in preventing and, to the fullest extent possible, ending homelessness in Colorado.

This position plays an important leadership role to the Governor's initiative by assisting with administrative oversight of the Council, and providing high-level technical expertise in defining how to develop and implement homeless housing and service delivery systems that coordinate disparate programs across divisions and departments for initiatives such as discharge planning, benefits acquisition, and prevention of homelessness. Two such examples of Council accomplishments as a result of the work of this position are:

SSI/SSDI Outreach, Access and Recovery Initiative (SOARS) Project: In collaboration with the regional Social Security Administration, Disability Determination Services within the Department of Human Services, and the U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration, this position developed and implemented a training program for case managers, mental health providers, and community agency providers of homeless services on the Supplemental Security Income/Social Security Disability Insurance (SSI/SSDI) and Medicaid application process to improve access to benefits for homeless persons. Timely benefits

acquisition for homeless persons with disabilities increases access to safe and decent housing and treatment, and reduces reliance on more expensive and sometimes inappropriate use of hospital emergency rooms, psychiatric hospitals, and jails. The following outcomes for disabled homeless persons have been realized to date as result of these efforts:

- 300 persons have been trained through the SOARS Project, and over 2,000 applicants have been served since 2004.
- Approval for SSI/SSDI benefits upon initial application has increased from 10% to 23%.
- The average processing time for claims from the date of application has decreased from two years to 97 days.

Father Ed Judy House: Under the auspices of the Council, this position played a significant coordinating and operational role in the opening of the Father Ed Judy House, in partnership with the City of Denver, Catholic Charities, Denver Department of Human Services, and the Division of Housing. This homeless shelter on the Ft. Logan campus provides housing, job preparedness, life skills development and other supportive services to 15 homeless families toward the establishment of independence and permanent housing. Since 2005 when the project opened, this shelter has housed approximately 136 families (with their 241 children), and has seen almost 60% of those families successfully move into stable housing.

Supervision: The position supervises the staff for the Division's Homeless Program totaling 5.0 FTE.

Technical assistance: This position provides direction, leadership, and facilitation to public and private agencies on current housing and homeless issues, federal congressional changes, program and system development, and writing grant applications for homeless or housing funding opportunities. Technical assistance and grant writing provided by this position is a significant factor in agencies throughout the state receiving between \$12 to \$15 million dollars annually in homeless program funding for the past 15 years. This position additionally provides consultation in the development of national

policy directives on homelessness. For example, this position is a steering committee member of the Homelessness Resource Center for the U.S. Department of Health and Human Services providing technical assistance on the development of evidence-based practices and homeless prevention strategies, and provides technical assistance to the U.S. Department of Housing and Urban Development.

Without this position, SHHP will not have staff available to pursue or renew federal grants for homeless programs which currently total \$3,275,600; oversee grants; fully participate in inter-departmental and state-level initiatives such the Governor's Colorado and Community Interagency Council on Homelessness; provide supervision to homeless program staff; or provide technical assistance that community agencies rely upon for funding.

Consequences if Not Funded:

The State could potentially lose \$3,275,600 in federal grant funding.

Based on the FY 2006-07 program attrition rate of 23%, SHHP estimates that within one year of discontinuing the S+C program in FY 2009-10, 354 of the 460 previously homeless disabled individuals and families who receive housing and supportive services from the S+C program will be at risk to return to a state of homelessness.

SHHP would not be able to continue administering the statutorily required Office of Homeless Youth Services. In order for the Department to meet its statutory obligation, the OHYS may have to be transferred to another Division or Department that can fund the Coordinator of Homeless Youth Services position, or a statutory change regarding the existence of the OHYS, its staffing requirements, or scope of work may be necessary. Homeless youth programs throughout Colorado may lose the benefits of State level coordination and resources for homeless youth if the OHYS were discontinued.

If the GP VI position is not funded, SHHP will not have staff available to pursue or renew federal grants for homeless programs that currently total \$3,275,600, or pursue similar grants in the future. Approximately \$10 to \$12 million in homeless program grants that community homeless programs in the seven county Denver metro area receive

annually, for which HMIS utilization is required by HUD, could be affected. Additionally, the Department will lose its statewide coordinated oversight of data on homelessness.

If no funding were allocated for any of the homeless programs, a transition or position termination plan would need to be developed for 6.0 FTE as follows:

- 1.0 General Professional III FTE supported by the S+C grants and HUD reserves;
- 1.0 General Professional III FTE Homeless Youth Services Coordinator supported by HUD reserves;
- 1.0 General Professional IV FTE and 2.0 General Professional III FTE supported by the HMIS grant and HUD reserves; and
- 1.0 General Professional VI FTE Homeless Program Manager supported by HUD reserves.

SHHP will be unable to fully comply with the Governor’s May 2007 Executive Order for participation in the Colorado Community and Interagency Council on Homelessness. SHHP will be unable to continue its significant participation in inter-departmental and community initiatives such as discharge planning, benefits acquisition, and prevention of homelessness.

The state will lose a centralized entity serving as the State’s leading homeless authority with a unique level of technical expertise in homeless housing and service delivery systems.

Calculations for Request:

| Summary of Request FY 2009 - 10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request- Supportive Housing and Homeless Program Line Item | \$241,718 | \$241,718 | \$0 | \$0 | \$0 | 0.0 |
| Shelter + Care (S+C) Administrative Costs | \$22,017 | \$22,017 | \$0 | \$0 | \$0 | 0.0 |
| Office of Homeless Youth Position* | \$92,302 | \$92,302 | \$0 | \$0 | \$0 | 0.0 |
| Manager of Homeless Programs Position* | \$127,399 | \$127,399 | \$0 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010 - 11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|-------------|--------------|------------|----------------------|---------------|-----|
| Total Request- Supportive Housing and Homeless Program Line Item | \$254,752 | \$254,752 | \$0 | \$0 | \$0 | 0.0 |
| Shelter + Care (S+C) Administrative Costs | \$22,017 | \$22,017 | \$0 | \$0 | \$0 | 0.0 |
| Office of Homeless Youth Position* | \$97,223 | \$97,223 | \$0 | \$0 | \$0 | 0.0 |
| Manager of Homeless Programs Position* | \$135,512 | \$135,512 | \$0 | \$0 | \$0 | 0.0 |

*The FTE for this position is included in the total 19.0 FTE authority appropriated in the Supportive Housing and Homeless Program Long Bill line item (HB 08-1375).

Assumptions for Calculations:

Attachment 1- OSPB Common Policy for FTE Requests Template.

- Annual base salary is calculated based on the actual monthly salary as of June 30, 2008
- Number of months paid in FY 2009-10 (11 months) accounts for shift in pay date for the General Fund
- Positions include administrative cost overhead and operating expenses based on calculations in Attachment 2.

Attachment 2- Supportive Housing and Homeless Program Administrative Cost and Operating Expenses Overhead Funding Need.

- Total program overhead costs are calculated by allocating administrative cost overhead and operating expenses to three SHHP units (Section 8, Administrative, and Homeless Programs) using HUD approved time and effort data.
- Administrative cost and operating expenses overhead are based on actual FY 2007-08 expenditures.
- Administrative Cost and Operating Expenses Overhead is allocated to the three SHHP units (Section 8, Administrative and Homeless) based on the HUD approved allocation methodology based on time and effort data as follows:

| | |
|----------------|-----|
| Section 8 Unit | 52% |
|----------------|-----|

| | |
|---------------------|------------|
| Administrative Unit | 19% |
| Homeless Unit | <u>29%</u> |
| Total SHHP | 100% |

- The Homeless Unit includes six positions (three positions funded by the HMIS grant and three unfunded homeless positions). The 14.5% allocation of administrative cost and operating expenses overhead is based on the three homeless positions (29% x 50%).
- The Shelter Plus Care Program offset includes allowable S+C activities funded by the grant including, for example, processing payments to landlords, providing housing information and assistance, and conducting Housing Quality Standards inspections.
- The administrative cost and operating expenses overhead distribution is based on the pro-rata allocation for the three homeless positions included in this request (S+C General Professional III, General Professional III (OHYS) and General Professional VI).
- \$22,017 in unfunded administrative cost and operating expenses overhead is requested for FY 2000-10 and FY 2010-11. There is no trend data available to support an inflationary increase in FY 2010-11.

Attachment 3- Fund 13S Unrestricted Fund Balance Analysis

- Fund 13S is a reserve account established in January 2004 when Congress prohibited the use of Section 8 administrative dollars for homeless assistance programs. The monies in this account funds SHHP's homeless programs.
- The HUD recapture (\$133,845) was a one-time occurrence based on a set limit in the amount of reserves that public housing agencies can maintain. In FY 2006-07, HUD determined that the original recapture amount was incorrect and refunded \$32,860.
- In FY 2003-04 and FY 2004-05, the 13S reserve fund was adjusted by \$104,414 and \$239,3726 respectively, in order to comply with a regulatory change in January 2004 regarding the determination of homeless program costs.
- HUD requests that housing agencies keep a minimum of one month of operating expenses in reserve. \$820,652 of Fund 13S combined with approximately

\$1,000,000 in Section 8 reserves will enable SHHP to pay monthly housing assistance payments when federal funds are delayed.

Impact on Other Government Agencies: The loss of SHHP’s homeless programs will impact government agencies given the use of more costly alternatives to supportive housing, such as incarceration and hospitalization. Public and private community agencies may experience losses of technical assistance, coordination of efforts, services and benefits.

Cost Benefit Analysis:

Cost/Benefit #1:

The cost of \$241,718 in State General Fund for this request results in maintaining a benefit of \$3,275,600 in annual federal grant funding, a benefit more than thirteen times greater than its cost.

Cost Benefit #2:

Exhibit I below demonstrates the cost benefit of funding the State’s homeless programs by comparing the total annual grant income and in-kind support of SHHP’s homeless programs of \$7,558,692 with the State’s share of \$241,718 requested in this Decision Item. Total net benefit result is \$7,316,974.

| HOMELESS PROGRAMS INCOME AND IN-KIND SUPPORT | Annual |
|--|--------------------|
| Shelter Plus Care HUD Rental Assistance Income | \$2,934,264 |
| Average Contracted S+C Partner Agency Services | \$4,249,812 |
| Homeless Management Information System (HMIS) and Mile High United Way Leverage | \$374,616 |
| <i>Total Income and In-Kind Support for SHHP's Homeless Assistance Programs</i> | \$7,558,692 |

| HOMELESS PROGRAMS INCOME AND IN-KIND SUPPORT | Annual |
|---|--------------------|
| UNFUNDED REQUEST | |
| Shelter Plus Care Unfunded Operating and Administration | \$22,017 |
| Office of Homeless Youth Services GP III 1.0 FTE | \$92,302 |
| Homeless Programs Manager GP VI 1.0 FTE | \$127,399 |
| Total Decision Item Request | \$241,718 |
| Total Income and In-Kind Support | \$7,558,692 |
| Total Decision Item Request | (\$241,718) |
| Net Benefit of Request | \$7,316,974 |

Cost/Benefit #3

The cost of homelessness to the State human service delivery system and to public service systems in general system is costly. Homeless persons, who have no regular place to stay, tend to utilize a variety of public systems in an inefficient and costly way.

A growing body of research documents that stabilizing individuals in supportive housing reduces the use of expensive public crisis services such as emergency rooms, psychiatric hospitals, jails, and substance abuse treatment programs. The Colorado Coalition for the Homeless (CCH) published a report in December 2006 highlighting costs savings achieved in emergency health care, detox, inpatient medical and psychiatric services, incarceration, and shelter utilization costs for a sample of chronically homeless participants involved in CCH's Denver Housing First Collaborative Project. The cost benefit analysis focused on examining the health and emergency service records of a sample of participants for the 24-month period prior to entering the permanent housing program and the 24-month period after entering the program. The cost savings per

individual including the cost of housing and comprehensive services averaged \$4,745 per participant for the 24-month period or \$2,372 annually.⁵

Exhibit II below shows the estimated average annual services costs per person and the projections of costs savings for the current 460 S+C households by applying the results obtained from the CCH study to the costs of the S+C program. The average annual cost of services provided to homeless persons with disabilities is \$21,621. The average annual cost of providing S+C housing with comprehensive treatment and services is \$21,028, resulting in an average cost savings of \$593 in crisis (emergency room, jail) services per person annually. The projected annual cost savings across the current 460 S+C households is \$272,780.

| Exhibit II: Cost Savings in Use of Crisis-Oriented Services | | | | |
|--|--|---|--|---|
| Annual Service and Housing Costs | Average Service, Shelter, Housing Costs for Homeless Persons not in Housing | Average Service, Shelter, Housing Costs for Persons in S+C Housing | Average Cost Savings per Person | Projected Savings for 460 S+C Households |
| Detoxification | \$5,187 | \$821 | \$4,366 | \$2,008,360 |
| Incarceration | \$899 | \$214 | \$685 | \$315,100 |
| Emergency Room | \$2,628 | \$1,726 | \$902 | \$414,920 |
| Outpatient Health Care | \$874 | \$1,321 | (\$447) | (\$205,620) |
| Inpatient Health Care | \$5,189 | \$1,767 | \$3,422 | \$1,574,120 |
| Shelter Costs | \$6,844 | \$0 | \$6,844 | \$3,148,240 |
| Annual Average S+C Housing Cost | \$0 | \$5,892 | (\$5,892) | (\$2,710,320) |
| Administrative/Operating Costs of S+C Housing | \$0 | \$48 | (\$48) | (\$22,080) |
| Annual Cost of Services Provided to S+C Residents | \$0 | \$9,239 | (\$9,239) | (\$4,249,940) |
| Cost Totals | \$21,621 | \$21,028 | \$593 | \$272,780 |

⁵ Jennifer Perlman, PsyD., and John Parvensky (2006) "Denver Housing First Collaborative. Cost Benefit Analysis and Program Outcomes Report."

Implementation Schedule:

There are no tasks related to implementation, as all funding is a continuation of already existing programs and staffing.

Statutory and Federal Authority:

Sections 26-5.9-102 and 104, C.R.S. (2008) (Homeless Youth Services Act)

26-5.9-102. Legislative declaration. (1) The general assembly hereby finds and declares that providing services to the homeless youth of Colorado is extremely challenging due to the need for services in a great number of diverse, yet overlapping, areas such as education, housing, employment, community support, family support and reunification, health care, and counseling. (2) The general assembly finds that, because the issues that face homeless youth are so diverse, there is a great need for cooperation among private nonprofit or not-for-profit entities and public entities serving these youth to break down barriers and provide more seamless, collaborative, and effective services to homeless youth. The general assembly further finds that, within the public sector, there is an additional need for enhanced cooperation among the departments of corrections, education, health care policy and financing, human services, public safety, and public health and environment, and the judicial department to more fully serve homeless youth. The general assembly finds that while the department of public health and environment has been responsible for this effort, it is more appropriate for the department of human services, which department is responsible for a variety of programs related to family, children, and youth, as well as homeless and housing programs, to also be the department responsible for coordinating the private nonprofit or not-for-profit entities and public entities providing services to homeless youth. (3) The general assembly therefore declares that it is in the best interests of the youth of Colorado to establish the office of homeless youth services in the department of human services to act as a resource for and a coordinator of the efforts of public and private entities serving the homeless youth of the state of Colorado.

26-5.9-104. Office of homeless youth services. (1) There is hereby created the office of homeless youth services in the state department for the purpose of providing information, coordination, and support services to public and private entities serving the homeless youth of Colorado. The office of homeless youth services shall seek to: (a) Identify and remove obstacles to the provision of services; (b) Improve the quality of services

provided to homeless youth; (c) Reduce needless expenditures caused by the provision of overlapping services; and(d) Identify funding resources available to entities serving homeless youth.

2004 Consolidated Appropriations Act, Public Law 108-199, Title II- Department of Housing and Urban Development, Section 5. For activities and assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.).

(5) not to exceed \$1,242,000,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$50,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs: Provided, That not to exceed \$1,192,000,000 of the amount provided in this paragraph shall be allocated on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in fiscal year 2003 without regard to the reduction required for excess administrative fee balances: Provided further, That all such administrative fee amounts provided under this paragraph shall be only for activities related to the provision of rental assistance under section 8, including related development activities.

The 2005, 2006, 2007 & 2008 Appropriations Acts also stipulate that administrative fees provided from these appropriations shall only be used for activities related to the provision of Section 8 tenant-based rental assistance, including related development activities. Any administrative fees from 2004 and forward that are subsequently moved into the administrative fee reserve account at year-end must only be used for the provision of Section 8 tenant-based rental assistance, including related development activities.

Performance Measures:

This request is most closely aligned with the Department's objective of independence in promoting stability, permanence and self-sufficiency. Safe, secure, affordable housing is a basic human need. Homelessness increases the risk for serious health problems and complicates treatment adherence and recovery, creates a major barrier to successful

employment which prevents self-sufficiency and contributions to the economy, increases the risk of becoming the victim of violent crimes, and is a major impediment for children and youth to receive a basic and proper education. This request maintains the Department's ability to effectively address these issues for a significant amount of homeless Coloradoans with disabilities by providing housing assistance coupled with the necessary supportive services through the Shelter Plus Care Program. It additionally allows for the operation of the statutorily required Office of Homeless Youth Services to coordinate programs statewide that serve homeless youth ages 15-21, and provides the staff expertise to lead Colorado in addressing policy issues aligned with the Governor's Executive Order to prevent and end homelessness by continuing the staffing for the Homeless Program Manager position. Finally, the preservation of the Homeless Management information System continues the capability necessary to track and evaluate homelessness services and program effectiveness across Colorado communities.

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|--|---|---------------------------|-------------|-------------|-------------|---------------------------|---------------------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Supportive Housing and Homeless Programs | SHHP will receive a minimum score of 95% on HUD's Section 8 Management Assessment Program (SEMAP) | National Benchmark | 95% | 95% | 95% | 95% | 95% |
| | | Actual | 100% | 100% | 97% | Not available until 10/09 | Not available until 10/10 |
| Supportive Housing and Homeless Programs | SHHP will maximize its utilization of funds by exceeding HUD's lease requirement for Shelter Plus Care grant funds. | National Benchmark | 316 100% | 327 100% | 333 100% | 333 100% | 333 100% |
| | | Actual | 329 131% | 386 118% | 460 138% | 460 138% | 460 138% |
| Supportive Housing and Homeless Programs | Shelter Plus Care Program participants will maintain permanent housing for a period of at least one year. | National Benchmark | 75% | 75% | 75% | 75% | 75% |
| | | Actual | 95% | 95% | 95% | Available October 2009 | Available October 2010 |

| OSPB Common Policy for FTE Requests | | | | | | | |
|---|----------------|---------------------------------|-----------------|--------------------------------|------------------|--------------------|------------------|
| FTE and Operating Costs | | | | | | GRAND TOTAL | |
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | General Professional III | | General Professional VI | | | |
| Number of PERSONS / class title | | 1 | 1 | 1 | 1 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | 12 | 12 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 ¹ | | 11 | 12 | 11 | 12 | | |
| Calculated FTE per classification | | 0.9 | 1.0 | 0.9 | 1.0 | 1.8 | 2.0 |
| Annual base salary | | \$52,920 | \$52,920 | \$87,228 | \$87,228 | | |
| Salary | | \$48,510 | \$52,920 | \$79,959 | \$87,228 | \$128,469 | \$140,148 |
| PERA | 10.15% | \$4,924 | \$5,371 | \$8,116 | \$8,854 | \$13,040 | \$14,225 |
| Medicare | 1.45% | \$703 | \$767 | \$1,159 | \$1,265 | \$1,862 | \$2,032 |
| Subtotal Personal Services at Division Level | | \$54,137 | \$59,058 | \$89,234 | \$97,347 | \$143,371 | \$156,405 |
| OPERATING EXPENSES | | | | | | | |
| Supplies @ \$500/\$500 ² | \$500 | \$500 | \$500 | \$500 | \$500 | \$1,000 | \$1,000 |
| Computer @ \$900/\$0 | \$900 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubicle and chair) | \$3,998 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Telephone Base @ \$450/\$450 ² | \$450 | \$450 | \$450 | \$450 | \$450 | \$900 | \$900 |
| Administrative Overhead and Operating Expense Costs | | \$37,215 | \$37,215 | \$37,215 | \$37,215 | \$74,430 | \$74,430 |
| Subtotal Operating Expenses | | \$38,165 | \$38,165 | \$38,165 | \$38,165 | \$76,330 | \$76,330 |
| | | | | | | | |
| GRAND TOTAL ALL COSTS | | \$92,302 | \$97,223 | \$127,399 | \$135,512 | \$219,701 | \$232,735 |

Attachment 2- Supportive Housing and Homeless Programs Administrative Cost and Operating Expenses Overhead Funding Need

III. Administrative Cost and Operating Expenses Overhead Distribution

| | |
|---|--------------------|
| Projected FY 2009-10 Administrative Cost Overhead (\$348,970 x 14.5%) | \$ 50,601 |
| Projected FY 2009-10 Operating Expenses Overhead (\$420,992 x 14.5%) | <u>\$ 61,044</u> |
| Total Administrative Cost & Operating Expenses Overhead | \$ 111,645 |
| | |
| Pro-rata allocation for the three Homeless Positions (\$111,645 / 3)* | \$ (37,215) |
| | |
| Total Overhead Allocated to General Professional III & General Professional VI Positions | \$ 74,430 |
| | |
| Total Administrative Cost & Operating Expenses Overhead | \$ 111,645 |
| Total Overhead Allocated to General Professional III & General Professional VI Positions | <u>\$ (74,430)</u> |
| Subtotal | \$ 37,215 |
| Shelter Plus Care Program (S+C) Offset | <u>\$ (15,198)</u> |
| Overhead Allocated to S+C Program | \$ 22,017 |

* S+C General Professional III
General Professional III (OHYS)
General Professional VI

Attachment 3- Fund 13S Unrestricted Fund Balance Analysis

| | | |
|---|----|------------------|
| Beginning Fund Balance- 7/1/2004 | \$ | 2,122,576 |
| FY 2004-05 Actual Expenditures | \$ | (3,404) |
| Department of Housing & Urban Development (HUD) Recapture (1) | \$ | <u>(133,845)</u> |
| Ending Fund Balance- 6/30/2005 | \$ | 1,985,327 |
| FY 2005-06 Actual Expenditures | \$ | (232,180) |
| Recapture Adjustment (2) | \$ | 32,860 |
| Adjustment to FY 2003-04 Expenditures (3) | \$ | (104,414) |
| Adjustment to FY 2004-05 Expenditures (3) | \$ | <u>(236,322)</u> |
| Ending Fund Balance- 6/30/2006 | \$ | 1,445,271 |
| FY 2006-07 Actual Expenditures | \$ | <u>(175,894)</u> |
| Ending Fund Balance- 6/30/2007 | \$ | 1,269,377 |
| FY 2007-08 Actual Expenditures | \$ | <u>(141,285)</u> |
| Ending Fund Balance- 6/30/2008 | \$ | 1,128,091 |
| FY 2008-09 Estimated Expenditures | \$ | (307,439) |
| Section 8 Reserve Backfill (4) | \$ | <u>(820,652)</u> |
| Ending Fund Balance- 6/30/2009 | \$ | 0 |

Notes:

- (1) Excess reserves returned to HUD
- (2) HUD recapture refund
- (3) Expenditures charged to the appropriate fiscal year
- (4) Backfill Section 8 contingency reserve for monthly housing assistance payments and administrative cost and operating expenses overhead requested by HUD

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: High Risk Pregnant Women Program
 Department: Human Services
 Priority Number: DI-14

Dept. Approval by: *Willy Kral*
 OSPB Approval: *John Z*

Date: 10-10-08
 Date: 10-21-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|--------------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | 1331 Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 1,505,150 | 1,013,698 | 0 | 1,013,698 | 1,013,698 | 1,026,247 | 2,039,945 | 0 | 2,039,945 | 1,026,247 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 1,505,150 | 1,013,698 | 0 | 1,013,698 | 1,013,698 | 1,026,247 | 2,039,945 | 0 | 2,039,945 | 1,026,247 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 1,505,150 | 1,013,698 | 0 | 1,013,698 | 1,013,698 | 1,026,247 | 2,039,945 | 0 | 2,039,945 | 1,026,247 |
| | MGF | 752,575 | 506,849 | 0 | 506,849 | 506,849 | 513,124 | 1,019,973 | 0 | 1,019,973 | 513,124 |
| | NGF | 752,575 | 506,849 | 0 | 506,849 | 506,849 | 513,124 | 1,019,973 | 0 | 1,019,973 | 513,124 |
| (8) Mental Health & Alcohol & Drug Abuse Services (D) Alcohol and Drug Abuse Division (2) Community Programs (a) Treatment Services-High Risk Pregnant Women Program | Total | 1,505,150 | 1,013,698 | 0 | 1,013,698 | 1,013,698 | 1,026,247 | 2,039,945 | 0 | 2,039,945 | 1,026,247 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 1,505,150 | 1,013,698 | 0 | 1,013,698 | 1,013,698 | 1,026,247 | 2,039,945 | 0 | 2,039,945 | 1,026,247 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 1,505,150 | 1,013,698 | 0 | 1,013,698 | 1,013,698 | 1,026,247 | 2,039,945 | 0 | 2,039,945 | 1,026,247 |
| | MGF | 752,575 | 506,849 | 0 | 506,849 | 506,849 | 513,124 | 1,019,973 | 0 | 1,019,973 | 513,124 |
| | NGF | 752,575 | 506,849 | 0 | 506,849 | 506,849 | 513,124 | 1,019,973 | 0 | 1,019,973 | 513,124 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: Medicaid funds transferred from the Department of Health Care Policy and Financing
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Health Care Policy and Financing

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CHANGE REQUEST for FY 09 - 10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-14 |
| Change Request Title: | High Risk Pregnant Women Program |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-2009
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting an increase to the High-Risk Pregnant Women Program (HRPW) due to a projected increase in utilization and cost of this Medicaid entitlement program. This program was overspent in FY 2006-07 and FY 2007-08 due to improvements to the program and fluctuations in the program's case mix. The Department is requesting a spending authority increase to the FY 2009-10 continuation request, \$1,013,698, of \$1,026,247 in Reappropriated Funds (50% federal Medicaid funds and 50% General Fund transferred from the Department of Health Care Policy and Financing) for the High Risk Pregnant Women Program line item.

Background and Appropriation History:

| Description | FY 2004-05 Actual | FY 2005-06 Actual | FY 2006-07 Actual | FY 2007-08 Actual |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Long Bill Appropriation | \$471,915 | \$952,986 | \$983,958 | \$998,717 |
| Supplemental Adjustment | \$0 | \$0 | \$125,489 | \$506,433* |
| Final Appropriation | \$471,915 | \$952,986 | \$1,109,447 | \$1,505,150 |
| Expended During Fiscal Year | \$834,304 | \$943,703 | \$1,109,447 | \$1,505,150 |
| Difference (Over)/Under | (\$362,389) | \$9,283 | \$0 | \$0 |

*1331 Emergency Supplemental Requested in September 2008.

In 1991, the General Assembly adopted S.B. 91-056 to create a health care and treatment program for women and their children who are at risk of poor birth outcomes due to maternal substance use disorders. The program is an entitlement program funded by Medicaid and administered by the Alcohol and Drug Abuse Division (ADAD) in the Department of Human Services. Beneficiaries of the Special Connections program include mothers, their children, the community, Colorado taxpayers and future generations of children. Untreated substance use disorders are well-known to be an inter-generational problem, and when pregnant women use alcohol and illegal substances during their pregnancies, they subject their unborn children to future cognitive impairment and difficulties with executive functioning, as well as increased susceptibility to substance use disorders problems of their own, which are then passed in turn to future generations. Pregnancy is the optimal time in a woman's life for intervention in this cycle. For a woman with a history of substance use disorders who has struggled to break this pattern, residential treatment during pregnancy is often the best opportunity to begin the recovery process.

Substance use disorder treatment is effective child abuse prevention and also reduces crime. For many women, substance use disorder treatment interrupts the destructive cycle that threatens family stability, and helps to strengthen relationships between family members and with the community at large. These social networks prevent the crises that

warrant child protection involvement and help keep children out of the overburdened public social services system. In addition, with treatment, the criminal activity that frequently funds active addictions is eliminated thus reducing the impact on the criminal justice system. Substance use disorder treatment during pregnancy also provides children of these mothers with an opportunity at a healthy start in the school system because of the decreased substance exposure they have had in-utero while their mothers were in treatment. This benefit continues long beyond the time and resources invested in substance use disorder treatment, throughout childhood and beyond.

The appropriation established in FY 1991-92 consisted of a combination of General Fund, transferred from the ADAD Treatment and Detoxification Contracts line item to the new High Risk Pregnant Women Program line item and federal Medicaid funds. The appropriation of \$665,946 (\$303,005 General Fund / \$362,941 Federal Funds) funded outpatient substance use disorder treatment for pregnant women with the intent of lowering the risk factors for substance use disorder for a future generation. In late FY 2001-02, a billing mechanism was established that included residential treatment in addition to outpatient treatment as the authorizing legislation originally intended. Since FY 2003-04, the spending authority for this program has increased 219% due to increased demand for residential services. The current rate (FY 2008-09) of reimbursement to the agencies providing treatment for pregnant women is \$156.31 per day for residential treatment. There are currently four residential substance use disorder treatment programs in Colorado. The most recent facility was added in FY 2006-07.

House Bill 04-1075 authorized the Department of Health Care Policy and Financing (DHCPF) to seek a waiver from Medicaid to increase the post-partum benefit from 2 months to 12 months. This extended time period became operational as of January 1, 2007. The previous benefit available in this entitlement program was a maximum of 330 days of treatment per woman, e.g. if a woman entered the Special Connections program on her first day of pregnancy, she could receive benefits through the birth of her child and two months post-partum. Under the current extended timeframe for Special Connections, the maximum number of days a woman can receive treatment is 524, assuming treatment admission at 8 weeks gestation.

The High Risk Pregnant Women Program (i.e. Special Connections) is an entitlement program funded by Medicaid to serve pregnant women in need of substance use disorder treatment. In FY 2007-08, the State Controller's Office approved \$506,433 over-expenditure in this program pursuant to Section 24-75-109 (1)(a), C.R.S. (2008). As a result, the FY 2008-09 appropriation was restricted by the amount of the over-expenditure (\$506,433) pursuant to Section 24-75-109 (3), C.R.S. (2008).

General Description of Request:

The Department is requesting an increase in spending authority of \$1,026,247 to cover expected additional expenditures above the continuation request for FY 2009-10. The Department estimates an increase in caseload and expenditure of 22.1% over FY 2008-09 and slower caseload and expenditures growth for FY 2009-10 of 11.0%.

Two recent programmatic changes have affected program spending beginning in FY 2006-07 and are likely to impact future years. The first item was the addition of a new residential treatment program location in FY 2006-07, which added 16 new beds to the previous 58 beds available. The new facility, Arapahoe House – The Aspen Center, began providing services as of May 1, 2007. Beginning in FY 2007-08, there are now four ADAD licensed treatment providers that offer residential substance use disorder treatment to pregnant women whose substance use disorder and related issues indicate the need for that intensity of treatment. Arapahoe House, Inc., has the New Directions for Families program in Littleton, Colorado, as well as the Aspen Center in Westminster. Here pregnant women and women who are mothers can obtain treatment with their children living on-site for the duration of treatment. Crossroads Turning Points, in Pueblo, Colorado, has a family program that includes a residential facility where women can be with their children in treatment. The Haven, a University of Colorado Health Sciences Center's Addiction Research and Treatment Services program has a capacity of 26 beds in two different facilities where mothers can be in residential treatment with their babies once the babies are born.

Residential Treatment Locations / Beds Available

| Residential Treatment Provider / Description | Arapahoe House New Directions for Families | Arapahoe House The Aspen Center | Crossroads Turning Points | UCHSC-ARTS The Haven | Total |
|---|---|--|--------------------------------------|---------------------------------|----------------|
| Location | Littleton | Westminster | Pueblo | Denver | 4 |
| Capacity | 16 beds | 16 beds | 16 beds | 26 beds | 74 beds |

The second item is related to H.B. 04-1075, which increased the post-partum benefit from 2 months to 12 months. Fiscal year 2007-08 was the first full year that this extended benefit was in effect. The number of pregnant women to be served in residential treatment programs during FY 2007-08 was 85, with an average length of stay of 96 days. The length of stay should improve program outcomes (more healthy, drug-free babies) for women facing more severe challenges to their recovery compared to their counterparts in outpatient treatment.

Consequences if Not Funded:

If the request is not funded for FY 2009-10, the Department estimates an over-expenditure similar to that experienced in FY 2006-07, FY 2007-08 and estimated for FY 2008-09. An over-expenditure condition can cause undue delay in the processing of reimbursement payments to vendors, which in turn creates financial hardships for the programs providing these services. Since this is a Medicaid entitlement program, the Department would be violating Medicaid regulations if substance use disorder treatment to eligible pregnant women were denied.

The Substance Abuse & Mental Health Services Administration (SAMHSA) released a report in 2004, in which 3 percent of pregnant women reported use of illicit drugs in the past month, and 3 percent reported binge alcohol use¹. It is unclear from this report how much overlap there is between the two groups, but using the 3% figure to estimate the number of pregnant women in Colorado in need of treatment, with 70,969 live births in 2006, there would have been 2,129 substance exposed pregnancies². The 330 women who received services from the Special Connections programs (residential and outpatient)

¹ National Survey on Drug Use and Health report, *Pregnancy and Substance Use* (SAMHSA, 2004), January, 2004

² National Vital Statistics Reports, August 28, 2007

in FY 2005-06 constitute 15.5% (330/2,129) of the women who may be assumed to have benefited from substance use disorder treatment during this time period. Funding to provide needed services to pregnant women who have substance use disorders reduces avoidable circumstances for the woman, their unborn child, existing children and the family unit.

Fetal Alcohol Spectrum Disorders (resulting from a pregnant woman's alcohol use during pregnancy) is the largest preventable birth defect in the United States. Alcohol use during pregnancy causes brain damage to the unborn child. No safe level of alcohol use during pregnancy has been established, and women who cannot abstain from alcohol use on their own require assistance and to support in order prevent or minimize the damage to their unborn children. Stimulant drugs, nicotine and marijuana all restrict the blood flow from the mother to the newborn via the placenta, which can lead to lower birth weight among babies born to mothers using these drugs. The level of neurological challenge to these children is becoming more defined and treatment becoming more available, however costly, with additional research. During pregnancy, women are particularly open to changes in behavior and lifestyles for the sake of the unborn child as well as their existing children, and need access to treatment in order to help make these changes permanent in their lives and the lives of their families.

To be effective, the intensity and duration of substance use disorder treatment needs to be matched to the level of need demonstrated by the recipient. The National Institute on Drug Abuse has recommended that treatment must last a minimum of 90 days in order to be effective³. Women with a shorter history of substance use disorder and without other issues that would complicate their substance use disorder problems are adequately served with outpatient treatment. However, in many instances pregnant women seeking services in order to deliver drug-free babies require residential treatment. The mother-to-be is usually further along in the course of her addiction than is the average woman referred to treatment. Pregnant women seeking treatment are very likely to be victims of physical abuse, sexual abuse and domestic violence. Several programs estimate that approximately 90% of female clients report such abuse. Each of these factors, combined

³ *Principles of Effective Drug Treatment: A Research-Based Guide* (National Institute on Drug Abuse, October 1999)

with the obvious need for prenatal and other medical care, increases the likelihood that a woman will need treatment of greater intensity and longer duration. Residential treatment best meets this need.

Calculations for Request:

The Department is requesting an increase of \$1,026,247 in funding for FY 2009-10. The Department arrived at this number by taking the average annual growth in expenditures over the past three fiscal years and applying that growth rate to the actual expenditures for FY 2007-08. The calculation is shown below.

| | | |
|--|--------------------|--|
| Average Annual Growth Past 3 Fiscal Years (Estimated % Increase in Expenditures From FY 2007-08 to FY 2008-09) | 22.1% | This is an average of the annual growth in program expenditures in FY 2005-06 through FY 2007-08. (Average of 13.1%, 17.6% and 35.7%.) |
| Amount Expended in FY 2007-08 | \$1,505,150 | Actual Expenditures |
| Estimated Spending in FY 2008-09 | \$1,837,788 | This calculation is the 22.1% estimated increase applied to the \$1,505,150 prior year expenditures. |
| Estimated Increase in Expenditures from FY 2008-09 to FY 2009-10 | 11.0% | Department staff do not expect the program to continue to grow in FY 2009-10 at the same rate as FY 2008-09. * |
| Estimated Spending in FY 2009-10 | \$2,039,945 | This is the 11.0% estimated increase applied to the \$1,837,788 estimated FY 2008-09 expenditures. |
| FY 2009-10 Continuation Budget Request | \$1,013,698 | |
| FY 2009-10 Decision Item | \$1,026,247 | This is the \$2,039,945 in estimated FY 2009-10 Expenditures less the FY 2009-10 Continuation Request of \$1,013,698. |

*The two significant changes that have impacted the program are fully implemented and are expected to annualize/level off considerably in FY 2009-10. Therefore the Department has estimated that the program will grow by half the 3-year average used to estimate the FY 2008-09 expenditures or 11.0%.

| Summary of Request FY 2009-10 Provide for Increased Utilization | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$1,026,247 | \$0 | \$0 | \$1,026,247 | \$0 | 0.0 |
| (8) Mental Health and Alcohol and Drug Abuse Services (D) Alcohol and Drug Abuse Division (2) Community Programs – High Risk Pregnant Women Program | \$1,026,247 | \$0 | \$0 | \$1,026,247 | \$0 | 0.0 |

| Summary of Request FY 2010-11 Provide for Increased Utilization | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$1,026,247 | \$0 | \$0 | \$1,026,247 | \$0 | 0.0 |
| (8) Mental Health and Alcohol and Drug Abuse Services (D) Alcohol and Drug Abuse Division (2) Community Programs – High Risk Pregnant Women Program | \$1,026,247 | \$0 | \$0 | \$1,026,247 | \$0 | 0.0 |

FY 2009-10 Estimate of Increased Utilization

Expenditure Trend Summary - Projected Growth For FY 2008-09

| Description | FY 2003-04 Actual | FY 2004-05 Actual | FY 2005-06 Actual | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Estimate |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| Expended | \$469,549 | \$834,304 | \$943,703 | \$1,109,447 | \$1,505,150 | \$1,837,788 |
| % Change in Expended from Prior Year | Base | 77.7% | 13.1% | 17.6% | 35.7% | 22.1% |
| 3 Year Average Growth | 0.0% | 0.0% | 0.0% | 36.1% | 22.1% | 25.1% |

Assumptions for Calculations:

As this is an entitlement program, the State is mandated to provide services to this population.

Expenditures for services in FY 2006-07 and FY 2007-08 exceeded the appropriated amount, which resulted in an over-expenditure and a restriction equal to the over-expenditure in the following fiscal years.

In order to present an average cost per woman served in both an **outpatient** and a residential service in FY 2007-08, a straight average was calculated from total funds expended by modality and number of women served by modality.

Calculations for the numbers of additional women who would receive services is based on taking the percentage of funds expended by modality in FY 2007-08 and applying this towards the amount of total funding requested in FY 2008-09. The amount to offset the FY 2007-08 over-expenditure is removed from this calculation, as no new services will be provided.

The trend calculation table is used in order estimate an average increase in expenditures in order to predict estimated expenditures for FY 2008-09 based on historical program data. The calculation for “Three Year Average Growth” is the sum of the current and two prior fiscal year “% Change in Expended from Prior Year” divided by 3.

Impact on Other Government Agencies:

The Department of Health Care Policy and Financing requires a corresponding adjustment to the FY 2009-10 request for this line item. This program has positive impacts to other governmental agencies as discussed throughout this request.

Cost Benefit Analysis:

Pregnant women with untreated addiction problems give birth to drug and/or alcohol exposed newborns, whose medical problems are expensive to treat. These infants are frequently low birth weight and have longer hospital stays than do infants whose mothers did not use alcohol or illegal substances during their pregnancies. Substance exposed infants are generally referred to local county Departments of **Human** Services for child protective services, and are frequently placed in out of home care. If their mothers do not receive treatment during the early years of their lives, these children are likely to have

their parents lost to them through termination of parental rights, to spend significant periods of time in foster care or kinship care placements, or to be exposed to the illegal lifestyles, erratic behavior and chronic instability associated with caretakers with active addictions. Substance exposed children require significant help and resources when they reach school age, due to the increased demands posed by structured environments. These children are expensive to educate and frequently have mental health needs that interfere with their ability to function effectively in the classroom, as well as within a family setting. Thus, they are at risk for child protection intervention once again due to the early effects of the substances upon their systems.

The following table demonstrates two pieces of the economic cost benefit of this request to the state for the current year. A conservative estimate of 56% (based on prior outcomes measured by DBH/ADAD for the Special Connections program) for success of clients receiving substance use disorder treatment services (residential / outpatient) is used in calculating the economic benefit below.

Economic Cost Benefit Analysis

| Description | Amount |
|---|---------------|
| Approximate number of women who would receive services FY 2008-09 | 338 |
| Average % of normal birth weight babies based on all pregnant women admitted for treatment | 56% |
| Estimated number of normal birth weight babies when the pregnant woman received treatment services | 189 |
| Estimated Savings (avoidable cost of one low birth weight baby as calculated by the Department of Public Health and Environment -2000) per normal birth weight baby | \$6,362 |
| Total Estimated Savings (initial hospitalization cost) \$6,362 x 189 | \$1,205,112 |
| | |
| Average cost per month per child for out-of-home placement (rate provided by the Division of Child Welfare-FY 2006-07) | \$1,910 |
| Cost to provide 4 months of out-of-home placement services per child (\$1,910 x 4) | \$7,640 |
| Total Estimated Savings (out-of-home placement cost) per normal birth weight baby (189 x \$7,640) | \$1,447,195 |
| Total Estimated Savings (Initial hospitalization + out-of home placement) | \$2,652,307 |

| Description | Amount |
|---|-------------|
| Total Appropriation Requested for FY 2008-09 | \$2,039,945 |
| Estimated Cost Benefit Analysis (costs avoided) | \$612,362 |

The cost benefit analysis above does not include costs associated with re-hospitalizations, specialized education or on-going health care through adulthood associated with low birth weight. Timely and relevant studies / reports identifying these cost are not available.

Implementation Schedule:

The implementation schedule is not applicable. The program will continue to function in a normal fashion. This request will eliminate the year end over expenditures of the appropriation.

Statutory and Federal Authority:

State: Sections 25-1-212 thru 25-1-213, 25.5-5-202 (1)(r), 24-75-109 (1)(a), (3) and (4)(a) C.R.S. (2008)
 Federal: HHS 45 CFR Part 96

25-1-212. Legislative declaration - treatment program for high-risk pregnant women - creation.

(1) The general assembly hereby finds and declares that the health and well-being of the women of Colorado is at risk; that such women are at risk of poor birth outcomes or physical and other disabilities due to substance use disorder, which is the abuse of alcohol and drugs, during the prenatal period; that early identification of such high-risk pregnant women and substance use disorder treatment greatly reduce the occurrence of poor birth outcomes; and that the citizens of Colorado will greatly benefit from a program to reduce poor birth outcomes and subsequent problems resulting from such poor birth outcomes in cases involving high-risk pregnant women through the cost savings envisioned by the prevention and early treatment of such problems.

(2) In recognition of such problems, there is hereby created a treatment program for high-risk pregnant women.

25-1-213. Alcohol and drug and addiction counseling and treatment - necessary components.

Any entity that qualifies to provide services pursuant to section 25.5-5-202 (1) (r), C.R.S., in regard to the treatment program for high-risk pregnant women, shall make available, in addition to alcohol and drug and addiction counseling and treatment: Risk assessment services; care coordination; nutrition assessment; psychosocial counseling; intensive health education, including but not limited to parenting education and education on risk factors and appropriate health behaviors; home visits; transportation services; and other services deemed necessary by the division of alcohol and drug abuse of the department of human services and the department of health care policy and financing.

25.5-5-202. Basic services for the categorically needy - optional services - repeal. (1) *Subject to the provisions of subsection (2) of this section, the following are services for which federal financial participation is available and which Colorado has selected to provide as optional services under the medical assistance program: (r) For any pregnant woman who is enrolled for services pursuant to section 25.5-5-205, or who would be eligible for aid to families with dependent children pursuant to rules in effect on July 16, 1996, alcohol and drug and addiction counseling and treatment, including outpatient and residential care but not including room and board while receiving residential care;*

24-75-109 (1). *For the purpose of closing the state's books, and subject to the provisions of this section, the controller may, on or after May 1 of any fiscal year and before the forty-fifth day after the close thereof, upon approval of the governor, allow any department, institution, or agency of the state, including any institution of higher education, to make an expenditure in excess of the amount authorized by an item of appropriation for such fiscal year if:*

(a) The overexpenditure is for medicaid programs;

24-75-109 (3). *For any overexpenditure, whether or not allowed by the controller in accordance with subsection (1) of this section, the controller shall restrict, in an amount equal to said overexpenditure, the corresponding item or items of appropriation that are*

made in the general appropriation act for the fiscal year following the fiscal year for which the overexpenditure that is allowed occurs. For the purposes of determining such corresponding item or items of appropriation, the controller shall consider, in order of importance, the fund from which the overexpenditure was allowed, the department, institution, or agency that was allowed to make the overexpenditure, and the purpose for which the overexpenditure was allowed. The department, institution, or agency shall not be allowed to expend any amount restricted pursuant to this subsection (3) unless such restriction is released in accordance with subsection (4) of this section.

24-75-109 (4)(a). The department, institution, or agency whose appropriation is restricted may request a supplemental appropriation for the fiscal year in which the overexpenditure occurred for the amount of any overexpenditure allowed pursuant to this section. If a supplemental appropriation is enacted for the overexpenditure or some portion thereof, the restriction on the succeeding fiscal year's appropriation shall be released in the amount of the supplemental appropriation enacted.

Performance Measures:

This program supports the Department’s Prevention objective in that it provides for services targeted at preventing premature births and other adverse consequences of substance use disorders during pregnancy.

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|------------------------|---|--------------------------|------------|------------|--|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Alcohol and Drug Abuse | Increase the percentage of clients successfully reducing the frequency of primary drug use between admission and discharge for all clients in outpatient treatment. | Program Benchmark | NA | NA | 82.7% | 85.4% | 88.1 |
| | | Actual | 78.1% | 80.8% | Data not available until November 2008 | | |

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STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | | | |
|--|--|--------------------------------|--|--------------|--------------------------|------------|----------------------------|-------------------------|------------|--------------------------|------------------|-----------------------------|--------------------------|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | | | |
| Decision Item FY 2009-10 | <input checked="" type="checkbox"/> | Base Reduction Item FY 2009-10 | | | <input type="checkbox"/> | | | Supplemental FY 2008-09 | | <input type="checkbox"/> | | Budget Amendment FY 2009-10 | <input type="checkbox"/> |
| Request Title: | DHS - High Risk Pregnant Women Program | | | | | | | | | | | | |
| Department: | Health Care Policy and Financing | | | | Dept. Approval by: | | John Bartholomew <i>JB</i> | | Date: | | October 31, 2008 | | |
| Priority Number: | NP-13 (See also DHS DI-14) | | | | OSPBA Approval: | | <i>John W. [Signature]</i> | | Date: | | 10-21-08 | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| | | Prior-Year | | Supplemental | Total | Base | Decision/ | November 1 | Budget | Total | Change | | |
| | Fund | Actual | Appropriation | Request | Revised | Request | Base | Request | Amendment | Revised | from Base | | |
| | | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | (Column 5) | | |
| | | | | | | | | | | | FY 2010-11 | | |
| Total of All Line Items | Total | 1,505,150 | 1,013,700 | 0 | 1,013,700 | 1,013,700 | 1,026,247 | 2,039,947 | 0 | 2,039,947 | 1,026,247 | | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| | GF | 752,575 | 506,850 | 0 | 506,850 | 506,850 | 513,124 | 1,019,974 | 0 | 1,019,974 | 513,124 | | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | FF | 752,575 | 506,850 | 0 | 506,850 | 506,850 | 513,123 | 1,019,973 | 0 | 1,019,973 | 513,123 | | |
| (6) Department of Human Services Medicaid-Funded Programs; (E) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding, Alcohol and Drug Abuse Division, High Risk Pregnant Women Program | Total | 1,505,150 | 1,013,700 | 0 | 1,013,700 | 1,013,700 | 1,026,247 | 2,039,947 | 0 | 2,039,947 | 1,026,247 | | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| | GF | 752,575 | 506,850 | 0 | 506,850 | 506,850 | 513,124 | 1,019,974 | 0 | 1,019,974 | 513,124 | | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | FF | 752,575 | 506,850 | 0 | 506,850 | 506,850 | 513,123 | 1,019,973 | 0 | 1,019,973 | 513,123 | | |
| Non-Line Item Request: | None | | | | | | | | | | | | |
| Letternote Revised Text: | None | | | | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | FF: Title XIX | | | | | | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | N/A | | | | | | | | | | | | |
| Approval by OIT? | Yes: <input type="checkbox"/> No: <input type="checkbox"/> | | N/A: <input checked="" type="checkbox"/> | | | | | | | | | | |
| Schedule 13s from Affected Departments: | Department of Human Services | | | | | | | | | | | | |

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Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Increase Drug Offender Surcharge Spending Authority
 Department: Human Services Dept. Approval by: *Will [unclear]* Date: 10-16-08
 Priority Number: DI-15 OSPB Approval: *[Signature]* Date: 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | November 1 Request FY 2009-10 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 22,684,553 | 22,942,453 | 0 | 22,942,453 | 22,942,453 | 250,000 | 23,192,453 | 0 | 23,192,453 | 250,000 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 11,167,237 | 11,350,282 | 0 | 11,350,282 | 11,350,282 | 0 | 11,350,282 | 0 | 11,350,282 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 953,107 | 953,518 | 0 | 953,518 | 953,518 | 250,000 | 1,203,518 | 0 | 1,203,518 | 250,000 |
| | CFE/RF | 251,762 | 290,706 | 0 | 290,706 | 290,706 | 0 | 290,706 | 0 | 290,706 | 0 |
| | FF | 10,312,447 | 10,347,947 | 0 | 10,347,947 | 10,347,947 | 0 | 10,347,947 | 0 | 10,347,947 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 11,167,237 | 11,350,282 | 0 | 11,350,282 | 11,350,282 | 0 | 11,350,282 | 0 | 11,350,282 | 0 |
| (8) Mental Health & Alcohol & Drug Abuse Services (D) Alcohol & Drug Abuse Division (2) Community Programs (a) Treatment Services- Treatment & Detoxification Contracts | Total | 22,684,553 | 22,942,453 | 0 | 22,942,453 | 22,942,453 | 250,000 | 23,192,453 | 0 | 23,192,453 | 250,000 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 11,167,237 | 11,350,282 | 0 | 11,350,282 | 11,350,282 | 0 | 11,350,282 | 0 | 11,350,282 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 953,107 | 953,518 | 0 | 953,518 | 953,518 | 250,000 | 1,203,518 | 0 | 1,203,518 | 250,000 |
| | CFE/RF | 251,762 | 290,706 | 0 | 290,706 | 290,706 | 0 | 290,706 | 0 | 290,706 | 0 |
| | FF | 10,312,447 | 10,347,947 | 0 | 10,347,947 | 10,347,947 | 0 | 10,347,947 | 0 | 10,347,947 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 11,167,237 | 11,350,282 | 0 | 11,350,282 | 11,350,282 | 0 | 11,350,282 | 0 | 11,350,282 | 0 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Drug Offender Surcharge Fund COFRS Fund #255
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-15 |
| Change Request Title: | Increase Drug Offender Surcharge Spending Authority |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department requests an additional \$250,000 in Cash Fund spending authority from the Drug Offender Surcharge Fund (DOSF). The Interagency Advisory Committee on Adult and Juvenile Correctional Treatment (IAC-AJCT), the entity responsible for developing the annual DOSF allocation, approved this request for enhancing the availability of offender oriented substance abuse treatment services based on revenue projections for FY 2009-10. The Department will utilize the funds to increase and/or enhance outpatient continuing care treatment services for drug offenders.

Background and Appropriation History:

| Line Item | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 |
|---|---------------|---------------|---------------|--------------|--------------|
| | Appropriation | Appropriation | Appropriation | Request | Request |
| (8) Mental Health & Alcohol & Drug Abuse Services (D) Alcohol & Drug Abuse Division (2) Community Programs (a) Treatment Services-Treatment and Detoxification Contracts | \$22,828,944 | \$22,811,190 | \$22,942,453 | \$23,192,453 | \$23,192,453 |

The Drug Offender Surcharge Fund, created in accordance with Section 18-19-103 (4), C.R.S., (2008), receives 90% of the surcharge assessed to drug offenders who are either convicted or receive a deferred sentence. An offender is any person who is or has been involved with the criminal justice system (probation, diversion, transition, etc.). The purpose of the surcharge is to offset the financial burden on state and local governments from the use of controlled substances.

Surcharge amounts range from \$100 and \$4,500 depending on the class of the offense. All moneys from the DOSF are subject to annual appropriation by the General Assembly. Pursuant to Section 16-11.5-102 (3) (a), the Judicial Department is responsible for submitting a comprehensive plan developed by the IAC-AJCT with their annual budget request.

Four agencies are approved to receive appropriations from the DOSF including the Judicial Department, the Department of Corrections (DOC), the Division of Criminal Justice of the Department of Public Safety, and the Department of Human Services.

The funds are designated for offsetting the costs associated with substance abuse assessment, testing, education and treatment. The funds appropriated to the Department are utilized to provide outpatient continuing care services to offenders in a community-based environment. The Department of Corrections statistics show that approximately 75% of adult offenders entering DOC facilities have substance use disorders. The Bureau of Justice Statistics, in a 1997 survey, estimated that approximately 70 percent of State and 57 percent of Federal prisoners used drugs regularly prior to incarcerationⁱ. Further, a 2002 survey of jails found that 52 percent of incarcerated women and 44 percent of men met the criteria for alcohol or drug dependence.ⁱⁱ

General Description of Request:

The additional funds requested will allow the Department to expand and/or enhance outpatient continuing care treatment services for substance use disorders statewide. Outpatient continuing care services are community-based services that compliment the intensive residential services completed by offenders. Outpatient continuing care services are traditionally under-funded and in most circumstances clients are assessed an

upfront admission fee by the provider to cover unmet cost. These fees can impede admission for services. Studies have shown that “program services are more effective when the intensive residential treatment services are followed by a minimum of five weeks of continuing care services.”ⁱⁱⁱ

Strategies for Self Improvement and Change (SSC) is the curricula that the Department utilizes in providing these continuing care services. SSC is a program of self-improvement and change for the individual who has a past of criminal conduct together with alcohol and other drug use problems. This program is built on a cognitive-behavioral approach. The program is 52 weeks in length and has a comprehensive participant manual, which outlines the goal, objective and activities for each session. The SSC program helps to stimulate positive behavior in the client’s actions by changing how they think, what they believe, and how they feel. The 52-week program is broken out into three phases. Phase I is entitled "Challenge to Change" and is 18 sessions in length. Phase II is entitled, "Commitment to Change" and is 22 sessions in length. Phase III is "Taking Ownership of Change" and is approximately 12 sessions in length. Dr. Kenneth Wanberg and Dr. Harvey Milkman designed the program.

Because offenders pose risks to public safety and are highly likely to re-offend if not provided access to substance abuse treatment, a key issue is to ensure that as many offenders receive services as possible and increasing the DOSF spending authority will provide clients with greater access to outpatient services.

The funding will be allocated through contracts established with the Managed Service Organizations (MSOs) and will optimize the current resource capacity for continuing care services.

Consequences if Not Funded:

The funds requested would remain in the Drug Offender Surcharge fund balance if the request for increased Cash Funds spending authority is not approved. The DOSF would be underutilized and service levels would remain status quo and the majority of clients statewide would continue to be assessed an admission fee for services.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$250,000 | \$0 | \$250,000 | \$0 | \$0 | 0.0 |
| Estimated cost per group \$420 x 595 additional group sessions = approximately \$250,000 | \$250,000 | \$0 | \$250,000 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$250,000 | \$0 | \$250,000 | \$0 | \$0 | 0.0 |
| Estimated cost per group \$420 x 595 additional group sessions = approximately \$250,000 | \$250,000 | \$0 | \$250,000 | \$0 | \$0 | 0.0 |

Cash Funds Projections:

The Judicial Department, Department of Corrections, Division of Criminal Justice (Department of Public Safety) and the Department of Human Services are appropriated monies from the DOS Cash Fund. The table below includes expenditures and ending fund balance for the entire Drug Offender Surcharge Cash Fund.

| Cash Fund Name | Cash Fund Number | FY 2007-08 Expenditures | FY 2007-08 Ending Fund Balance | FY 2008-09 Projected Ending Fund Balance | FY 2009-10 Projected Ending Fund Balance | FY 2010-11 Projected Ending Fund Balance |
|------------------------------|-------------------------|--------------------------------|---------------------------------------|---|---|---|
| Drug Offender Surcharge Fund | 255 | \$5,017,235 | \$2,851,059 | \$3,478,962 | \$3,174,908 | \$2,722,202 |

Assumptions for Calculations:

The average cost per client participating in a session is \$35 based on information provided by the contracted MSOs in FY 2007-08. If funded, the request would fund approximately 7,143 sessions ($\$250,000/\$35=7,143$). The maximum number of clients that can effectively participate in a session is 12 individuals. The estimated cost per group is \$420 ($\$35 \times 12 = \420) based on the average cost per client and the recommended

maximum of 12 individuals in a session or approximately 595 (\$250,000/\$420=595) additional group sessions.

- The estimates for expenditures and end of year cash balances were provided by the Judicial Department.
- The average cost per client per group is based on information provided by the contracted MSOs.
- The average cost per group is based on average cost per client per group multiplied by 12 clients per group.
- The average cost per individual is calculated by taking the 7,143 additional sessions divided by 22 sessions (1 per week x 5.5 months or 22 weeks) which is the average number of sessions completed. This amount equates to 324.68 and is conservatively rounded down to 324.

Impact on Other Government Agencies:

The Department of Human Services is one of four agencies putting forth request for additional spending authority from the DOSF for FY 2009-10. The other three agencies are the Judicial Department, the Department of Corrections (DOC), and the Division of Criminal Justice of the Department of Public Safety. Pursuant to Section 16-11.5-102 (3) (a), the Judicial Department is responsible for submitting a comprehensive plan developed by the IAC-AJCT with their annual budget request. The comprehensive plan would include this request.

Cost Benefit Analysis:

The costs associated with repeat offenders would be minimized by providing clients with greater access to outpatient services which would lower the demand for beds and treatment alternatives at the DOC and reduce the number of individuals who return to the court.

Implementation Schedule:

| Task | Month/Year |
|--|-------------------|
| MSO Contract Amendments / MSO Change Letters Written | May 2009 |
| MSO Contract Amendments or MSO Change Letters Signed | June 2009 |
| MSO Amended Contracts for Services Begin | July 2009 |

Statutory and Federal Authority:

18-19-103 (4), C.R.S., (2008) There is hereby created in the state treasury a drug offender surcharge fund which shall consist of moneys received by the state treasurer pursuant to paragraph (d) of subsection (3) of this section. All interest derived from the deposit and investment of moneys in the fund shall be credited to the fund. Any moneys not appropriated by the general assembly shall remain in the drug offender surcharge fund and shall not be transferred or revert to the general fund of the state at the end of any fiscal year. All moneys in the fund shall be subject to annual appropriation by the general assembly to the judicial department, the department of corrections, the division of criminal justice of the department of public safety, and the department of human services, after consideration of the plan developed pursuant to section 16-11.5-102 (3), C.R.S., to cover the costs associated with substance abuse assessment, testing, education, and treatment.

16-11.5-102 (3) (a), C.R.S., (2008) The executive directors of the department of corrections, department of public safety, department of human services, and the state court administrator shall appoint six members including the directors or designees of the division of adult parole, community corrections and youthful offender system in the department of corrections, division of criminal justice of the department of public safety, the alcohol and drug abuse division in the department of human services, youth corrections within the department of human services, the division of mental health services in the department of human services, and the division of probation services in the judicial department who shall cooperate to develop a plan for the allocation of moneys deposited in the drug offender surcharge fund created pursuant to section 18-19-103 (4), C.R.S., among the judicial department, the department of corrections, the division of criminal justice of the department of public safety, and the department of human services. The plan developed pursuant to this subsection (3) shall be submitted to the general assembly with the judicial department's annual budget request.

18-19-103 (1), (2) and (3), C.R.S. (2008) For offenses committed on and after July 1, 1996, each drug offender who is convicted, or receives a deferred sentence pursuant to section 18-1.3-102, shall be required to pay a surcharge to the clerk of the court in the county in which the conviction occurs or in which the deferred sentence is entered. Such

surcharge shall be in the following amounts: (a) For each class 2 felony of which a person is convicted, four thousand five hundred dollars; (b) For each class 3 felony of which a person is convicted, three thousand dollars; (c) For each class 4 felony of which a person is convicted, one thousand five hundred dollars; (d) For each class 5 felony of which a person is convicted, one thousand one hundred twenty-five dollars; (e) For each class 6 felony of which a person is convicted, seven hundred fifty dollars; (f) For each class 1 misdemeanor of which a person is convicted, six hundred dollars; (g) For each class 2 misdemeanor of which a person is convicted, four hundred fifty dollars; (h) For each class 3 misdemeanor of which a person is convicted, two hundred twenty-five dollars;

(2) Each drug offender convicted of a violation of section 18-18-406 (1), or who receives a deferred sentence pursuant to section 18-1.3-102 for a violation of section 18-18-406 (1), shall be assessed a surcharge of one hundred dollars.

(3) The clerk of the court shall disburse the surcharge required by subsection (1) of this section as follows: (a) Five percent shall be retained by the clerk for purposes of administering the disbursement of the surcharge pursuant to this subsection (3). (b) Four percent shall be disbursed to the investigating agency to cover the costs of fingerprinting and photographing offenders pursuant to section 16-21-104 (1), C.R.S. (c) One percent shall be disbursed to the sheriff of the county in which the conviction or deferred sentence is entered, to cover the costs of fingerprinting and photographing offenders pursuant to section 18-18-432 (3). (d) Ninety percent shall be disbursed to the state treasurer who shall credit the same to the drug offender surcharge fund created pursuant to subsection (4) of this section.

Performance Measures:

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|------------------------|---|--------------------------|------------|------------|--|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Alcohol and Drug Abuse | Increase the percentage of clients successfully reducing the frequency of primary drug use between admission and discharge for all clients in outpatient treatment. | Program Benchmark | NA | NA | 82.7% | 85.4% | 88.1 |
| | | Actual | 78.1% | 80.8% | Data not available until November 2008 | | |

ⁱ National Institute on Drug Abuse. Principles of Drug Abuse Treatment for Criminal Justice Populations-Research-Based Guide, NIH Publication No. 06-5316, July 2006.

ⁱⁱ National Institute on Drug Abuse. Principles of Drug Abuse Treatment for Criminal Justice Populations-Research-Based Guide, (Karberg & James, 2005), NIH Publication No. 06-5316, July 2006.

ⁱⁱⁱ O’Keefe, Klebe, Fischer & Roebken, 2003

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Increase in Administrative Review FTE
 Department: Human Services Dept. Approval by: *Wiff Karp* Date: *10-10-08*
 Priority Number: DI-16 OSPB Approval: *John Z* Date: *10-15-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 3,676,597 | 4,751,619 | 0 | 4,751,619 | 4,841,610 | 0 | 4,841,610 | 0 | 4,841,610 | 0 |
| | FTE | 0.0 | 22.2 | 0.0 | 22.2 | 22.2 | 6.6 | 28.8 | 0.0 | 28.8 | 6.6 |
| | GF | 1,209,456 | 1,196,849 | 0 | 1,196,849 | 1,257,143 | 0 | 1,257,143 | 0 | 1,257,143 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 1,710,316 | 2,800,000 | 0 | 2,800,000 | 2,800,000 | (459,113) | 2,340,887 | 0 | 2,340,887 | (429,836) |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 756,825 | 754,770 | 0 | 754,770 | 784,467 | 459,113 | 1,243,580 | 0 | 1,243,580 | 429,836 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 1,209,456 | 1,196,849 | 0 | 1,196,849 | 1,257,143 | 0 | 1,257,143 | 0 | 1,257,143 | 0 |
| (1)Executive Director's Office (B) Special Purpose, Administrative Review Unit | Total | 1,966,281 | 1,951,619 | 0 | 1,951,619 | 2,041,610 | 459,113 | 2,500,723 | 0 | 2,500,723 | 429,836 |
| | FTE | 0.0 | 22.2 | 0.0 | 22.2 | 22.2 | 6.6 | 28.8 | 0.0 | 28.8 | 6.6 |
| | GF | 1,209,456 | 1,196,849 | 0 | 1,196,849 | 1,257,143 | 0 | 1,257,143 | 0 | 1,257,143 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 756,825 | 754,770 | 0 | 754,770 | 784,467 | 459,113 | 1,243,580 | 0 | 1,243,580 | 429,836 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 1,209,456 | 1,196,849 | 0 | 1,196,849 | 1,257,143 | 0 | 1,257,143 | 0 | 1,257,143 | 0 |
| (5) Division of Child Welfare, Excess Federal Title IV-E Reimbursements | Total | 1,710,316 | 2,800,000 | 0 | 2,800,000 | 2,800,000 | (459,113) | 2,340,887 | 0 | 2,340,887 | (429,836) |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 1,710,316 | 2,800,000 | 0 | 2,800,000 | 2,800,000 | (459,113) | 2,340,887 | 0 | 2,340,887 | (429,836) |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Increase in Administrative Review FTE
 Department: Human Services Dept. Approval by: Date:
 Priority Number: DI-16 OSPB Approval: Date:

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Federal Fund: Title IV-E; Cash Fund: Excess Federal Title IV-E Reimbursement
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 09-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---------------------------------------|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-16 |
| Change Request Title: | Increase in Administrative Review FTE |

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This Decision Item is for 6.6 FTE and \$459,113 from the Excess Federal Title IV-E Reimbursements long bill line item for funding to increase the Administrative Review Division's (ARD) staff in order to meet the requirements of Section 422 of the Social Security Act and the Adoption and Foster Care Analysis Reporting System (AFCARS) by providing timely 6-month periodic reviews of all children in foster care and avoiding Federal Fiscal Sanctions due to non-compliance.

Background and Appropriation History:

In 1991, the Administrative Review process was established due to the State's failure to correct non-compliance issues and the federal fiscal sanctions that were going to be imposed. As a result, the Division was created and approved by the legislature to meet the federal mandates requiring states to have a comprehensive, statewide system for assessing all Colorado children placed out of their own homes.

The term "Administrative Review" as defined in federal and state law, means a review open to the participation of the parents of the child, the foster care provider, and youth (if age appropriate) that is conducted by a panel of appropriate persons at least one of whom is not responsible for the case management, or the delivery of services to, either that child

or the parents who are the subject of the review. (19-1-103 C.R.S. (2008)) This review provides a third-party objective view of the case. It also allows for case specific training and technical assistance as the findings are discussed with the caseworker/client manager at the end of each review.

The administrative review consists of reading a case file read and facilitating a one-hour long face-to-face review with those involved with the case. This would include the caseworker or client manager, parent/guardian(s), youth, foster care provider, Guardian ad Litem (GAL), and anyone else the caseworker or client manager deems appropriate in their relationship to the case. Colorado's process also incorporates a Quality Assurance (QA) process with data collection, needs and strength identification, written findings and case specific data reports. These are provided daily for each completed Administrative Review. Aggregate reports are then distributed to county and program managers, judicial and other stakeholders for their use in policy development and program evaluation. This data is also used to research statewide trends in Child Welfare and identify strengths and weaknesses in the service delivery system.

The statewide data collected from the ARD reviews was also used for measuring Colorado's compliance with the Performance Improvement Plan (PIP) negotiated with the Federal Regional Office to address areas of non-conformity and areas needing improvement, which were found during the Child and Family Services Review (CFSR) of 2002.

The final report dated August 2002 on the Colorado Child and Family Services Review (CFSR) issued by the U.S. Department of Health and Human Services, Administration for Children and Families, and the Children's Bureau found Colorado to be compliant with most of the Items listed under the outcomes of Safety, Permanency and Well-Being and six of the seven Systemic Factors. The Case Review System was the only systemic factor to be an "Area Needing Improvement". At that time, only two of the five items under the Systemic Factor of Case Review were found to be strengths. These two items found to be strengths were directly related to the ARD Reviews. The other three items were areas needing improvement. These items were related to the Case Plan being developed jointly with the child's parents with regard to timely Permanency Hearings

conducted by the courts and a process for termination of parental rights. In order to be found in compliance on any Systemic Factor, the number of Items listed as strengths must be larger than those needing improvement.

At that time FY 2002, the unit was staffed with 19.0 FTE Compliance Investigators, who completed 11,902 reviews, was able to maintain compliance with the federal regulation of timely periodic reviews and was successful in meeting the legislative mandate.

In FY 2003, the Division incurred its first budget reduction of 2.0 FTE that provided supportive functions. During this period the Division maintained federal compliance.

In FY 2004, ARD received additional reductions resulting in the loss of 7.0 FTE Compliance Investigators and an additional 2.0 FTE that provided supportive functions. The Division reorganized and implemented several changes including the Joint Budget Committee staff recommendations. Some of the changes that were made are as follows:

1. Restructured reviews allowing only for questions that were required by federal regulations and eliminating duplication of data collected through other sources i.e. Trails. This decreased that amount of time required to conduct the review.
2. Decreased on-site county audits from every year to once every 4 years
3. Eliminated client satisfaction surveys
4. Eliminated training and technical assistances for the counties
5. Reduced the staff consistency training for review and updates of changes in child welfare rules/agency letters/procedure from three-days to two days.

In FY 2006, the Division received \$120,000 to provide funding for contractors to assist in reducing the number of late reviews. ARD reduced the number of late reviews by 1,410. However, the Division remained out of compliance.

The FY 2006-07 appropriation recommended for ARD was \$1,869,984 and 22.2 FTE. The JBC recommended General Fund of \$1,143,089 and \$730,549 in Federal Title IV-E funding. Although calculating a need for 4.2 FTE, the JBC staff only recommended and approved 2.2 FTE. (See page 45 of the FY 2006-07 Staff Figure Setting.) The staff

recommended that 1.0 FTE could supervise the unit of 22 FTE, so the committee asked that the department reclassify two supervisory positions to reviewer positions. As a result, one supervisory position was reallocated to a reviewer FTE. They did recommend two additional vehicles for 4-month leases in FY 07 and then for 12 months in FY 2008.

26-1-111 C.R.S. (2008)

(II) (A) For the fiscal year beginning July 1, 1991, the state department shall pay to each county an amount equal to all federal revenues earned by the state pursuant to Title IV-E of the federal "Social Security Act", as amended, which exceed the amount necessary to fully fund program, training, and administrative costs that are reimbursed under Title IV-E for eligible services for the fiscal year beginning July 1, 1990, plus an amount necessary to fully fund the state foster care review program for the fiscal year beginning July 1, 1991.

(B) For each fiscal year after the fiscal year beginning July 1, 1991, the amount set aside from federal revenues earned by the state in accordance with sub-subparagraph (A) of this subparagraph (II) to fully fund Title IV-E eligible services and the costs of the administrative review unit shall be adjusted annually by the general assembly to reflect rate changes, workload, federal financial participation, and any other factor determined as necessary to maintain a comparable level of said services and costs as for the respective fiscal years described in sub-subparagraph (A) of this subparagraph (II).

General Description of Request:

This Decision Item is for 6.6 FTE to increase the Administrative Review Division’s (ARD) total Compliance Investigator II FTE staffing in order to meet the requirements of Section 422 of the Social Security Act and AFCARS by providing timely 6-month periodic reviews of all children in foster care through Child Welfare and the Division of Youth Corrections, while monitoring for safety, permanency, and well-being of Colorado’s children. The ability to decrease late reviews is directly tied to the number of Compliance Investigator II positions allocated, which determines the number of children that can be reviewed each month.

| Timeliness of Out of Home Reviews FY 2006 (Considering those children in care 7 months or longer and those who were reviewed early) | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 1 st Quarter FY 2006 | 2 nd Quarter FY 2006 | 3 rd Quarter FY 2006 | 4 th Quarter FY 2006 |
| Percent of Reviews Timely | 62.2 | 60.6 | 60.9 | 62.7 |
| Percent of Reviews Late | 37.8 | 39.4 | 39.1 | 37.3 |
| Universe of Eligible Reviews (n) | 7006 | 7041 | 7003 | 7304 |

Cumulative FY 2006 38.4%

| Timeliness of Out of Home Reviews FY 2007 (Considering those children in care 7 months or longer and those who were reviewed early) | | | | | | | | |
|--|-------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | 1 st Quarter | | 2 nd Quarter | | 3 rd Quarter | | 4 th Quarter | |
| | n | % | n | % | n | % | n | % |
| Number of Reviews Timely | 4366 | 62.18% | 3833 | 54.61% | 3390 | 48.32% | 3650 | 52.72% |
| Number of Reviews Late | 2655 | 37.82% | 3186 | 45.39% | 3625 | 51.68% | 3274 | 47.28% |
| Universe of Eligible Reviews | 7021 | 100% | 7019 | 100% | 7015 | 100% | 6924 | 100% |

Cumulative FY 2007 = 45.54%

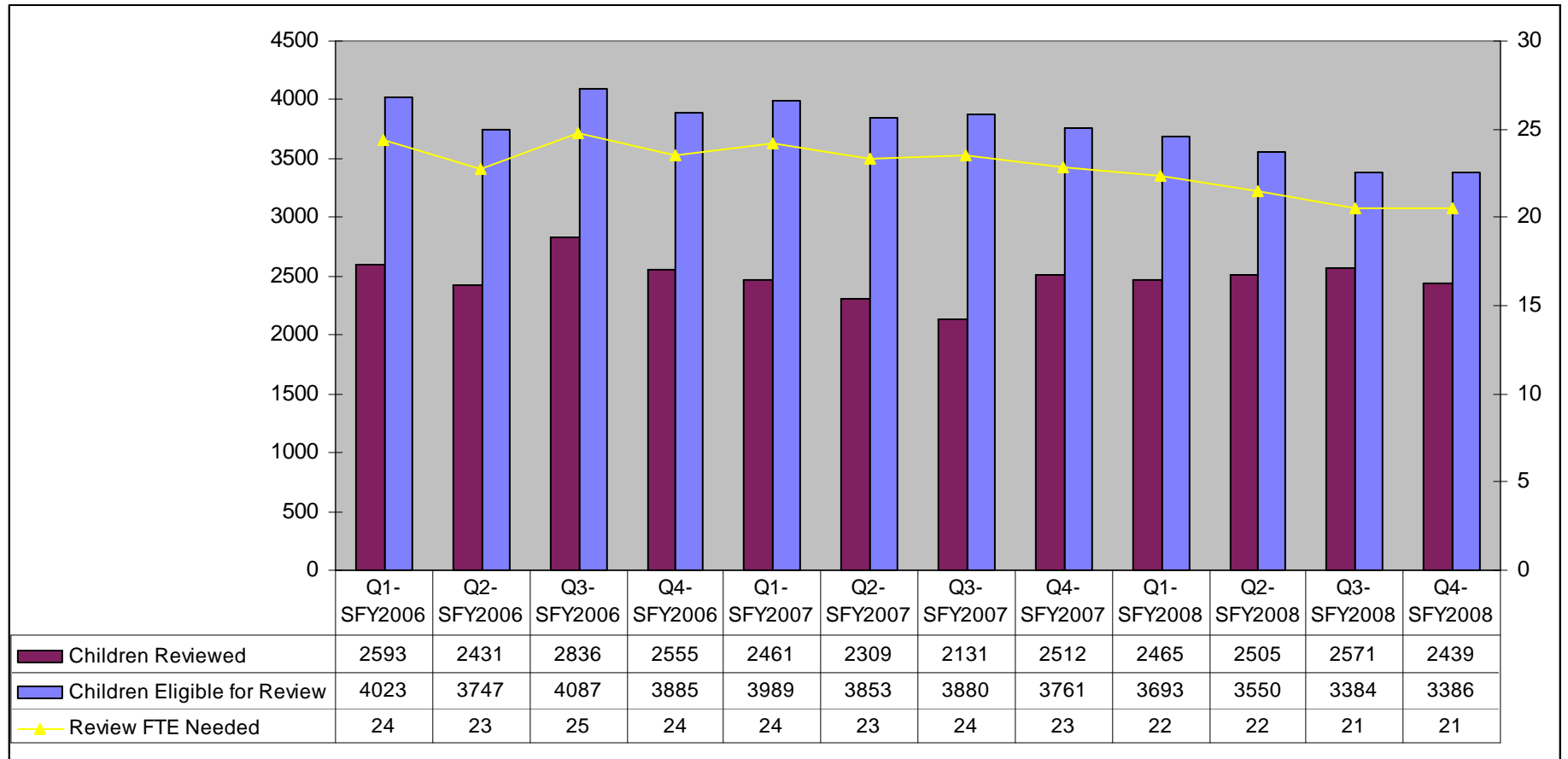
| Timeliness of Out of Home Reviews FY 2008 (Considering those children in care 7 months or longer and those who were reviewed early) | | | | | | | | |
|--|-------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|---|
| | 1 st Quarter | | 2 nd Quarter | | 3 rd Quarter | | 4 th Quarter | |
| | n | % | n | % | n | % | n | % |
| Number of Reviews Timely | 3836 | 56.33% | 4066 | 60.99% | 4257 | 65.04% | *NA | |
| Number of Reviews Late | 2974 | 43.67% | 2601 | 39.01% | 2288 | 34.96% | | |
| Universe of Eligible Reviews | 6810 | 100% | 6667 | 100% | 6545 | 100% | | |

Cumulative FY 2008 as of end of 3rd Quarter 39.21%

*Data will be inserted when available.

| Number of Children Due for Review Each Month Based on LOS in OOH | | | | | | | | | | | | | |
|--|--------|--------|---------|--------|--------|--------|-------|--------|--------|----------------------|-------------------|----------------------------|-------------------|
| | Jul 07 | Aug-07 | Sept-07 | Oct-07 | Nov-07 | Dec-07 | Jan08 | Feb-08 | Mar-08 | Total Reviews Needed | Average per Month | Avg. Reviews per mo by FTE | Review FTE Needed |
| SSA | 1114 | 1370 | 1218 | 1231 | 1199 | 1129 | 1074 | 1222 | 1139 | 10696 | 1188.44 | 55 | 21.6 |
| Kids | 9395 | 9284 | 9136 | 9122 | 8945 | 8787 | 8721 | 8607 | 8529 | | | | |
| Removals | 10187 | 9970 | 9764 | 9678 | 9394 | 9090 | 8981 | 8794 | 8664 | | | | |

Historical Review Numbers/Population/FTE Need



Although the out-of-home population has shown a decline over the past two years, it is expected that the out-of-home population will increase due to the fatality review and increase in assessments.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Cash Funds Exempt | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|--|--------------------|-------------------------|-------------------|------------------------------|--------------------------|--------------------------------|---------------------------------------|-----------------------------|------------|
| Total Request | \$0 | \$0 | (\$459,113) | \$0 | \$459,113 | \$0 | \$0 | \$0 | 6.6 |
| Admin Review Unit | \$459,113 | \$0 | \$0 | \$0 | \$459,113 | \$0 | \$0 | \$0 | 6.6 |
| Excess Federal Title IV- E Reimbursements | (\$459,113) | \$0 | (\$459,113) | \$0 | 0 | \$0 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|--|--------------------|-------------------------|-------------------|----------------------------|--------------------------|--------------------------------|---------------------------------------|-----------------------------|------------|
| Total Request | \$0 | \$0 | (\$429,836) | \$0 | \$429,836 | \$0 | \$0 | \$0 | 6.6 |
| Admin Review Unit | \$429,836 | \$0 | \$0 | \$0 | \$429,836 | \$0 | \$0 | \$0 | 6.6 |
| Excess Federal Title IV- E Reimbursements | (\$429,836) | \$0 | (\$429,836) | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

Assumptions for Calculations:

| FTE and Operating Costs | | | | | | | |
|---|----------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | | | | | | |
| Number of PERSONS / class title | | 5.6 | 5.6 | 1.0 | 1.0 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | 12 | 12 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 ¹ | | 12 | 12 | 12 | 12 | | |
| Calculated FTE per classification | | 5.6 | 5.6 | 1.0 | 1.0 | 6.6 | 6.6 |
| Annual base salary | | \$56,796 | \$56,796 | \$56,796 | \$56,796 | | |
| Salary | | \$318,058 | \$318,058 | \$56,796 | \$56,796 | \$374,854 | \$374,854 |
| PERA | 10.15% | \$32,283 | \$32,283 | \$5,765 | \$5,765 | \$38,048 | \$38,048 |
| Medicare | 1.45% | \$4,612 | \$4,612 | \$824 | \$824 | \$5,436 | \$5,436 |
| Subtotal Personal Services at Division Level | | \$354,953 | \$354,953 | \$63,385 | \$63,385 | \$418,338 | \$418,338 |
| OPERATING EXPENSES | | | | | | | |
| Supplies @ \$500/\$500 ² | \$500 | \$2,800 | \$2,800 | \$500 | \$500 | \$3,300 | \$3,300 |
| Computer @ \$900/\$0 | \$900 | \$5,040 | \$0 | \$900 | \$900 | \$5,940 | \$900 |
| Office Suite Software @ \$330/\$0 | \$330 | \$1,848 | \$0 | \$330 | \$330 | \$2,178 | \$330 |
| Office Equipment @ \$3,998/\$0 (includes cubicle and chair) | \$3,998 | \$22,389 | \$0 | \$3,998 | \$3,998 | \$26,387 | \$3,998 |
| Telephone Base @ \$450/\$450 ² | \$450 | \$2,520 | \$2,520 | \$450 | \$450 | \$2,970 | \$2,970 |
| Subtotal Operating Expenses | | \$34,597 | \$5,320 | \$6,178 | \$6,178 | \$40,775 | \$11,498 |
| GRAND TOTAL ALL COSTS | | \$389,550 | \$360,273 | \$69,563 | \$69,563 | \$459,113 | \$429,836 |

Impact on Other Government Agencies: None

Cost Benefit Analysis:

The cost benefit analysis shows a full annual net benefit of providing the requested FTE vs. incurring the federal penalties of non-compliance in regards to AFCARS and Social Security Act. This net benefit is the difference between the amount of the cost associated with the FTE (\$437,423) and the cost for the fiscal penalties.

| Cost to State | Year | Benefit to State | Net Benefit (Cost) | Comments |
|---------------|------|------------------|--------------------|--------------------------------|
| \$437,423 | 1 | \$693,510. | \$256,087 | Positive net benefit. |
| \$513,081 | 2 | \$693,510+ | \$180,429+ | Sanctions continue to increase |

| IV-B | Total | Subpart 2 | Subpart 1 | Caseworker Contacts |
|-------------------|---------------------|-------------|-------------|---------------------|
| FFY08 | \$7,328,989 | \$3,308,202 | \$3,970,916 | \$49,871 |
| FFY07 | \$7,877,050 | \$3,448,038 | \$4,048,736 | \$380,276 |
| FFY06 | \$7,279,114 | \$3,308,202 | \$3,970,912 | \$0 |
| FFY05 | \$7,340,362 | \$3,329,769 | \$4,010,593 | \$0 |
| FFY04 | \$7,203,564 | \$3,184,015 | \$4,019,549 | \$0 |
| FFY03 | \$7,244,740 | \$3,329,794 | \$3,914,946 | \$0 |
| Total IV-B | \$44,273,819 | | | |

| IV-E FC Admin | FY07 | 10% |
|----------------------------|-----------------------|----------------------|
| FFY08 (estimated) | \$ 45,783,452 | |
| FFY07 (actual) | \$ 45,783,452 | |
| FFY06 (actual) | \$ 44,025,017 | |
| FFY05 (actual) | \$ 39,986,843 | |
| FFY04 (actual) | \$ 37,376,177 | |
| FFY03 (actual) | \$ 37,816,955 | |
| Total IV-E FC Admin | \$ 250,771,896 | \$ 25,077,190 |

POOL TOTAL: \$69,351,009

PENALTY PER ELEMENT: \$693,510 (Assuming Penalties For FFY03 Thru FFY08)

| Task | Month/Year |
|--|-------------------|
| FTE Hired | October 2009 |
| FTE Fully Trained for Full Review Schedule | April 2010 |
| System Modifications Made | On-Going |
| Start-Up Date | October 2009 |

Statutory and Federal Authority

Title 26-1-111 (2)(d)(II)(A), (Title 19 Sections 19-1-103 (5), 19-1-108 (4)(d), 19-1-115 (4) (c), 19-2-906.5(2)(a), 19-2-906.5 (3)(a), 19-2-921(5)(a), 19-3-502 (3)(c), 19-3-702 (6)(a), 19-3-702 (8)(a)

Section 475 (5) and (6) of the Social Security Act (42 U.S.C. 675), Section 422 (10) of the Social Security Act (42 U.S. C. 622)

45 C.F.R 1355.34(c)(2)(2001). Section 471 (a) (22), 5 C.F.R 1355.34(c)(3)(2001), Section 471 [42 U.S.C. 671], Public Law 107-273

- Section 475 (5) and (6) of the Social Security Act (42 U.S.C. 675), defines “Case Review System” and the requirements of a case review system. This section also defines “administrative review”.
- Section 422 (8)(ii) of the Social Security Act (42 U.S. C. 622) 45 C.F.R 1355.34(c)(2)(2001). The Federal Rule Interpretation outlines the requirements of a Case Review System.
- 471 (a) (22) provides that, not later than January 1, 1999, the State shall develop and implement standards to ensure that children in foster care placements are provided quality services that protect the safety and health of the children.
 - 45 C.F.R 1355.34(c)(3)(2001). The Federal rule and interpretation, outlines the requirements of an identifiable quality assurance system.
 - Section 471 (42 U.S.C. 671). State Plan for Foster Care and Adoption Assistance. In order for a State to be eligible for payment under this part, it shall have a plan approved by the Secretary which provides for the development of a case plan (as defined in section 475(1)) for each child receiving foster care maintenance payments under the State plan and provides for a case review system which meets the requirements described in section 475(5)(B) with respect to each such child;
 - P.L. 107-273. A 2002 Department of Justice authorization act. States receiving juvenile justice funds must provide assurances that juvenile offenders whose placements are financed using federal funds through the Title IV-E Foster Care program receive all the protections included for children in the foster care system, including a case plan and a case plan review.

Performance Measures:

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|--|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Estimate | Projected |
| Administrative Review | Increase the average daily number of quality assurance reviews from eight to twelve to maintain compliance with federal mandates for an identifiable statewide Quality Assurance System. | 10.83 | 10 | 10 | 12 | 12 |

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|--|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Estimate | Projected |
| Administrative Review | Increase the average number of monthly case/administrative reviews completed per FTE to maintain compliance with federal mandates for timely six-month periodic reviews of all children/youth in out-of-home placements. | 56.40 | 53 | 57 | 55 | 55 |

| Program | Workload Indicator | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|-----------------------|---|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Estimate | Projected |
| Administrative Review | Decrease the percent of late 6-month periodic reviews in order to meet Federal Requirements | 38.4% | 45.54% | 39.2% | 38% | 38% |

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Inflationary Increase for DHS Residential Programs
 Department: Human Services Dept. Approval by: *Wiegand* Date: *10-16-08*
 Priority Number: DI-17 OSPB Approval: *JMZ* Date: *10-19-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 115,549,464 | 109,012,107 | 0 | 109,012,107 | 113,382,463 | 561,152 | 113,943,615 | 0 | 113,943,615 | 561,152 |
| | FTE | 1214.9 | 1274.6 | 0.0 | 1274.6 | 1292.2 | 0.0 | 1292.2 | 0.0 | 1292.2 | 0.0 |
| | GF | 90,017,294 | 82,744,968 | 0 | 82,744,968 | 86,911,535 | 467,603 | 87,379,138 | 0 | 87,379,138 | 467,603 |
| | CF | 3,543,805 | 10,741,590 | 0 | 10,741,590 | 10,741,590 | 0 | 10,741,590 | 0 | 10,741,590 | 0 |
| | CFE/RF | 20,225,918 | 15,525,549 | 0 | 15,525,549 | 15,729,338 | 93,549 | 15,822,887 | 0 | 15,822,887 | 93,549 |
| | FF | 1,762,447 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 7,217,910 | 7,793,393 | 0 | 7,793,393 | 7,997,182 | 87,872 | 8,085,054 | 0 | 8,085,054 | 87,872 |
| | MGF | 3,608,954 | 3,896,696 | 0 | 2,621,614 | 3,998,590 | 43,936 | 4,042,526 | 0 | 4,042,526 | 43,936 |
| | NGF | 93,626,248 | 86,641,664 | 0 | 85,366,582 | 90,910,125 | 511,539 | 91,421,664 | 0 | 91,421,664 | 511,539 |
| (3) Office of Operations, Utilities | Total | 7,932,033 | 7,569,799 | 0 | 7,569,799 | 7,569,799 | 113,547 | 7,683,346 | 0 | 7,683,346 | 113,547 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 6,612,995 | 5,660,289 | 0 | 5,660,289 | 5,660,289 | 85,160 | 5,745,449 | 0 | 5,745,449 | 85,160 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 1,319,038 | 1,909,510 | 0 | 1,909,510 | 1,909,510 | 28,387 | 1,937,897 | 0 | 1,937,897 | 28,387 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 961,031 | 1,538,491 | 0 | 1,538,491 | 1,538,491 | 22,710 | 1,561,201 | 0 | 1,561,201 | 22,710 |
| | MGF | 480,515 | 769,245 | 0 | 769,245 | 769,245 | 11,355 | 780,600 | 0 | 780,600 | 11,355 |
| | NGF | 7,093,510 | 6,429,534 | 0 | 6,429,534 | 6,429,534 | 96,515 | 6,526,049 | 0 | 6,526,049 | 96,515 |
| (8) Mental Health and Alcohol and Drug Abuse Services (C) Mental Health Institutes, Mental Health Institutes | Total | 100,692,278 | 94,767,339 | 0 | 94,767,339 | 98,911,403 | 192,181 | 99,103,584 | 0 | 99,103,584 | 192,181 |
| | FTE | 1,201.1 | 1,259.6 | 0.0 | 1,259.6 | 1,277.2 | 0.0 | 1,277.2 | 0.0 | 1,277.2 | 0.0 |
| | GF | 81,017,984 | 74,879,355 | 0 | 74,879,355 | 79,023,419 | 192,181 | 79,215,600 | 0 | 79,215,600 | 192,181 |
| | CF | 3,404,184 | 10,477,550 | 0 | 10,477,550 | 10,477,550 | 0 | 10,477,550 | 0 | 10,477,550 | 0 |
| | CFE/RF | 16,270,110 | 9,410,434 | 0 | 9,410,434 | 9,410,434 | 0 | 9,410,434 | 0 | 9,410,434 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 3,929,882 | 3,704,738 | 0 | 3,704,738 | 3,704,738 | 0 | 3,704,738 | 0 | 3,704,738 | 0 |
| | MGF | 1,964,941 | 1,852,369 | 0 | 1,852,369 | 1,852,369 | 0 | 1,852,369 | 0 | 1,852,369 | 0 |
| | NGF | 82,982,925 | 76,731,724 | 0 | 76,731,724 | 80,875,788 | 192,181 | 81,067,969 | 0 | 81,067,969 | 192,181 |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Inflationary Increase for DHS Residential Programs
Department: Human Services **Dept. Approval by:**
Priority Number: DI-17 **OSPB Approval:** **Date:**

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| (8) Mental Health & Alcohol & Drug Abuse Services (C) Mental Health Institutes, Educational Programs | Total | 1,112,306 | 713,371 | 0 | 713,371 | 735,874 | 26,083 | 761,957 | 0 | 761,957 | 26,083 |
| | FTE | 13.8 | 15.0 | 0.0 | 15.0 | 15.0 | 0.0 | 15.0 | 0.0 | 15.0 | 0.0 |
| | GF | 308,224 | 124,090 | 0 | 124,090 | 146,593 | 26,083 | 172,676 | 0 | 172,676 | 26,083 |
| | CF | 139,621 | 264,040 | 0 | 264,040 | 264,040 | 0 | 264,040 | 0 | 264,040 | 0 |
| | CFE/RF | 309,773 | 325,241 | 0 | 325,241 | 325,241 | 0 | 325,241 | 0 | 325,241 | 0 |
| | FF | 354,688 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 308,224 | 124,090 | 0 | 124,090 | 146,593 | 26,083 | 172,676 | 0 | 172,676 | 26,083 |
| (9) Services for People with Disabilities (B) Regional Centers for People with Developmental Disabilities (1) Medicaid Funded Services, Operating Expenses | Total | 2,326,997 | 2,550,164 | 0 | 2,550,164 | 2,753,953 | 65,162 | 2,819,115 | 0 | 2,819,115 | 65,162 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 2,326,997 | 2,550,164 | 0 | 2,550,164 | 2,753,953 | 65,162 | 2,819,115 | 0 | 2,819,115 | 65,162 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 2,326,997 | 2,550,164 | 0 | 2,550,164 | 2,753,953 | 65,162 | 2,819,115 | 0 | 2,819,115 | 65,162 |
| | MGF | 1,163,498 | 1,275,082 | 0 | 0 | 1,376,976 | 32,581 | 1,409,557 | 0 | 1,409,557 | 32,581 |
| NGF | 1,163,498 | 1,275,082 | 0 | 0 | 1,376,976 | 32,581 | 1,409,557 | 0 | 1,409,557 | 32,581 | |
| (11) Division of Youth Correction (B) Institutional Programs, Operating Expenses | Total | 3,485,850 | 3,411,434 | 0 | 3,411,434 | 3,411,434 | 164,179 | 3,575,613 | 0 | 3,575,613 | 164,179 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 2,078,091 | 2,081,234 | 0 | 2,081,234 | 2,081,234 | 164,179 | 2,245,413 | 0 | 2,245,413 | 164,179 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 1,330,200 | 0 | 1,330,200 | 1,330,200 | 0 | 1,330,200 | 0 | 1,330,200 | 0 |
| | FF | 1,407,759 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NGF | 2,078,091 | 2,081,234 | 0 | 2,081,234 | 2,081,234 | 164,179 | 2,245,413 | 0 | 2,245,413 | 164,179 | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Inflationary Increase for DHS Residential Programs
 Department: Human Services Dept. Approval by: Date:
 Priority Number: DI-17 OSPB Approval: Date:

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number:
 Reappropriated Funds Source, by Department and Line Item Name: Medicaid, Department of Health Care Policy and Financing,
 (6) Department of Human Services Medicaid-Funded Programs, (C) Office of Operations -Medicaid Funding
 (6) Department of Human Services Medicaid-Funded Programs, (E) Mental Health and Drug Abuse Services - Medicaid Funding - Mental Health Institutes
 (6) Department of Human Services Medicaid-Funded Programs, (F) Services for People with Disabilities - Medicaid Funding - Regional Centers
 (6) Department of Human Services Medicaid-Funded Programs, (H) Division of Youth Corrections - Medicaid Funding

Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Health Care Policy and Financing, Department of Corrections

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Human Services |
| Priority Number: | DI-17 |
| Change Request Title: | Food and Utilities Inflationary Increase for Residential Programs |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

Additional operating funds of \$561,152 (\$511,539 NGF) are requested for FY 2009-10 to address the high food and utilities inflation rates that impact the operating budgets of the Department of Human Services residential programs – the Mental Health Institutes, Regional Centers for the Developmentally Disabled, and the Division of Youth Corrections. The request includes a 1.5% increase or \$113,547 (\$96,515 NGF) in the utilities appropriation to assist the department in covering the inflationary increases of electric, natural gas, water and sewerage, and coal. The request also includes an 8.5% or \$447,605 (\$415,024 NGF) in various appropriations that incur food costs as part of the operations of a residential program.

Background and Appropriation History:

All utility expenditures for the Department of Human Services residential facilities are appropriated in the Office of Operations. The Department’s cost of utilities averaged a 6% per year increase during the last five years. Even with aggressive energy management programs, the rising utility rates outpaced the Department’s savings in commodities.

The increasing cost of food and utilities directly impacts the areas of the Department operating residential programs. The areas of primary impact are listed below:

- ❑ The Division of Youth Corrections (Youth Correction Facilities)
- ❑ The Colorado Mental Health Institutes (Pueblo and Ft. Logan Campuses)
- ❑ Regional Centers (Pueblo, Wheat Ridge, & Grand Junction)

Each of these areas provides 24-hour care for their respective populations. These areas have experienced significant increases related to food costs over the past few years. In general the populations of the respective residential programs have not changed a great deal during recent years and therefore the majority of the increase in costs has been inflationary in nature.

- ❑ The Division of Youth Corrections has seen actual food expenditures rise an average of 8.7% from FY 2004-05 to FY 2007-08.
- ❑ The Colorado Mental Health Institutes (Pueblo and Ft. Logan Campuses) has experienced an increase in food expenditures of almost 10.5% per year from FY 2004-05 to FY 2007-08.
- ❑ The Regional Centers (Pueblo, Wheat Ridge, & Grand Junction) food actual food costs have increase an average of 4.8% per year from FY 2004-05 to FY 2007-08. Aggressive programs in warehouse buying by each Regional Center through centralized purchasing and meal planning have helped control costs, but inflationary pressures have been higher for the past year.

The Department is requesting an 8.5% food inflationary increase in FY 2009-10.

General Description of Request:

This request is for a 1.5% inflationary increase or \$113,547 (\$96,515 NGF) in the FY 2009-10 utilities appropriation to cover inflationary increases experienced over the last three years. Even with our aggressive energy management programs, rising utility rates outpaced the Department's savings in commodities. The Department has experienced an

11% increase in utilities over the past three years. However, the Department is conservatively requesting a 1.5% increase at this time.

In addition, the Department is conservatively requesting a 8.5% (\$415,024 NGF) food inflationary increase in FY 2009-10. The 8.5% requested increase represents a general estimate of the inflationary impact on food costs for the request year. The 8.5% requested increase is consistent with the actual expenditure data from FY 2005-05 through FY 2007-08.

Consequences if Not Funded:

If the inflationary increases are not funded, the increases in food and utility costs will need to be covered within the existing budget. It is possible that if the existing budget is not sufficient to cover these increasing costs, specific appropriations may overspend if no increase is provided.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Fund | Net General Fund | FTE |
|--------------------------------------|--------------------|---------------------|-------------------|-----------------------------|----------------------|----------------------------|------------------------------|-------------------------|------------|
| Total Request | \$561,152 | \$467,603 | \$0 | \$93,549 | \$0 | \$87,872 | \$43,936 | \$511,539 | 0.0 |
| Office of Operations, Utilities | \$113,547 | \$85,160 | \$0 | \$28,387 | \$0 | \$22,710 | \$11,355 | \$96,515 | 0.0 |
| Mental Health Institutes | \$192,181 | \$192,181 | \$0 | \$0 | \$0 | \$0 | \$0 | \$192,181 | 0.0 |
| Mental Health Services | \$26,083 | \$26,083 | \$0 | \$0 | \$0 | \$0 | \$0 | \$26,083 | 0.0 |
| Regional Centers | \$65,162 | \$0 | \$0 | \$65,162 | \$0 | \$65,162 | \$32,581 | \$32,581 | 0.0 |
| Youth Corrections | \$164,179 | \$164,179 | \$0 | \$0 | \$0 | \$0 | \$0 | \$164,179 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Medicaid Cash Funds | Medicaid General Fund | Net General Fund | FTE |
|--------------------------------------|--------------------|---------------------|-------------------|-----------------------------|----------------------|----------------------------|------------------------------|-------------------------|------------|
| Total Request | \$561,152 | \$467,603 | \$0 | \$93,549 | \$0 | \$87,872 | \$43,936 | \$511,539 | 0.0 |
| Office of Operations, Utilities | \$113,547 | \$85,160 | \$0 | \$28,387 | \$0 | \$22,710 | \$11,355 | \$96,515 | 0.0 |
| Mental Health Institutes | \$192,181 | \$192,181 | \$0 | \$0 | \$0 | \$0 | \$0 | \$192,181 | 0.0 |
| Mental Health Services | \$26,083 | \$26,083 | \$0 | \$0 | \$0 | \$0 | \$0 | \$26,083 | 0.0 |
| Regional Centers | \$65,162 | \$0 | \$0 | \$65,162 | \$0 | \$65,162 | \$32,581 | \$32,581 | 0.0 |
| Youth Corrections | \$164,179 | \$164,179 | \$0 | \$0 | \$0 | \$0 | \$0 | \$164,179 | 0.0 |

Assumptions for Calculations:

The inflationary increase for utilities is based on a three-year average of expenses for each of the four utilities – electric, gas, water, and coal. The Department is conservatively requesting a 1.5% increase over the FY 2008-09 appropriation.

| FY 2008-09 Utilities Appropriation | % Increase | \$ Increase |
|---|-------------------|--------------------|
| \$7,569,799 | 1.50% | \$113,547 |

Food and Food Services and Supplies

| Agency Name | 2005 | 2006 | 2007 | 2008 | 2009 Est | 2010 Est. | Requested |
|----------------------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------|
| | A | B | C | D | E=D*1.085 | F=E*1.085 | G=F-E |
| COLO. MENT HEALTH INST PUEBLO | \$1,401,489.95 | \$1,424,328.65 | \$1,740,829.88 | \$2,007,725.00 | \$ 2,178,381.63 | \$ 2,363,544.06 | \$185,162 |
| COLO. MENT HEALTH INST FT LOGAN | \$361,859.92 | \$370,826.85 | \$338,709.15 | \$358,926.40 | \$ 389,435.14 | \$ 422,537.13 | \$33,102 |
| GRAND JUNCTION REGIONAL CTR | \$248,017.13 | \$295,547.27 | \$309,197.36 | \$307,982.77 | \$ 334,161.31 | \$ 362,565.02 | \$28,404 |
| RIDGE REGIONAL CENTER | \$248,110.41 | \$217,148.49 | \$238,291.21 | \$262,257.52 | \$ 284,549.41 | \$ 308,736.11 | \$24,187 |
| PUEBLO REGIONAL CENTER | \$121,667.10 | \$85,052.87 | \$133,118.00 | \$136,303.69 | \$ 147,889.50 | \$ 160,460.11 | \$12,571 |
| DIV OF YOUTH CORRECTIONS | \$1,387,984.99 | \$1,554,166.10 | \$1,615,384.33 | \$1,780,197.07 | \$1,931,513.82 | \$ 2,095,692.50 | \$164,179 |
| Total | \$3,769,129.50 | \$3,947,070.23 | \$4,375,529.93 | \$4,853,392.45 | \$5,265,930.81 | \$5,713,534.93 | \$447,605 |
| Percent Increase From Prior Year | | 4.72% | 10.86% | 10.92% | | | 8.5% |

- 1) The data for FY 2005 thru 2008 is actual reported expenditure data. (Object Code 3118 in COFRS)
- 2) FY 2009-10 and FY 2010-11 data is an estimate based on the 3-year average growth in Food and Food Service Costs at the 24/7 facilities.
- 3) The total need is estimated at the difference between the 2009 estimated expenditures and the estimated 2010 expenditures.

Impact on Other Government Agencies: The Department of Corrections occupies approximately 55% of the Colorado Mental Health Institutes square footage. The utilities provided to these areas are critical both to the hospital; as well as, supporting the daily operations of the DOC incarceration facilities. Loss of any utilities on this campus would be a health and safety emergency.

Cost Benefit Analysis: The Department of Human Services is legally obligated to provide for the humane care of Colorado citizens who reside in the Department's state-operated facilities. This care includes adequate nutritional services and healthy environmental conditions.

Implementation Schedule:

| Task | Month/Year |
|--------------------------------|---------------------|
| Purchase of food and utilities | July 2009-June 2010 |

Statutory and Federal Authority:

24-82-602 C.R.S. (2008)

(1) All state buildings, and improvements thereto, with design commencing on or after July 1, 1981, shall be designed:

(a) To achieve a fifty-five thousand Btu/square foot/year energy performance goal for heating, cooling, lighting, and ventilation energy;

(b) To make maximum use of passive solar concepts such as energy conservation, natural lighting, and orientation and incorporation of thermal-mass;

(c) To make maximum use of economically feasible renewable energy systems;

(d) To achieve the ease of retrofit with renewable energy systems.

(2) A description of said system shall be posted or filed at the construction site, and copies thereof shall be made available to any interested party upon request.

(3) State buildings which are not office buildings shall be designed for maximum use of passive solar concepts, economically feasible renewable energy systems, and ease of renewable energy system retrofit but may exceed the fifty-five thousand Btu/square foot/year energy performance goal if approved by the department of personnel for each building on a case-by-case basis. Said goal may also be adjusted by the department of personnel to accommodate different climate zones in the state.

26-1-105 C.R.S. (2008) Department of human services created – executive director – powers, duties, and functions.

(2) The executive director may establish such divisions, sections, and other units within the state department as are necessary for the proper and efficient discharge of the powers, duties, and functions previously assigned to statutorily created divisions or sections of the

state department of social services and the state department of institutions to the divisions, sections, and other units established pursuant to this subsection (2).

Performance Measures:

Governor Ritter signed an Executive Order concerning the Greening of State Government on Monday, April 16, 2007.

Executive D0012 07 establishes directives in the following areas: Reduction of State Energy Consumption, Materials Management, Environmentally Preferable Purchasing, and Resource Management, Greening of State Fleet Management, Renewable Energy Sources for State Energy Consumption.

Executive D0010 07 (Establishes specific goals and timelines)

Energy Management:

- Energy Management - By fiscal year 2011-2012, achieve at least a 20% reduction in energy consumption of state facilities below fiscal year 2005-2006 levels.
- By January of 2008 develop or update an energy management plan and ensure development of a study determining feasibility of energy performance contracting for all state owned facilities.

Materials and Resource Management:

- By fiscal year 2008-2009, develop purchasing policies to reduce the state's environmental impact as a consumer of products and services.
- Achieve a reduction of water consumption goal of 10% by fiscal year 2011-2012, using fiscal year 2005-2006 as a baseline.

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STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

| Schedule 13 | | | | | | | | | | | | |
|--|--|------------------------------|--|---------------------------|----------------------------|------------|-----------------------------|--------------|------------------|------------|------------|--|
| Change Request for FY 2009-10 Budget Request Cycle | | | | | | | | | | | | |
| Decision Item FY 2009-10 | Base Reduction Item FY 2009-10 | | | Supplemental FY 2008-09 | | | Budget Amendment FY 2009-10 | | | | | |
| Request Title: | DHS - Inflationary Increase for DHS Residential Programs | | | | | | | | | | | |
| Department: | Health Care Policy and Financing | | | Dept. Approval by: | John Bartholomew <i>JB</i> | | | Date: | October 31, 2008 | | | |
| Priority Number: | NP-7 (See also DHS DI-17) | | | OSPB Approval: | <i>ma</i> | | | Date: | 10-19-08 | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| | Prior-Year | | Supplemental | Total | Base | Decision/ | November 1 | Budget | Total | Change | | |
| | Actual | Appropriation | Request | Revised | Request | Base | Request | Amendment | Revised | from Base | | |
| | Fund | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2009-10 | FY 2010-11 | |
| Total of All Line Items | Total | 50,155,368 | 52,192,325 | 0 | 52,192,325 | 55,941,257 | 87,872 | 56,029,129 | 0 | 56,029,129 | 87,872 | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | GF | 24,237,639 | 25,116,662 | 0 | 25,116,662 | 26,957,102 | 43,936 | 27,001,038 | 0 | 27,001,038 | 43,936 | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CFE/RF | 821,668 | 979,501 | 0 | 979,501 | 1,013,528 | 0 | 1,013,528 | 0 | 1,013,528 | 0 | |
| | FF | 25,096,061 | 26,096,162 | 0 | 26,096,162 | 27,970,627 | 43,936 | 28,014,563 | 0 | 28,014,563 | 43,936 | |
| (6) Department of Human Services Medicaid-Funded Programs; (C) Office of Operations - Medicaid Funding | Total | 5,270,668 | 6,054,395 | 0 | 6,054,395 | 6,221,315 | 22,710 | 6,244,025 | 0 | 6,244,025 | 22,710 | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | GF | 2,635,334 | 3,027,198 | 0 | 3,027,198 | 3,110,658 | 11,355 | 3,122,013 | 0 | 3,122,013 | 11,355 | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | FF | 2,635,334 | 3,027,197 | 0 | 3,027,197 | 3,110,657 | 11,355 | 3,122,012 | 0 | 3,122,012 | 11,355 | |
| (6) Department of Human Services Medicaid-Funded Programs; (F) Services for People with Disabilities - Medicaid Funding, Regional Centers | Total | 44,884,700 | 46,137,930 | 0 | 46,137,930 | 49,719,942 | 65,162 | 49,785,104 | 0 | 49,785,104 | 65,162 | |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | GF | 21,602,305 | 22,069,464 | 0 | 22,069,464 | 23,846,444 | 32,581 | 23,879,025 | 0 | 23,879,025 | 32,581 | |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | CFE/RF | 821,668 | 979,501 | 0 | 979,501 | 1,013,528 | 0 | 1,013,528 | 0 | 1,013,528 | 0 | |
| | FF | 22,460,727 | 23,068,965 | 0 | 23,068,965 | 24,859,970 | 32,581 | 24,892,551 | 0 | 24,892,551 | 32,581 | |
| Non-Line Item Request: | None | | | | | | | | | | | |
| Letternote Revised Text: | None | | | | | | | | | | | |
| Cash or Federal Fund Name and COFRS Fund Number: | | | | FF: Title XIX | | | | | | | | |
| Reappropriated Funds Source, by Department and Line Item Name: | N/A | | | | | | | | | | | |
| Approval by OIT? | Yes: <input type="checkbox"/> | No: <input type="checkbox"/> | N/A: <input checked="" type="checkbox"/> | | | | | | | | | |
| Schedule 13s from Affected Departments: | Department of Human Services | | | | | | | | | | | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Care Assistance Program Compliance Assurance

Department: Colorado Department of Human Services

Priority Number: DI-18

Dept. Approval by: *Will [Signature]*

OSPB Approval: *[Signature]*

Date: 10-10-08

Date: 10-19-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 82,359,194 | 82,418,328 | 0 | 82,418,328 | 82,621,504 | (20,399) | 82,601,105 | 0 | 82,601,105 | (19,131) |
| | FTE | 57.7 | 65.5 | 0.0 | 65.5 | 65.5 | 2.0 | 67.5 | 0.0 | 67.5 | 2.0 |
| | GF | 17,805,614 | 17,785,508 | 0 | 17,785,508 | 17,881,963 | 0 | 17,881,963 | 0 | 17,881,963 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 9,695,361 | 9,933,299 | 0 | 9,933,299 | 9,962,594 | (20,399) | 9,942,195 | 0 | 9,942,195 | (19,131) |
| | CFE/RF | 666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 54,857,553 | 54,699,521 | 0 | 54,699,521 | 54,776,947 | 0 | 54,776,947 | 0 | 54,776,947 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 17,805,614 | 17,785,508 | 0 | 17,785,508 | 17,881,963 | 0 | 17,881,963 | 0 | 17,881,963 | 0 |
| (6) Division of Child Care, Child Care Licensing and Administration | Total | 6,690,868 | 6,549,749 | 0 | 6,549,749 | 6,752,925 | 168,185 | 6,921,110 | 0 | 6,921,110 | 157,729 |
| | FTE | 57.7 | 65.5 | 0.0 | 65.5 | 65.5 | 2.0 | 67.5 | 0.0 | 67.5 | 2.0 |
| | GF | 2,486,032 | 2,431,287 | 0 | 2,431,287 | 2,527,742 | 0 | 2,527,742 | 0 | 2,527,742 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 513,864 | 731,546 | 0 | 731,546 | 760,841 | 0 | 760,841 | 0 | 760,841 | 0 |
| | CFE/RF | 666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 3,690,306 | 3,386,916 | 0 | 3,386,916 | 3,464,342 | 168,185 | 3,632,527 | 0 | 3,632,527 | 157,729 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 2,486,032 | 2,431,287 | 0 | 2,431,287 | 2,527,742 | 0 | 2,527,742 | 0 | 2,527,742 | 0 |
| (6) Division of Child Care, Child Care Assistance Program | Total | 75,668,326 | 75,868,579 | 0 | 75,868,579 | 75,868,579 | (188,584) | 75,679,995 | 0 | 75,679,995 | (176,860) |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 15,319,582 | 15,354,221 | 0 | 15,354,221 | 15,354,221 | 0 | 15,354,221 | 0 | 15,354,221 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 9,181,497 | 9,201,753 | 0 | 9,201,753 | 9,201,753 | (20,399) | 9,181,354 | 0 | 9,181,354 | (19,131) |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 51,167,247 | 51,312,605 | 0 | 51,312,605 | 51,312,605 | (168,185) | 51,144,420 | 0 | 51,144,420 | (157,729) |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 15,319,582 | 15,354,221 | 0 | 15,354,221 | 15,354,221 | 0 | 15,354,221 | 0 | 15,354,221 | 0 |

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Child Care Assistance Program Compliance Assurance
Department: Colorado Department of Human Services **Dept. Approval by:** **Date:**
Priority Number: DI-18 **OSPB Approval:** **Date:**

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |

Non-Line Item Request: None
Letternote Revised Text: ^b Of this amount, ~~\$3,246,525~~ \$3,384,710 shall be from Child Care Development Funds and \$170,391 shall be from Title IV-E of the Social Security Act.¹ Of this amount, ~~\$50,342,605~~ \$50,144,420 shall be from Child Care Development Funds and \$1,000,000 shall be from the Title XX Social Services Block Grant.

Cash or Federal Fund Name and COFRS Fund Number: Child Care Licensing Cash Fund (12T); Child Care Development Fund (100)
Reappropriated Funds Source, by Department and Line Item Name: Not applicable.
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-18 |
| Change Request Title: | Child Care Assistance Program Compliance Assurance |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department is requesting 2.0 FTE to meet the federal audit requirements specified in Code of Federal Regulations (CFR), Title 45 – Public Welfare - Parts 98 and 99, the official regulations for the Child Care and Development Fund. The FTE will be funded using \$168,185 Child Care Development Fund (CCDF) transferred from the Child Care Assistant Program (CCAP) line to the Child Care Licensing and Administration.

CFR Title 45 Part 98 Subpart K - Error Rate Reporting - requires States, the District of Columbia and Puerto Rico (States) to measure, calculate, and report improper payments as well as identify strategies for reducing future improper payments.

Background and Appropriation History:

The Department, as Lead Agency for administering the Child Care Development Fund, has been mandated as of October 1, 2007 to annually review child care assistance authorizations, payments, and related activities; identify elements within the program that may be susceptible to significant improper payments; take actions to reduce improper payments; as well as report to the federal government on those actions taken.

The formal rule adoption of Department of Health and Human Services, Administration for Children and Families, 45 CFR Part 98, RIN 0970-AC29, Child Care and Development Fund Error Rate Reporting adds a new subpart to the Child Care and Development Fund (CCDF) regulations that requires States to employ a case review process in calculating CCDF error rates in accordance with an error rate methodology established by the Secretary of Health and Human Services (the Secretary). This methodology is specified in this rule and associated information collection forms. The final rule requires States to report specified information regarding errors to the instructions to the Department of Health and Human Services.

Instructions were provided for implementing the required error rate methodology for the Child Care and Development Fund (CCDF) and successfully submitting the *State Improper Authorization for Payment Report* to the Department of Health and Human Services (HHS). These submissions will assist HHS in complying with the Improper Payments Information Act of 2002 (IPIA). The IPIA requires Federal agencies to annually review programs and activities they administer, identify those that may be susceptible to significant improper payments, and submit a report on actions taken to reduce improper payments. Per the IPIA, agencies must adhere to guidance prescribed by the Office of Management and Budget (OMB). The provisions in this document comply with OMB Circular A-123, Appendix C that provides guidance for implementing the Improper Payments Information Act of 2002 (IPIA). These instructions also comply with the Code of Federal Regulations (CFR), Title 45 – Public Welfare - Parts 98 and 99, the official regulations for the Child Care and Development Fund. 45 CFR 98 Subpart K - Error Rate Reporting - requires States, the District of Columbia and Puerto Rico (States) to measure, calculate, and report improper payments as well as identify strategies for reducing future improper payments.

General Description of Request:

The Department requests that funding be through the federal Child Care Development monies with the Child Care Assistance Program line be reduced by the total funding amount and that the “Child Care Licensing and Administration” line be increased by the same amount, from the same source. This is reflective of the compliance assurance work relating directly to the Child Care Assistance Program.

The Department is requesting these funds be used to cover 2.0 FTE who will be utilized to maintain compliance with the requirements outlined in 45 CFR Part 98. The essential functions of these FTE will be to maintain support, quality control, and compliance of the CCAP program on an ongoing basis. Additionally, funds are also requested to cover the operating expenses associated with this work. This budget request will continue this work past the first year of implementation. The federal justification of projected cost to States related to this requirement stated that the initial year of this work would include – the cost of drawing the sample of cases from 12 monthly sampling frames, training staff, conducting record reviews, compiling data, calculating error rates and preparing the final report.

Consequences if Not Funded:

This is a Federal mandate, which will have no general fund impact. If this request is not funded, the workload will need to be adsorbed within the current FTE. This is not a viable solution, as current FTE does not have the level of expertise needed to comply with this Federal mandate.

Calculations for Request:

| Summary of Request FY 2009-2010 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|---------------------------------|----------------------|------------|
| Total Request | (\$20,399) | \$0 | (\$20,399) | \$0 | \$0 | 2.0 |
| Child Care Licensing and Administration | \$ 168,185 | \$0 | \$0 | \$0 | \$ 168,185 | 2.0 |
| Child Care Assistance Program (CCAP) | (\$188,584) | \$0 | (\$20,399) | \$0 | (\$ 168,185) | 0.0 |

| Summary of Request FY 10-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|---------------------------------|----------------------|------------|
| Total Request | (\$19,131) | \$0 | (\$19,131) | \$0 | \$0 | 2.0 |
| Child Care Licensing and Administration | \$157,729 | \$0 | \$0 | \$0 | \$ 157,729 | 2.0 |
| Child Care Assistance Program (CCAP) | (\$176,860) | \$0 | (\$19,131) | \$0 | (\$157,729) | 0.0 |

Child Care Development Fund (CCDF) has a local share component of 12.129%. In the Child Care Assistance Program (CCAP) line, \$168,185 (annualized to \$157,729) is being reduced and transferred to the Child Care Licensing and Administration line to fund 2.0 FTE to meet the federal audit requirements specified in Code of Federal Regulations (CFR), Title 45 – Public Welfare - Parts 98 and 99, the official regulations for the Child Care and Development Fund. The Local Fund will also need to be reduced by an additional \$20,399 ($\$168,185 * 12.129\%$) in the CCAP line (annualized to (\$19,131)) as the Local share portion is not allowed in the Child Care Licensing and Administration line.

Cash Funds Projections:

Child Care Development Fund (CCDF) has a Local share component of 12.129%, as County Share of Direct Client Benefit Allocation (MOE) is being reduced.

Assumptions for Calculations:

- Two FTE are expected to be filled at the General Professional III (\$3,895/mo) and General Professional V (\$5,481/mo) levels.
- Travel (\$12,030)
 - Lodging – 24 nights, per FTE at \$85/night = \$4,080
 - Mileage - 720 miles per month, per FTE at \$.46 per mile = \$7,950
- Reproduction costs
 - 300 files per year * 142 pages per file * \$.10 per page cost = \$4,260
- Contract Services
 - 162.5 hours at \$86/hr = \$13,975

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

| FTE and Operating Costs | | | | | | GRAND TOTAL | |
|--|----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Fiscal Year(s) of Request | | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 | FY 09-10 | FY 10-11 |
| PERSONAL SERVICES | Title: | GP III | | GP V | | | |
| Number of PERSONS / class title | | 1 | 1 | 1 | 1 | | |
| Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | 12 | 12 | | |
| Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11 | | 12 | 12 | 12 | 12 | | |
| Calculated FTE per classification | | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 |
| Annual base salary | | \$46,740 | \$46,740 | \$65,772 | \$65,772 | | |
| Salary | | \$46,740 | \$46,740 | \$65,772 | \$65,772 | \$112,512 | \$112,512 |
| PERA | 10.15% | \$4,744 | \$4,744 | \$6,676 | \$6,676 | \$11,420 | \$11,420 |
| Medicare | 1.45% | \$678 | \$678 | \$954 | \$954 | \$1,632 | \$1,632 |
| Subtotal Personal Services at Division Level | | \$52,162 | \$52,162 | \$73,402 | \$73,402 | \$125,564 | \$125,564 |
| OPERATING EXPENSES | | | | | | | |
| Supplies @ \$500/\$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$1,000 | \$1,000 |
| Computer @ \$900/\$0 | \$900 | \$900 | \$0 | \$900 | \$0 | \$1,800 | \$0 |
| Office Suite Software @ \$330/\$0 | \$330 | \$330 | \$0 | \$330 | \$0 | \$660 | \$0 |
| Office Equipment @ \$3,998/\$0 (includes cubicle and chair) | \$3,998 | \$3,998 | \$0 | \$3,998 | \$0 | \$7,996 | \$0 |
| Telephone Base @ \$450/\$450 | \$450 | \$450 | \$450 | \$450 | \$450 | \$900 | \$900 |
| Travel | | \$6,015 | \$6,015 | \$6,015 | \$6,015 | \$12,030 | \$12,030 |
| Reproduction Costs | | | | | | \$4,260 | \$4,260 |
| Contract Services - Data Management Tool | | | | | | \$13,975 | \$13,975 |
| Subtotal Operating Expenses | | \$12,193 | \$6,965 | \$12,193 | \$6,965 | \$42,621 | \$32,165 |
| GRAND TOTAL ALL COSTS | | \$64,355 | \$59,127 | \$85,595 | \$80,367 | \$168,185 | \$157,729 |

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis:

The primary objective of this request is to meet compliance with applicable federal regulations related to the reduction of improper authorizations in the Colorado Child Care Assistance Program. It can be assumed that compliance will bring reduced overpayments resulting in accessibility of funding for serving additional children in the program. The regulations cited allow for up to \$180,000 of the state's existing CDDF allocation to be used for this purpose

23% of all Child Care authorizations for payment were made incorrectly in FFY2007, as per the federal improper authorization case review conducted. It is expected that the Department will reduce that amount by 50% in the first year of staffing this work through this budget request.

Implementation Schedule:

| Task | Month/Year |
|---|-------------------|
| FTE Hired | July / 2009 |
| Start-Up Date | July / 2009 |
| Annual Reporting – Ongoing after initial year of implementation | June / 2010 |

Statutory and Federal Authority:

C.R.S. 26-6-110 (2008) Acceptance of Federal Grants.

The department is authorized to accept, on behalf of the state, any grants of federal funds made available for any purposes consistent with the provisions of this part 1. The executive director of the department, with the approval of the governor, has the power to direct the disposition of any such grants so accepted in conformity with the terms and conditions under which given.

C.R.S. 26-2-805 (2008) Services – Assistance Provided – Rules.

(1) (a) Subject to available appropriations, and pursuant to rules promulgated by the state department, a county shall provide child care assistance to a participant or any person or family whose income is not more than one hundred thirty percent of the federal poverty level.

(b) (I) Subject to available appropriations and pursuant to rules promulgated by the state department, and except as provided for in subparagraph (II) of this paragraph (b), a county shall provide child care assistance for a family transitioning off the works program due to employment or training without requiring the family to apply for low-income child care, but shall redetermine the family's eligibility within six months after the transition, and may provide child care assistance for any other family whose income does not exceed eighty-five percent of the state median income for a family of the same size. A recipient of child care assistance shall be responsible for paying a portion of such child care based upon the recipient's income and the formula developed by rules of the state board. For any participant or any person or family whose income rises to the level set by the county at which the county may deny said participant, person, or family child care assistance, the county is strongly encouraged to continue to provide such assistance for a period of six months; except that in no event shall assistance be provided if said income exceeds the maximum level for eligibility for services set by federal law for a family of the same size. During such period the county shall work with said participant, person, or family to provide a gradual transition off of the child care assistance provided pursuant to this paragraph (b) over a six-month period.

(1.5) If a county reduces its income eligibility requirements, a child receiving child care assistance services when the change is implemented shall continue to receive said services until the family's next eligibility redetermination or for six months, whichever is longer, so long as the family's household income remains at or below the prior income eligibility requirements.

(2) A county shall have the authority to develop a voucher system for participants pursuant to which participants could secure relative or unlicensed child care.

Code of Federal Regulations (CFR), Title 45 – Public Welfare - Parts 98 and 99, the official regulations for the Child Care and Development Fund. 45 CFR 98 Subpart K - Error Rate Reporting.

In estimating burden, we used information based on the error rate pilots and an estimation of the amount of time and cost required to complete various tasks associated with each of the three reporting forms: (1) The Record Review Worksheet, (2) the Data Entry Form, and (3) the State Improper Authorizations for Payment Report. In response to public comments, we have recalculated the burden estimate associated with each of these forms. The final rule increases the total cost estimate for case reviews and preparing the required reports to approximately \$180,000 per respondent.

In the proposed rule, the burden hours associated with the Data Entry Form primarily included the costs of consolidating information. The burden estimate associated with this form has been increased to account for public comment regarding costs of writing computer programs and making enhancements to automated systems to consolidate large quantities of data, which were not considered in the original estimate.

Finally, in the proposed rule the burden hours associated with the State Improper Authorizations for Payment Report included the calculation of the findings and discussion of findings and report preparation. The burden estimate for completion of these two tasks associated with this form was not changed. However, we have added an additional component necessary for completion of this report, which was not previously considered. This component is the calculation of the total amount of authorizations for payment during the review period needed to compute the final error measure. The burden hours associated with completion of this report increased with the addition of this task.

The original burden estimate in the proposed rule did not account for States in which aggregate information on total amount of authorized payments was not readily available. Obtaining aggregate authorizations for payment information increases burden for States in which normal reporting requirements involve aggregate payments or total expenditures, not authorizations for payment. These States will experience increased burden for completion of this report if they are to generate the total for calculation of the required error measure. While it is important to account for the additional burden associated with this task, we continue to believe that reviewing authorizations for payment, rather than actual payments, is less burdensome for States when reviewing

individual case records. We believe the benefits of focusing the individual record reviews on authorizations for payments outweighs any additional costs we have added here for completing the aggregated State Improper Authorizations for Payment Report. However, we encourage all States to keep track of the burden associated with these reporting requirements--in terms of both time and monetary cost--and to provide us comments through the Paperwork Reduction Act information collection process so that we can accurately account for the burden and more precisely determine the benefits and costs of these requirements.”

Performance Measures:

Department Goal #4: *Promote stability, permanence and self-sufficiency.*

| Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY-2007-08 | FY-2008-09 | FY 2009-10 |
|---|------------------|------------|------------|------------|------------|------------|
| | | Actual | Actual | Actual | Estimate | Request |
| Decrease percentage of random sample case reviews that have an error that leads to an incorrect authorization for payment. This ensures continuous improvement, enhanced quality control, and continuation of the CCAP program. | Benchmark | N/A | N/A | 27% | 27% | 23% |
| | Actual | N/A | N/A | 27% | | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Spending Authority for Traumatic Brain Injury (TBI) Trust Fund
 Department: Human Services Dept. Approval by: *Willy H. L.* Date: *10-10-08*
 Priority Number: DI-19 OSPB Approval: *for us* Date: *10-14-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 0 | 2,411,498 | 0 | 2,411,498 | 2,421,931 | 603,077 | 3,025,008 | 0 | 3,025,008 | 603,077 |
| | FTE | 0.00 | 1.5 | 0.0 | 1.5 | 1.5 | 0.0 | 1.5 | 0.0 | 1.5 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 2,411,498 | 0 | 2,411,498 | 2,421,931 | 603,077 | 3,025,008 | 0 | 3,025,008 | 603,077 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (9) Services for People with Disabilities (D) Division of Vocational Rehabilitation - Traumatic Brain Injury Trust Fund | Total | 0 | 2,411,498 | 0 | 2,411,498 | 2,421,931 | 603,077 | 3,025,008 | 0 | 3,025,008 | 603,077 |
| | FTE | 0.0 | 1.5 | 0.0 | 1.5 | 1.5 | 0.0 | 1.5 | 0.0 | 1.5 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 2,411,498 | 0 | 2,411,498 | 2,421,931 | 603,077 | 3,025,008 | 0 | 3,025,008 | 603,077 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Non-Line Item Request: None
 Letternote revised text: None
 Cash or Federal Fund Name and COFRS Fund Number: Cash Fund 16X - Traumatic Brain Injury Trust Fund
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes No NA
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Human Services |
| Priority Number: | DI-19 |
| Change Request Title: | Spending Authority for Traumatic Brain Injury (TBI) Trust Fund |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

CDHS is requesting a \$603,077 increase in spending authority for FY 2009-10, FY 2010-11 and FY 2011-12 from the TBI Trust Fund reserves in order to reduce the number of eligible individuals and their length of time on the wait list for program services.

Background and Appropriation History:

The Colorado Traumatic Brain Injury Trust Fund (Trust Fund) was created by statute in 2002 to improve the lives of those affected by a traumatic brain injury (TBI). Monies in the Trust Fund are designated in statute for client services (65%), research (30%), and education (5%). The Colorado TBI Trust Fund began receiving revenue from surcharges on traffic offenses in January 2004. Program development began in 2004 and the TBI client services program did not reach full implementation until January 2006. The research program was re-designed in FY 2006-07 to better reflect the requirements of Colorado's research community. A substantial interest in research grant applications began in 2008. During the first years of program development and implementation, the Trust Fund built a large reserve as revenues exceeded expenditures.

The Traumatic Brain Injury (TBI) Trust Fund was moved in FY 2008-09 from the Mental Health and Alcohol and Drug Abuse Services, Administration Long Bill Group to the Services for People with Disabilities, Division of Vocational Rehabilitation Long Bill Group, which aligned budgetary information related to the TBI Trust Fund with the Department's current organizational structure.

General Description of Request:

CDHS is requesting an additional \$603,077 in spending authority from the Trust Fund reserves to fund needed services. The client services program has a wait list of over 140 persons for services with approximately 12 months wait time. It is projected that the wait list will grow to 400 persons by June 2009, with the wait time extending to 18 months. Furthermore, Fort Carson has evaluated over 4500 returned military service members who have suffered one or more traumatic brain injuries in the last few years. These numbers will increase, as pre- and post-deployment TBI assessments are now standard. Further deployments are scheduled into 2009. There are 42 applications from returning veterans underway representing 23% of the current wait list.

Research points to the improved outcomes and cost effectiveness of early interventions with those who have suffered a TBI. . A lengthy wait list defeats these potential positive benefits. Emergency room doctors, neurologists, neuropsychologists and other medical staff from Colorado's hospitals are discharging TBI clients who have little to no support systems. They strongly recommend an elimination of the wait list to offer immediate services and supports to these clients.

Also, the requests for education and research grants exceed available funds. Although the research program of the Trust Fund required revisions to meet the needs of the research community, there are now grant applications totaling twice the available funds. Both the education and research grants processes are increasingly competitive. The Trust Fund has recently developed a marketing plan to build awareness of Trust Fund programs across Colorado. As stages of it are implemented, increasing awareness will result in more requests for services and grants.

With the spending authority, the Trust Fund reserves can be spent down in about three years, allowing the time needed to build additional revenues. In order to continue to provide services to a larger number of individuals after the current reserves are expended, the Trust Fund Board is actively discussing means of increasing revenues to serve unmet needs as program awareness grows, including encouraging county and municipality participation in traffic surcharge revenue generation.

Consequences if Not Funded:

If not funded, the wait list for services will be maintained or will grow, lengthening the time for program services while reserve funds are unspent.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--------------------------------------|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$603,077 | \$0 | \$603,077 | \$0 | \$0 | 0.0 |
| Increase in Spending Authority | \$603,077 | \$0 | \$603,077 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--------------------------------------|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$603,077 | \$0 | \$603,077 | \$0 | \$0 | 0.0 |
| Increase in Spending Authority | \$603,077 | \$0 | \$603,077 | \$0 | \$0 | 0.0 |

Cash Funds Projections:

The projections that follow do not include the requested increase in spending authority, but show reserves in excess of current appropriations. If additional spending authority is granted, the program would spend approximately \$603,077 per year of the cash reserves, which are in excess of current annual appropriations.

| Cash Fund Name | Cash Fund Number | FY 2007-08 Expenditures | FY 2007-08 End of Year Cash Balance | FY 2008-09 End of Year Cash Balance Estimate | FY 2009-10 End of Year Cash Balance Estimate | FY 2010-11 End of Year Cash Balance Estimate |
|--|------------------|-------------------------|-------------------------------------|--|--|--|
| Colorado Traumatic Brain Injury Trust Fund | 16X | \$1,811,115 | \$3,046,519 | \$2,631,012 | \$2,215,505 | \$1,799,998 |

Assumptions for Calculations:

Per Statute 26-1-304 through 306, C.R.S. (2008), 65% of funds from the Traumatic Brain Injury Trust Fund must be used for services and the balance of 35% is to be spent on research (30%) and education (5%).

Accordingly, 98 additional persons could be served at an average cost of \$4,000 per person for a total of \$392,000 (65%). The remaining \$211,077 (35%) (\$603,077-\$391,000) would be spent on research and education.

Impact on Other Government Agencies:

N/A

Cost Benefit Analysis:

Nationally, \$60 billion in costs is incurred annually due to medical expenses and lost productivity of those who sustain a TBI (CDC website). TBI affects persons' physical, cognitive, emotional, and/or social/behavioral abilities. The benefit of this request is to provide more timely services to TBI clients, allowing for better health outcomes, reduced severity of long-term symptoms, and increased likelihood for improved well-being and productivity in their lives. Research has shown that early intervention after a TBI has a positive impact on recovery, with data showing significant reductions on social morbidity and the severity of post-concussive symptoms (Wade, D.T. et al., 1998). Similarly, two further studies indicate that early and regular intervention can be cost-effective in reducing long-term symptoms, facilitating better functional outcomes and improving the quality of well-being of TBI clients (Bell et al., 2005, 2008). Analysis indicates that significant costs could be avoided by providing services to additional individuals:

| | |
|---|------------------|
| Costs incurred annually in the United States due to medical expenses and lost productivity of those who sustain a TBI | \$60,000,000,000 |
| Cost of hospitalizations* | \$31,700,000,000 |
| Cost of fatalities* | \$16,600,000,000 |
| Costs potentially avoided (excluding hospitalizations and fatalities) | \$11,700,000,000 |
| Cost Benefit Analysis | |
| Average cost per TBI survivor** | \$151,587 |
| Percent of total costs to be avoided (\$11.7 Billion divided by \$60 Billion) | 19.5% |
| Potential cost avoidance per person (\$151,587 times 19.5%) | \$29,559 |
| Number of individuals to be served | 98 |
| Potential costs avoided (98 times \$29,559) | \$2,896,828 |
| Benefit - Net costs avoided (\$2,896,828 less \$603,077) | \$2,293,751 |
| Cost - Requested Additional Spending Authority | \$603,077 |
| Benefit/Cost Ratio | 380% |

*Brain & Spinal Cord Injury Website

**The National Foundation for Brain Research

Implementation Schedule:

| Task | Month/Year |
|--|-------------------------|
| Initiate contract amendment with service provider or issue RFP if necessary | July 2009 |
| Review applications/make awards for additional Research and Education Grants | December 2009 |
| Provide services to individuals | August 2009 – June 2010 |

Statutory and Federal Authority:

26-1-309 (1) C.R.S. (2008) Trust fund A trust fund to be known as the Colorado traumatic brain injury trust fund is hereby created and established in the state treasury. Such trust fund shall be comprised of moneys collected from surcharges assessed pursuant to sections 42-4-1301 (7) (d) (III) and 42-4-1701 (4) (e), C.R.S.

Performance Measures:

| Measure | Outcome | FY 2006-07 Actual | FY 2007-08 Target | FY 2008-09 Target | FY 2009-10 Target |
|--|-------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Clients receive well-coordinated and effective case coordination services through the Traumatic Brain Injury Trust Fund. The percentage of Trust Fund clients who positively report they were connected to the appropriate resources and supports, and that those resources and supports facilitated their rehabilitation. | Program Benchmark | Not applicable | Not applicable | Establish baseline | Increase over baseline |
| | Actual | Not available | Not available | | |

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Garage Fund Spending Authority Increase
 Department: Human Services
 Priority Number: DI-20
 Dept. Approval by: *[Signature]*
 OSPB Approval: *[Signature]*
 Date: 10-10-08
 Date: 10-22-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 614,253 | 733,187 | 0 | 733,187 | 733,187 | 558,909 | 1,292,096 | 0 | 1,292,096 | 0 |
| | FTE | 2.6 | 2.6 | 0.0 | 2.6 | 2.6 | 0.0 | 2.6 | 0.0 | 2.6 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 614,253 | 733,187 | 0 | 733,187 | 733,187 | 558,909 | 1,292,096 | 0 | 1,292,096 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (3) Office of Operations (B) Special Purpose, State Garage Fund | Total | 614,253 | 733,187 | 0 | 733,187 | 733,187 | 558,909 | 1,292,096 | 0 | 1,292,096 | 0 |
| | FTE | 2.6 | 2.6 | 0.0 | 2.6 | 2.6 | 0.0 | 2.6 | 0.0 | 2.6 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 614,253 | 733,187 | 0 | 733,187 | 733,187 | 558,909 | 1,292,096 | 0 | 1,292,096 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Cash Fund 607 - State Garage Fund
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|--|
| Department: | Department of Human Services, Office of Operations |
| Priority Number: | DI-20 |
| Change Request Title: | Garage Fund Spending Authority Increase |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

An increase in FY 2009-10 spending authority for the State Garage Fund of \$558,909 Reappropriated Funds is needed to enable the Department of Human Services (DHS) State Garages to continue to purchase and sell fuel for DHS state fleet vehicles at the current level of fuel consumption and to provide fuel for other agencies/departments such as the Colorado State Patrol and Department of Transportation. The Department is requesting a one-time adjustment at this time with no annualization for FY 2010-11, due the high degree of variability in recent fuel costs.

Background and Appropriation History:

The Division of Facilities Management (DFM) within the Department of Human Services, under an agreement with state Fleet Management, has been charged with the responsibility for managing, operating and maintaining state fleet vehicles, at DFM garages and fueling stations in three districts (Pueblo, Fort Logan and Grand Junction) across the state. There are currently 458 vehicles within the CDHS fleet that utilize state fleet repair services, which includes; fueling stations, vehicle repair, garage services and

fleet management. These vehicles are directly supporting programs for mental health, youth corrections, developmental disabilities, and support services.

Mental Health: To support hospital functions in both Pueblo and Fort Logan. Vehicles used to transport patients between hospitals and essential functions such as court appearances; Vehicles are also used for treatment by taking patients on group outings. The safety of the patients and staff are also affected as the campus safety patrols use these fleet vehicles for emergency response to incidents with a patient.

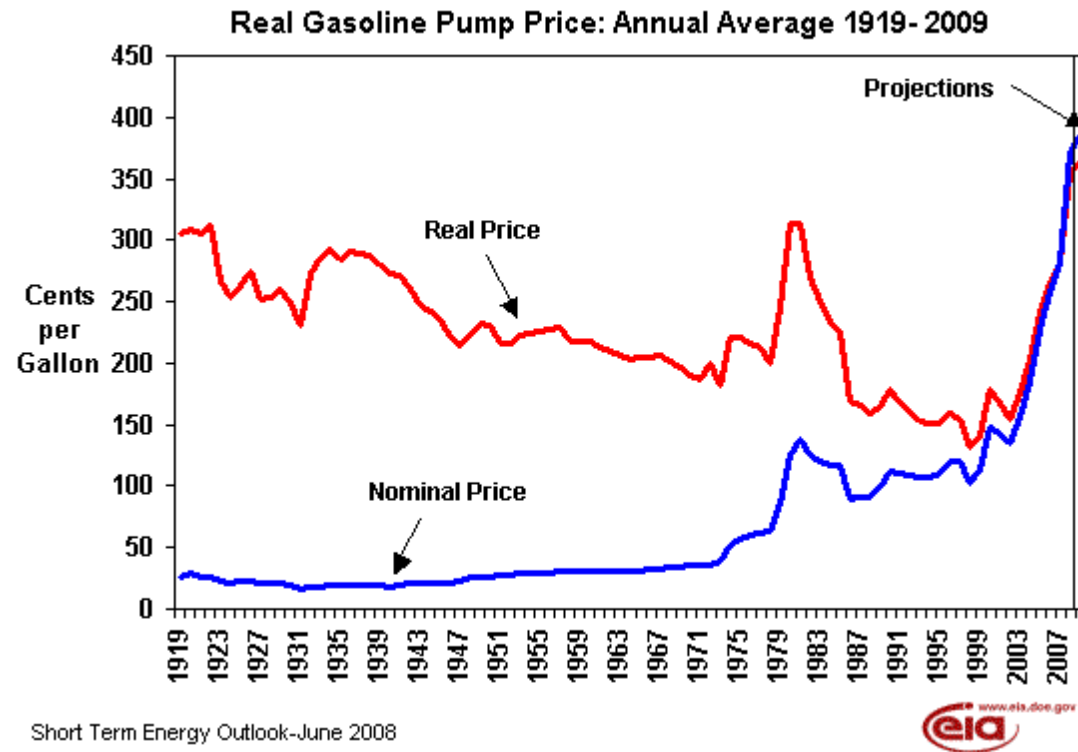
Youth Corrections: DYC uses the vehicles to transport clients, deliver food and perishables to each of its sites located throughout the state. Given the risk with the clients DYC serves a properly function vehicles is essential.

Developmental Disabilities: The DD group uses many very specialized vehicles for support of their clients. Typically these vehicles are equipped with either wheel chair ramps or special lifts. The limited mobility of these clients makes a properly operating and maintained vehicle critical.

Support Services: This includes all the support function that keeps CDHS operational. There are snowplows, bucket trucks, service vans and other transportation for support function such as telecom, information systems, human resources, facilities and all the groups that support programs. Due to significant market increases in fuel and repair components costs the Division of Facilities Management does not have adequate spending authority to render these services within existing spending authority limits.

Revenue for the Garage Fund is generated through the sale of services to programs that use state fleet vehicles. The DHS State Garage Fund operates through an Internal Service Fund that accounts for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. This special purpose line item is financed in accordance with anticipated earnings based on projected expenditures.

The cost of fuel cost has increased dramatically over the last few years, from \$2.21 a gallon in FY2005-06 to \$2.78 per gallon in FY2007-08. Projections from the “Energy Information Administration” official energy statistics from the U.S. Government project retail regular gasoline prices to average \$4.00 per gallon in 2008. The chart below shows the huge increase in gasoline prices during the past few years.



Short Term Energy Outlook-June 2008



* Chart provide by: Oil Price Information Services, <http://www.fuelgaugereport.com/COavg.asp>

General Description of Request:

An increase in FY 2009-10 spending authority for the State Garage Fund is needed to enable the Department of Human Services (DHS) State Garages to continue to purchase and sell fuel to state fleet vehicle users. While the number of miles driven within the Department of Human Services has remained relatively stable over the past few years, the cost for fuel has increased dramatically.

The current spending authority for the DHS State Garage Fund is based on the 2007 fuel cost of \$2.65 per gallon. Recently Colorado retail gasoline prices have soared to over \$4.00 per gallon, and are likely to reach \$4.50 per gallon by 2010. This request will provide a level of spending authority that allows the State Garage to purchase 163,000 gallons of fuel to sell to state fleet vehicle users as fuel prices rise.

Currently, the DHS State Garage fuel stations only service department vehicles. In FY 2009-10 DHS has agreed to purchase and sell an estimated 60,000 gallons of fuel to the Colorado State Patrol and the Colorado Department of Transportation for use in their state fleet vehicles.

Due to the large fluctuations in Colorado fuel prices experienced during the past year, the Department is requesting additional spending authority for FY 2009-10 only. The level of spending authority needed for FY 2010-11 will be reassessed next year.

Consequences if Not Funded:

Should this spending authority increase request not be funded, the department would reduce or discontinue fuel services for program vehicles and reserve the fuel for service vehicles such as snowplows, service trucks, large capacity vans, busses, food service delivery, and procurement trucks. Programs would purchase fuel for the fleet vehicles through retail outlets or other state fleet sites. Another alternative would be to allow employees to drive personal vehicles and reimburse them for this expense at a rate of thirty-nine cents a mile for 2WD and forty-one cents a mile for 4WD vehicles.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request-(3) Office of Operations (B) Special Purpose, State Garage Fund | \$558,909 | \$0 | \$0 | \$558,909 | \$0 | 0.0 |
| CDHS Fuel Cost Increase | \$288,909 | \$0 | \$0 | \$288,909 | \$0 | 0.0 |
| Additional Fuel Use by CDOT and CSP | \$270,000 | \$0 | \$0 | \$270,000 | \$0 | 0.0 |
| FY 2009-10 Projected Revenue/Expenses of Current State Garage Operation | \$733,187 | \$0 | \$0 | \$733,187 | \$0 | 6.5 |
| FY 2009-10 State Garage Fund Spending Authority | (\$733,187) | \$0 | \$0 | (\$733,187) | \$0 | (6.5) |

Cash Funds Projections:

| Cash Fund Name | Cash Fund Number | FY 2007-08 Expenditures | FY 2007-08 End of Year Cash Balance | FY 2008-09 End of Year Cash Balance Estimate | FY 2009-10 End of Year Cash Balance Estimate | FY 2010-11 End of Year Cash Balance Estimate |
|-----------------------|-------------------------|--------------------------------|--|---|---|---|
| State Garage Fund | 607 | \$623,508 | \$323,787 | \$340,000 | \$250,000 | \$250,000 |

Department of Human Services Actual Fuel Sales

| Year | Total Sales | Quantity | \$/gallon |
|-------------|-------------|----------|-----------|
| FY 1999-00 | \$ 161,989 | 159,474 | \$ 1.02 |
| FY 2000-01 | \$ 201,976 | 163,294 | \$ 1.24 |
| FY 2001-02 | \$ 171,609 | 170,757 | \$ 1.00 |
| FY 2002-03 | \$ 179,284 | 155,769 | \$ 1.15 |
| FY 2003-04 | \$ 197,399 | 153,250 | \$ 1.29 |
| FY 2004-05 | \$ 258,277 | 153,188 | \$ 1.69 |
| FY 2005-06 | \$ 356,154 | 160,900 | \$ 2.21 |
| FY 2006-07 | \$ 393,507 | 167,186 | \$ 2.35 |
| FY 2007-08 | \$ 452,526 | 162,656 | \$ 2.78 |
| FY 2008-09* | \$ 683,155 | 162,656 | \$ 4.20 |
| FY 2009-10* | \$ 731,952 | 162,656 | \$ 4.50 |

* Estimate

Other Colorado State Agency Estimated Fuel Sales

| Year | Total Sales | Quantity | \$/gallon |
|-------------|-------------|----------|-----------|
| FY 2009-10* | \$ 270,000 | 60,000 | \$ 4.50 |

* Estimate

| Spending Authority Analysis | | FY 2009-10 |
|---|--|-------------------|
| Anticipated Sales | | \$1,001,952 |
| *Current Spending Authority for Fuel at FY 2006-07 rate (167,186 gallons @ \$2.65 per gallon) | | \$443,043 |
| Spending Authority Increase Needed | | \$558,909 |

* Calculations are based on the FY 2006-07 estimated rate for fuel of \$2.65 per gallon, which was the rate used the last time that the JBC adjusted the spending authority for this appropriation. The total FY 2008-09 spending authority for this appropriation is \$733,187, which includes fuel sales; as well as, vehicle maintenance charges.

Assumptions for Calculations:

The quantity of fuel needed is based on the actual number of gallons purchased and sold in FY 2007-08 by the DHS State Garages (162,565 gallons) plus the number of gallons (60,000 gallons) as estimated by the Colorado State Patrol and the Colorado Department of Transportation to be purchased from the CDHS State Garages, based on the number of agency vehicles, the average number of miles traveled per year, and the average miles per gallon per vehicle.

The FY 2009-10 fuel price of \$4.50 per gallon, is based on the U.S. Government projected 2008 retail price of \$4.00 per gallon, plus \$0.50 per gallon to cover future inflation and fluctuating market fuel prices. This request represents a one-time request for funds that is not requested to annualize for FY 2010-11. Due to the wide fluctuations in the cost of fuel experienced in recent months, the Department will need more information evaluate the future need. The Department will submit future budget actions as required to address the issue, but a there is too little information to justify a FY 2010-11 annualization at this point in time.

Impact on Other Government Agencies:

The Division of Facilities Management (DFM) within the Department of Human Services, under an agreement with state Fleet Management, has been charged with the responsibility for managing, operating and maintaining state fleet vehicles, at DFM garages and fueling stations in three districts (Pueblo, Fort Logan and Grand Junction) across the state. There are currently 429 vehicles within the DHS fleet that utilize state fleet repair services, which includes: fueling stations, vehicle repair, garage services and fleet management. These vehicles are directly supporting programs for Mental Health, Division of Youth Corrections, Developmentally Disabled and Support Services.

Mental Health Typical Use: To support hospital functions in both Pueblo and Fort Logan. Vehicles used to transport patients between hospitals and essential functions such as court appearances; Vehicles are also used for treatment by taking patients on group outings. The safety of the patients and staff are also affected as the campus safety patrols use these fleet vehicles for emergency response to incidents with a patient.

Division of Youth Corrections use: DYC uses the vehicles to transport clients, deliver food and perishables to each of its sites located throughout the state. Given the risk with the clients DYC serves a properly function vehicles is essential.

Developmentally Disabled: The DD group uses many very specialized vehicles for support of their clients. Typically these vehicles are equipped with either wheel chair ramps of special lifts. The limited mobility of these clients makes a properly operating and maintained vehicle critical.

Support Services: This includes all the support function that keeps DHS operational. There are snowplows, bucket trucks, service vans and other transportation for support function such as telecom, information systems, human resources, facilities and all the groups that support programs.

Due to significant market increases in fuel and repair components costs, the DFM does not have adequate spending authority to render these services within existing spending authority limits.

Colorado Department of Transportation and Colorado State Patrol: The CDHS Fuel Stations also service fleet vehicles of these state agencies.

Cost Benefit Analysis:

Utilization of the State Garages to fuel state vehicles saves the state both time and money by a) reducing the cost of fuel (no federal sales tax are charged, currently taxes are 39.2 cents per gallon) b) forgoing the typical profit realized by retail stations (between 5 and 10 cents per gallon) c) saving employee time with convenient State fuel stations that are located on the major campuses of the Department, and d) stockpiling of fuel should there be disruptions in fuel supplies.

Implementation Schedule:

| Task | Month/Year |
|------|------------|
|------|------------|

| | |
|--------------------|-----------------------------|
| Ongoing Fuel Sales | July 2009 through June 2011 |
|--------------------|-----------------------------|

Statutory and Federal Authority:

24-30-1104 (2)(b) C.R.S. (2008)

Establish and operate central facilities for the maintenance, repair, and storage of state-owned passenger motor vehicles for the use of state agencies; utilize any available state facilities for that purpose; and enter into contracts with such facilities as are necessary to carry of the provisions of this part 11.

Performance Measure:

The Department does not have a performance measure specifically for this cash fund or this type of service. The success of the State Garage lies in the cost savings that is achieved. As shown in the chart below the cost savings for the State Garage fueling stations is a combination of reduced cost from state and federal taxes plus additional savings by purchasing fuel in bulk rather than a retail station. The federal tax on a gallon of gasoline is 18.4 cents per gallon, the state taxes on a gallon of gasoline is 20.8 cents per gallon. While the retail mark up or profit on a gallon varies, the department has used the figure of six cents per gallon for a total of 46.2 cents per gallon. This amount (46.2) multiplied by the number of gallons sold results in the savings.

| Measure | FY 04-05 Actual | FY 05-06 Actual | FY 06-07 Actual | FY 07-08 Actual | FY 08-09 Projection | FY 09-10 Projection | FY 10-11 Projection |
|--------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|------------------------|------------------------|
| Annual Fuel Cost Savings | \$67,403 | \$70,796 | \$70,196 | \$75,196 | \$75,196 | \$75,196 | \$75,196 |

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**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Cost of Living Adjustment for the Old Age Pension Program
 Department: Human Services Dept. Approval by: *Will Hall* Date: *10-10-08*
 Priority Number: DI-21 OSPB Approval: *[Signature]* Date: *10-15-08*

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | Fund | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/ Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 75,911,068 | 80,871,918 | 0 | 80,871,918 | 83,871,918 | 1,801,722 | 85,673,640 | 0 | 85,673,640 | 3,603,444 |
| | FTE | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 75,911,068 | 80,871,918 | 0 | 80,871,918 | 83,871,918 | 1,801,722 | 85,673,640 | 0 | 85,673,640 | 3,603,444 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (10) Adult Assistance Programs (B) Old Age Pension Program - Cash Assistance Program | Total | 75,911,068 | 80,871,918 | 0 | 80,871,918 | 83,871,918 | 1,801,722 | 85,673,640 | 0 | 85,673,640 | 3,603,444 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 75,911,068 | 80,871,918 | 0 | 80,871,918 | 83,871,918 | 1,801,722 | 85,673,640 | 0 | 85,673,640 | 3,603,444 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Non-Line Item Request: None
 Letternote revised text: None
 Cash or Federal Fund Name and COFRS Fund Number: Old Age Pension Cash Fund
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes No NA
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Human Services |
| Priority Number: | DI-21 |
| Change Request Title: | Cost of Living Adjustment for the Old Age Pension Program |

SELECT ONE (click on box):

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request represents a 2% Cost of Living Adjustment (COLA) for the Old Age Pension (OAP) Program for FY 2009-10. The Department would then successfully maintain federally required Maintenance of Effort expenditures by keeping the OAP Program Cash Assistance at the same level as in previous years. The amount of cash funds requested is \$1,801,722. The OAP program is mandated by the Colorado Constitution and continuously appropriated. This request is informational.

Background and Appropriation History:

The Depression in 1930 created an acute need for public assistance for the elderly and others, as persons lost homes, livelihoods, and savings. The Old Age Pension program was authorized through an amendment to the Colorado Constitution passed in 1936. This program supplements older individuals' income. The OAP program serves persons 60 and older and does not require a disability for eligibility. The current level of monthly income of \$662 equates to 77.85% of the Federal Poverty Level. The maximum monthly OAP assistance payment (effective January 1, 2008) is \$662. There is a resource limit for eligibility of \$2,000 for an individual and \$3,000 per couple.

There are three separate grant payment programs under OAP:

- OAP – A: This program is for the client population age 65 and above.
- OAP – B: This program serves clients between the ages of 60-64.
- OAP – C: This is a small program for institutionalized clients aged 60 and older.

The State Constitution (Article XXIV, Old Age Pensions, Section 2) dedicates several major State revenue sources for financing the OAP program. The OAP program is funded from revenues based on 85% of the State sales, use and liquor taxes; license fees; as well as by inheritance and incorporation tax revenues. Only after Old Age Pension obligations are met do the remaining revenues from these sources become available to the General Fund. The State Board of Human Services has constitutional authority to administer the Old Age Pension programs. The Board has the authority to adjust the basic minimum grant award if living costs have changed sufficiently to justify such action.

CDHS operates under a Maintenance of Effort (MOE) Agreement with the Social Security Administration (SSA). The MOE agreement specifies that the State must maintain expenditures at the same level as the highest previous calendar year. If the Maintenance of Effort agreement amount is not met, the State risks the loss of over one billion dollars of Federal matching funds in the Medicaid program. The OAP Program and the COLA adjustment impact the MOE.

The required MOE expenditure amount is currently based on the calendar year (CY) 2006 amount of \$26,882,089. The CY 2007 MOE had a shortfall of \$1,070,845, which needs to be made up in CY 2008. The expenditures that are included in the Maintenance of Effort are the mandatory supplementary programs of OAP (for individuals receiving a Supplement Security Income grant) as well as the Aid to the Needy Disabled/Supplemental Security Income-Colorado Supplement (AND/SSI-CS); and the Aid to the Blind/Supplemental Security Income Colorado Supplement (AB/SSI-CS). The optional supplementary payments of Home Care Allowance (HCA) and Adult Foster Care (AFC), if the recipient receives a Supplemental Security Income (SSI) grant, are also counted toward the MOE. Additionally, the State's Property Tax and Heat Rebate

program has been added to the MOE, in order to offset reduced grant expenditures in State Fiscal year 2002-03. Consequently, the Property Tax and Heat Rebate program has become an integral part of meeting the States MOE obligation.

The MOE is a requirement that must be met to receive Federal Financial Participation (FFP) for Medicaid reimbursements. Compliance with Federal regulations (42 CFR 416.2001) is measured in one of two ways: 1) the State must pass along the federal Cost of Living Adjustment increase or 2) the State must spend as much on the supplement programs in one calendar year as it did in the previous calendar year. The MOE requirements apply to both optional State supplementary payments and the mandatory minimum State supplementary payment. Colorado has been on the expenditure test to meet the MOE compliance requirements since 1991.

If the State is found out of compliance for meeting the financial expenditure test, the State must correct the under-expenditure by restoring the SSI supplement payment back to the appropriate expenditure level for the previous calendar year. This action must be taken no later than in the 12-month period after the time of non-compliance. The State can make a retroactive benefit payment to each of the beneficiaries eligible for the retroactive payment in the previous calendar year, or can increase payments in the following calendar year by an amount large enough to meet the previous year's shortfall in expenditures. If the State spends more than the amount required, a new expenditure level for the MOE is set. Money spent in the subsequent year to meet the expenditure test of the previous year is counted toward the prior year's shortfall. To avoid a finding of noncompliance, the State must increase the total expenditures in the same calendar year by an amount at least equal to the shortfall. If a State has not complied with the MOE requirements and failed to take corrective action measures in the subsequent calendar year, the State shall be determined by the Secretary of Health and Human Services to be ineligible for FFP. A State would be ineligible for Medicaid payments from the Federal government for any calendar quarter containing a month in which the State was out of compliance. By increasing the supplemental payment to all or a sub-set of the population groups entitled to a Colorado Supplement late in the calendar year in which an under-expenditure is projected, the State is able to avoid a finding of non-compliance. This

action can save the State money in complex programming costs needed to correct an under-expenditure problem, or having to set grants at a higher level to make up for the previous year's shortfall in expenditures.

In calendar years 2003 and 2004, Colorado did not meet the level of expenditure required by the MOE. Consequently, supplemental payments were made to the AND/SSI-CS group in 2004 and 2005 to comply with the State's corrective action plan to make up the shortfall. The calendar year 2006 MOE was met and has become the new standard. In CY 2007, the MOE had a shortfall of \$1,070,845. The annual COLA to the OAP grant standard is an essential part of the plan to continue to meet the federal MOE requirement. This request for a 2% COLA adjustment is reflective of the Department's plan to meet and control MOE expenditures by maintaining the OAP Program Cash Assistance at the same level as in previous years.

| Appropriation History | Total | FTE | GF | CF | CFE | FF |
|---|---------------------|------------|------------|---------------------|------------|------------|
| OAP-Cash Assistance Program- | | | | | | |
| FY 2003-04 Long bill | \$58,710,975 | 0.0 | \$0 | \$58,710,975 | \$0 | \$0 |
| 05 DI #11 Caseload and Cost of Living Adjustment | \$6,612,107 | 0.0 | \$0 | \$6,612,107 | \$0 | \$0 |
| FY 2004-05 Long Bill | \$65,323,082 | 0.0 | \$0 | \$65,323,082 | \$0 | \$0 |
| FY 2005-06 Long Bill | \$65,323,082 | 0.0 | \$0 | \$65,323,082 | \$0 | \$0 |
| 07 DI # NP-1 OAP Caseload and Population Increase | \$8,788,990 | 0.0 | \$0 | \$8,788,990 | \$0 | \$0 |
| Cost of Living Adjustment | \$360,349 | 0.0 | \$0 | \$360,349 | \$0 | \$0 |
| FY 2006-07 Long Bill | \$74,472,421 | 0.0 | \$0 | \$74,472,421 | \$0 | \$0 |
| Historic caseload increase by Joint Budget Committee Recommendation a calculation of 4% | \$2,978,897 | 0.0 | \$0 | \$2,978,897 | \$0 | \$0 |
| FY 2007-08 Long Bill | \$77,451,318 | 0.0 | \$0 | \$77,451,318 | \$0 | \$0 |
| 08 DI # 17 Old Age Pension Cost of Living Adjustment (COLA) | \$3,420,600 | 0.0 | \$0 | \$3,420,600 | \$0 | \$0 |
| FY 08-09 Long Bill | \$80,871,918 | 0.0 | \$0 | \$80,871,918 | \$0 | \$0 |
| Annualization of 08 DI#17 | \$3,000,000 | 0.0 | \$0 | \$3,000,000 | \$0 | \$0 |
| FY 2009-10 Base Request | \$83,871,918 | 0.0 | \$0 | \$83,871,918 | \$0 | \$0 |

General Description of Request:

The Old Age Pension Program, authorized by the State Constitution, provides cash assistance to eligible individuals age 60 and older, up to a maximum of \$662 per person per month as of January 2008. These funds are "continuously appropriated" by the State Constitution. The Long Bill reflects anticipated program expenditures for informational purposes, as the level of these expenditures impacts on the revenue available to the General Fund. OAP is an entitlement program; therefore, caseload and expenditure increases need to be funded as the payments will always be made to those that qualify for the assistance.

This request will adjust the FY 2009-10 Long Bill to reflect the appropriate OAP expenditures for FY 2009-10 and the estimated need for FY 2010-11. The OAP expenditures are projected to increase each year, as grant standards are increased for changes in costs of living. The annual COLA increases are necessary in order to comply with the MOE agreement with the Social Security Administration.

Generally, the cost of a COLA increase is associated with individuals not receiving SSI grants, as these recipients do not receive annual increases in income that are deducted from the maximum OAP grant. SSI recipients receive an increase from SSA, which is then deducted as income from the OAP grant; therefore, there is a net increase in income to the recipient, but OAP expenditures remain level. The State increases the OAP grant standard by the same dollar amount the SSI grant increased. For example, the 2008 COLA increased the SSI grant from \$623 to \$637; consequently, the OAP grant standard was increased from \$648 to \$662. It is estimated the SSI COLA will increase SSI grants from \$637 to \$650 (\$ 13 or 2%). This request will raise the OAP grant standard an equivalent amount (\$ 13) from \$662 to \$675.

Consequences if Not Funded:

If the request is not funded, the Long Bill will not accurately reflect the OAP expenditures and may impact the State's General Fund estimate. The OAP program is funded prior to the General Fund appropriations. Additionally, if the COLA is not added to the OAP grant standard, MOE expenditures will be reduced by the same amount (\$1,801,722) as the COLA increase would have added to the program and the required

MOE expenditure level will not be met without increases to other programs in the MOE, putting the Medicaid program federal funding in jeopardy (potentially over one billion dollars).

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Cash Funds Exempt | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|--------------------------|----------------------|------------|
| Total Request | \$1,801,722 | \$0 | \$1,801,722 | \$0 | \$0 | 0.0 |
| (10) (B) Old Age Pension Program - Cash Assistance Program | \$1,801,722 | \$0 | \$1,801,722 | \$0 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Cash Funds Exempt | Federal Funds | FTE |
|--|--------------------|---------------------|-------------------|--------------------------|----------------------|------------|
| Total Request | \$3,603,444 | \$0 | \$3,603,444 | \$0 | \$0 | 0.0 |
| (10) (B) Old Age Pension Program Cash Assistance Program | \$3,603,444 | \$0 | \$3,603,444 | \$0 | \$0 | 0.0 |

Cash Funds Projections:

This projection is not applicable. The Old Age Pension Fund is not a traditional cash fund and does not have a cash balance as any funds not needed by the programs outlined in the Colorado Constitution for Old Age Pensions go to the General Fund (See Section 7 of the Constitution under Statutes that follows). The expenditures for the programs are increased by the amount needed for eligible clients to receive cash assistance and for other OAP programs. The State Controller manages spending authority, as this is a continuous appropriation. This change request is for informational purposes only.

Assumptions for Calculations:

The following table assumes a 2% increase in the Supplemental Security Income (SSI) grant effective January 1, 2010. The 2% is estimated to be \$13 per month.

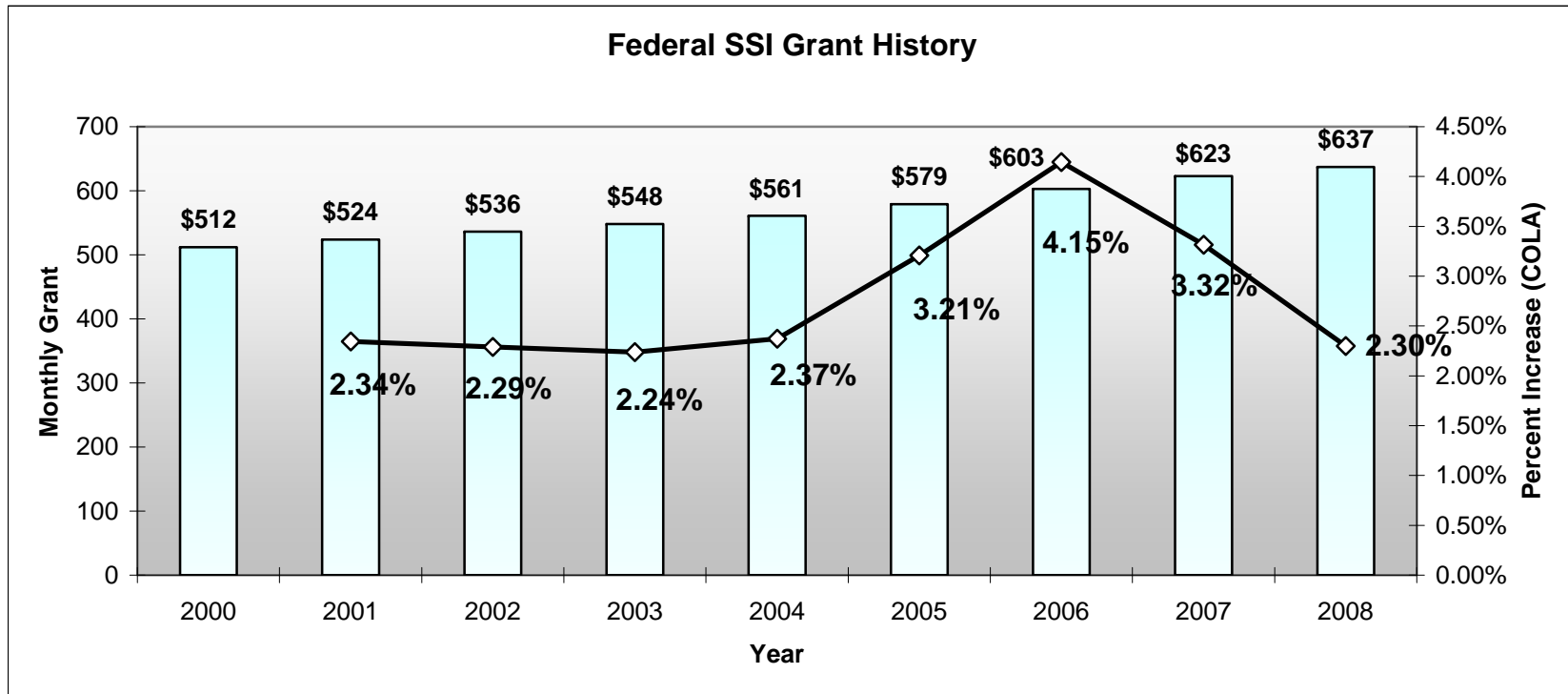
| Average monthly OAP Caseload | 2% COLA increase \$13 per month Effective January 1, 2010 | Six month cost of the COLA FY 2009-10 | 12 month cost of the COLA FY 2010-11 |
|-------------------------------------|--|--|---|
| 23,099 | \$13 | \$1,801,722 | \$3,603,444 |

The SSI COLA has increased on an average of 3.25% over the last three years. This request represents a 2% COLA increase for FY 2009-10.

The FY 2010-11 amounts represent a difference between the estimated expenditures for FY 2010-11 and the FY 2009-10 base budget. The projected annual increases are in line with historical increases.

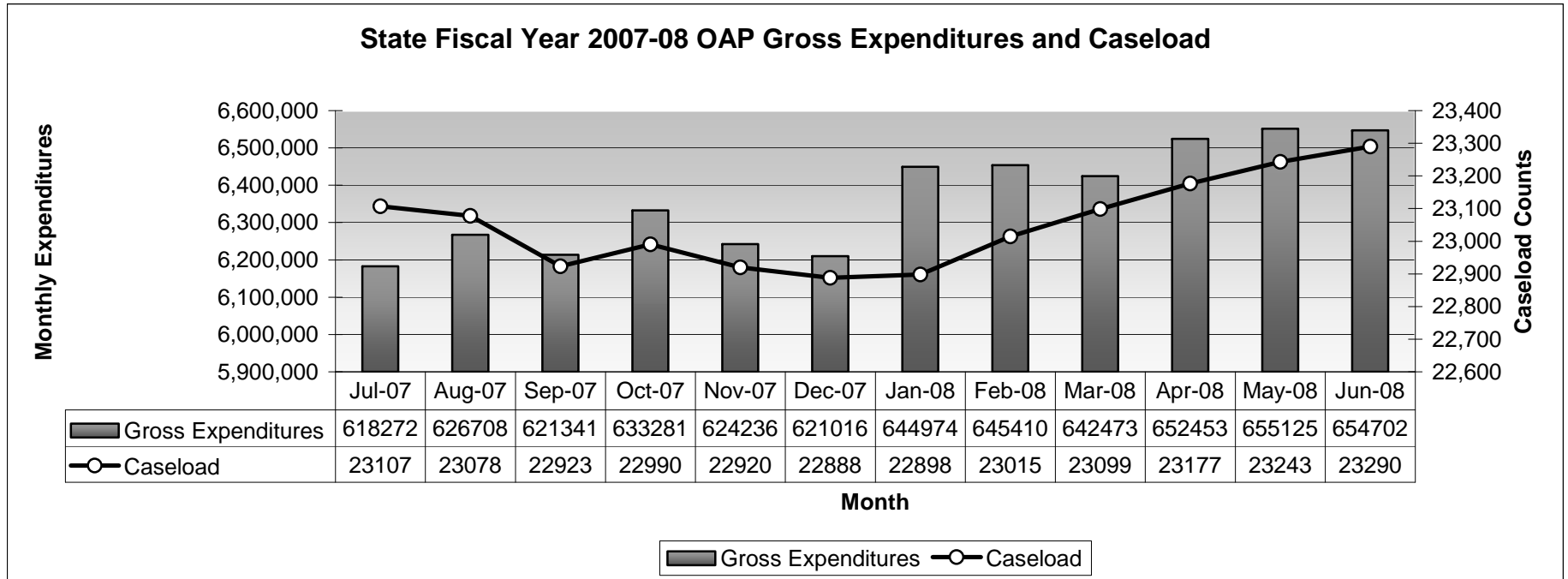
It is assumed that the Federal COLA rate will be approximately 2% of the SSI grant standard (resulting in a \$13 per month increase). It is estimated that 23,099 recipients will receive the COLA of \$13 for six months (January 1, 2009 through June 2009), which equals \$1,801,722. This same COLA will continue from July 2010 through June 2011 costing \$3,603,444 in FY 2010-11.

Each calendar year COLA will impact six months in two separate fiscal years. For example, the CY 2009 COLA will impact the last six months in FY 2008-09 and the first six months of FY 2009-10. The request's projection was estimated assuming COLA adjustments would be made each calendar year and the full SSA COLA adjustment will be passed to the OAP monthly grant standard each calendar year.



The average OAP caseload over the last twelve months has decreased slightly from July 2007 through December 2007 and has experienced slight increases since January 2008. During the last three fiscal years, the OAP caseload has not significantly changed. Increases to OAP expenditures have been a result of increases in the OAP grant standard and changes to recipient's income. Current caseload data does not indicate a trend that predicts the number of recipients will increase in the future.

The graph below shows the caseload and monthly expenditures in Fiscal Year 2007-08.



The graph above depicts the effects of the OAP COLA in calendar year 2008. In January 2008, the gross expenditures rose (approximately \$250,000 per month). This increase was a result of the 2008 SSI COLA (the OAP grant was increased by \$14 resulting in a \$662 monthly grant).

There are several different groups receiving OAP grants (i.e. SSI recipients, Social Security recipients, Rail Road/Private pension recipients, and individuals with no income). The cost of the OAP COLA is related to individuals who have no other sources of income, or do not receive an annual increase in income. For example, when the 2008 COLA was passed, the average payment to these individuals (primarily non-citizens/non-

SSI recipients) increased approximately \$14 per month, or the 2008 OAP COLA increase.

The table below shows the effects of a SSI/OAP COLA to recipient income and State obligations, when the State increases the OAP grant in an amount equal to the SSA COLA.

| Recipient/Individual Description | Calendar Year 2008 | | | Calendar Year 2009 - With a \$13 SSI Increase (Approximately 2% COLA) | | | Net Expenditure COLA Increase/Decrease |
|----------------------------------|--|-------------------------|---------------------------------------|---|-------------------------|---------------------------------------|--|
| | Recipient Income (SSI Grant of \$637 per month) A | OAP Grant Standard B | Recipient Grant and State Cost B-A | Recipient Income C | OAP Grant Standard D | Recipient Grant and State Cost D-C | |
| A. SSI Recipient | \$637 | \$662 | \$25 | \$650 | \$675 | \$25 | \$0 |
| B. Recipient w/no income | \$0 | \$662 | \$662 | \$0 | \$675 | \$675 | \$13 |

The table above shows an SSI grant increase of \$13 per month and the corresponding increase in OAP cost as a result. For individuals with SSI income (A. SSI Recipient), the table has zero incremental cost $((\$675 - \$650) - (\$662 - \$637) = 0)$.

In contrast, the individual with no income (B. Recipient w/no income) has an incremental increase in OAP cost of \$13 per month $((\$675 - \$0) - (\$662 - \$0) = \$13)$, the difference between the increase in the SSI and OAP grant standards. Recipients receiving the full SSI grant of \$650 (in this case) will receive \$13 in OAP assistance as a supplement to SSI. The increased cost to individuals with no income is the primary cause of increased OAP cost as a result of COLAs.

Impact on Other Government Agencies: None

Cost Benefit Analysis: Not Applicable as this decision item is informational.

Implementation Schedule:

| Task | Month/Year |
|--|-------------------|
| COLA Rule 1 st reading | 09/2009 |
| COLA Rule 2 nd Reading | 10/2009 |
| Feds Publish COLA recommendations | 10/2009 |
| COLA Rule Final Reading | 11/2009 |
| CBMS Mass Change and Grant Table Changes | 12/2009 |
| New OAP Grant Effective | 1/2010 |

Statutory and Federal Authority:

CONSTITUTION OF THE STATE OF COLORADO: ARTICLE XXIV OLD AGE PENSIONS : Section 7. Stabilization fund and health and medical care fund. All the moneys deposited in the old age pension fund shall be first available for payment of basic minimum awards to qualified recipients, and no part of said fund shall be transferred to any other fund until such basic minimum awards shall have been paid.

26-2-111, C.R.S. (2008) Eligibility for public assistance. (2) Old Age Pension. (a) Except as provided in paragraph (d) of this subsection (2), public assistance in the form of the old age pension shall be granted to any person who meets the requirements of subsection (1) of this section and any one of the following requirements:

The person has attained the age of sixty years or more and meets the resource eligibility requirements of the federal supplemental security income program

26-2-114, C.R.S. (2008) Amount of assistance payments - Old Age Pension. (1) The basic minimum award payable to those persons qualified to receive an old age pension

shall be one hundred dollars monthly; but the state board may adjust the said basic minimum award above one hundred dollars if, in its discretion, living costs have changed sufficiently to justify such adjustment.

Performance Measures:

| Program | Performance Measure | Outcome | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|--|---|--------------------------|-------------------------------------|--|--|--|
| | | | Actual | Actual | Current | Request |
| Aging and Adult Services | Improve the standard of living for individuals living in poverty. Recipient income (as a percentage of the federal poverty level) for Colorado's Old Age Pension and Aid to the Needy Disabled programs (Colorado Supplement and State Only). | Program Benchmark | OAP 76% AND-CS 73% AND-SO 27% | OAP 76% AND-CS 73% AND-SO 27% | OAP 77.85% AND-CS 74.9% AND-SO 27% | OAP 77.85% AND-CS 74% AND-SO 27% |
| | | Actual | OAP 76% AND-CS 73% AND-SO 27% | OAP 77.85% AND-CS 74.9% AND-SO 27% | OAP 77.85% AND-CS 74.9% AND-SO 27% | OAP 77.85% AND-CS 74% AND-SO 27% |
| The benchmarks and actuals for this measure compare a recipient's subsidized income level (after receiving financial assistance provided by one of these programs) to the federal poverty level. Actuals show that, even with financial assistance, individuals on these programs are still living well below the poverty level. Ideally, financial assistance would bring a recipient's subsidized income level to 100% of (or greater than) the federal poverty level. | | | | | | |

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Integrated School-based Substance Use Treatment for Adolescents
 Department: Colorado Department of Human Services Dept. Approval by: *Will Keyel* Date: *10-20-08*
 Priority Number: DI-27 OSPB Approval: *for MZ* Date: *10-22-08*

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 908,620 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 908,620 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (8) Mental Health & Alcohol & Drug Abuse Services (D) Alcohol & Drug Abuse Division (2) Community Programs (a) Treatment Services- Integrated School-based Mental Health and Substance Use Treatment for Adolescents (New line item) | Total | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 908,620 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 908,620 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Non-Line Item Request: None
 Letternote Revised Text: [New Letternote] "These amounts shall be transferred from the Department of Education. The source of these funds are the State Education Fund created in section 17 (4)(a) of Article IX of the State Constitution."
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: State Education Fund
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Education

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Integrated School-based Substance Use Treatment for Adolescents
 Department: Colorado Department of Education Dept. Approval by: *[Signature]* Date: 10/20/08
 Priority Number: NP-7 OSPB Approval: *[Signature]* Date: 10-21-08

| | Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|--|
| | | Prior-Year Actual FY 2007-08 | Appropriation FY 2008-09 | Supplemental Request FY 2008-09 | Total Revised Request FY 2008-09 | Base Request FY 2009-10 | Decision/Base Reduction FY 2009-10 | November 1 Request FY 2009-10 | Budget Amendment FY 2009-10 | Total Revised Request FY 2009-10 | Change from Base (Column 5) FY 2010-11 |
| Total of All Line Items | Total | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 908,620 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 908,620 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (2) Assistance to Public Schools (C) Grant Programs, Distributions, and Other Assistance, (IV) Other Assistance, Integrated School Based Substance Abuse Treatment | Total | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 908,620 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 908,620 | 908,620 | 0 | 908,620 | 0 |
| | CFE/RF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 908,620 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Non-Line Item Request: None
 Letternote Revised Text: [New Letternote] "These amounts shall be transferred to the Department of Human Services. The source of these funds is the State Education Fund created in Section 17 (4)(a) of Article IX of the State Constitution."
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: State Education Fund
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Human Services

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Colorado Department of Human Services |
| Priority Number: | DI-27 |
| Change Request Title: | Integrated School-Based Substance Use Treatment for Adolescents |

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department requests \$908,620 Reappropriated Funds to implement integrated, evidence-based, school-based substance use treatment services in 26 metropolitan Denver middle and high schools. The funding will be used to contract with community programs to provide direct counseling services to students.

Background and Appropriation History:

To date, no state resources have been allocated to the Department to provide integrated school-based, mental health or substance use treatment services. Project Bloom, federal grant, monies have been used to provide funding for disparate pre-school school-based mental health and substance use service programs across the State. However, the grant expires on September 30, 2008. Even though these programs have demonstrated remarkable outcomes (Division of Behavioral Health, Project Bloom- Early Childhood Mental Health Program Report, 2008), resources have not been available to implement or sustain such services.

Current funding resources for school-based substance abuse services includes grants, public school district dollars, etc. The Colorado Department of Education (CDE)

allocates funds to school districts to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary through secondary schools. The dollars allocated by CDE are federal funds under The Safe and Drug-Free Schools and Communities Program (SDFS-CP) (separate from the funds awarded for use by the Governor’s discretion). These funds are also referred to as Title IV, Part A of the federal No Child Left Behind Act of 2001. The City and County of Denver funds a program located in a Denver Public High School, through federal funds received from the Department for substance abuse primary prevention services. These dollars awarded under a SAMHSA Discretionary – Strategic Prevention Framework State Incentive Grant to the Department and are awarded under contracts, based on proposals, to local communities. Specific to substance abuse treatment services, there are programs that are currently funded through local / private donations and contributions.

| Line Item | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 |
|--|----------------------|----------------------|----------------------|-------------------|-------------------|
| | Appropriation | Appropriation | Appropriation | Request | Request |
| (8) Mental Health & Alcohol & Drug Abuse Services (D) Alcohol & Drug Abuse Division (2) Community Programs (b) Integrated School Based Substance Use Treatment for Adolescents- New Line Item | \$0 | \$0 | \$0 | \$908,620 | \$908,620 |

General Description of Request:

The \$908,620 requested will enable the Department to implement evidenced-based, school-based substance use services in 26 metropolitan Denver middle and high schools targeting students ages 11-18 who are at risk for, or who present with, substance use problems.

Student behavioral health (mental health and substance use) is a major concern, affecting both the healthcare and education systems. In order to address these behavioral health concerns early, the Department's intent is to reach children in school where they spend the majority of their time. Schools offer unparalleled access to students in order to address both academic and behavioral health needs, which are intricately related. In the United States over 52 million youth attend 114,000 schools. School-based behavioral health services are part of the national agenda. President Bush's New Freedom Commission (2003) recommended that school mental health programs be improved and expanded and the 2002 Elementary and Secondary Education Act (No Child Left Behind) and the Individuals with Disabilities Education and Intervention Act (IDEIA) mandates the implementation of such initiatives.

Across the United States, student mental illness and substance use continues to be a significant problem. Children and adolescents with emotional disturbance (5-9% of school-age youth) have the highest failure rates, with 50% of these students dropping out of high school. Youth, who begin using substances by age 15, constitute the group at highest risk for later chronic abuse (Dishion, Kavanagh, & Kiesner, 1999). In particular, national data from the Monitoring the Future Study (2006) show that:

- Over 20% of all 8th graders surveyed have tried an illicit drug;
- 36% for 10th graders have tried an illicit drug;
- 48% for all 12th graders have tried an illicit drug; and
- 41% of all 8th graders reported use of alcohol with 20% reporting having been drunk. (73% of 12th graders report using alcohol).

Colorado statistics are slightly higher than the national averages noted above. According to the Colorado Department of Public Health and Environment, Youth Risk Behavior Survey (2006), 76% of students (ages 12-17) had consumed one or more drinks of alcohol in their lifetime, 47% currently used alcohol in the past 30 days, 42% had used marijuana in the past 30 days, and 8% have ever used cocaine.

The impact of substance use problems in schools is most evident in scholastic drop out rates. Young people who drop out of high school are unlikely to have the requisite skills

to compete and function in today's increasingly complex workplace. High school dropouts are more likely than high school graduates to be:

- Unemployed;
- Live in poverty and receive government assistance;
- Rely on public assistance longer; and
- Involved in criminal activity.

In a 2002 survey of Mexican-American & non-Hispanic white youth dropouts, 33% of Mexican-American and 30% of non-Hispanic white youth indicated that their use of alcohol and/or other substances was as a significant factor in their decision to leave school (Aloise-Young, et al, 2002). Furthermore, early substance use significantly increases the likelihood of students failing to complete school for all racial and ethnic groups (McClusky et al., 2002). Considering the high school drop out rate of Colorado is 47/1,000, the Department can reliably estimate that a large percentage of these students are leaving school due to substance use problems.

Integrated school-based behavioral health programs represent an evidenced-based solution that meets both the health and educational systems needs regarding student behavioral health. Integrated and well coordinated programs encompass school-family-community partnerships; mental health and substance use education, promotion, and assessment; prevention, early intervention, and treatment services; and behavioral health services for all students, including students in both general and special education. The goals include: improved access to behavioral health services; reduced stigma associated with receiving mental health and substance abuse treatment; reduced school drop-out rates; and improved emotional and behavioral functioning. Successful school-based behavioral health programs must attend to principles of quality, training and development, collaboration between schools, families, and community providers, socio-culturally relevant, and dedication to systematic assessment and evaluation of outcomes to ensure the effectiveness of integrated, school-based behavioral health programs.

Research has shown that targeted and integrated, school-based substance use interventions for adolescents who are at high risk for alcohol and drug problems:

- Reduce future alcohol and drug use (Eggert et al., 1994; Werch et al., 2000; Dent, et al, 2001; Sussman, et al, 1998; Botvin, et al, 2001; Zollinger, et al, 2003);
- Reduce high-risk behaviors such as careless driving, high-risk sexual behaviors (Morehouse & Tobler, 2000);
- Improve adolescent school attendance (Engberg & Morral, 2006);
- Increase the retention of students in school, vocational training, and employment (Hawaii, 2006); and
- Increase likelihood of students attending and completing college (King, et al, 2006)

School-based, substance use services for middle and high school students reach beyond the immediate and long-term individual needs. Families, school environments, and communities are significantly more healthy, supportive, and able to create and sustain positive learning environments when school-based services prevent and mediate debilitating and highly disruptive mental health and substance use problems.

School-based substance use programs enhance healthy development, reduce barriers to learning, and lead to the scholastic, social, familial, and personal success of children and adolescents. The goals of this initiative are:

- Build collaborative partnerships between State leaders (Department of Education and Department of Human Services), schools, community agencies, and families.
- Implement, fund, and sustain integrated school-based substance abuse early intervention and treatment services.

The targeted population is middle and high school students (ages 11-18) who are at risk for or who present with substance use problems.

A contracted provider will be responsible for providing integrated, evidence-based, school-based (on-site; “bell to bell”) substance treatment services. The funding awarded will enable the community provider to hire 20 credentialed, substance abuse counselors

for the 26 middle and high schools in the metropolitan Denver area. Community agencies will employ credentialed counselors to work in the identified schools, providing direct services (group and individual services) to students and families, and will work closely with school administrators, teachers, advisors, and health care professionals, as well as with other community based agencies to meet as many of the needs of the students as possible within the school setting.

This initiative will target 1,440 students with substance abuse problems, approximately 72 students per counselor per year. School-based, substance abuse services will follow established evidence-based curriculums (e.g., Life Skills Training and Toward No Drugs (TND) targeted to meet the needs of students with substance use problems. Programs will address:

- High-risk behaviors
- Reduction of substance use (e.g., alcohol, marijuana, cocaine)
- Family roles and relationships
- Peer pressure
- Decision making and critical thinking skills
- Relapse prevention planning
- Promotion of positive relationships, characteristics, and lifestyle

Services will be comprehensive, so as to address the needs of students presenting with co-occurring mental health problems, or risks thereof, since there is a high prevalence of mental health problems in students with substance abuse problems. Overall, school-based services will be aimed at preventing or minimizing the risk of substance use, and co-occurring mental health problems thereby avoiding the development of chronic substance abuse problems that are difficult and expensive to treat.

Consequences if Not Funded:

If this program is not funded, the State will forgo the opportunity to realize societal and monetary savings to be gained from implementation of this expected highly successful school-based substance use treatment programs. Without integrated substance use services in the secondary school systems, there will continue to be substantial gaps in prevention and early intervention efforts for students with substance use problems.

Substance use will go relatively unchecked and development of chronic (and more expensive) substance abuse problems more pronounced.

Calculations for Request:

| Summary of Request FY 2009-10 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request* | \$908,620 | \$0 | \$0 | \$908,620 | \$0 | 0.0 |
| Estimated Cost Per Contracted Counselor \$45,431 x 20 counselors | \$908,620 | \$0 | \$0 | \$908,620 | \$0 | 0.0 |

| Summary of Request FY 2010-11 | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---|--------------------|---------------------|-------------------|-----------------------------|----------------------|------------|
| Total Request | \$908,620 | \$0 | \$0 | \$908,620 | \$0 | 0.0 |
| Estimated Cost Per Contracted Counselor \$45,431 x 20 counselors | \$908,620 | \$0 | \$0 | \$908,620 | \$0 | 0.0 |

The tables below detail the cost estimates for the contracted community provider services:

| Item | FY 2009-10 | FY 2010-11 |
|--|-------------------|-------------------|
| Contracted Certified Addiction Counselor III Salary | \$33,000 | \$33,000 |
| Benefits @ 25% of Salary | 8,250 | 8,250 |
| Subtotal Personnel | \$41,250 | \$41,250 |
| Operating and Administrative Costs* | \$4,181 | \$4,181 |
| Total Estimated Cost per Contracted Counselor Position | \$45,431 | \$45,431 |

*See table below for detail of calculation.

Calculation of Operating and Administrative Costs

| Description | FY 2009-10 | FY 2010-11 |
|---|------------|------------|
| Mileage and Supplies | \$1,500 | \$1,500 |
| Professional Development | \$618 | \$618 |
| Subtotal Operating | \$2,118 | \$2,118 |
| Administrative Fee (5% of Personnel-\$41,250) | \$2,063 | \$2,063 |
| Total Operating and Administrative Costs | \$4,181 | \$4,181 |

Assumptions for Calculations:

The Department estimates that the contracted community provider services will include funding for 20 full-time licensed and/or Certified Addictions (CAC) III counselors as well as contractual administrative and operating costs. The CAC III is justified because this level is trained and experienced to independently provide a full spectrum of substance use services. The estimated contractual costs are based on the current CAC III level of services provided to the Department.

The 20 contracted school-based substance abuse counselors will provide services to 26 schools/communities across the metropolitan area approximately four days of the school week. It is estimated that each school-based, certified addictions counselor will work with 72 students per year (six groups of 12 students per group) for eight weeks of treatment. The contracted counselors will provide services in the school during the school year and during the summer either in the schools and/or the community and provide the necessary follow-up client services and consultation to adolescents and their families in the home setting as needed.

The Department plans to target the at-risk for drop out student population because substance use is strongly tied to student drop out rates. The contractor will provide an evidence-based practice curriculum, such as Life Skill Training, targeting students ages 11-18 who are at risk for dropping out of school. It is estimated that 1,800 students are at risk in the Denver metropolitan area (currently the Colorado dropout rate is estimated at 47/1000 students). This initiative will reach approximately 80% (1,440 targeted students / 1,800 at-risk students) of the estimated total dropout rate, approximately 1,440 middle

and high school students. The Department assumes that the majority of students referred and treated under school-based substance abuse services are largely the same students at risk for drop out. Evidence-based, school substance abuse programs, such as Life Skill Training, have been endorsed and implemented in numerous school districts across the country and have demonstrated remarkable success at mediating substance use problems.

Impact on Other Government Agencies:

Public Middle and High Schools, under the Colorado Department of Education, receiving services are expected to experience reduced disruption associated with a comprehensive approach to meeting the behavioral health needs of students. The monies will be transferred from the State Education Fund (Department of Education).

Cost Benefit Analysis:

For the purpose of this cost-benefit analysis, it is assumed that the benefits out weigh costs of school-based substance abuse treatment. For every dollar spent, the benefit per dollar of cost is \$25.61. Over time, school-based, substance abuse prevention and early intervention programs for students can give taxpayers a good return on their dollar and the request will pay for itself. There is credible evidence that certain well-implemented programs can achieve significantly more benefits than costs. The 2004 Washington State Institute for Public Policy has outlined the benefits of school-based substance prevention and intervention programs for middle and high school adolescents. The Department assumes that Colorado will realize similar cost-benefits from the implementation of this school-based, substance abuse treatment program initiative.

Implementation Schedule:

| Task | Month/Year |
|--|-----------------------------------|
| Internal research/planning period | January 1, 2009 to March 31, 2009 |
| Solicitation for bid/Request for Proposal released | May 1, 2009 |
| Contract awarded/start-up date | July 1, 2009 |

Statutory and Federal Authority:

25-1-206 C.R.S 2008. (1) Using funds appropriated for purposes of this section or available from any other governmental or private source, the division may purchase services for prevention or for treatment of alcohol and drug abuse or both types of

services on a contract basis from any tribal nation or any public or private agency, organization, or institution approved by the division. The services purchased may be any of those which may be provided through a public program, as set forth in section 25-1-203 (2). In contracting for services, the division shall attempt to obtain services that are in addition to, and not a duplication of, existing available services or services that are of a pilot or demonstration nature. Any agency operating a public program may also purchase such services on a contract basis.

(2) (a) In addition to the services purchased pursuant to subsection (1) of this section, using funds appropriated for purposes of this section or available from any other governmental or private source, the division may purchase services for the treatment of alcohol and drug abuse on a contract basis from a designated managed service organization for a designated service area as set forth in section 25-1-206.5. A public or private agency, organization, or institution approved by the division through the process set forth in section 25-1-206.5 may be designated as a designated managed service organization.

(b) Designated managed service organizations receiving funds pursuant to this subsection (2) shall comply with all relevant provisions of this part 2 and the rules promulgated thereunder.

Article IX- Education Section 17. Education-Funding. (4) State Education Fund Created.

(b) Monies in the state education fund may only be used to comply with subsection (1) of this section and for accountable education reform, for accountable programs to meet state academic standards, for class size reduction, for expanding technology education, for improving student safety, for expanding the availability of preschool and kindergarten programs, for performance incentives for teachers, for accountability reporting, or for public school building capital construction.

Performance Measures:

| Program | Performance Measure | Outcome | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
|------------------------|---|--------------------------|------------|------------|--|------------|------------|
| | | | Actual | Actual | Actual | Estimate | Request |
| Alcohol and Drug Abuse | Increase the percentage of clients successfully reducing the frequency of primary drug use between admission and discharge for all clients in outpatient treatment. | Program Benchmark | NA | NA | 82.7% | 85.4% | 88.1 |
| | | Actual | 78.1% | 80.8% | Data not available until November 2008 | | |

References:

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Engberg J., Morral A. R. (2006). Reducing substance use improves adolescents' school attendance. *Addiction*: 101: 1741-51

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McCluskey, C., Krohn, M., Lizotte, A., & Rodriguez, M. (2002) Early substance use and school achievement: An examination of Latino, white and African America youth. *Journal of Drug Issues*, 32, 921–944.

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