Department of Human Services
Line Item Descriptions

FY 09-10 Budget Request

NOVEMBER 1, 2008

STATE OF COLORADO

cdhs

Colorado Department of Human Services
people who help people

1575 Sherman Street
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Bill Ritter, Jr.
Governor

Karen L. Beye
Executive Director

October 27, 2008

The Department of Human Services (DHS) and the Department of Health Care Policy and Financing (HCPF) acknowledge a discrepancy in House Bill 08-1375 in Medicaid funding between the departments. Although both departments match their House Bill 08-1375 appropriation, the appropriated Medicaid funds in the Department of Human Services do not match the Department of Health Care Policy and Financing.

The discrepancy is in the following program sections of the Department of Human Services budget:

- Executive Director's Office, and
- Office of Information Technology.

The discrepancy is in the following lines within the "Department of Human Services Medicaid-Funded Programs" Long Bill group of the Department of Health Care Policy and Financing budget:

- Executive Director's Office-Medicaid Funding, and
- Office of Information Technology Services-Medicaid Funding.

The details of the discrepancies are shown below:

DHS Pgm	DHS Line Name	Long Bill Letter notes	DHS MCF	DHS MGF	HCPF Total	HCPF Non-General Fund	HCPF General Fund	Variance	
EDO	Gen Admin	**$13,582,547**	$6,703,338	$6,879,209	$14,426,718	$7,285,587	$7,141,131	$844,171	One Line in HCPF Budget
EDO	Special Purpose OPI/HIPAA	**$797,253**	$398,626	$398,627	$0	$0	$0	($797,253)	
	Total	**$14,379,800**	**$7,101,964**	**$7,277,836**	**$14,426,718**	**$7,285,587**	**$7,141,131**	**$46,918**	
ITS	Personal Services	**$237,497**	$118,749	$118,748	$427,453	$213,586	$213,867	($141)	One Line in HCPF Budget
ITS	Operating Expenses	**$16,855**	$8,427	$8,428	$0	$0	$0	$0	
ITS	GGCC	**$2,774**	$1,387	$1,387	$0	$0	$0	$0	
ITS	Microcomputer & MNT	**$170,327**	$85,164	$85,163	$0	$0	$0	$0	
	Total	**$427,453**	**$213,727**	**$213,726**	**$427,453**	**$213,586**	**$213,867**	**($141)**	
ITS	CBMS	**$7,933,727**	$4,217,035	$3,716,692	$7,971,202	$4,236,954	$3,734,248	$37,475	
	Total	**$7,933,727**	**$4,217,035**	**$3,716,692**	**$7,971,202**	**$4,236,954**	**$3,734,248**	**$37,475**	
	Total Variance							**$84,252**	

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(1) EXECUTIVE DIRECTOR'S OFFICE

(A) GENERAL ADMINISTRATION

The Executive Director's Office contains the staff and resources for overall direction of all departmental activities. The Executive Director accomplishes this task through the direct supervision of the Executive Management Team (EMT). Through EMT, the Executive Director provides the direction and supervision of the program and administrative areas.

Public Information Officer: The PIO serves as the department's primary contact for the media, supports the department's internal communications efforts, and coordinates departmental involvement in community events.

Legislative Liaison: The Legislative Liaison is the Department's designated lobbyist and oversees and coordinates all external and internal activities related to development and promotion of the Department's legislative agenda, and represents the Department's position on legislative matters impacting departmental operations or programs.

Division of Field Administration: The County Commissioner Liaison (CCL) serves as a direct point of contact between County Commissioners and the Executive Management of the Colorado Department of Human Services on issues of mutual concern or interest. This position also supervises the Field Administration Unit. This division is the Department's primary operational link to locally administered agencies. Field Administration extends the authority and influence of all state programs by collaborating with and working on behalf of the state offices, divisions, and units. It provides management consultation, technical assistance, training, facilitation services and operational oversight to the Directors of the 64 County Departments of Human Services, 16 Area Agencies on Aging (AAAs) and 2 American Indian Tribes in the state. The Division accomplishes this through on-site interaction and involvement with the local agencies through geographically-assigned individuals who are familiar with county administrative personnel and knowledgeable about local needs and issues.

The Budget Office provides budget development, support, management and analysis services for all program areas of CDHS. The budget office focuses heavily on assisting programs in managing appropriated dollars and FTE. The budget office also provides program staff with the tools to manage financial resources in the most effective manner possible, which allows services to be provided in an efficient manner to the most clients possible.

Functions of the Budget Division include:

- Budget Development: Each DHS program is assigned a budget analyst that works with program staff to identify financial issues to be addressed through the budget process. Each analyst develops the annual budget request for the assigned program areas following OSPB requirements and direction from the Executive Management Team. Budget development begins with an extensive review of budget actions proposed by program staff for policy implications and resource requirements. Once approved, budget analysts prepare the necessary documents for submission to the Governor's Office and the Joint Budget Committee. Other responsibilities in this area include identifying cash fund sources and preparing revenue projections to ensure that revenues are sufficient to support the Department's request.

Budget Office staff is also tasked with developing budget requests for centrally appropriated items using common policy instructions issued by the OSPB, The Department of Personnel and Administration, or JBC staff. Examples of these types of requests include Salary Survey, Pay for Performance, Health, Life and Dental Insurance, Shift Differential Pay, Overtime Pay, Vehicle Lease Payments, and Utilities. When required, DHS budget analysts coordinate budget requests with budget analysts at other agencies such as Health Care Policy and Financing.

Once the budget request has been submitted, budget analysts are responsible for guiding their assigned program budgets through the Executive and Legislative budget processes. This responsibility includes attending budget-related hearings, responding to questions and request for information from OSPB and JBC staff, updating program staff and DHS management regarding the budget process, and working with JBC staff to finalize fund splits and letter note amounts for the Long Bill.

- Financial Oversight: Budget staff also monitor current year revenues and expenditures. Using COFRS and other available data systems, budget analysts periodically review revenues and expenditures to ensure compliance with appropriated dollar amounts. Financial data is analyzed and used to anticipate budget issues such as revenue shortfalls or over/underexpenditures in a timeframe sufficient to allow for adjustments to be made as necessary. DHS budget analysts are actively involved in program budget management and work to assist programs in developing solutions to potential budget issues, and to ensure fiscal accountability and the efficient utilization of resources.

  The Budget office holds departmental responsibility for allocating and managing POTS appropriated to the Office of Executive Director. Staff monitors program FTE levels to ensure that usage does not exceed appropriation levels. Budget staff holds responsibility for certifying adequate program resources for personnel additions or changes and contracts. This review is also designed to ensure that expenditures meet legal requirements and that they support departmental requirements and objectives.

- Financial Data: The Budget Office staff develops processes, protocols and internal controls to ensure that financial information provided is accurate, concise, timely and defensible. The Office serves as the single entry point into DHS for financial information flowing between DHS programs and Joint Budget Committee and OSPB staff and reviews outgoing information such that JBC/OSPB is provided with consistent, accurate information. The DHS budget office acts as a liaison to provide financial information to other state agencies including the Department of Personnel and Administration and the Department of Health Care Policy and Financing.

Budget analysts are responsible for coordinating the booking of long bill, special bills, and supplemental appropriations with the accounting division. Staff also works with program and accounting staff to complete transfers, ensure that revenues are properly booked, and restrict dollars as appropriate. Each analyst also attends periodic fiscal team meetings consisting of program and accounting staff assigned to each program.

- Fiscal Notes: The responsibility for fiscal note coordination is assigned the budget office staff. This entails receiving requests for fiscal analysis on proposed or introduced legislation, disseminating requests to appropriate program staff, and monitoring legislation with a potential fiscal impact to DHS. In addition, analysts are responsible for reviewing fiscal analysis provided by their assigned programs to verify funding request are accurate and justifiable. Staff also attends weekly legislative meetings to update program staff on the status of relevant bills.

Grants Management: It is the policy of CDHS to ensure that grants originating from this Department are consistent and comply with requirements from the Governor's Office. The Governor's Office approves all grants to verify congruence with statewide policy and initiatives, as well as to monitor any fiscal obligations related to matching funds. The Grants Management section of the Office of Financial Services is responsible for serving as a central clearinghouse, for coordinating the approval process for all grant funding that is solicited by all offices of the Department, and for providing information to the Governor's Office for purposes of statewide coordination.

The goals of this internal centralization are to assure that: (1) the grants being solicited are in line with the Department's Mission and Goals; (2) proposals are coordinated with other departments as well as with internal divisions; and (3) a comprehensive list of existing grants is maintained

Strategic Planning: The Budget Office has historically held the responsibility for coordinating the Department's strategic planning process. Responsibilities in this area have included coordination of meetings, tasks and deadlines for the Department's Strategic Planning Committee (SPC), acting as a liaison between DHS Executive Management Team and SPC members, and the editing and compilation of strategic planning documents into the DHS budget request.

the budget office staff is charged with all strategic planning functions including: developing and monitoring performance measures; coordinating the development of Departmental goals and objectives.

PERSONAL SERVICES

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association and the state share of federal Medicare taxes. This line item also provides funding for certain professional and temporary services.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $2,076.123 and 22.4 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $85,346 and $24,785 respectively to increase continuation to $2,186,254 and 22.4 FTE. Decision item D-2 added $130,518 and 1.8 FTE (annualizing to 2.0 in FY 2010-11) in FY 2009-10 for additional budget staff for a total of $2,316,773 and 24.2 FTE.

HEALTH, LIFE, AND DENTAL

The Health, Life, and Dental (HLD) appropriation is designed to cover the State's contribution for the premium on each employee's HLD insurance policy. This insurance benefit is part of the POTS component paid jointly by the State and State employees on a predetermined rate based on the tier that each employee selected (e.g., Employee, Employee + Spouse, Employee + Child(ren), Employee + Spouse + Child(ren)).

HB 08-1375 the FY08-09 Long Bill**,** appropriated $22,609,877 for this line item. SB08-1287, the FY07-08 Long Bill, appropriated $18,740,921 for this line item. This request was based on Common Policies and employees with coverage as of December 2007.

SHORT-TERM DISABILITY

Short-Term Disability (STD) is insurance that provides partial payment of an employee's salary in the event that an individual becomes disabled and cannot perform his or her work duties. All employees have this employer-paid payroll-based benefit. STD rates are calculated on a fiscal-year basis per the Common Policy instructions, page 7, issued August 1, 2007. The year-to-year estimated rate is set by the Department of Personnel and Administration. If the actual rate for the fiscal year differs substantially from the estimated rate, the Department of Personnel and Administration will submit a statewide Supplemental Request to adjust the appropriation.

HB 08-1375 the FY08-09 Long Bill**,** appropriated $331,564 for this line item.
SB08-1287, the FY07-08 Long Bill, appropriated $285,124 for this line item.

The Budget Request for this line is computed per the Office of State Planning and Budgeting's budget instructions.

SB 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

The Amortization Equalization Disbursement increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The Budget Request for this line is computed per the Office of State Planning and Budgeting's budget instructions. The rate is provided by the Department of Personnel and Administration and is calculated using the sum of base salaries, Salary Survey, Performance-based Pay and Shift Differential. During the 2005 legislative session, the General Assembly created a single Amortization Equalization Disbursement line item in all departments to fund these expenses. The FY 05-06 Amortization Equalization Disbursement used a rate of 0.5% of payroll beginning January 1, 2006. This remained at this level until January 1, 2007 when it increased to 1%. The rate is projected to increase to 3% over seven years. FY 06-07 was the first full year this program was in effect.

HB 08-1375 the FY08-09 Long Bill**,** appropriated $4,012,420 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $2,651,400 for this line item.

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

The Supplemental Amortization Equalization Disbursement increases the employee's contribution to the PERA Trust Fund to amortize the unfunded liability beginning January 2008. It is similar to the Amortization Equalization Disbursement discussed above. The Budget Request for this line is computed per the Office of State Planning and Budgeting's budget instructions. The rate is provided by the Department of Personnel and Administration and is calculated using the sum of base salaries, Salary Survey, Performance-based Pay and Shift Differential. During the 2006 legislative session, the General Assembly passed SB 06-235 which included creation of the Supplemental Amortization Equalization Disbursement as a sub-line of the Salary Survey and Senior Executive Services line item in all departments to fund these expenses. The Supplemental Amortization Equalization Disbursement rate will be first implemented in FY 07-08 and will use a rate of 0.5% of payroll beginning January 1, 2008. This rate will increase by 0.5% per year, in each calendar year until 2013.

HB 08-1375 the FY08-09 Long Bill**,** appropriated $1,827,413 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $486,293 for this line item.

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

The Salary Survey and Senior Executive Service appropriation reflects the amounts appropriated to the Department to cover the cost of salary increases based on the job and wage classification survey performed annually by the Department of Personnel and Administration. In general, the appropriations incorporate results of the "Annual Compensation Survey" recommendation provided by the Department of Personnel and Administration which reflects percentage adjustments by occupational group. Applicable PERA and Medicare amounts are added into the Salary Survey calculations.

HB 08-1375 the FY08-09 Long Bill**,** appropriated $9,460,039 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $8,901,972 for this line item.

This Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

PERFORMANCE-BASED PAY AWARDS

Department of Personnel and Administration established the guidelines for Achievement Pay which is a combination of Salary Survey and Performance Pay. Effective July 1, 2007, Fully Competent, Commendable and Superior performers received an increase based on the following.

HB 08-1375 the FY08-09 Long Bill, appropriated $3,951,587 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $3,427,553 for this line item.

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

SHIFT DIFFERENTIAL

HB 08-1375 the FY08-09 Long Bill, appropriated $3,958,334 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $4,304,380 for this line item.

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

WORKERS' COMPENSATION

This line item is used to pay the Department's estimated share for inclusion in the state's workers' compensation program for state employees. This program is administered by the Department of Personnel and Administration. The cost basis is developed relative to estimated claim payouts, purchased professional services (actuarial and broker costs), and Common Policy adjustments. The Department of Personnel and Administration's actuaries determine departmental allocations.

HB 08-1375 the FY08-09 Long Bill, appropriated $8,587,528 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $6,764,507 for this line item.

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

OPERATING EXPENSES

This line item provides funding for supplies and materials, as well as departmental Capital Outlay for the purchase or replacement of medical equipment, furniture, and other items that cost less than $50,000.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $494,827 for this line. Decision item D-2 added $12,356 in FY 2009-10 for additional budget staff. Non-prioritized-1 added $5,698 for fleet costs, and Non-Prioritized-2 added $1,658 for postage increases. The line now reflects a total of $514,539 based on these increases.

LEGAL SERVICES FOR 18,439 HOURS

The legal services appropriation is used to purchase legal services from the Department of Law.

HB 08-1375 the FY08-09 Long Bill**,** appropriated $1,384,769 for this line item (18,439 hours). HB 08-1314 also increased this line by $2,866. SB 08-1287, the FY07-08 Long Bill, appropriated $1,328,161 for this line item (18,439 hours).

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

ADMINISTRATIVE LAW JUDGE SERVICES

This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division.

HB 08-1375 the FY08-09 Long Bill**,** appropriated $873,818 for this line item.
SB 08-1287, the FY07-08 Long Bill, appropriated $833,592 for this line item.

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting which includes requesting an additional $40,004 for DPA staffing of new administrative law judges.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item provides funding for the Department's share of statewide costs for two programs operated by the Department of Personnel and Administration: (1) the liability program, and (2) the property program. The State's liability program is used to pay liability claims and expenses brought against the State. The property program provides insurance for state buildings and their contents.

HB 08-1375 the FY08-09 Long Bill appropriated $1,768,970 for this line item.
SB 08-1287, the FY07-08 Long Bill appropriated $1,296,369 for this line item.

The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

STAFF TRAINING

The staff training line provides funding for the conferences and training enterprise fund managed by the Mental Health Institute at Fort Logan and the Grand Junction Regional Center for charges made by non-departmental employees who participate in selected staff training programs.

HB 08-1375 the FY08-09 Long Bill appropriated $31,870 for this line item.
SB 08-1287, the FY07-08 Long Bill appropriated $31,870 for this line item.

INJURY PREVENTION PROGRAM

The injury prevention line provides funding for employee injury prevention, loss control initiatives,

HB 08-1375 the FY08-09 Long Bill appropriated $105,970 for this line item.
SB 08-1287, the FY07-08 Long Bill appropriated $105,970 for this line item.

CBMS EMERGENCY PROCESSING UNIT

This line was created as a result of a temporary court order to support benefit applicants.

HB 08-1375 the FY08-09 Long Bill appropriated $213,822 for this line item.
SB 08-1287, the FY07-08 Long Bill appropriated $213,822 for this line item.

(B) SPECIAL PURPOSE

OFFICE OF PERFORMANCE IMPROVEMENT

The Office of Performance Improvement is organized and structured around the acknowledgement that a centralized approach to accountability: 1) provides a unique, overall, department-wide perspective to performance improvement; 2) is more cost effective and efficient than having similar functions localized within the various programs (i.e., each office having its own human resources office or its own audit division); and 3) provides a separation of the monitoring and quality assurance functions from the design and implementation of the programs, thus adding objectivity to the information gained by these processes and used to base program improvements.

The Office of Performance Improvement (OPI) is responsible for functions focusing on a different key area of responsibility in ensuring accountability or in providing the support services necessary to achieve high levels of accountability. Since the various OPI functions often involve the same customers (county administrators, program management, etc.), the functions are closely coordinated to ensure that their separate accountability processes are conducted in the most efficient and effective manner, and are non-duplicative for the customer.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $4,997,731 and 74.1 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $185,493 and $53,445 respectively and a negative annualization to DI-5 for FY08-09 of ($6,242) adjusted continuation to $5,230,427 and 74.1 FTE. Non-prioritized-1 adds $1,827 for fleet costs, and Non-Prioritized-2 added $4,026 for postage increases for a total of $5,236,280 and 74.1 FTE.

ADMINISTRATIVE REVIEW UNIT

The Administrative Review Division (ARD) is responsible for the federally required Case Review and Quality Assurance (QA) Systems for both the Division of Child Welfare and the Division of Youth Corrections (DYC) in Colorado. The Administrative Review Process involves an on-site case review and face-to-face meeting for all children who are in out-of-home placement for at least six months and is held every six months, as long as the child/youth remains in out-of-home placement. The Quality Assurance Review system includes the review of a random sampling of child welfare cases that are receiving in-home and short-term placement services. A primary purpose of both types of reviews is to monitor the federally prescribed outcomes of safety, permanence, and child and family well being for children and families receiving services through the Child Welfare or Division of Youth Corrections programs. Both reviews have incorporated many of the requirements addressed in Colorado's federally mandated Performance Improvement Plan. Written findings and case specific data reports are provided daily for each completed Administrative Review. Aggregate data reports are provided to county departments, DYC regions, Child Welfare Program staff and the Federal Government on a quarterly or semi-annual and annual basis. Aggregate data reports on the separate Quality Assurance Reviews are provided to the counties as the reviews are completed. As ARD staff is geographically based, the Division is able to provide a Case Review and QA system in each jurisdiction in the state.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $1,951,619 and 22.2 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $70,107 and $19,884 respectively to increase continuation to $2,041,610 and 22.2 FTE. Decision item D-16 is for increase in FTE of 6.6 and an increase in federal funding of $459,113. This funding would come from the excess Title IV-E revenue in Child Welfare. This line also reflects Non-prioritized-1 adds $8,380 for fleet costs. The line now reflects a total of $2,509,103 and 28.8 FTE based on these increases.

RECORDS AND REPORTS OF CHILD ABUSE OR NEGLECT

This line item provides funding for the Department to maintain records of abuse and neglect and to perform related functions. Funding for this purpose was previously included in a line item in the Division of Child Welfare entitled, "Central Registry of Child Protection". House Bill 03-1211 repealed the state Central Registry of Child Protection, effective January 1, 2004. Pursuant to H.B. 03-1211, the Department of Human Services now utilizes records of child abuse or neglect for the purpose of conducting background screening check (generally requested by employers and agencies to screen potential child care employees, child care facility license applicants, and prospective adoptive parents). Fees paid for screening checks continue to be used to cover the direct and indirect costs of performing background checks and administering provisions related to the appeals process and the release of information contained in records and reports.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $566,874 and 7.5 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $14,450 and $4,267 respectively to increase continuation to $585,591 and 7.5 FTE.

JUVENILE PAROLE BOARD

Pursuant to Section 19-2-206 (6), C.R.S., the department is responsible for providing clerical support for the Juvenile Parole Board. The juvenile parole board administrator is appointed by the executive director of the department.

The Juvenile Parole Board is a nine-member body responsible for reviewing and approving parole applications for adjudicated juveniles in the custody of the Division of Youth Corrections. Authority for the Juvenile Parole Board is established in Section 19-2-206, C.R.S. The full board is required to meet no less than once per month. Members of the Juvenile Parole Board are reimbursed for expenses incurred in the performance of their duties. In addition to the reimbursement of expenses, the four citizen board members and the local elected official member receive a per diem of one hundred fifty dollars per day spent transacting official business of the board.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $199,979 and 2.2 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $5,263 and $1,572 respectively and HB 087-1156 of 45,768 and .8 FTE to increase continuation to $252,582 and 3.0 FTE.

DEVELOPMENTAL DISABILITIES COUNCIL

This council of 24 appointed representatives is responsible for providing coordination, planning and advice on developmental disabilities services, including development of a state plan for developmental disability services.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $861,654 and 6.0 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $15,133 and $4,407 respectively to increase continuation to $881,194 and 6.0 FTE.

COLORADO COMMISSION FOR THE DEAF AND HARD OF HEARING

The Commission is responsible for facilitating the provision of general government services to the deaf and hard of hearing including establishing a telecommunication equipment distribution program. During he 2006 legislative session, statutory changes were made to transfer authority for overseeing provisions of legal interpreters for the hearing impaired form the Division of Vocation Rehabilitation to the Commission.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $785,920 and 2.8 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $6,147 and $1,752 respectively to increase continuation to $793,819 and 2.8 FTE.

COLORADO COMMISSION FOR INDIVIDUALS WHO ARE BLIND OR VISUALLY IMPAIRED

This line item was created associated with the passage of S.B. 06-61 and S.B. 06-218. S.B. 06-218 authorizes the General Assembly to annually appropriate funds from the Disabled Telephone Users Fund in the Depart of Regulatory Agencies to the Commission.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $112,067 and 1.0 FTE for this line.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996-SECURITY REMEDIATION

The Department is considered a covered entity under HIPAA as it is responsible for the administration of numerous programs that handle health information. Specifically, the security rule covers: (1) the Mental Health Institutes at Pueblo and Fort Logan; (2) Mental Health Services: (3) the Alcohol and Drug Abuse Division; (4) department-wide security; (5) the Department's accounting program; (6) the Office of Information Technology Services; (7) the Regional Centers at Wheat Ridge, Pueblo, and Grand Junction; (8) the Division of Developmental Disabilities; and (9) the Nursing Homes at Rifle and Fitzsimons.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $522,013 and 2.0 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $7,419 and $2,040 respectively to increase continuation to $531,472 and 2.0 FTE.

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(2) OFFICE OF INFORMATION TECHNOLOGY

PERSONAL SERVICES

The Department of Human Services' Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The office supports centralized databases and provides support and training to users, including county staff and private social service providers. The office also helps to set policies and strategic directions for de-centralized information technology systems that are operated by individual divisions within the department.

This line item funds salaries and the state's share of PERA payments and Medicare taxes for a little less than half of the FTE in the Division, as well as a variety of contractual services. Most of the FTE associated with this line are information technology professionals who support various systems as well as all hardware technical support (for approximately 2,100 desktop and laptop computers as well as over 200+ servers) throughout the department, as well as management, financial and administrative support staff for the division.

Other FTE in the division are allocated to specific systems and are reflected in the associated program line items reviewed below. In some of the OITS lines involving personal services, a large portion of the expense is for contractual services rather than for state employees. In some cases this takes the form of contracts spanning multiple years with negotiated fixed payment rates.

SB 07-239, the FY 2007-08 Long Bill, appropriated $5,617,053 and 76.2 FTE.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $5,617,053 plus $194,490 salary survey, $64,007 pay for performance increase, and a ($58,755) personal services base reduction. $144,944 and 2.4 FTE were added for FY 2008-09 DI# 11 – ITS Infrastructure Support to increase the department-wide technical operations support to a level commensurate with growth in the customer base and to address new external business requirements.

This support job has become more complicated over time. In particular, the computer security requirements to which the State must conform have become much more complex. Some of the State's new systems have greatly increased security administration requirements compared to the systems they have replaced. Both Colorado Trails and the Colorado Benefits Management System (CBMS) have over 100 unique security profiles depending on the exact mix of programs on which an individual works. If a worker transfers to a new position, their security access must be modified, perhaps extensively. The federal Health Information Portability and Accountability Act (HIPAA) has placed numerous new information security requirements on agencies and their computer systems. The State Chief Information Security Officer has promulgated a variety of rules regarding computer security with which the

Department must comply. Like new federal rules, these new state rules drive an incremental increase in the scope of the work performed by the support staff.

The total FY 2008-09 appropriation is $5,961,739 and 78.6 FTE. Some lines in this division are funded through indirect cost recoveries from other divisions. In several cases, this causes the cash funds exempt portion of an appropriation to be recharacterized entirely as reappropriated funds in the new format.

The FY 2009-10 Request is for the continuation level of funding of $6,961,739 and 78.6 FTE, less (6.0) FTE for Special Bill SB 08-115, $191,586 and 2.6 FTE for annualization of FY 2008-09 DI #11, ITS Infrastructure Support, $234,922 salary survey, $584,382 pay for performance, and a reduction of ($16,877) for the 20% performance non-based pay adjustment. The total FY 2009-10 Request for Personal Services is $6,455,752 and 75.2 FTE.

OPERATING EXPENSES

This line item pays for the operating expenses associated with the FTE in the personal services line item, plus much of the centralized hardware and software infrastructure used by the department.

SB 07-239, the FY 2007-08 Long Bill, appropriated the continuation level of $386,576.

The FY 08-09 Long Bill (HB 08-1375) appropriated $407,176 including $331,546 *net* General Fund, for operating expenses including the continuation funding of $386,576, an increase of $19,650 for FY 2008-09 DI#11 ITS Infrastructure Support, and a JBC adjustment of $950. The cash funds exempt portion of the appropriation consists entirely of a transfer from the Department of Health Care Policy and Financing, and is identified as reappropriated funds in the new format.

The FY 09-10 request is for the FY 2008-09 appropriation level of $407,176, less the ($14,900) annualization of FY 2008-09 DI#11 Infrastructure Support for a total continuation request of $392,276. Decision Item #NP-1 State Fleet Variable Cost, a companion to the request submitted by the Department of Personnel and Administration for $457, results in a total FY 2009-10 Operating Expenses Request of $392,733.

PURCHASE OF SERVICES FROM COMPUTER CENTER (GGCC)

This common policy based line item represents the Department of Human Services share of utilization of the Department of Personnel and Administration's General Government Computer Center (GGCC) services and equipment. The source of funds is based on the financing for the programs that use GGCC services. The GGCC Common Policy supports the planning, management, operation and delivery of the computing infrastructure. All adjustments to this line are based on DPA Common Policies as approved by the JBC.

SB 07-239, the FY 2007-08 Long Bill, appropriated $4,687,376.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of $4,687,376 plus the common policy reduction of ($223,408) for a total spending authority of $4,463,968.

The FY 09-10 Request is for a continuation level of $4,463,968.

MICROCOMPUTER LEASE PAYMENTS

This line item is used for lease payments on personal computers and related equipment. The line item was originally recommended and approved in FY99 for the transition of old purchased (5 to 7 years) microcomputers to new leased microcomputers for the Y2K (year 2000) conversion. The original amount appropriated was $839,914 which has been reduced to it current amount of $539,344 by savings due to the reduction in micro-computer costs and the reduction in leased interest rates over the next nine Fiscal Years.

SB 07-239, the FY 2007-08 Long Bill, appropriated the continuation level of $539,344.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $539,344, including $333,613 *net* General Fund for the microcomputer lease payments. The cash funds exempt portion of this appropriation is identified as reappropriated funds in the new format.

The Department's FY 2009-10 Request is for the continuation level of funding of $539,344.

COLORADO TRAILS

This line item pays personal services, operating, and contract costs associated with Colorado Trails. Colorado Trails is a statewide system, operational since 2002, that supports activities in the Division of Child Welfare and the Division of Youth Corrections. It provides case management, financial tools, and other resources to users of the program.

The Colorado Trails system was an initiative of the Division of Child Welfare, the Division of Youth Corrections, the Office of Information Technology Services, and the Office of Operations to redesign and implement an information system for case management, case tracking, court reporting, case information sharing, automated desktop procedures, and facility and placement tracking. The goal was to assist caseworkers and client managers in performing their jobs, as well as to provide better reporting tools and management information for CDHS.

Two key pieces of legislation enacted in the 1996 Legislative Session, including H.B. 96-1017, "Concerning the Management of Information Related to Children Who Receive Services under the Colorado Children's Code," and S.B. 96-221, "Concerning the Integrated Criminal Justice Information System," were legislative efforts to build upon past efforts to streamline, simplify and mandate accessibility to client data for the purposes of improving services to children.

In addition, the Child Welfare Settlement Agreement (CWSA) required changes in policies, procedures and data collection for CDHS. The Colorado Trails system was designed and developed to address the data collection change addressed in the Settlement Agreement. The CWSA refers to the need for a "unitary data system." This need was met by completion of the Colorado Trails system.

Colorado Trails was also the result of federally mandated requirements of the Omnibus Budget Reconciliation Act of 1993, which required states to develop a comprehensive statewide automated system capable of supporting the administration of services under Title IV-B and IV-E.

The type of client information needed and used by the Child Welfare and Youth Corrections in determining treatment or other client care plans is very often similar and may involve the same client. As an example, Child Welfare clientele once in an out-of-home placement situation may also be placed in a Division of Youth Corrections detention center. Information related to such children and youth, however, was not, prior to implementation of Colorado Trails readily accessible by all agencies and/or across counties involved in services to the client due to historically based differences in requirements attached to funding streams and how the data was collected and stored. Colorado Trails is the result of an effort to remedy this situation by reducing duplication of effort to serve clients as well as providing more comprehensive historical client records to aid in the preparation of care plans and other services for clients.

SB 07-239, the FY 2007-08 Long Bill, appropriated $9,276,217 and 48.0 FTE.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $9,276,217 plus $98,908 salary survey, $32,788 pay for performance increase, and a ($31,084) personal services base reduction. The total FY 2008-09 appropriation is $9,376,829.

The FY 2009-10 Request is for the continuation level of funding of $9,376,829, plus $175,000 for Special Bill HB 1391, $141,607 salary survey, $50,696 pay for performance and a reduction of ($10,139) for performance based pay adjustment. The total FY 2009 Request for Colorado Trains is $9,733,993 and 48.0 FTE.

COUNTY FINANCIAL MANAGEMENT SYSTEM

This line item pays for contract and operating expenses associated with maintaining the County Financial Management System (CFMS). The system tracks program expenditures by program, by funding source, by county; tracks and allocates administrative costs by program; and, tracks expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over $1.0 billion in payments annually. Funding for CFMS is used for contractual services (IT programmers) and hardware and software maintenance.

SB 07-239, the FY 2007-08 Long Bill, appropriated the continuation level of $1,515,836.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $1,515,836 ($781,835 General Fund and $734,001 federal funds from various sources) for the County Financial Management System.

The FY 09-10 Request for the County Financial Management System (CFMS) is for a continuation level of $1,515,836.

HEALTH INFORMATION MANAGEMENT SYSTEM

This line item pays operating and contract costs associated with maintaining the Health Information Management System. This automated system supports clinical and administrative business functions at the Mental Health Institutes, the Regional Centers for persons with developmental disabilities, and the Division of Youth Corrections' detention and institutional facilities. The system was implemented in October 1995 in response to a requirement by the federal Health Care Financing Administration for providers to itemize all services and bill Medicare under a physician fee schedule. The system includes medical records, census, billing and accounts receivable, client banking, nutrition, laboratory, pharmacy, and clinical assessment and treatment information. In 2007 the name of this system was changed to AVATAR..

SB 07-239, the FY 2007-08 Long Bill, appropriated $339,168, which consisted of a continuation level of $337,768 and a $1,400 annualization of FY 2006-07 DI# 9 for the Division of Youth Corrections Sol Vista.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $339,168, including $211,290 General Fund. The cash funds exempt moneys are transfers from other divisions in the department. The cash funds exempt portion of this appropriation consists of indirect assessments from a variety of sources, and is shown as reappropriated funds in the new format.

The FY 09-10 Request for the AVATAR system is $339,168.

CLIENT INDEX PROJECT

This line item funds salaries and the state's share of PERA payments and Medicare taxes for three FTE. The Client Index system assures that each recipient of state benefits has a unique identifier. Each program uploads the name, gender, date-of-birth, social security number, and other identifying information for any individual served, and the Client Index System looks for other duplicate entries and assigns a unique identifier. The Client Index System retains both this unique identifier and the identifiers assigned by each respective program's system. By maintaining a central, unduplicated listing of clients served, the Client Index System enhances interagency coordination and cooperation, reduces data entry requirements, reduces referrals for duplicated services, reduces fraud, and provides information for program evaluations.

SB 07-239, the FY 2007-08 Long Bill, appropriated the continuation level of funding of $156,116. DI#27 replaced ITS contractors with State 3.0 FTE.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $156,116 and 3.0 FTE.

The FY 2009-10 base request is for the continuation level of funding of $156,116 and 3.0 FTE. plus $4,781 salary survey, $2,036 prior year pay for performance and a reduction of ($407) for the performance based pay adjustment. The total base request is $162,526 and 3.0 FTE. The FY 09-10 Request is for the continuation level of $162,526 and 3.0FTE.

NATIONAL AGING PROGRAM INFORMATION SYSTEM

This system helps the department comply with federal reporting requirements regarding clients served through Older Americans Act programs. Funding is primarily used to purchase contract programmer services and to partially fund the cost of leasing/purchasing microcomputers for area agencies on aging (AAA's) and service providers. Federal funds are from Title III of the Older Americans Act and this grant requires a 25.0 percent match. Of the match, 66.6 percent is General Fund and 33.3 percent is cash funds exempt from a local match.

SB 07-239, the FY 2007-08 Long Bill, appropriated the continuation level of $93,114 for the National Aging Program Information System.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of $93,114., which includes $15,526 General Fund for the National Aging Program Information System. The entire cash funds exempt portion of this appropriation was reclassified as cash funds in the new reappropriated funds format.

The FY 09-10 Request is for a continuation funding level of $93,114.

<u>COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS)</u>

The Colorado Benefit's Management System (CBMS) distributes more than $2.7 billion annually in benefits to approximately 1 out of 9 Coloradoans. The system supports interactive interviews with clients, assesses the eligibility of applicants, calculates benefits for clients, and provides on-going case management and history tracking. The CBMS determines eligibility for many types of public assistance including TANF, Food Stamps, Medicaid, and children's health insurance.

Citizens are able to apply for benefits for 18 high-level programs and 94 aid codes (services) through 64 counties with a single application. Colorado's continues to focus on simplifying the benefit application process and increasing awareness of the availability of assistance for those who are eligible but not requesting benefits. Individuals requesting medical only benefits can apply at one of several medical assistance sites. Colorado has also recently established over 60 sites where individuals can apply for benefits under the presumptive eligibility rules for pregnant women and children. The CBMS encompasses programs that determine eligibility and associated benefits for close to 500,000 clients and for more than 280,000 cases.

Colorado enlisted the help of EDS, a technology services business, to develop, implement, operate and maintain their system. The system was launched in September 2004 and took approximately four years to complete from development to implementation. There are almost 1,200 different screens in the system, including tabs, contained in 25 tracks within CBMS. There are approximately 4100 users of the CBMS. This number encompasses county, state, Medical Assistance, and Presumptive Eligibility site users. In addition to these client-side functions, CBMS communicates with over 100 external systems. These system-to-system interactions occur on a wide range of time scales: real-time online access, nightly batch jobs, and weekly, bi-weekly, monthly, and quarterly report generation and distribution. The external systems with which CBMS communicates include other State of Colorado systems, systems operated by other states, and federal systems.

The programs supported by the CBMS are state-supervised and county administered. The State serves as a conduit for state and federal funding that ultimately flows to the counties. In this capacity, the State is responsible for policy setting, ensuring adherence to state and federal rules and mandates. Counties provide the bulk of services to the public and perform most of the interaction with clients.

A key component of the CBMS Project is provision of Medical Assistance intake and eligibility determination at non-county sites. These sites include a subset of health care providers that process applications for public Medical Assistance in Colorado. They target special programs to low income, high risk, and under-served populations. They are unique in being able to accept and process applications for some Medical Assistance programs and many facilitate applications to Medicaid.

Together, these providers are referred to as non-county (Department of Social Services) Medical Assistance application sites. The 155 primary Medical Assistance sites are predominantly public, non-profit, and not-for-profit organizations. Of these, 105 operate at a single location and another 41 have one or more secondary or satellite sites. The non-county Medical Assistance sites operate and provide services at a total 301 different locations. These sites are critically important to providing and maintaining access to medical care and linking into the medical assistance programs that fund such care.

The system is continually being enhanced to support new legislation and programs. Examples include implementing the Medicaid and CHP+ Presumptive Eligibility (PE) program per CO Senate Bill 07-211, increasing the Children's Health Plan Plus (CHP+) income limit to 205% FPL per CO Senate Bill 07-097, providing client noticing and statement of facts information in Spanish, automating the verification of citizenship and identification documents entered by CBMS users to assure compliance with the Deficit Reduction Act of 2005 (DRA) and HB 06-1023 Citizenship and Identification Rules, developing a Pediatric Hospice Waiver Program, providing hospice medical coverage to terminally ill children.

Some of the programs supported by the CBMS include:

- **Aid To The Blind (AB) -**

  The Aid to the Blind (AB) program provides cash assistance to low-income Colorado residents, age 18 and over, who have at least a six-month total disability that precludes them from working.

- **Aid To The Needy Disabled (AND)**

  The Aid To The Needy Disabled (AND) program provides cash assistance to low-income Colorado residents, age 18 and over, who have at least a six-month total disability that precludes them from working.

- **Adult Protective Services (APS)**

  The Adult Protective Service (APS) program provides services to adults who are at risk or victims of abuse, neglect, and exploitation. The Program intervenes with or on behalf of at-risk adults to correct or alleviate situations in which actual or imminent danger of abuse, self-neglect, neglect, or exploitation exists. APS utilizes community support systems to provide for the continuing safety of the at-risk adult.

- **Child Health Plan Plus (CHP+)**

  The Child Health Plan Plus (CHP+) is health insurance coverage for low-income children (18 years of age and under). CHP+ provides medical benefits including inpatient and outpatient hospital, physician, prescription drugs, dental, and mental health care. Depending on the geographic area in which an enrollee lives, services are provided either by an HMO or by a fee-for-service network.

- **Colorado Works (CO Works)**

  Colorado Works is the state's Temporary Assistance for Needy Families (TANF) program. CO Works is designed to assist participants to terminate their dependence on government benefits by promoting job preparation, work, and marriage. Eligible families receive a monthly cash assistance grant. Counties may also offer various diversion programs to families who meet the income requirements. This can vary from county to county.

- **Food Stamps**

  The purpose of the federally-funded Food Stamp Program is to alleviate hunger and malnutrition among low-income households by increasing their food purchasing power. Eligible households who apply receive a monthly benefit allotment. Households can redeem their allotment for food items only using an Electronic Benefits Transaction (EBT) card.

- **Medicaid**

  Medicaid provides health insurance for low income families who meet state and federal eligibility requirements. Medicaid can assist families with children, pregnant women, the elderly, and people with disabilities when eligibility requirements are met. Persons who are not United States citizens are not eligible for Medicaid except in a life threatening medical emergency. Other state medical programs may be available to those persons who do not meet Medicaid eligibility requirements.

- **Old Age Pension (OAP)**

  The Old Age Pension (OAP) program provides financial assistance and may provide medical benefits for low-income adults age 60 or older. They must meet basic eligibility requirements to be eligible for this program.

- **Work Programs (WP)**

  The purpose of the Work Programs (WP) is to provide case management to required Colorado Works and food stamps participants by increasing self-sufficiency through employment activities and employment support services. This includes issuing payments to both clients and providers.

The following table depicts which Department administers the program.

CDHS	CDHCPF
Aid To The Blind Aid To The Needy Disabled Adult Protective Services Colorado Works Food Stamps Work Programs	• Medicaid • Children's Basic Health Plan/Child Health Plan Plus (CHP+) • Colorado Indigent Care Program (CICP) • Old Age Pension Health and Medical Care Plan (OAP)

SB 07-239, the FY 2007-08 Long Bill, appropriated $24,946,862 and 35.1 FTE.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for $22,857,178 and 47.1 FTE.

The FY 2009-10 base request is for the continuation level of funding of $23,312,145 and 47.1 FTE which includes the annualization of Special Bills SB 08-005, SB 08-160, SB 08-161 and HB 08-1026 of ($404,794), plus $196,224 for salary survey, $50,615 for prior year performance based pay, and a 20% performance non-based pay reduction of ($10,123). The FY 2009-10 Request for CBMS is the base level of $23,093,894 and 47.1 FTE plus $340,895 for DI# NP-2 Postage Increase and Mail Equipment Upgrade, a companion request to the increase requested by the Department of Personnel and Administration. The total FY 2009-10 Request for the Colorado Benefits Management System (CBMS) is $23,484,962 and 47.1 FTE.

CBMS SAS-70 AUDIT

This line funds an on-going audit of the CBMS system. A Statement on Auditing Standards (SAS) 70 audit focuses on: (1) management policies, standards and procedures; (2) state and county staff training and subsequent adherence to standards and procedures; (3) general controls over system development, acquisition, maintenance, and change management; (4) operational controls over change management of software, logical and physical security, and contingency planning; and (5) application controls over source documents, data input, editing and processing, data output, and system access. The audit requires an assessment regarding "which functions (including reports) of the CBMS system are currently operating as intended and as necessary and which, if any, functions are not working as intended and/or as necessary."

SB 07-239, the FY 2007-08 Long Bill, appropriated the continuation level of $149,000 for the CBMS SAS-70 Audit.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of $149,000, including $47,614 *net* General Fund. The cash funds exempt portion of this appropriation consists entirely of a transfer from the Department of Health Care Policy and Financing, and is shown as reappropriated funds in the new format

The FY 09-10 Request for the CBMS SAS-70 is the continuation level of $149,000.

<u>CBMS TANF REAUTHORIZATION CHANGES</u>

This line item was established in HB 08-1375 to provide ongoing federal funds (TANF) to fund system changes in the Colorado Benefits Management System (CBMS) that have been identified as necessary to allow the State and counties to conform to changes in TANF legislation and rules. The federal government reauthorized the TANF program in 2006. The reauthorization, and subsequent rules developed by the federal Department of Health and Human Services, change the work participation activities which can be counted against state targets, place additional requirements on recording and reporting of such work participation, and establish new targets for work participation which are, at least in Colorado's case, more difficult to meet. Rule development is ongoing; the federal government has provided feedback to Colorado on its work verification plan that requires additional changes to CBMS.

Failure to meet the federal guidelines may result in reductions in the State's federal TANF block grant. If the Department fails to meet work verification requirements, the sanctions begin at one percent of the block grant, approximately $1.5 million. Sanctions for failure to meet work participation requirements begin at five percent of the block grant, approximately $7.5 million. In the event such a sanction is imposed, the State is also required to make up the reduction with state funds: if the block grant is reduced by $7.5 million, Colorado must also spend an additional $7.5 million of state money. Sanctions increase if the requirements are not met in subsequent years. Work participation sanctions can reach as much as 21 percent of the total block grant.

TANF eligibility determination and case tracking are performed by CBMS. Changes in data collection and report generation require that the system be modified. The Department has identified 41 distinct changes that must be made in order to conform to the latest federal requirements. Without additional funding, these change requests must compete with changes needed to support other programs. The CBMS base budget includes approximately $2.5 million per year for change requests. Funding these TANF changes within the base budget would have a very large impact on non-TANF changes.

This appropriation for $2,838,755 federal funds (TANF) includes grant roll-forward spending authority through FY 2009-10. The resources required to implement these TANF-related changes (measured by the total price tag) are comparable in scale to the annual resources for such changes included in the CBMS base budget. These resources are primarily those of the CBMS support vendor.

Since it is not possible for the vendor to provide adequate staffing to double the resources available to CBMS this activity is a two-year undertaking so the appropriation includes roll-forward authority for FY 2009-10.

The FY 09-10 Request is for a continuation funding level of $2,838,755.

CBMS REALLOCATION

This line was added in the Department's supplemental budget request for FY 2007-08 to "true-up" the federal participation financing of CBMS between the "old" method of financing CBMS the Calculator method, and the "new" method of financing CBMS, RMS (Random Moment Sampling) Statistics.

All participation rates to cover the cost of the CBMS during the Design, Development, and Implementation phases of the CBMS (beginning in FY1996-97 through August 31st, 2004) were a fixed set of rates that had been Federally agreed upon (the CBMS Calculator) based on the Advanced Planning Document Update (APDU) given annually to Food & Nutritional Services (FNS).

After the Implementation phase was completed in August 2004, all participation rates should have shifted from the CBMS Calculator (a fixed set of Federal rates) to CBMS specific Random Moment Sampling (RMS) statistics. DHS uses the federally approved Random Moment Sampling statistical method to determine the effort county employees are spending on the various federal and state programs. During a given quarter, county workers doing RMS activities (primarily workers with direct client contact, or workers who carry a case load) are randomly polled and asked what RMS activity they are performing at the moment and for what program. To determine the work effort in CBMS, only the RMS responses related to CBMS activities are compiled and used to allocate the State CBMS operating costs to all benefiting Federal and State programs.

DHS collaborated with the Federal Division of Cost Allocation (DCA) to gain acceptance of the DHS FY2005-06 PACAP (Public Assistance Cost Allocation Plan). The FY2005-06 PACAP defined CBMS specific RMS statistics for the operational costs of the CBMS. DHS received formal acceptance of the FY2005-06 PACAP in March 2008. This Supplemental covers a shift in all participation rates between the CBMS specific RMS statistics and the CBMS Calculator for a full year of operations.

Because the final formulas for subsequent fiscal years have not been established (the PACAP for DHS), the Department did not request an appropriation for this line for FY 2008-09 or FY 2009-10.

MUTIUSE NETWORK PAYMENTS

The Multiuse Network (MNT) provides cost-effective, quality, high-speed broadband data communications and Internet access to Colorado's public sector: e.g., state agencies, schools, colleges, libraries, hospitals and local government. The goal of the MNT is to increase telecommunications services and economic development in the State's rural areas. This Common Policy appropriation provides funding for the Department of Human Services allocation from the Department of Personnel and Administration for the state-wide multi-use network. This costs represents the Department of Human Services share of circuits and recoverable costs associated with Department of Personnel and Administration's provision of and administration of MNT to its customers. All adjustments to this line are based on DPA Common Policies as approved by the JBC.

SB 07-239, the FY 2007-08 Long Bill, appropriated $2,041,936.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for $2,282,929.

The FY 09-10 Request is for a continuation level of $2,282,936.

COMMUNICATION SERVICES PAYMENTS

This common policy appropriation supports the Department of Human Services' share of the costs for the state's public safety communications infrastructure. Funds are transferred to the Department of Personnel and Administration, the agency responsible for operations and maintenance of this program. . All adjustments to this line are based on DPA Common Policies as approved by the JBC.

SB 07-239, the FY 2007-08 Long Bill, appropriated $140,222. A supplemental appropriation added $16,088 for a total spending authority of $156,510.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for the continuation level of $156,510 plus the common policy increase of $6,965 for a total spending authority of $163,475.

The FY 09-10 Request is for a continuation level of $163,475.

Department of Human Services
Line Item Descriptions

FY 2009-10 Budget Request

NOVEMBER 1, 2008

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(3) OFFICE OF OPERATIONS

(A) ADMINISTRATION

PERSONAL SERVICES

The personal services line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association (PERA) and the state share of federal Medicare taxes. This line item also provides funding for contracted professional and temporary services.

SB 07-239, the FY07-08 Long Bill, appropriated $22,428,377 for personal services and 454.6 FTE. This included the continuation level of $22,124,002 and 462.2 FTE. and the following changes:

- A salary survey increase of $347,663 and the common policy 0.5% reduction personal services reduction of ($112,291).
- Supplemental #S-1J for the 20-Bed Competency Restoration at the Colorado Mental Health Institute at Pueblo added an initial $17,679 and 0.6 FTE and the appropriation was later increased again by the S-1J amendment with an additional $24,750 and 0.8 FTE. Special Bill SB 06-219 reduced the appropriation by $56,000) and (1.0 FTE).
- Two FY 2005-06 decision items were annualized – DI#7 annualization of $28,582 and 0.6 FTE 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 increase of $53,992 and 1.4 FTE.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $23,151,177 and 453.1 FTE. This included the continuation level of $22,428,377 and 454.6 FTE with the following changes:

- A salary survey increase of $623,084, a performance pay increase of $247,044, and a JBC common policy base reduction of ($233,470).
- Two Special Bills were annualized – SB07-004 for $48,479 and 1.0 FTE; and SB 07-228 for $61,622 and 1.0 FTE that requires the department to implement a variety of new steps to monitor contractor performance on state contracts.
- Three decision items were added: DI#1 added additional facilities personnel for the new High Security Forensics Institute in the amount of 222,683 and 6.5 FTE; DI#9 transferred ($84,159) from the Office of Operations to the Mental Health Institutes for the Colorado Mental Health Institute at Fort Logan for the linen contract in order to place the management and funding of the linen contract with the mental health institute administration. As the recipient of the services, CMHIFL will be better able to monitor deliveries, track and manage linen usage and assess the quality of services provided; and SBA#1 reduced the appropriation by ($40,096) and (1.0 FTE) to reflect the 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.

The FY 2009-10 Request was developed in accordance with the Executive Budget Instructions at the continuation level of $23,151,177 and 453.1 FTE, with adjustments for:

- Prior year salary survey of $722,498, prior year performance-based pay of $339,452, and a 20% non-base building personal services base reduction of ($67,890).
- HB 08-1047 Special Bill Set Aside Program DD Employment added $21,600.
- Annualizations for two FY 2008-09 Decision items are also included - $304,558 and 10.5 FTE for DI#1 providing facilities support for the High Security Forensics Institute, and a reduction of ($40,096) and (1.0) for SBA#1 to consolidate the department food procurement process and food storage.
- A technical adjustment was made to align maintenance personnel with the facilities that they maintain and fund them from the appropriate line item. Funds in the amount of $27,613 and 1.0 FTE were transferred from the Office of Operations Buildings and Grounds Fund to the Personal Services appropriation in order 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.
- The JBC also took action to reduce the Personal Services appropriation by ($150,000) in Federal Fund Spending Authority to reflect the department's limitation on collecting federal fund indirects to support the Office of Operations.
- The JBC also reduced the FTE by (10.0 FTE) in an effort to match the actual number of FTE employed. Operations has been unable to hire and retain FTE at the appropriated level due to the high turnover in facilities management resulting in additional vacancies which lowers the annual number of FTE utilized.
- The JBC also added $258,075 in CFE (with a companion ($258,075) reduction in GF to adjust for the Nursing Home Subsidy based upon the department's indirect cost report.
- The JBC also transferred $1,149,464 from CFE to CF to align fund types with the new reappropriated funds format.

The FY 09-10 Request for Personal Services is $24,431,299 and 463.1 FTE.

OPERATING EXPENSES

The operating expenses line item 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.

SB 07-239, the FY07-08 Long Bill, appropriated $2,637,856 for 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.

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.
- FY 2009-10 DI#5 Direct Care Capital Outlay for Regional Centers, Mental Health Institutes and Facilities Management, and Facilities Management Operating Increase for $327,459.
- FY 2009-10 DI# NP-1 State Fleet Variable Cost for $56,810, a companion to the Department of Personnel and Administration Request.
- FY 2009-10 DI#NP-2 Postage Increase and Mail Equipment Upgrade for $4,392, a companion to the Department of Personnel and Administration Request.

The FY 09-10 Request for Operating Expenses is $3,782,912.

VEHICLE LEASE PAYMENTS

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles [see Section 24-30-1117, C.R.S.]. The vehicle lease payment line item provides for the fixed portion of the vehicle leases from fleet management. CDHS currently has 465 vehicles, including 7 short-term and 15 delayed turn-in vehicles. Adjustments to this appropriation are made via DPA common policy.

SB 07-239, the FY2007-08 Long Bill, appropriated $716,648 for vehicle lease payments.

The Joint Budget Committee adjusted the FY 2007-08 appropriation with a base reduction of ($98,963) and added $66,085 to purchase new replacement vehicles. Funding in the amount of $6,388 was added for vehicle lease payments for additional vehicles through DI#1- High Security Forensics Institute and $1,888 was added for vehicles in DI#8 County Foster Care Monitoring. S#1 for the Colorado Mental Health Institute at Pueblo was annualized for $11,185. HB 08-1375, the FY 2008-09 Long Bill, appropriated $703,231 for vehicle lease payments.

The FY 2009-10 Request is for a continuation level of $703,231 with adjustments of $16,552 for annualization of the six new vehicles approved in the FY 2008-09 decision items. Additional vehicles are included in two decision items: DI# 7 Child Welfare Training Academy in the amount of $8,496 and DI# NP-5 Annual Fleet Vehicle Replacements for $240,848, a companion to the Department of Personnel and Administration request. The total FY 2009-10 Request for Vehicle Lease Payments is $969,127.

LEASED SPACE

The overall appropriation for this line item comprises funding for 45 leases throughout the State associated with nine major program areas (Alcohol and Drug Abuse Services, Child Care, Disability Determination, Vocational Rehabilitation, Youth Corrections, etc.).

SB 07-239, the FY 2007-08 Long Bill, appropriated $2,938,212 for leased space which consisted of a continuation level of $2,935,212 plus $3,000 in annualization for FY 2006-07 DI#29 for the Business Enterprise Program.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for $2,537,805, which includes the continuation level of $2,938,212 with a reduction of ($400,407). The JBC transferred $400,407 from this line item to the operating expenses line item. This amount represents 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.

The FY 09-10 Request is for a continuation level of $2,537,805.

CAPITOL COMPLEX LEASED SPACE

Capitol Complex Leased Space is appropriated based on usable square footage utilized by each State department. Currently, for the Department of Human Services, this includes 99,087 square feet at 1575 Sherman Street in Denver and 3,104 square feet at the State Office Building in Grand Junction. Changes to this line item are made annually through the DPA common policy process.

SB 07-239, the FY 2007-08 Long Bill, appropriated $1,254,224 for Capitol Complex leased space, which included a FY 2006-07 continuation level of $1,103,065 and common policy adjustments of $151,159.

The FY 08-09 Long Bill (HB 08-1375) appropriation is for $1,267,295, which includes the continuation level of $1,254,224 and a common policy adjustment of $13,071.

The FY 09-10 Request is for a continuation level of $1,267,295.

UTILITIES

This line item funds utilities expenditures including natural gas, electricity, water and waste water expenses for the Department's residential facilities (Division of Youth Corrections, Mental Health Institutes, and Regional Centers for Persons with Developmental Disabilities and Office of Operations Support Facilities). This appropriation also funds the energy performance contract with Siemens Building Technologies, pursuant to Section 24-30-2001.

SB 07-239, the FY07-08 Long Bill, appropriated $7,335,406 for the Office of Operations utilities. This included a continuation level of $7,275,195 with an increase of $9,392 for annualization of FY 2006-07 S1-J for the Colorado Mental Health Institute at Pueblo 20-Bed Unit, $26,042 for annualization of FY 2006-07 DI#7 for the Division of Youth Corrections Sol Vista, and an additional $25,384 for the Department of Corrections La Vista.

HB 08-1375, the FY08-09 Long Bill, appropriated $7,569,799 for utilities. This included an increase of $234,393 GF for FY 2008-09 DI#1 High Security Forensics Institute.

The FY09-10 Request is for $7,898,954, the continuation level of $7,569,799 plus $215,608 annualization of the FY 2008-09 DI#1 for the High Security Forensics Institute and $113,547 for FY 2009-10 DI#17 Inflationary Increase for DHS Residential Programs that provides a 1.5% inflationary increase for utilities.

(B) SPECIAL PURPOSE

BUILDINGS AND GROUNDS RENTAL

The appropriation for this line item provides cash fund spending authority for FTE and operating expenses for the maintenance, repair, and upkeep of facilities and grounds at the Mental Health Institutes at Fort Logan. The Department leases space to other state agencies or non-profit organizations for offices or for the direct provision of services. The rates paid by agencies are based on the Department's calculated costs for maintenance, repair, and upkeep of the rented spaces. Funding for this line item is based on anticipated revenue from agencies that lease space from the Department of Human Services. House Bill 08-1268 expanded the Department's authority to rent property to other locations.

SB 07-239, the FY07-08 Long Bill, appropriated $896,014 for the Buildings and Ground Fund and 6.5 FTE. This included the continuation level of 897,346 and 6.5 FTE, and a common policy reduction personal services reduction of ($1,332).

HB 08-1375, the FY 2008-09 Long Bill, appropriated $629,944 and 5.5 FTE. This was based on the continuation level of $896,014 and 6.5 FTE with the following adjustments:

- A salary survey increase of $5,564 and a performance pay increase of $2,392.
- An increase of $251,894 in cash fund spending authority for DI# 12/SBA #1 for one-time spending from reserves, associated with irrigation systems, exterior paint, and a building remodel at Fort Logan.
- A reduction of ($525,920) and (1.0) for funds and staff transferred to other Office of Operations line items.
- Elimination of $400,407 from the Buildings and Grounds Rental appropriation spending authority for revenue associated with the Division of Youth Corrections and Alcohol and Drug Abuse Division rentals that was included in both the Office of Operations Leased Space line item and the Buildings and Grounds Rental line item.
- Transfer of $125,513 ($27,613 and 1.0 to Personal Services, and $97,900 to Operating Expenses) for revenues collected from Human Services programs and the Department of Corrections that will no longer be included in the rental building inventory, but will be funded through the Office of Operations general administration lines.
- Amounts in the Buildings and Grounds line item previously included cash funds from the Buildings and Grounds cash fund and cash funds exempt from reserves in the same cash fund. JBC classified amounts in this line item "cash funds", based on the new funds classification policy.

The FY 2009-10 continuation request was developed in accordance with the Executive Budget Instructions at the continuation level of $629,944 and 5.5 FTE, with adjustments for:

- Prior year salary survey of $6,522, prior year performance-based pay of $3,608, and a 20% non-base building personal services base reduction of ($722).
- Special Bill HB 08-1268, Rental of Department Surplus Facilities, increased the appropriation by $81,024 and 1.0 FTE.
- Annualization of FY 2009-10 DI#12 for one-time projects reduced the base request by ($251,894)

The FY 09-10 Base Request is $468,482 and 6.5 FTE. FY 2009-10 DI#22 Buildings and Grounds Spending Authorization Increase of $480,266 brings the Total Request amount for the Buildings and Grounds Fund to $948,748 and 6.5 FTE.

STATE GARAGE FUND

The Department has an agreement with the Department of Personnel to operate vehicle maintenance and fueling stations at three state facilities, including the Mental Health Institutes at Fort Logan and Pueblo, and Grand Junction Regional Center. The Office of Operations is reimbursed by divisions within the Department and by other state agencies (Department of Transportation and the Colorado State Patrol) for maintenance, repair, storage and fueling of state-owned passenger motor vehicles. Revenues are deposited into the State Garage Fund. This line item provides the spending authority for the Department to receive and spend such reimbursement. Pursuant to Section 24-30-1104(2)(b), C.R.S., the Department of Personnel has the authority to use any available state facilities (and enter into contracts with such facilities) to establish and operate central facilities for the maintenance, repair and storage of state-owned passenger motor vehicles for the use of state agencies.

SB 07-239, the FY07-08 Long Bill, appropriated $618,445 and 2.1 FTE for the Office of Operations State Garage Fund. This included a continuation level of $445,298 and 2.1 FTE, with a decrease of ($444) for SAED and an increase of $173,591 for DI#26 Garage Fund Spending Authority Increase.

HB 08-1375, the FY08-09 Long Bill, appropriated $733,187 and 2.6 FTE for the State Garage Fund. This included an increase of $114,742 and 0.5 FTE for the Department of Transportation Multi Agency Stand Alone Amendment. This budget amendment was designed to facilitate increased use of state-operated facilities for maintaining state vehicles and to encourage departments without in-house facilities to use the services available from other departments. Amounts in this line item were previously classified as cash funds exempt; they were re-classified as reappropriated funds.

The FY 2009-10 Base Request is for a continuation amount of $733,187 and 2.6 FTE. FY 2009-10 DI#20 State Garage Fund Authority Increase provides an additional $558,909 in cash funds spending authority to enable the State Garages to purchase and sell fuel at the current rates and provide additional fuel inventory for sale to other state agencies such as the State Patrol. The FY 2009-10 Request for the State Garage Fund is $1,292,096 and 2.6 FTE.

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(4) COUNTY ADMINISTRATION

County Administration provides funding for 64 county departments of social services to administer several programs including food stamps, adult protection, and adult assistance payment programs. Over recent fiscal years, County Administration has witnessed several programs leave its coverage. In FY 1998-99, this section included the administrative functions previously referenced and also included child care services and child welfare services. Administrative funding for the Colorado Works program is now appropriated in the Office of Self Sufficiency. Pursuant to S.B. 97-120, counties now have the authority to use Works Program block grants for either administrative or program needs.

Two other bills passed in the 1997 session that impacted this Long Bill Group. S.B. 97-006 abolished the state-operated county merit system for employees of county social services departments. Each county was to establish a successor merit system that conformed to federal standards by January 1, 2001. S.B. 97-218 modified the method of reimbursing counties for costs associated with the provision of child welfare services by limiting such reimbursements to the amount of capped allocation. The bill also authorized counties to use capped moneys for child welfare services without category restriction.

As a result of the aforementioned legislative changes, the FY 1998-99 Long Bill included a single consolidated line item for county administration funding. In FY 1999-00, administrative funding related to child welfare programs was transferred to the then named Children Youth and Families section of the Department.

In the 2006 session, S.B. 06-219 (re-organization of programs administered by the Department of Health Care Policy and Financing) transferred the funding to the counties for services related to Medicaid eligibility determination to HCPF.

COUNTY ADMINISTRATION

As noted in the introduction above, this line item currently provides funding for county social services departments to administer the following programs: Food Stamps, Adult Protection, and Adult Cash Assistance Programs (except for Old Age Pension).

Section 26-1-122 (3) (C), C.R.S. , generally defines county expenditures that qualify as administration. According to statute, administration costs include:

> "Salaries of the county director and employees of the county department staff engaged in the performance of assistance payments, food stamps, and social services activities; the county's payments on behalf of such employees for old age and survivor's insurance or pursuant to a county officers' and employees' retirement plan and for any health insurance plan, if approved by the state department; the necessary travel expenses of the county board and administrative staff of the county department in the performance of their duties; necessary telephone and telegraph; necessary equipment and supplies; necessary payments for postage and printing; including the printing and preparation of county warrants required for the administration of

the county department; and other such administrative costs as may be approved by the state department; but advancements for office space, utilities, and fixtures may be made from state funds only if federal matching funds are available."

For FY 2006-07, the line was appropriated a total of $54,336,623. A 1331 supplemental request was submitted and approved (JBC meeting document dated September 20,2006) , which provided an additional $16,301 to the line to assist county departments of social services with costs related to implementing H.B. 06S-1023 which dealt with the verification of lawful presence in the United States for people who apply for public assistance. In addition, with the passage of S.B. 06-219, referenced in the introduction above, $14,588,710 in Cash Funds Exempt was removed and transferred to HCPF. The supplemental and the special bill resulted in an adjusted appropriation of $39,764,214 for FY 2006-07.
The FY 2007-08 Long Bill appropriation was for $40,938,883. This amount represents continuation funding from the prior year plus an additional $1,482 for the annualization of H.B. 06S-1023, an additional $540,695 related to provider rate increase of 2%, and an appropriation increase of $4,350,410 (GBA-2, 03/05/07 Figure Setting, Pages 24-25). This appropriation was continued into the FY 2008-09 Long Bill. Added to the continuation funding was an additional $10,200,000 from H.B. 08-1250. Of the additional funding from this special bill, $4,000,000 General Funds came from the former County Contingency Payment line (see line item description below), an additional $1,600,000 Cash Funds came from local funds, and an additional $4,600,000 from Federal Funds. The resulting appropriation for this line for FY 2008-09 was $51,138,883. The Department is requesting continuation funding for FY 2009-10.

<u>COUNTY CONTINGENCY PAYMENTS PURSUANT TO SECTION 26-1-126, C.R.S.</u>

The County Contingency Fund line was created to provide additional General Fund moneys to assist counties with high social services costs relative to their assessed property valuations. The FY 2007-08 Long Bill appropriation was for $11,069,321. The statutory formula for determining each county's eligibility for these funds contained multiple flaws that resulted in a steady increase in the number of counties that qualified for such funds, as well as the total amount for which they qualified. The 2008 General Assembly approved H.B. 08-1250, which changed the formula for calculating county eligibility for assistance monies, attempting to correct the flaws previously referenced. For FY 2008-09, the County Contingency Payment line was eliminated and was replaced by the County Tax Base Relief line. From the funds that had previously been used to fund the County Contingency Payment line, H.B. 08-1250 transferred $4,000,000 to the County Administration line and $6,069,321 to the newly created County Tax Base Relief line (see below).

COUNTY SHARE OF OFFSETTING REVENUES

The funding for this line reflects revenues earned by counties through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the State in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The FY 2007-08 appropriation for this line was $3,789,313. This funding was continued into FY 2008-09. The Department is requesting continuation funding for FY 2009-10.

COUNTY INCENTIVE PAYMENTS

Section 26-13-108, C.R.S., provides that when child support enforcement payments are collected on behalf of custodial parents who have received public assistance, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line reflects revenues earned by the State through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the State in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The FY 2007-08 appropriation for this line was $3,084, 361 Cash Funds Exempt. This funding was continued in FY 2008-09. The 2008 General Assembly approved H.B. 08-1342, which provided an additional $2,500,000 Cash Funds to this line, which previously had been appropriated in the Colorado Works – County Block Grant line and represents a portion of the State's half-share of revenues referenced at the beginning if this line item description. The resulting appropriation for this line for FY 2008-09 was $5,584,361 Cash Funds. The Department is requesting continuation funding for FY 2009-10.

COUNTY TAX BASE RELIEF

(See County Contingency Payment line above)

Pursuant to H.B. 08-1250, this line was appropriated $6,069,321 in General Funds for FY 2008-09. The Department is requesting continuation funding for FY 2009-10.

OFFSET LOSS TO COUNTIES DUE TO DEFICIT REDUCTION ACT (DRA) CHANGE IN TANF APPLICANT ASSIGNMENT OF RIGHTS TO ARREARS

The Department is requesting that a new line be added to County Administration 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 (DRA) of 2005. 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. The FY 2009-10 request for $134,354 ($83,346 General Fund and $55,008 Federals Funds) is intended to make up for the loss in revenue to the counties to help insure that child support enforcement efforts are not reduced.

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(5) DIVISION OF CHILD WELFARE

Child Welfare is a Division located in the Office of Children, Youth and Family Services. It consists of a group of services intended to protect children from harm and to assist families in caring for and protecting their children. Taken together, these programs comprise the main thrust of Colorado's effort to meet the needs of children who must be placed or are at risk of placement outside of their homes for reasons of protection or community safety. These appropriations fulfill the State's obligation to fund these services, which it mandates the counties to provide, and to generate match and maintenance of effort for federal funding. The delivery of Child Welfare Services in Colorado is a state-supervised, county administered system. Sub-programs include:

ADMINISTRATION

Child Welfare Administration was established as a separate line item in FY 2000-01 in response to footnote 78 to S.B. 99-215. This appropriation provides funding for:

- Positions responsible to provide supervision to the county departments of social services in the provision of all Child Welfare Services as defined in 26-5-101(3), C.R.S. (2008).
- Response to legislation defining policy and fiscal issues.
- Coordination and collaboration with other Divisions including Self Sufficiency, ITS, Child Care, Mental Health, Alcohol and Drug Abuse, Youth Corrections, Health and Rehabilitation and Departments including Health Care Policy and Financing, Judicial, and Education. The purpose of activity is to eliminate service duplication and assure service integration.
- Policy development and subsequent program development, implementation and monitoring.
- Response to consumers for information as well as follow-up on complaints.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $2,900,820 total funding and 31.5 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$2,450,900	26.0	Final FY 2007-08 Appropriation
$67,134	0.0	Salary Survey Awarded in FY 2007-08
$22,460	0.0	Performance-based Pay Awarded at 80 percent
($100,000)	0.0	Backing out one-time funding for evaluation of the Child Welfare Services Division and its staffing
$392,483	5.5	Decision Item #8 (Foster Care Program Monitoring Specialists and Kinship Program Administrator)
$90,000	0.0.	One-time funding through Supplemental Budget Amendment #7 (Child Welfare Rate Study)
($22,157)	0.0	1% Base Reduction
$2,900,820	**31.5**	**FY 2008-09 Appropriation**

Decision Item #8: County Foster Care Program Monitoring Specialists and Kinship Program Administrator (FY 2008-09) was approved by the General Assembly for $392,483 and 5.5 FTE, which will annualize to 6.0 FTE in FY 2009-10.

The 2007 Foster Care Performance Audit indicated that the State needed to improve performance in: reviewing and monitoring county practice regarding compliance with foster care requirements, identifying successful foster parent recruitment and retention strategies for counties, improving oversight of safety in county homes that remain open following an abuse incident, ensuring county compliance with national safety, permanency and well-being standards, ensuring timely county completion with corrective action plans, and assuring county compliance with reporting critical incidents and appropriate follow-up.

With Decision Item #8, the Division is responding to a 2002 State Auditor's Office performance audit where it agreed to increased monitoring of county programs. It conducted 21 county reviews between FY 2002-03 and FY 2004-05 in part using staff borrowed from other divisions. Reviews dropped to 4 in FY 2005-06 and 6 in FY 2006-07, plus three special reviews. Currently 1.0 FTE is responsible for all foster care home monitoring.

4.0 FTE (when annualized) will create a county foster care/child welfare program monitoring team. It is estimated that this team will complete approximately 22 county reviews annually. It will monitor quality assurance through reviewing county compliance with rules related to foster care certification, out-of-home procedures, child safety, permanency, and well-being. The Division will assess county procedures and practice through interview and file reviews and will also review foster parent recruitment and retention strategies. Corrective actions will be developed as appropriate and monitored to their completion. More extensive reviews will be used to determine the extent to which practice in counties improves, meets or maintains national standards for safety, permanency and well-being.

1.0 FTE (when annualized) will monitor county accountability in the area of the automated case management system (Trails). This position will review information in Trails to determine where compliance issues exist and will work with counties to achieve compliance in completing appropriate areas in Trails. This position will partner with the monitoring team to assure that information contained in case and provider files is consistent with information entered in Trails. This position will improve utilization of data in ensuring child safety and well-being.

1.0 FTE (when annualized) to specialize in supporting kinship care programs to assure safety for children placed with kin. The position will conduct a statewide assessment of kinship practice in Colorado, including existing community and county resources/programs and county TANF plans. The position will identify the most significant areas needing improvement to build more structure into kinship programs statewide and will assist in revising related rules, identifying compliance areas needing correction, and will collaborate with the monitoring team in counties where safety issues related to kin have been identified.

Decision Item #SBA 7 - FY 2007 Foster Care Performance Audit Recommendations and Fatality Review Projects was approved by the General Assembly for $90,000.

The request is for one-time funds to: (1) research and determine fair and reasonable base anchor rates for CPAs, RCCFs, and foster care providers; and (2) locate and implement a Level-of-Care Assessment Tool: These proposed projects stem from the September 2007 State Auditor Office Foster Care Financial Services Performance Audit.

Base Anchor Rates: Conduct a foster care rate analysis to help determine the appropriate reimbursement for foster care providers and costs federally claimed for that care. The rate study would address whether the rates paid to foster family homes and other providers are adequate to care for the children, whether rates paid are fair and equitable, how the results of care received compare to national averages, and whether both federal and state rules are followed when making payments. The study would use data from the Trails system to determine actual rates paid, length of stay, and similar data, would review cost information from facilities, and would review how costs are paid and federally claimed county by county. The contractor would then create a tool for implementing a recommended rate structure as part of the final report.

Level-of-Care Assessment Tool: Implement a standardized validated level of care assessment tool to determine specialized needs of children in foster care placement. Currently, there is no standardized, validated, level-of-care document that is used by all counties and providers. To develop a state standard, the Department proposes: interviews with all counties to determine what instruments are being used by various counties and county's perceived content need for a master document; a work-study group involving state staff, counties, and providers to identify the content required for a level-of-care document; research on tools used by other states; and development and implementation of a single standardized, validated, state-approved level-of-care instrument.

Based on concerns raised by providers about the adequacy of county-reimbursements, the General Assembly has passed legislation to ensure closer state oversight of service rates. Pursuant to Section 26-5-104 (6), C.R.S. (2008) (added 1997, amended 2007) counties are authorized to negotiate rates, services and outcomes with providers *if the county has a request for proposal process in effect for soliciting bids from providers or another mechanism for evaluating the rates, services and outcomes that it is negotiating with providers that is acceptable to the state*. The Department is required to review these county methodologies and to promulgate associated rules. The Department will be in a better position to determine the appropriateness of county-negotiated rates–and to aid counties that do not have capacity to negotiate their own rates--if it establishes base anchor rates that are supported by solid analysis.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$2,900,820	31.5	FY 2008-09 Appropriation (H.B. 08-1375)
$94,038	0.0	Salary Survey Estimated in FY 2008-09
$26,825	0.0	Performance-based Pay Estimated at 80 percent
$2,748	0.5	Annualization of Decision Item #8 (Foster Care Program Monitoring Specialists and Kinship Program Administrator)
$321,250	0.0	FY 2009-10 DI#9: "Title IV-E Admin Claims for CPA"
$592,556	8.3	FY 2009-10 DI#6: "Child Welfare Staffing Recommendations from the Division Organizational Assessment"
$907	0.0	FY 2009-10 NP#1: "State Fleet Variable Cost"
$1,365	0.0	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$3,940,509	**40.3**	**FY 2009-10 Request**

Decision Item #8: County Foster Care Program Monitoring Specialists and Kinship Program Administrator (FY 2008-09) was approved by the General Assembly for $392,483 and 5.5 FTE, which will annualize to 6.0 FTE in FY 2009-10.

Decision Item #9: Title IV-E Admin Claims for *CPA* is being requested 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.

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.

Decision Item #6: Child Welfare Staffing Recommendations from the Division Organizational Assessment is requesting a FY 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. This request will be submitted as a Budget Amendment after the organizational assessment study is finalized by January 2009.

NP #1 State Fleet Variable Cost and NP #2 Postage Increase and Mail Equipment Upgrade are part of DPA Common Policy items which affects the Child Welfare, Administration line.

TRAINING

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 integrated into a competency based training system. Approximately 85 percent of curriculum development and training is provided by outside contractors, including departments of social work at several colleges and universities and a few for-profit training providers. The training is focused on the development of knowledge, skills and abilities that workers need to provide mandated services to children and their families at the highest quality. In addition, the training is also designed to meet federal requirements allowing the State to continue earning federal Title IV-E revenue and to avoid federal fiscal penalties. The target audiences for the training provided are county departments of human services child welfare caseworkers, case services aides and supervisors; child placement and residential treatment service providers; supportive services providers such as domestic abuse counselors, substance abuse counselors, mental health practitioners, developmental disabilities counselors and law enforcement officers.

In coordination with the Colorado Department of Human Services and Division of Youth Corrections training groups, the Division of Child Welfare has assisted in implementing the Colorado Sex Offender Management Board's (SOMB) Juveniles Standards of Care through a regional train-the-trainer resource and support network, using the limited sex offender surcharge funding. The results to date include four county and two private providers trained and authorized to train others to do train-the-trainers for informed supervision in their region; five county training staff completed the instructor training course, nine county staff are train-the-trainers who are authorized to train staff and providers in their region, and 22 county staff completed the state-of-the-art National Adolescent Perpetration Network conference. In addition, a pilot training curriculum for "Mildly Cognitively Impaired Sexually Abusive Youth" was implemented for caseworkers and providers.

FY 2008-09

In order to ensure sufficient resources are available to provide training to county and state staff, as well as other individuals involved in the provision of child welfare services, the General Assembly appropriated through H.B. 08-1375 $4,981,462 total funding for this line item**.** This includes $53,043 funding for Decision Item #8 reflected in the Training line. The total appropriation for FY 2008-09 equals H.B. 08-1375.

$53,043 in contract funds for training county staff responsible for completion of home studies and training their supervisors regarding an instrument used for conducing home studies of foster and adoptive homes (the Structured Analysis Family Evaluation or SAFE instrument). Colorado was originally assisted in implementing SAFE based on a grant received by the Consortium for Children, federally funded by the Children's Bureau, who developed the program. The grant expires in 2008. This training is an ongoing need to ensure casework staffs that conduct home studies are adequately supported in use of the SAFE instrument.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$4,981,462	0.0	FY 2008-09 Appropriation (H.B. 08-1375)
$1,606,952	5.5	FY 2009-10 DI#7: "Child Welfare Training Academy"
$401	0.0	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$6,588,815	**5.5**	**FY 2009-10 Request**

Decision Item #7: Child Welfare Training Academy is being requested 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.

NP #2 Postage Increase and Mail Equipment Upgrade is part of DPA Common Policy item, which affects the Child Welfare, Administration line.

FOSTER AND ADOPTIVE PARENT RECRUITMENT, TRAINING, AND SUPPORT

This line item represents the consolidated funding the Department receives related to the recruitment and retention of foster and adoptive parents. A major emphasis will continue to be on retention activities but the importance of continuing to recruit will not be minimized. Previously successful recruitment activities include public service announcements for television and radio; the provision of calendars, magnets, brochures and other materials for use by county staff; RTD bus and shelter advertisements; and minority-focused events to assure that foster care and adoptive services satisfy the needs of children with diverse racial and cultural backgrounds. The following retention activities have been initiated: newspaper articles highlighting foster parents in a positive manner, special recognition events honoring foster parents, training with county department staff and private agencies regarding reasons why foster parents resign and guidelines for the development of work plans to address those issues, and the development of community support to assist foster parents. Materials have been developed to solicit support of foster parents by provision of services; such as respite or mentoring of youth, or through contributions of goods and money; such as offering discounts on merchandise. All of these efforts have included workers from the public and private sectors as well as members of the business community in order to maximize effectiveness and to strengthen working relationships with community partners and the human service system.

Funding is provided to support 1.0 FTE charged with monitoring and improving counties' adoptive and foster parent recruitment and retention activities and providing technical assistance to counties. This position was first funded in FY 2001-02 to meet one of the requirements of the federal *Adoption and Safe Families Act*, which requires states to have an identifiable process for assuring diligent recruitment and retention of foster and adoptive families that reflect the ethnic and racial diversity of children for whom placements are needed. This funding was also intended to assist counties in ensuring that placement resources are available so that children in foster care can reside close to their homes, sibling groups can be placed together, and adolescents and children with developmental disabilities or mental health issues can be placed in the least restrictive, most appropriate placement.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $333,812 total funding and 1.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$330,685	1.0	Final FY 2007-08 Appropriation
$2,360	0.0	Salary Survey Awarded in FY 2007-08
$767	0.0	Performance-based Pay Awarded at 80 percent
$333,812	**1.0**	**FY 2008-09 Appropriation**

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$333,812	1.0	FY 2008-09 Appropriation (H.B. 08-1375)
$2,585	0.0	Salary Survey Estimated in FY 2008-09
$737	0.0	Performance-based Pay Estimated at 80 percent
$583	0.0	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$337,717	**1.0**	**FY 2009-10 Request**

NP #2 Postage Increase and Mail Equipment Upgrade is part of DPA Common Policy item.

CHILD WELFARE SERVICES

Provides the primary funding for County Departments of Social Services to provide child welfare services. Services that are provided through this block allocation may include but are not limited to: out-of-home placement including foster care, residential care, and Medicaid treatment; Adoptions; Subsidized Adoptions; Subsidized Adoption Case Services Payments; Child Welfare-related Child Care and Burials; County Case Management and Administration; and the administration of the Interstate Compact on the Placement of Children for Child Welfare service for children who are either moving to Colorado from another state or are being placed by Colorado in another state. Under 26-5-104(4)(a) C.R.S. (1999), county departments are authorized to use this allocation to provide child welfare services without categorical restriction. These funds are allocated to counties under a formula developed by the Child Welfare Allocations Committee. Prior to FY 2001-02 the formula was primarily based upon historical expenditures with increases tied to changes in child population and poverty in each county. Effective with the Department's FY 2001-02 Change Request, the basis for increase was shifted to child welfare caseload. Effective FY 2001-02, the Department and the Allocation Committee implemented an Optimization Model designed to provide an equitable, efficient, accountable, and outcome based distribution of the Child Welfare Allocation Block. In FY 2003-04 the Child Welfare Allocation Committee approved modifying the Optimization Model to include three new "drivers:" referrals, new adoptions and the average adoption cost per day. The committee also approved additional program costs (special circumstance child care, foster care case services) to be included into the program service cost driver. With these new additions all of the Child Welfare Services appropriation continues to be allocated through the dynamic optimization model.

In FY 2005-06, the State was notified by federal Center for Medicare and Medicaid Services that Medicaid funding would not be available for Colorado's Residential Treatment Center program, effective July 1, 2006. The Department worked with county departments and provider groups to redesign the services available to children requiring residential mental health services. The new service array includes psychiatric residential treatment facilities that bill Medicaid per diem for children with the most extensive mental health needs. The service array also includes therapeutic residential child care facilities (TRCCFs) that offer Medicaid fee for service therapy in the menu of service. This change resulted in a loss of federal Medicaid funding and an increase in State General Funds needed for the program. It is believed that the new array of services will provide an expanded continuum to meet the needs of children requiring mental health therapy.

This line item provides the primary source of funding for counties to administer child welfare programs and deliver associated services to children and families. This line item thus provides funding for: (1) county administration for child welfare related activities; (2) out-of-home care; (3) subsidized adoptions; and (4) other necessary and appropriate services for children and families.

County Capped Allocations. Pursuant to Section 26-5-104 (4), C.R.S. (2008), counties receive capped funding allocations for the administration and provision of child welfare services. Counties are allowed to use capped allocation moneys for child welfare services without categorical restriction. Those counties that serve at least 80 percent of the total child welfare services population (the largest ten counties, currently) receive individual capped allocations, and the remaining small- and medium-sized counties receive

separate capped allocations. Each county's allocation consists of local, state, and federal funds. The Department uses *state and federal* funds appropriated through the Child Welfare Services line item to reimburse county departments of social services for 80 percent of related expenses, up to the amount available in each county's allocation. In addition, pursuant to Section 26-5-104 (7), C.R.S. (2008), the Department is authorized, based upon the recommendations of the Allocations Committee; to allocate any unexpended funds at fiscal year-end to any county that has over spent its capped allocation. However, a county may only receive such "close-out" funds for authorized expenditures attributable to caseload increases beyond those anticipated when the allocations were made, and for expenditures *other than* those attributable to administrative and support functions.
The state achieved compliance with Federal Law regarding placement of a child outside of the home with the passage of S.B. 07-266, which increased this line by $142,561. S.B. 07-226 makes several changes to various statutes in the Federal Safe and Timely Interstate Placement of Foster Children Act of 2006, Child and Family Services Improvement Act of 2006, and Adam Walsh Child Protection and Safety Act of 2006. Authorizes the release of certain confidential child abuse information during the screening of prospective foster or adoptive parents. Requires the court to consult with a child, in an age-appropriate manner, regarding the child's permanency plan. Requires all family foster care and kinship care applicants, and all adults who reside in the foster care or kinship care applicant's home, to submit to a fingerprint-based criminal history records check. Requires the court to ensure that a juvenile and the juvenile's foster parents, pre-adoptive parents, or relatives receive notice of all hearings and reviews concerning the juvenile. For FY 2007-08, increases the appropriation to the Department of Human Services, Division of Child Welfare by $142,561 total funds.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $351,124,654 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$339,943,941	N/A	Final FY 2007-08 Appropriation
($495,078)	N/A	Removal of Leap Year Adjustment
($79,771)	N/A	Annualization of S.B. 07-226
$13,585,602	N/A	Decision Item #3 (Child Welfare Services Block Increase)
($6,750,000)	N/A	Joint Budget Committee Action for Adjustment for Medicaid
$5,019,960	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$351,124,654	**N/A**	**FY 2008-09 Appropriation**

Decision Item #3 (Child Welfare Services Block Increase)
Each year, the Department requests additional funds anticipated being required for counties to provide services to additional children and their families. The Department has calculated the projected funding need for counties based on historical increases in the overall number of children receiving child welfare services. The projected percent increase in the overall caseload was then applied to the base funding. Cost drivers for the provision of Child Welfare Services include:

- ✓ changes in the child / adolescent population (ages 0 - 17);
- ✓ the number of families referred, per 1,000 child / adolescent population;
- ✓ the number of children assessed, as a percent of the number referred;
- ✓ the number of new involvements, as a percent of assessments;
- ✓ the number of children in residential care as a percent of open involvements;
- ✓ the average number of days per year a child spends in residential care;
- ✓ the average cost per day per child for residential care;
- ✓ "program services" costs per open involvement (administration and other direct services related to foster care);
- ✓ new adoptions as a percent of the total number of children in residential care; and
- ✓ the average cost per child per day for adoptions.

Adjust Medicaid to reflect actual expenditure pattern ($0 Net general fund impact)
The Departments of Human Services and Health Care Policy and Financing have statutory authorization to transfer unlimited amounts of General Fund between the two departments when required by changes from the appropriated levels in the amount of Medicaid cash funds earned through programs or services provided under the supervision of the Departments (Section 24-75-106, C.R.S. 2008). This provision is commonly used for child welfare services. If an unexpectedly large number of the children receiving child welfare services receive services that are eligible for Medicaid reimbursement, the Department of Human Services may transfer General Fund to the Department of Health Care Policy and Financing and draw down the associated federal Medicaid match. Conversely, if child welfare billing for Medicaid services is lower than the amounts reflected in the appropriation, the Department of Human Services will request the Department of Health Care Policy and Financing to transfer the General Fund portion of associated Medicaid appropriations back to the Department of Human Services, where these General Fund amounts may be used to provide child welfare services that are not eligible for federal Medicaid match.

For a number of years, the Medicaid amounts appropriated for child welfare services, including amounts for the children's residential habilitation program (the "CHRP" waiver for children with developmental disabilities), as well amounts for the psychiatric and therapeutic residential treatment programs (PRTF and TRCCF programs), have been substantially higher than actual billing for these programs. As a result, the General Fund portion of these Medicaid appropriations has been transferred back to the Department of Human Services.

1. Reduce the Medicaid appropriation to the Department of Human Services for child welfare services by $18.0 million previously appropriated funds, and making an associated reduction of $9.0 million General Fund and $9.0 million federal Medicaid funds in the appropriation to the Department of Health Care Policy and Financing; and
2. Increasing the appropriation to the Department of Human Services for child welfare services by $9.0 million General Fund and $2.25 million cash funds (to reflect the associated 20 percent local match).

This has a net General Fund impact of $0. Further, if Medicaid earnings are ultimately higher than the amounts included in the appropriation, this change will not restrict the Departments from transferring General Fund amounts and drawing down associated Medicaid funds as authorized by statute.

Recommended Medicaid Adjustments Adjustment by Category

Amount	Description
($7,577,822)	CHRP Medicaid
($10,422,178)	PRTF/Medicaid FFS
$11,250,000	80/20 Combined Block
($6,750,000)	**Grand Total**

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$351,124,654	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
$0	N/A	SB 08-216 Special Bill FY 08-09 Appropriation
$9,128,592	N/A	FY 2009-10 DI#10: "Child Welfare Caseload"
$360,253,246	**N/A**	**FY 2009-10 Request**

Decision Item #10 Child Welfare Caseload. This increase in funding of $9,128,592 is to fund 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.

EXCESS FEDERAL TITLE IV-E DISTRIBUTIONS FOR RELATED COUNTY ADMINISTRATIVE FUNCTIONS

The line is allocated to counties for the purpose of defraying costs associated with providing administrative functions for Title IV-E eligibility. This funding helps to assure adequate staffing and supervision of Title IV-E eligibility worker positions. Adequate staffing is critical for assuring compliance with federal Title IV-E regulations, and for maximizing and securing federal revenue for Child Welfare Services. A Federal Title IV-E Compliance Review of Colorado practice was conducted in April 2006; Colorado was found to be within the required 95% compliance, and thus was not subjected to a potential federal fiscal penalty extrapolated against the total Title IV-E administrative costs. The distribution of funds to counties in FY 2005-06 was based on number of out-of-home placements by county in FY 2004-05. The funds were used primarily to support county IV-E eligibility workers and their supervisors across the state.

States are allowed to earn federal Title IV-E funds (Title IV-E refers to a section of the federal Social Security Act) for a number of activities associated with providing services to certain children who are placed outside their own homes. Specifically, states may earn Title IV-E funds for the "room and board" costs of providing out-of-home care, for related administrative costs, and for costs associated with training staff and service providers. The federal Title IV-E program is an open-ended entitlement program, so there is no dollar limit on what any state may earn. Federal Title IV-E funds are earned on a matching basis, and the match ratio varies by activity. In general, Title IV-E funds are provided on a 50/50 basis, except that eligible training expenses are reimbursed at a higher 75/25 (federal/state) ratio.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $1,735,971 total funding for this line item. This included an increase to this appropriation of $25,655 from the Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $1,735,971.

EXCESS FEDERAL TITLE IV-E REIMBURSEMENTS

This line provides the opportunity for the counties to access excess IV-E additional funds to provide early intervention, placement prevention and family preservation, and crisis intervention services to families to prevent out-of-home placement or to extend child care assistance and other social services that may meet the Maintenance of Effort for TANF.

In addition to providing moneys to counties to defray the costs of Title IV-E administrative functions, Section 26-1-111 (2) (d) (II) (C), C.R.S. (2008), also allows the General Assembly to appropriate to the Department moneys for TANF related purposes, child care assistance, and child welfare services. These moneys are appropriated for allocation to the counties.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $2,800,000 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$2,800,000	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
($459,113)	N/A	SB 08-216 Special Bill FY 08-09 Appropriation
$2,340,887	**N/A**	**FY 2009-10 Request**

Decision Item #16: Increase in Administrative Review FTE is being requested to fund the increase for 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.

FAMILY AND CHILDREN'S PROGRAMS

This line item was established largely as a result of the Child Welfare Settlement Agreement (which was finalized in February 1995). The settlement agreement required a number of improvements in the child welfare system, including: (1) an increase in the number of county caseworkers and supervisors; (2) improvements in the amount and types of training provided to caseworkers, supervisors, and out-of-home care providers; (3) the provision of Core Services to children and families (described below); (4) improvements in investigations, needs assessments, and case planning; (5) improvements in services to children placed in residential care; (6) increased rates for out-of-home care providers and elimination of certain rate disparities; and (7) the development of a unitary computerized information system (the Colorado Trails System). In January 2002, the parties agreed that the Department and counties were in substantial compliance with the terms of the settlement agreement, and it was terminated.

This program serves children who are dependent and neglected or abused, delinquent or in conflict with their families or communities. In 1991, Article 5.5 was enacted to create the Colorado Family Preservation Act. Although the program is defined in state statutes as Family Preservation, the program is referenced in Colorado Department of Human Service (CDHS), Staff Manual Volume 7 as Core Services. Pursuant to Section 19-3-208, C.R.S. (2008), the Core Services Program serves children that are at imminent risk of out-of-home placement.

Description of "Core Services"
Pursuant to Section 19-3-208, C.R.S. (2008), the following services are to be made available and provided based upon the State's capacity to increase federal funding or any other moneys appropriated for these services and as determined necessary and appropriate by individual case plans:

- ✓ transportation;

- ✓ child care;
- ✓ in-home supportive homemaker services;
- ✓ diagnostic, mental health, and health care services;
- ✓ drug and alcohol treatment services;
- ✓ after care services to prevent a return to out-of-home placement;
- ✓ family support services while a child is in out-of-home placement including home-based services, family counseling, and placement alternative services;
- ✓ financial services in order to prevent placement; and
- ✓ family preservation services, which are brief, comprehensive, and intensive services provided to prevent the out-of-home placement of children or to promote the safe return of children to the home.

In addition, pursuant to Section 26-5.3-105, C.R.S. (2008), "emergency assistance" was made available to serve the same population. Counties are required to submit a Core Services plan for approval by the Division of Child Welfare. Counties must have the eight basic Core Services accessible to children and their families who meet the eligibility criteria for the program. Those services are Home Based Intervention, Intensive Family Therapy, Life Skills, Day Treatment, Sexual Abuse Treatment, Special Economic Assistance, Mental Health Services, and Substance Abuse. Counties also have the option to provide county designed services. In order to be eligible for the Core Services Program, each child shall: meet the criteria for Program Area 4, 5, or 6 target group; and, meet the Colorado out-of-home placement criteria at the time of each placement in any Core Services Program; and, require a more restrictive level of care but may be maintained at a less restrictive out-of-home placement or in his/her own home with Core Services. Core Services are provided through an approved county plan as alternatives to out-of-home care or in conjunction with out-of-home care, to either reduce the level of placement needed or to facilitate the child's move to a permanent family. In order to be eligible for services, the child case must be a Program Area 4, 5, or 6 case - this means the child must meet Colorado's out-of-home placement criteria and be at imminent risk for out-of-home placement.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $45,081,257 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$45,055,425	N/A	Final FY 2007-08 Appropriation
$675,832	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
($650,000)	N/A	Joint Budget Committee Action for Adjustment for Medicaid
$45,081,257	**N/A**	**FY 2008-09 Appropriation**

Budget Reduction Item #NP/ Health Care Policy and Financing Decision Item #15
The Department's request includes a reduction of $650,000 General Fund associated with Department of Health Care Policy and Financing Decision Item #15. The Departments indicate that, with the passage of S.B. 06-219, funding for administrative case management related to Medicaid for children receiving child welfare services was transferred from the Department of Human Services Medicaid-Funded Programs, Division of Child Welfare to the Department of Health Care Policy and Financing.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $45,081,257.

PERFORMANCE-BASED COLLABORATIVE MANAGEMENT INCENTIVES

This is a new line item, first appropriated in FY 2005-06, to provide spending authority for the Department to provide incentives to counties pursuant to H.B. 04-1451 and previous legislation. This bill authorizes (but does not require) each county department of social services to enter into a memorandum of understanding (MOU) with local representatives of various agencies to promote a collaborative system of services to children and families. If a county department elects to enter into an MOU pursuant to this bill, the MOU is required to include local representatives from the following agencies:

- the local judicial districts, including probation services;
- the health department, whether a county, district, or regional health department;
- the local school district or school districts;
- each community mental health center; and
- each behavioral health organization (BHO).

The bill specifies, however, that nothing shall preclude a county from including other parties in the MOU (e.g., the Division of Youth Corrections). The bill encourages local agencies to enter into MOUs by region, and recommends that the agencies seek input, support, and collaboration from key stakeholders in the private and non-profit sectors, as well as from parent advocacy or family advocacy organizations.

Parties to each MOU are required to establish collaborative management processes that are designed to: (1) reduce duplication and eliminate fragmentation of services; (2) increase the quality and effectiveness of services; and (3) encourage cost sharing among service providers. The bill also authorizes departments and agencies that provide oversight to the parties to the MOU to issue waivers of state rules necessary for effective implementation of the MOUs that would not compromise the safety of children. Through the establishment of a local interagency oversight group, parties to an MOU are to create a procedure to allow any state General Fund savings realized as a result of the MOU to be reinvested in services for children and families. The sources of funding subject to this reinvestment process are to be specified in the MOU. However, the bill specifies that a county that under spends the General Fund portion of its "capped or targeted allocation" may use the savings to provide services to children and families.

Parties to an MOU may agree to attempt to meet certain performance measures, specified by the Department and the Board of Human Services. Local interagency groups that choose this option are eligible to receive incentive moneys from the newly created "Performance-Based Collaborative Management Incentive Cash Fund", beginning in FY 2005-06. Incentive moneys, which will be allocated by the Department to those interagency groups that meet or exceed the specified performance measures, are to be reinvested in services for children and families.

Funding for the Program. House Bill 04-1451 amended a number of existing statutory provisions to change the destination of approximately $2.1 million in civil docket fee revenue. For FY 2007-08, the Performance Incentive Cash Fund is repealed and all moneys in the fund are transferred into the Performance-Based Collaborative Management Incentive Cash Fund (in addition, the fund will receive transfers from the family stabilization services fund and from docket fees in civil actions - dissolution of marriage - as specified in Section 13-32-101 (1) (a), C.R.S. (2008) All revenue will be available to provide incentives for those groups that choose to enter into MOUs.

House Bill 08-1005 (Frangas/Boyd), as referred from House Appropriations, includes several adjustments to this program, including: (1) requires the Division of Youth Corrections to be included in all collaboratives; (2) specifies that the amount of General Fund savings from collaboratives shall be determined in accordance with rules established by the Department of Human Services; (3) authorizes use of moneys in the Collaborative Management Incentive Programs Cash Fund for ongoing external evaluations of the counties participating in the program, and includes an appropriation for such evaluations from the Cash Fund.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $3,188,750 total funding for this line item.

Amount	FTE	Explanation
$3,188,750	N/A	Final FY 2007-08 Appropriation
$376,950	N/A	H.B. 08-1005: Conduct ongoing external evaluation of the counties which have entered into the MOE
$3,565,700	**N/A**	**FY 2008-09 Appropriation**

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$3,565,700	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
($10,200)	N/A	HB 08-1005 Annualization "Collaborative Management of Multi-Agency Services Provided"
$3,555,500	**N/A**	**FY 2009-10 Request**

INDEPENDENT LIVING PROGRAMS

The *Chafee Foster Care Independence Program* is a federally-funded program designed to provide independent living resources to youth in out-of-home care, who are at least sixteen years of age and below twenty-one years of age, as well as emancipated young adults, ages 18 – 21, who were in foster care on or after their 18th birthday. The eligible young people receive a comprehensive assessment of independent living skills using an approved assessment form, and an individualized plan for transition to independent living based on the assessment. The young people in the program are taught skills in five core areas such as money management. They are taught other skills and given information in a variety of ancillary areas depending on their individual needs. The relationship between the Independent Living Program specialist and the young person is seen as central to the program. The specialist receives a referral from the county caseworker or Division of Youth Correction's client manager and, if the referred person is accepted, he/she will receive services either through a group or individual mode. For FFY 2004-05, the Chafee program served 1,130 youth. In addition to the programs provided by the county departments of social services there is the Youth Empowerment Systems Academy (YES! Academy), a partnership between Colorado Department of Human Services Division of Child Welfare and Supportive Housing and Homeless Program (SHHP) for the purpose of providing Chafee eligible youth access to services and housing. YES! Academy is an incubator for ideas and services driven by youth/young adults to promote self-sufficiency and determination through achieving 25 outcomes in the domains of safe and stable housing, employment, education and community connectedness. There are three contracted Chafee service providers serving distinct populations: Denver Indian Family Resource Center serving youth determined to be an "Indian Child", Epworth Foundation as a faith based organization providing services to primarily urban youth and Elbert County Department of Social Services serving youth in 54 Balance of State (BOS) counties. This system of services provides access to Section 8 housing vouchers and services for 18 months for former foster youth, ages 18-21 who were in foster care on or after their 18th birthday, and who are homeless, in dilapidated or overcrowded housing, in a domestic violence situation, or in housing which does not accommodate their disability or, services only for foster care youth 16-21 years old.

As part of the Promoting Safe and Stable Families Amendments (PSSF Amendments) of 2001, Public Law 107-133 into law, Title II, Section 201 of the Amendments, entitled "Educational and Training Vouchers for Youths Aging Out of Foster Care" amending section 477 of Title IV-E of the Act; Colorado's Educational and Training Voucher (ETV) Program was developed. The ETV targets additional resources to meet the educational and training needs of youth aging out of foster care. Colorado received an allocation for FFY 2005-06 $769,321.

- The ETV program offers up to $5000 per year to eligible youth who have exited out of foster care, to go to college or attend an accredited vocational or technical training program. Child Welfare has contracted with the Orphan Foundation of America to administer and track the ETV funds. OFA is a non-profit organization dedicated to helping youth transition from foster care to independent adulthood since 1981. CDHS also contracts with the Orphan Foundation of America to administer the Educational and Training Voucher Program for Colorado's eligible foster care youth.

- In FFY 2004-2005, the Colorado ETV Program disbursed $640,346 to 186 youth in 29 counties throughout Colorado. For FFY2006, 228 eligible youth have applied for the program.
- Colorado has received $769,321 through 2006 for the program.

This line item reflects, for informational purposes, federal Title IV-E "Chafee Foster Care Independence Program" funds that are available to states to provide services for youth up to age 21 who are, or will be, emancipating from out-of-home care. While some counties use other existing funding sources to support staffing units devoted to independent living and emancipation services, federal Chafee funds provide the primary source of funding for independent living services in Colorado. These federal funds support direct services to eligible youth, as well as technical assistance, program and policy development, monitoring, and program administration.

Studies concerning the circumstances of youth after leaving foster care indicate that this population is at higher risk of experiencing unemployment, poor educational outcomes, poor health, long-term dependency on public assistance, and increased rates of incarceration when compared to their peers in the general population. Since 1986, the federal government has provided states with funding to develop independent living programs intended to minimize these negative effects and prepare youth for adulthood.

Independent living programs are designed for youth who need to develop the skills necessary to lead self-sufficient, healthy, productive and responsible interdependent lives. Services are focused on encouraging the development of support systems within the community, education, career planning, money management, securing and maintaining a stable source of income and affordable housing, and health and safety. It is a goal that all youth that leave the program have completed their high school education and are continuing to participate in an educational program or obtaining a training certificate in a specific skill area and are working while in the program. County departments of social services have the flexibility to provide direct services in the manner that works well for their county and the population they serve.

This program also works in conjunction with other programs to provide services to youth emancipating from foster care. Two examples include:

- The Supportive Housing and Homeless Program [this program is also funded with 100 percent federal funds available from the Department of Housing and Urban Development] was awarded 100 time-limited (18-month) housing vouchers for youth who have aged out of foster care. In June 2002, the Department began using these vouchers to provide housing and transitional living services to young adults aging out of foster care.

- In January 2002, the President signed legislation that authorized additional Title IV-E funds (up to $60.0 million per year nationally) for educational and training vouchers for youths who age out of foster care (including youth who are adopted out of foster care after age 15).

Eligible youth may receive vouchers for up to $5,000 per year for four years to attend college, a university, or an accredited vocational or technical training program. The funds may be used for tuition, books or qualified living expenses. These funds are available on a first-come, first-served basis to students out of the Colorado foster care system. The Division of Child Welfare contracted with the Orphan Foundation, a non-profit organization, to administer and track Colorado's share of the funds [see www.statevoucher.org].

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $2,826,582 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$3,235,820	N/A	Final FY 2007-08 Appropriation
($409,239)	N/A	Reverse Custodial
$2,826,582	**N/A**	**FY 2008-09 Appropriation**

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $2,826,582.

PROMOTING SAFE AND STABLE FAMILIES PROGRAM

Formerly known as Family Preservation and Family Support (FP/FS), Promoting Safe & Stable Families Program (PSSFP) provides funding and technical assistance to selected neighborhoods, communities, counties, and/or regions to create, enhance and coordinate four service areas at the local level: family support networks on behalf of all families to increase family well-being; family preservation programs geared to families in crisis who have children at risk for maltreatment and/or children with disabilities; time-limited reunification services for families with children in out-of-home placement; and adoption promotion and support services to encourage more formal and informal adoptions out of the foster care system.

This program, authorized under Sub-Part 2 of Title IV-B of the federal Social Security Act, provides funding for local communities to provide a variety of services to families in times of need or crises. This appropriation is not part of the Child Welfare Services block allocation to counties. Thirty-seven (37) counties and one Indian Tribe are actively involved in PSSFP. It promotes permanency and safety for children by providing support to families in a flexible, family-centered manner through a collaborative community effort. While a small portion of the federal funds are used to support 2.0 FTE state staff responsible for administering the program, the majority of the funds are made available to local communities and tribes.

Each local site is required to have a Community Advisory Council comprised of governmental and community stakeholders, family advocates and parents, and consumers to help direct the project. Currently, 36 counties and the Ute Mountain Ute tribe receive funding to:

- reunify children placed in the foster care system with their families;
- support and promote adoption or permanent placement with kin for children who cannot be safely returned home; and
- prevent child abuse and neglect in at-risk families.

Seventy-nine percent of program funds are awarded to local communities, 13 percent is set aside to provide support to adoptive families, and the remainder is used for administrative costs, technical assistance, and training.

A 25 percent match is required to draw down the federal funds. The General Fund is used to provide the match for the portion of the funds that are used for state-level staff and activities, and local communities are required to provide the match for the funds they receive.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $4,457,659 total funding and 2.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$5,554,636	2.0	Final FY 2007-08 Appropriation
$5,840	0.0	Salary Survey Awarded in FY 2007-08
$1,907	0.0	Performance-based Pay Awarded at 80 percent
($1,104,724)	0.0	Reverse Custodial Funds
$4,457,659	**2.0**	**FY 2008-09 Appropriation**

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$4,457,659	2.0	FY 2008-09 Appropriation (H.B. 08-1375)
$2,893	0.0	Salary Survey Estimated in FY 2008-09
$824	0.0	Performance-based Pay Estimated at 80 percent
$4,461,376	**2.0**	**FY 2009-10 Request**

FEDERAL CHILD ABUSE PREVENTION AND TREATMENT ACT GRANT

This line item reflects funding and staff responsible for administering grants available pursuant to Section 106 of the Child Abuse Prevention and Treatment Act (CAPTA), as amended by Public Law 105-235. Under federal law, states have five years to spend the funds available through this grant program. Funding is allotted to states annually on a formula basis according to each state's ratio of children under the age of 18 to the national total. This grant program requires each state to submit a five-year plan and an assurance that the state is operating a statewide child abuse and neglect program that includes specific provisions and procedures. Among other things, these assurances include:

- establishment of citizen review panels;
- expungement of unsubstantiated and false reports of child abuse and neglect;
- preservation of the confidentiality of reports and records of child abuse and neglect, and limited disclosure to individuals and entities permitted in statute;
- provision for public disclosure of information and findings about a case of child abuse and neglect that results in a child fatality or near fatality;
- the appointment of a guardian ad litem to represent a child's best interests in court; and,
- expedited termination of parental rights for abandoned infants, and provisions that make conviction of certain felonies grounds for termination of parental rights.

The CAPTA State Grant program provides states with flexible funds to improve their child protective service systems in one or more of the following areas:

- ✓ the intake, assessment, screening, and investigation of reports of abuse and neglect;
- ✓ protocols to enhance investigations;
- ✓ improving legal preparation and representation;
- ✓ case management and delivery of services provided to children and their families;
- ✓ risk and safety assessment tools and protocols;
- ✓ automation systems that support the program and track reports of child abuse and neglect;
- ✓ training for agency staff, service providers, and mandated reporters; and
- ✓ developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $378,332 total funding and 3.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$908,201	3.0	Final FY 2007-08 Appropriation
$4,656	0.0	Salary Survey Awarded in FY 2007-08
$1,585	0.0	Performance-based Pay Awarded at 80 percent
($536,110)	0.0	Joint Budget Committee Action for reduce spending authority
$378,332	**3.0**	**FY 2008-09 Appropriation**

Joint Budget Committee Action for reduce spending authority
This adjustment is to more accurately reflect the annual expenditures for this program. The adjustment brings the appropriation down to the average of expenditures each year for the last four years.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$378,332	3.0	FY 2008-09 Appropriation (H.B. 08-1375)
$5,986	0.0	Salary Survey Estimated in FY 2008-09
$1,709	0.0	Performance-based Pay Estimated at 80 percent
$40	0.0	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$386,067	**3.0**	**FY 2009-10 Request**

NP #2 Postage Increase and Mail Equipment Upgrade is part of DPA Common Policy item, which affects the Child Welfare, Federal Child Abuse Prevention and Treatment Act Grant line.

CHILD WELFARE AND MENTAL HEALTH SERVICES PILOT PROGRAM

Through the General Assembly approval of H.B. 08-1391, a new line was created in Child Welfare. This new line appropriated $1,925,169 total funding for FY 2008-09. This bill creates a three-year pilot program in 3 counties or groups of counties to provide mental health assessment and services for abused and neglected children ages 4-10 years and their siblings, and to and evaluate the effectiveness of such services. The Department is required to issue an RFP to select a contractor to develop and implement the pilot in three counties or groups of counties, and separately, the Department will be selecting the pilot sites to work with the contractor.

CHILD WELFARE ACTION COMMITTEE

Through the General Assembly approval of H.B. 08-1404, a new line was created in Child Welfare. This is a new appropriated $550,000 for FY 2008-09. This bill provides legislative support and appropriations to assist in the implementation of the Governor's Executive Order creating a "Child Welfare Action Committee" to reform and improve Colorado's systems for the protection of children from abuse or neglect. The bill also clarifies that the State Department has access to employee files on county social services employees. Combined with the Governor's Executive Order, the Department will engage in an intensive and extensive review of the entire child protection system, including looking at different models than Colorado's state supervised-county administered child welfare system. An interim report and recommendations for consideration in the 2009 legislative session is due at the end of October 2008.

CHILD WELFARE FUNCATIONAL FAMILY THERAPY

Through a Change Request for FY 2009-10, Decision Item #4, 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.

Department of Human Services
Line Item Descriptions

Division of Child Care

FY 09-10 Budget Request

NOVEMBER 1, 2008

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(5) DIVISION OF CHILD CARE

The Department of Human Services is the State's lead agency in planning and implementing public child care policy. The Division of Child Care is responsible for licensing of child care facilities, monitoring, managing child care assistance (subsidy) programs for low-income families, child care grants and quality initiatives, and serving as the lead in implementing federal child care programs. The Division of Child Care currently is composed of 67.5 state full time employees (FTE), including Licensing Specialists, Licensing Supervisors, 24-Hour Facility Specialists, Information and Support Staff, grant program staff, child care assistance program staff, and administrators. In addition to state FTE, the state oversees 34.3 Licensing Contractors. The overall goal of the division is to promote quality, accessible and affordable child care services for Colorado families. The Division of Child Care accomplishes this in the following ways.

CHILD CARE LICENSING AND ADMINISTRATION

The Division of Child Care is responsible for inspecting, licensing and monitoring child care facilities throughout the state, including child care homes and centers, preschool and school-age child care programs, homeless youth shelters, and summer camps, as well as 24-hour facilities (such as residential treatment facilities, residential child care facilities, and child placement agencies). In some counties, the Division contracts with local entities (*e.g.*, county departments of social services, county health departments, child placement agencies) to perform licensing functions for certain types of facilities. In addition, the Division supervises the county-administered Child Care Assistance Program, and it performs several quality-related functions. This line item provides funding for all Division staff, except the 1.0 FTE associated with the School-readiness Child Care Subsidization Program.

Pursuant to Section 26-6-105, C.R.S., the Department is to establish license fees pursuant to rules promulgated by the State Board of Human Services. Such fees are not to exceed the direct and indirect costs incurred by the Department. The Department is to develop and implement an objective, systematic approach for setting, monitoring, and revising child care licensing fees by developing and using an ongoing method to track all direct and indirect costs associated with child care inspection licensing, developing a methodology to assess the relationship between licensing costs and fees, and annually reassessing costs and fees and reporting the results to the State Board. The Department is to consider the licensed capacity of facilities and the time required to license facilities.

The licensing program is responsible for enforcement when consumers report providers in the community for operating a child care home or facility without a license. Periodically, the Division obtains input from providers and consumers in order to evaluate and revise regulations and procedures as needed to maintain a responsive system that addresses basic health and safety needs of children. The Division provides technical assistance to child care providers and establishes educational and experience requirements for child care providers in all facilities.

The Licensing Appeals Board reviews provider requests for waivers to licensing regulations. Applicants or licensed providers may appeal any regulation that they believe causes them undue hardship or has been too stringently applied. The Child Care Licensing Appeal Panel of the Division hears an average of 650 appeals a year. To facilitate parents' involvement in monitoring and making decisions about licensed facilities, the Division makes licensing histories of child care facilities available to the public. On average, more than 1,900 licensing histories are reviewed annually.

Prior to FY 2002-03, child care licensing fees had not been adjusted since June 1999. The fee structure that existed in FY 2001-02 generated about $475,000 in cash fund revenues, covering about 11 percent of the costs of the licensing program; the General Fund covered about one-third of such costs, and federal funds covered the remainder (56 percent). In order to reduce General Fund appropriations while mitigating the need to reduce the effectiveness of the licensure unit, the General Assembly approved changes in the financing of this line item beginning in FY 2002-03. It was estimated that if licensure fees were increased by 36 percent, cash fund revenues would support about 15 percent of the annual costs of the licensing program (versus 11 percent). In May 2003, child care licensure fees were increased 36 percent. A 10% increase in licensing fees was introduced in June 2008 and will take effect in September 2008. Based on FY 2004-05 actual, licensure fees made up about 11 percent of the annual appropriation for the licensing program–i.e., the same level that existed prior to the FY 2002-03 fee increases. Fees range from $22 per year for a smaller family child care home to $840 for a secured residential treatment center. *License fee schedules are set based on the staffing needs in this line item.*

The Division of Child Care is the lead agency on the Colorado Child Care Assistance Program (CCCAP). The CCCAP is state-supervised and administered through county departments of social services. Colorado Child Care Assistance Program (CCCAP) provides financial assistance to low-income families that are working, searching for employment and/or training, and families that are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. Additionally, the Division of Child Care is responsible for administering the federal Child Care Development Fund monies to increase accessibility, availability, and affordability of quality child care services for Colorado's families.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $6,464,657 total funding and 64.0 FTE for this line item. H.B. 08-1388 added an additional $85,092 and 1.5 FTE bring the total appropriation to $6,549,749 and 65.5 FTE.

Amount	FTE	Explanation
$6,475,696	63.0	Final FY 2007-08 Appropriation
$139,722	0.0	Salary Survey Awarded in FY 2007-08
$43,772	0.0	Performance-based Pay Awarded at 80 percent
($180,000)	0.0	Backing out one-time funding for the conducting of case reviews to determine improper authorizations for child care assistance

$0	1.0	Decision Item #20 (Program Liaison)
$85,092	1.5	H.B. 08-1388 (Concerning the Financing of Public Schools)
$27,594	0.0	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
($42,127)	0.0	1% Base Reduction
$6,549,749	**65.5**	**FY 2008-09 Appropriation**

Decision Item #20 (Child Care Program Liaison)
The General Assembly approved 1.0 FTE to provide support for the Division Web Page and Colorado Child Care Licensing System (CCCLS) with the Child Care Automated Tracking System (CHATS) replacement project. This FTE will manage and coordinate the data and information system as well as facilitate increased on-line functions via the Division web page and will manage the *content* for the Division's website, interfacing with information technology staff. This will help improve the timeliness of communicating information regarding the status of child care facilities through improved technology. The Department plans to provide more on-line services to the public, including the ability to apply for a license and collect fees on line in the future. The position is to be funded through a 10 percent increase in license fees.

H.B. 08-1388 (Concerning the Financing of Public Schools)
Child Care will be licensing an additional 3,000 new preschool slots and shifting 2,454 existing slots from full-day kindergarten to preschool slots. To fund this in FY 2008-09, it will cost $85,012 in general fund and 1.5 FTE. Beginning in FY 2009-10, costs are estimated at $79,909. It should be noted that these costs are in addition to any costs associated with adding 3,500 new preschool slots in FY 2008-09 under current law.

FY 2009-10
In FY 2009-10 the Department is building from FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$6,464,657	64.0	FY 2008-09 Appropriation (H.B. 08-1375)
$85,092	1.5	H.B. 08-1388 (Concerning the Financing of Public Schools)
($5,183)	0.0	H.B. 08-1388 (Concerning the Financing of Public Schools) – Annualization for FY 2009-10
$162,057	0.0	Salary Survey Estimated in FY 2008-09
$46,302	0.0	Performance-based Pay Estimated at 80 percent
$91,163	1.0	FY 2009-10 DI#8: "Child Care Business Partnership Program"
$168,185	2.0	FY 2009-10 DI#18: "Child Care Assistance Program Compliance Assurance"
$337	0.0	FY 2009-10 NP#1: "State Fleet Variable Cost"
$9,375	0.0	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$7,021,985	**67.5**	**FY 2009-10 Request**

Decision Item #8: Child Care Business Partnership Program is being requested for 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.

Decision Item #18: Child Care Assistance Program Compliance Assurance 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.

NP #1 State Fleet Variable Cost and NP #2 Postage Increase and Mail Equipment Upgrade are part of DPA Common Policy items which affects the Child Care Licensing and Administration line.

FINES ASSESSED AGAINST LICENSEES

Senate Bill 99-152 created the Child Care Cash Fund, which consists of fines collected from licensees by the Department [see 26-6-114 (5), C.R.S.]. Moneys in the Fund are continuously appropriated to the Department "to fund activities related to the improvement of the quality of child care in the state of Colorado". Fines have been assessed against unlicensed child care providers for operating illegally and have been assessed against licensed child care providers for consistent violation of regulations.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $18,000 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $18,000.

<u>CHILD CARE ASSISTANCE PROGRAM AUTOMATED SYSTEM REPLACEMENT</u>

For FY 2007-08, the Committee authorized the Department to proceed with the replacement and upgrade of its system for managing child care assistance payments. Most of the $14.7 million project was funded through the capital construction budget using state-appropriated federal Child Care Development Funds, with a small additional appropriation in the operating budget.

CHATS Operating Balance Sheet					
Project Operating Cost	**First Year Operating Cost**	**Second Year Operating Cost**	**Third Year Operating Cost**	**Fourth Year Operating Cost**	**Fifth Year Operating Cost**
Maintenance		33,333	1,239,291	1,263,469	1,287,949
Telecommunications	9,151	7,851			
Training	32,000				
Other	32,773	6,500			
Total Estimated Operating Cost	73,924	47,685	1,239,291	1,263,469	1,287,949

The Child Care Automated Tracking System (CHATS) is a data system that supports the Department and all counties in managing the subsidized child care program (total expenditures of $70 to $100 million, depending on the year). The system serves over 38,000 children within 19,000 low income and disadvantaged families who receive services from 7,500 licensed and legally exempt child care providers. CHATS current functions include: client administration, provider administration, payments, recovery, program technical assistance, program monitoring, and reporting. It was first developed in 1995 on mainframe technology. In FY 2003-04 the Joint Budget Committee appropriated funds for a feasibility study on replacement of the system and, after rejecting an FY 2006-07 request, funded the project in FY 2007-08. The new, more modern system will meet business needs that have changed, improve child care expenditure tracking, reconciliation and reporting, and reduce fraud, among other issues.

The project will replace the current CHATS system with a web-based system that uses "point of sale" technology. The Department plans to build a new system starting in FY 2008-09, using an outside vendor. A significant portion of the cost is for "point of sale" technology that would allow a family to "swipe" a child care assistance program "electronic benefit card" that would reflect the family's child care assistance program authorization. The new system is expected to have a life span of 10 years. Equipment lease and maintenance costs of approximately $1.2 million per year would be ongoing during this period. The majority of such maintenance costs are associated with the "point of sale" technology.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $47,685 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10
In FY 2009-10 the Department is building from FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$47,685	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
$1,191,606	N/A	Annualization of FY 2007-08 DI#18: “CHATS Replacement”
$1,239,291	**N/A**	**FY 2009-10 Request**

CHILD CARE ASSISTANCE PROGRAM

Child care assistance to low-income families, both Temporary Aid to Needy (TANF) families and non-TANF families, is provided by counties through the Colorado Child Care Assistance Program (CCCAP). Families eligible for assistance are working, in job search activities, or enrolled in training or education programs for purposes of achieving or maintaining self-sufficiency. All eligible applicant families up to 130% of poverty shall receive child care assistance within the limits of the available appropriation as outlined in Statute. Counties may set a higher eligibility level between 130% of federal poverty guidelines and 85% of state median income.

Counties receive annual allocations that include county administration and direct services for payments to providers. Each county is responsible for meeting an annual maintenance of effort, as well as a 20% county share of administration expenditures. The maintenance of effort is established in state statute 26-2-804. Counties may transfer up to 30% of their TANF funds, less any amounts transferred to Child Welfare, into the Child Care Development Fund grant for use in the CCCAP program. State staff, along with county representatives, reviewed the formula used for allocating funds to counties in 2004, resulting in a changed formula for SFY 2005 and amended for SFY 2007. A major component of CCCAP expenditures relates to provider reimbursement rates. The State identifies market rates being paid to providers through a bi-annual survey process; however, counties may set their own rates by negotiating higher or lower rates in order to meet local needs.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $75,868,579 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$75,668,323	N/A	Final FY 2007-08 Appropriation
$180,000	N/A	Reversal of one time spending authority for $180,000 Child Care was funded through H.B. 08-1287 Supplemental bill.
$20,255		FY 2007-08 county share portion reinstated for FY 2008-09
$75,868,579	**N/A**	**FY 2008-09 Appropriation**

FY 2009-10

In FY 2009-10 the Department is building from FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$75,868,579	N/A	FY 2008-09 Appropriation
($102,220)	N/A	FY 2009-10 DI#8: "Child Care Business Partnership Program"
($188,584)	N/A	FY 2009-10 DI#18: "Child Care Assistance Program Compliance Assurance"
$75,577,775	**N/A**	**FY 2009-10 Request**

Decision Item #8: Child Care Business Partnership Program is being requested for 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.

Decision Item #18: Child Care Assistance Program Compliance Assurance 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.

GRANTS TO IMPROVE THE QUALITY AND AVAILABILITY OF CHILD CARE AND TO COMPLY WITH FEDERAL TARGETED FUNDS REQUIREMENTS

This line item was created in FY 2007-08 and combined the former "Grants to Improve the Quality and Availability of Child Care" and "Federal Discretionary Child Care Funds Earmarked for Certain Purposes" line items.

"Quality" requirement: The federal government requires that 4.0 percent of expenditures for Child Care and Development Fund-supported activities be used to improve service quality. The 4.0 percent calculation is based on total CCDF expenditures, including state expenditures required to match a portion of the federal CCDF grant and county transfers of TANF funds to CCDF.

"Targeted Funds" requirements: Federal law concerning Child Care Development Funds also requires specific dollar amounts of the "discretionary grant" funding under CCDF be "targeted" (formerly known as "earmarked") for specific purposes. These targeted amounts are for: (1) infant/toddler programs; (2) school age and/or resource and referral programs; and (3) quality expansion activities such as professional development, mentioning, provider retention, equipment supply, facility start-up and minor facility renovation. Funding used to meet the "target" requirement may not also be used to meet the "quality" requirement (although many expenditures could be assigned to either category).

4% quality and targeted funds initiatives are mandated and defined under the federal Child Care and Development Fund Grant (CCDF). Several budget lines (Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements, Early Childhood Councils, School-Readiness Child Care Quality Improvement Program) are dedicated to meet the federal requirements. The Division of Child Care contracts with multiple local entities to increase the availability of affordable quality early care and education and school age programs for low-income families. Grants and/or loans to providers to assist them in meeting state and local standards are a part of these grants. Under these grants, activities to create new child care capacity and/or to expand existing capacity to accommodate more children would be allowed. These projects are closely coordinated with low-income and child care assistance programs serving low-income families or families where parents are involved in work training and preparation. The intent of these grants is to position the state to meet the work participation requirements under TANF as well as the 4% quality requirement for CCDF. All local grantees are expected to work in partnership with others in the grant service area, including but not limited to local child care resource and referral agencies; local Head Start programs; local early childhood learning clusters; and the Colorado Preschool Programs funded through local school districts.

The Department seeks to target grant funds reflected in this line item to those areas determined to provide the greatest long-term gains. These areas include: increasing the efficiency and effectiveness of local child care services; raising the level of professional development in the field and providing early childhood training opportunities for child care providers; providing child care resource and referral services for families and child care providers; and, improving the ability of child care providers to prepare children for entering elementary school.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $3,473,633 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $3,473,633.

EARLY CHILDHOOD COUNCILS

The Early Childhood Councils program includes 31 self-described communities that span 57 counties. 97% of Colorado's population lives within these communities. This project has successfully brought key child care stakeholders together to identify and implement approaches at the local level that provide valuable policy information and allow the development of a seamless, and accessible system of care for families. Under these councils, the communities are developing comprehensive child care programs, which integrate Head Start, the Colorado Preschool Program, and CCCAP to result in full day, full year child care for low income families, expanding the availability and quality of child care. In addition, councils address health, mental health, parental education, local licensing models and other community-based services for families. The ultimate vision is that local seamless systems of care for children and families will evolve which further full-day, full-year quality care alternatives that can better meet the diverse and often complex needs of working parents and their children. The councils have also been the proving ground for the viability and necessity of waivers to state rule, when current rule impedes the integrated approach to best practice in services. Several waivers have resulted in statewide changes through legislation.

Prior to FY 2000-01, funding for this program was included in other line items (the Child Care Services line item in FY 1998-99, and the Child Care Grants line item in FY 1999-00). Funding for the pilot program was then reflected in its own line item starting in FY 2000-01 (the Pilot Program for Community Consolidated Child Care Services). Effective FY 2008-09, this line item was renamed to "Early Childhood Councils" from the "Pilot Program for Community Consolidated Child Care Services".

Since FY 1997-98, the Department of Human Services has worked with the Department of Education to provide grant funds and technical assistance to local communities to design consolidated programs of comprehensive early childhood care and education services intended to serve children in low-income families. The "pilot programs", as they were named, were allowed to blend various sources of state and federal funding and could apply for waivers of state rules. The pilots were used to identify best practices relative to increasing quality, meeting the diverse needs of families seeking child care, and integrating early childhood care with education programs. The law authorizing pilots was repealed and reenacted pursuant to H.B. 07-1062 [Solano/Williams] to create the Early Childhood Councils program.

House Bill 07-1062, codified at Section 26-6.5-101 et. seq., C.R.S. (2008):

- Replaced the pilot program for consolidated child care services with a new, statewide system of early childhood councils. Councils represent public and private stakeholders in a local community who work to develop and improve local early childhood services and to create a seamless network of such services statewide.
- Expanded the existing 17 consolidated childcare pilot sites to additional sites, subject to available appropriation.
- Established procedures for stakeholders to apply to the Department of Human Services to become early childhood council sites, specified required and optional representation on councils (from local government, health care, mental health care, childcare providers and parents, among others); and specified duties of councils including development of funding applications, local strategic plans to improve early childhood services, accountability measures and evaluations.
- Indicated that councils may apply for waivers of state rules that would prevent a council from implementing a project.
- Established the Colorado Early Childhood Council Advisory Team in the Office of the Lieutenant Governor.
- Required a contracted evaluation of the early childhood council system no later than March 1, 2010.
- Required the Office of the State Auditor to conduct a performance audit of the Colorado Child Care Assistance Program in the Department of Human Services beginning in FY 2007- 08 with a report of findings and recommendations to the Legislative Audit Committee no later than December 30, 2008.
- Established the Early Childhood Councils Cash Fund and authorized the appropriation of General Fund to the Cash Fund and the Councils (previously prohibited).
- Included an appropriation of $1.0 million General Fund and $1.0 million federal Child Care Development Funds for the Councils, with an associated reduction to the Colorado Child Care Assistance Program line item. (The $1.0 million General Fund was first appropriated to the Early Childhood Councils Cash Fund and further appropriated to the Department for the Councils; this portion of the appropriation therefore appears in this line item as cash funds exempt/reappropriated funds.)

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $2,984,761 total funding and 1.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$4,038,943	1.0	Final FY 2007-08 Appropriation
($1,054,182)	0.0	Joint Budget Committee Action for H.B. 07-1062
$2,984,761	**1.0**	**FY 2008-09 Appropriation**

FY 2009-10

In FY 2009-10 the Department is building from FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$2,984,761	1.0	FY 2008-09 Appropriation (H.B. 08-1375)
440	0.0	Performance-based Pay Estimated at 80 percent
$2,985,201	**1.0**	**FY 2009-10 Request**

SCHOOL-READINESS QUALITY IMPROVEMENT PROGRAM

School-readiness Child Care Subsidization Program was created by House Bill 02-1297 [Section 26-6.5-106, C.R.S.] to improve the quality of certain licensed child care facilities whose enrolled children ultimately attend low-performing neighborhood elementary schools. The legislation was reauthorized in H.B. 05-1238 [Hefley/Williams] and the program renamed the School Readiness Quality Improvement Program. This program provides targeted investments, through a Qualistar Early Learning rating and Quality Improvement Plan, in the form of quality grants to licensed child care providers serving families and children low-income communities where elementary schools have been rated as either low-performing or unsatisfactory. The program will help to improve the school readiness of children five years of age and younger to assist in closing the learning gap and enhancing the overall.

As revised, the statute specifies that school-readiness quality improvement program funding shall be awarded to early childhood care and education councils for subsidies to local early care and education providers based upon allocations made at the state department. The program targets the school readiness of young children who will ultimately attend eligible elementary schools that have on overall performance rating of “low”" or "unsatisfactory" or that have an overall rating of “average” but have received a CSAP overall academic improvement rating of "decline" or "significant decline”.

The program provides subsidies over a three year period to participating child care centers and family child care homes to cover the cost of equipment, supplies, minor renovations, curricula, staff education, scholarships, training, and bonuses for facility staff for demonstrating quality improvements and addressing problems identified in the ratings.

The act requires the Early Childhood and School Readiness Commission to adopt a voluntary school-readiness rating system to measure the quality of services provided by a child care provider to prepare children to enter elementary school. As revised, it requires early childhood care and education councils to submit reports by January 1, 2009, and every three years thereafter, and requires a consolidated report to the Education Committees of the General Assembly on or before April 1, 2009, and on or before April 1 every three years thereafter.

Program Implementation. Baseline evaluations for grantees are currently in progress, for the grant period from July 1, 2006 to June 30, 2009. All sites participating in the program will undergo baseline evaluation by Qualistar and have two follow-up evaluations. Each site receives a baseline overall quality rating score (one, two, three, or four stars, with four being the highest achievable). These ratings are based on five measurement areas:

- Learning Environment -- a program's health and safety standards, classroom environment, curriculum and activities, interactions between adults and children, and the daily schedule
- Family Partnerships -- how a program develops relationships with families, serves as a resource for them, and offers them opportunities to be part of their children's early learning experience

- Training and Education -- work experience and the average level of early childhood education attained by the providers working in the home or center
- Adult-to-Child Ratios -- average ratios in a classroom over a 10-day period, from the time the program opens until it closes
- Accreditation -- whether a program is accredited through a national accrediting agency

Qualistar describes each of the rating levels as follows:

Zero star - "Children in a zero-star rated program may find themselves confronting sub-standard conditions. Health and safety issues are often neglected, teacher training can be non-existent, and staff turnover is usually high. Often, programs at this level lack basic equipment and toys, and may be violating state licensing requirements."

One star - "Though conditions improve with each STAR level, children may not be experiencing routine high-quality interactive care. Health and safety issues may still need to be addressed, and staff turnover often continues to be high. Teachers and program administrators may lack formal early childhood training and experience. Adult-to-child ratios tend to meet the minimum standards, but generally do not allow for staff to provide individualized attention during the course of a day."

Two stars - "Children in 2-STAR programs are read to regularly, watch some television, and have access to toys that support children's discovery and learning. Though health and safety issues may still exist, children's basic needs are satisfied and parents often feel a sense of stability within a 2-STAR rated program. Programs at this level are beginning to see how children's feelings of security are linked to their experiences in the classroom and how their learning is supported by opportunities for meaningful play."

Three stars - "In addition to being safe, a program at this quality level organizes many fun, educational activities for children, and employs teachers who understand age-appropriate behaviors. Staff also support parents and keep them regularly informed about their child's progress. 3-STAR programs tend to have higher tuition rates and receive additional funding, relieving some of the financial burden."

Four stars - "In addition to many fun activities and regular communication with parents, a 4-STAR Quality Rating means a program fundamentally understands the importance of preparing children for school through a strong curriculum that addresses the social, emotional, physical, and academic needs of each child. Staff is knowledgeable and educated in early childhood development and provides wonderful age-appropriate activities based on the individual needs of the children. Ratios are optimal allowing staff to provide a loving, stable environment for the children in care."

Each site receives detailed information about its strengths and weaknesses in each of the five areas, as well as a list of concrete action steps recommended to improve program quality. The evaluation also includes a list of additional services that will be made available through the program to support quality improvement efforts. Specific quality rating information for providers receiving one or more stars is also made available to parents and members of the public through Qualistar's website [Qualistar.org].

The first iteration of this program reflected significant impact, with the percentage of programs achieving 3 or 4 stars increasing from 36 percent at baseline to 77 percent at second follow-up, and the programs achieving 0, 1, or 2 stars decreasing from 64 percent at baseline to 23 percent at second follow up.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $2,227,765 total funding and 1.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$2,226,096	1.0	Final FY 2007-08 Appropriation
$1,258	0.0	Salary Survey Awarded in FY 2007-08
$411	0.0	Performance-based Pay Estimated at 80 percent
$2,227,765	**1.0**	**FY 2008-09 Appropriation**

FY 2009-10

In FY 2009-10 the Department is building from FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$2,227,765	1.0	FY 2008-09 Appropriation (H.B. 08-1375)
440	0.0	Salary Survey Estimated in FY 2008-09
$2,229,305	**1.0**	**FY 2009-10 Request**

Department of Human Services
Line Item Descriptions

FY 2009-10 Budget Request

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(7) OFFICE OF SELF SUFFICIENCY

(A) ADMINISTRATION

The Office of Self Sufficiency's Administration section is responsible for the oversight of the Colorado Works Program, the Special Purpose Welfare Programs (Low Income Energy Assistance Program, Food Stamp Job Search, Food Distribution, Low-Income Telephone Assistance Program, Income Tax Offset, Electronic Benefits Transfer Service, Refugee Assistance, and Systematic Alien Verification for Eligibility), Child Support Enforcement and Disability Determination Services. This section is comprised of both general fund and federal fund dollars and includes state funded appropriations for personal services and operating expenditures.

PERSONAL SERVICES

This line item provides funding for base salary, state PERA contributions and personal services contracts the division management uses for administrative oversight of its programs.

In FY 2006-07 Decision Item #23 (03/08/06 JBC Figure Setting, Page 114) titled "Colorado Works Administration Transfer," transferred FTE from the Office of Self Sufficiency Administration line and into the newly created line item under Colorado Works.

In FY 2007-08, Decision Item #13 (03/05/07 JBC Figure Setting, Page 29) added 3.0 FTE to this line to provide additional oversight of counties' administration of the Food Stamps program. The FY 2007-08 Long Bill appropriation for this line was $1,605,384, with 22.0 FTE. This was continued into FY 2008-09 with the annual adjustments for salary survey and pay for performance, resulting in an appropriation of $1,647,548. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments for a total of $1,728,161.

OPERATING EXPENSES

This line item provides funding for operational and training expenses for the Self Sufficiency manager and Food Stamp program. The FY 2007-08 appropriation for this line was $85,601. This was continued into FY 2008-09, less $8,445 in one-time expenses from a prior year decision item, resulting in an appropriation of $77,156. The Department is requesting continuation funding for FY 2009-10. In addition, the following change requests are being submitted for this line: Decision Item #25 seeks the necessary spending authority in the amount of $25,460 to write-off an inventory of forms made obsolete by the implementation of CBMS; Decision Item #NP-1 requests additional funding in the amount of $880 to cover an increase in State fleet variable costs; and Decision Item #NP-2 requests additional funding in the amount of $681 for an increase in postage and a mail equipment upgrade. The total request for FY 2009-10 is $104,177.

(B) COLORADO WORKS PROGRAMS

ADMINISTRATION

This line item was established through FY 2006-07 Decision Item #23 (03/08/06 JBC Figure Setting, Page 114) titled "Colorado Works Administration Transfer." Colorado Works administration funding and FTE were formerly part of the Office of Self Sufficiency Administration line. The JBC funded this line item through the FY 2006-07 figure setting process to create a separate line item in Colorado Works to allow for more efficient administration of the program. The federal Temporary Assistance for Needy Families (TANF) program had evolved programmatically and financially since its implementation. Identifying the administration of the program would allow the General Assembly and the Department to track costs and FTE specifically related to Colorado Works.

That year the General Assembly appropriated $1,069,221 in federal TANF funds and 13.0 FTE to the new line. An additional $48,155 in operating expenses was added to the $1,023,122 (minus $2,046 for a two percent base reduction) transferred from the Office of Self Sufficiency line item and an additional 1.0 FTE was added to the 12.0 that were transferred from the old line. The new 1.0 FTE was approved to provide additional county oversight and support required by federal TANF reauthorization.

In FY 2007-08 the General Assembly appropriated $1,161,307 in federal TANF funds and 14.0 FTE to the line. An additional FTE was appropriated for fraud investigation and prevention through Decision Item #19 (03/05/07 JBC Figure Setting, Page 31). Decision Item #19 also transferred $70,000 in federal TANF funds from the County Training Line to the Administration line to fund this position.

In FY 2008-09 the General Assembly appropriated $1,430,023 in federal TANF funds and 18.0 FTE to the line. This included an additional $231,048 in federal TANF funds and 4.0 FTE that were approved through Decision Item #13 (02/28/08 JBC Figure Setting, Page 47) for a new quality control focus necessitated by federal TANF reauthorization. In addition, the 2008 General Assembly passed S.B. 08-177, which provided an additional $65,071, and one FTE for this line. The resulting appropriation for FY 2008-09 was $1,495,094 and 19.0 FTE. The Department is requesting continuation funding for FY 2009-10 with the annual salary adjustments. In addition, $94 is being requested in Decision Item #NP-2 for an increase in postage and a mail equipment upgrade, for a total request of $1,552,298.

COUNTY BLOCK GRANTS

This line was created by S.B. 97-120, the Colorado Works Program Act. The General Assembly funded this line to provide funding to county departments of social services to administer the Colorado Works Program. Counties have the flexibility to use the funds for administration or program needs. The line item is funded with federal TANF funds, and State and local funds.

In FY 2006-07, the General Assembly appropriated $154,441,672 to the line. That included $627,726 General Fund, $25,323,033 cash funds exempt (including $22,433,862 local funds), and $128,490,913 federal funds. Supplemental Request #17 (01/24/07 JBC Supplemental document, Page 27) appropriated an additional $5,009,606 in federal TANF funds, or a total of $133,500,519 in federal

TANF funds and a total of $159,451,278 for the line. The supplemental request was based on the availability of excess funds in the Colorado Works Long-Term Reserve. The Department's policy goal at the time was to retain at least $15,000,000 in the Long-Term Reserve and make any excess funds available to the counties. The balance at that time was $21,509,606 federal TANF funds. After the appropriation was adjusted, $16,500,000 remained in the Long-Term Reserve. An additional $1,500,000 was retained for other possible needs during that year.

In FY 2007-08 the General Assembly appropriated $154,441,672 to the line, including $627,726 General Fund, $25,323,033 cash funds exempt, and $128,490,913 federal funds.

In FY 2008-09 the General Assembly appropriated $154,441,672 to the line, including $405,504 General Fund, $25,323,033 reappropriated funds, and $128,713,135 federal funds. The appropriation includes Decision Item #16 (02/28/08 JBC Figure Setting, Page 48), which approved a decrease of $222,222 in General Funds and an increase of $222,222 in federal funds for this line. Decision Item #16 appropriated the General Fund savings to the newly created Promoting Responsible Fatherhood Grant line which funded the State match for the federal grant of $2,000,000. The 2008 General Assembly approved H.B. 08-1342 that transferred $2,500,000 Cash Funds from this line to the County Administration-County Incentive Payments line. The resulting appropriation for FY 2008-09 was $151,941,672. The Department is requesting continuation funding for FY 2009-10.

REIMBURSMENT TO COUNTIES FOR PRIOR YEAR EXPENDITURES DUE TO REDUCTION IN FEDERAL MAINTENANCE OF EFFORT REQUIREMENT

This line was created by S.B. 97-120, the Colorado Works Program Act. Pursuant to Section 26-2-714 (10), C.R.S., this line item provides spending authority for the Department to reimburse counties when the state is notified that its federally required TANF Maintenance of Effort (MOE) has been reduced based on the State meeting specified work participation rates. If the Department receives notification from the federal government that Colorado met the federal TANF work participation rate for a federal fiscal year, the State is entitled to reduce its TANF MOE spending (State and local expenditures) for that federal fiscal year by five percent ($5,524,726). In order to take advantage of this credit, the Department revises its federal spending report for the relevant federal fiscal year by reducing reported State and local program expenditures by $5,524,726 million and increasing reported federal expenditures by a like amount.

In FY 2006-07 and 2008-09, the General Assembly appropriated $5,524,726 in federal TANF funds to the line.

In FY 2007-08, Supplemental Request #15 (01/24/08 JBC Supplemental document, Page 18) adjusted the appropriation to $11,049,452 in federal TANF funds. The federal government has historically notified the State that it met the rate two years after the fact. The information regarding the rate for FFY 2004-05 came later last year and was not received during FY 2006-07. The funds were not rolled forward. However, the State did receive information from the federal government that it met the rates for FFY 2005 and FFY 2006 during FY 2007-08. While the State had spending authority in FY 2007-08 to rebate $5,524,726, it did not have spending authority for the remaining funds. Therefore, the Department requested the $11,049,452 in the supplemental in order to reimburse the counties at the appropriate amount for both years. The Department is requesting continuation funding for FY 2009-10 in the amount of $5,524,726.

COUNTY BLOCK GRANT SUPPORT FUND (FORMERLY TITLED SHORT- TERM WORKS EMERGENCY FUND)

This line was originally created by S.B. 97-120, the Colorado Works Program Act. Pursuant to Section 26-2-720, C.R.S., this line item consists of moneys appropriated annually by the General Assembly. This Fund was intended to ensure that any emergencies that arose could be addressed in a timely fashion, regardless of whether the General Assembly was in session. The fund exists to provide relief to county programs in need.

The original appropriation included in S.B. 97-120 for this line item was $3 million; the appropriation was reduced to $1 million in FY 2002-03, where it has remained since.

In FY 2008-09, S.B. 08-177 repealed the fund and created in its place at Section 26-2-720.5, C.R.S., the County Block Grant Support Fund. The new fund's function is similar to the former, but the criteria by which counties can access the fund is more flexible. The Department is requesting continuation funding for FY 2009-10 in the amount of $1,000,000.

COUNTY RESERVE ACCOUNTS

This line was created by S.B. 97-120, the Colorado Works Program Act. Pursuant to Section 26-2-714 (5) (a), C.R.S., counties are authorized to maintain a County Reserve Account of unspent Colorado Works federal county block grant funds. The appropriation is based on the balance of the county reserves at the end of the prior State fiscal year. Prior to the passage of S.B. 08-177, counties were allowed to keep 100 percent of their unspent TANF dollars. Now, section 26-2-714 (5) (a) (I), C.R.S., establishes annual caps that require counties to redirect a portion of their reserves back to the State, beginning on June 30, 2009. Every year, the Department requests a technical supplemental to correct the appropriation based on the actual county reserves balance available after final closeout on September 30. It is important to note that these funds are not new funds, but simply a reflection of the spending authority counties have for the fiscal year.

In FY 2006-07, the General Assembly appropriated $51,539,912 in federal TANF funds to the line. Supplemental Request #9 (01/24/07 JBC Supplemental document, Page 17) adjusted the original appropriation of $35,471,635 to reflect the actual county reserve balance available upon final closeout.

In FY 2007-08, the General Assembly appropriated $79,820,105 in federal TANF funds to the line. Supplemental Request #16 (01/24/08 JBC Supplemental document, Page 19) adjusted the original appropriation of $51,539,912 to reflect the actual county reserve balance available upon final closeout.

In FY 2008-09, the General Assembly appropriated $79,820,105 in federal TANF funds to the line. The Department is requesting continuation funding for FY 2009-10.

COUNTY TRAINING

This line was created by S.B. 97-120, the Colorado Works Program Act. Pursuant to Section 26-2-712 (7), C.R.S., the Department is to develop training for county caseworkers. S.B. 08-177 broadened this requirement to include other entities that provide TANF assistance to participants, and changed the name of the line to Colorado Works Program Capacity Building.

In FY 2006-07, the General Assembly appropriated $390,134 in federal TANF funds and 1.0 FTE for this line.

In FY 2007-08, the General Assembly appropriated $444,917 in federal TANF funds and 2.0 FTE to the line. Decision Item #19 (03/05/07 JBC Figure Setting, Page 34) consolidated the Domestic Violence Training line and the County Training line into this one line. The rationale for this decision was that consolidation of the lines streamlined budgeting and accounting procedures. Prior to the combining of the lines, these procedures were more complex given the fact that many of the county training and domestic violence training courses were offered together in one module.

H.B. 01-1184 created the former Domestic Violence Training line. Pursuant to Section 26-2-708 (5.5), C.R.S., the Department is required to provide ongoing domestic violence training to county staff. The purpose is to facilitate the proper identification, screening, and assessment of past and present victims applying for or participating in the Colorado Works Program. The Department is authorized to contract with any individual or entity that has demonstrated expertise in the area of domestic violence for the provision of such services. Section 26-2-708 (5.5) (c), C.R.S., provides that implementation of the Domestic Violence Training program "shall be conditioned upon the availability of appropriations from the Colorado long-term works reserve fund created in Section 26-2-721."

In FY 2008-09, the General Assembly appropriated $444,917 in federal TANF funds and 2.0 FTE for the line. In addition, the 2008 General Assembly passed S.B. 08-177, which provided an additional $140,000 for this line. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments. In addition, Decision Item #NP-2 is being requested in the amount of $220 for an increase in postage and a mail equipment upgrade. The total request amount is $592,534.

DOMESTIC ABUSE PROGRAM

Pursuant to Section 26-7.5-105 (3), C.R.S., moneys are appropriated from the Colorado Domestic Abuse Program Fund to the Department's Domestic Abuse Assistance Program (DAAP) to encourage local governments and non-governmental agencies to develop domestic abuse programs. This line item provides spending authority out of the Colorado Domestic Abuse Program Fund for distribution to local entities as well as for the Department's related administrative expenses. This fund consists of taxpayer contributions (through a check-off on Colorado individual income tax returns) and appropriations from the General Assembly.

In FY 2003-04, the General Assembly moved the line from the Child Welfare program to the Colorado Works program. At the same time, the General Fund appropriation was eliminated, due to the General Fund shortfall, and replaced with $650,000 in TANF funds. Prior to that action in FY 2003-04, the DAAP had received a General Fund appropriation each year since FY 2001. In FY 2001, the

DAAP received $400,000 in General Funds; FY 2002, $550,000; and FY 2003, $676,776. The DAAP also receives $330,711 in Cash Funds spending authority. The DAAP receives cash funds through donations to the Colorado Domestic Abuse Program Fund established in section 39-22-802, C.R.S. Donations are received through an income tax check-off option. In recent years, donations have been declining; in FY 2009 the cash-funded contribution to the line is $330,711 while in FY 2007, it was $350,000. The State also receives $1,463,884 per year in non-appropriated federal Family Violence Prevention Services (FVPSA) funds as a formula grant. FVPSA funds are allocated to domestic violence programs for direct services. The State is allowed to keep five percent of the FVPSA funds for administration.

In FY 2006-07, the General Assembly appropriated $1,000,000 and 2.0 FTE for this line, of which $650,000 was federal TANF funds and $350,000 was cash funds exempt from the Domestic Abuse Program Fund.

In FY 2007-08, the General Assembly appropriated $975,000 and 2.0 FTE for this line, of which $650,000 was federal TANF funds and $325,000 was cash funds exempt from the Domestic Abuse Program Fund.

In FY 2008-09, the General Assembly appropriated $983,919 and 2.0 FTE for this line, of which $652,906 was federal TANF funds and $330,711 was cash funds from the Domestic Abuse Program Fund. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments. In addition, Decision Item #NP-2 is requesting $272 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $990,807.

WORKS PROGRAM EVALUATION

The Colorado Works evaluation line was first appropriated with federal TANF funds in FY 1998 as part of S.B. 98-185, and later reauthorized by H.B. 04-1030. Those bills required, pursuant to Section 26-2-723, C.R.S., the State Auditor and the Department respectively, overseeing an annual evaluation of the Colorado Works program. The original bill appropriated $1,500,000 in federal TANF funds to the line. That appropriation remained at $1,500,000 until FY 20003-04 when it was decreased to $500,000. The line has remained at $500,000 through FY 2009. The statutory authority for the appropriation is repealed on July 1, 2009. The Department is requesting $350,000 through Decision Item #23 to allow for an on-going evaluation of the program. In addition Decision Item #NP-2 seeks an additional $29 for an increase in postage and a mail equipment upgrade. The total request for FY 2009-10 is $350,029.

WORKFORCE DEVELOPMENT COUNCIL

This line item was established through FY 2004-05 Budget Amendment #16. The line represents the Department's share of funding for the Workforce Development Council in the Department of Local Affairs' Office of Workforce Development. The Council serves as the State's "work force investment board" as required under the federal *Workforce Investment Act of 1998*, and is responsible for statewide planning and coordination of the delivery of federal workforce development programs and associated federal block grant moneys received. In this regard, the Council is required to develop and submit to the U.S. Department of Labor a statewide plan for workforce development which coordinates federal, state, and local workforce development programs. The Council performs support functions and activities related to the eighteen-workforce development centers throughout the state, which provide services to individuals seeking employment (including TANF participants).

Pursuant to Section 24-46.3-101 (8), C.R.S., the Office of Workforce Development is to establish an annual budget for Council functions, activities, and staff. Funding for the Council is to come from administrative moneys from several federal programs delineated in federal law; the allocation of federal funds is determined annually by the Office of State Planning and Budgeting (OSPB). The enabling legislation included an appropriation of $29,189 in federal Temporary Assistance for Needy Families (TANF) funds transferred from the Department of Human Services (19.5 percent of the total Council appropriation).

Prior to FY 2004-05, the Department of Human Services had never received an additional appropriation of TANF funds for this purpose. The department was using TANF moneys appropriated through the Executive Director's Office to make the required transfer each year. Now each year the Department must make a technical supplemental request to correct the appropriation based on the actual TANF share determined by OSPB.

In FY 2006-07, the General Assembly appropriated $76,813 in federal TANF funds for this line. Supplemental Request #11 (01/24/07 JBC Supplemental document, Page 24) adjusted the original appropriation of $65,000 to reflect the actual TANF share determined by OSPB.

In FY 2007-08, the General Assembly appropriated $88,838 in federal TANF funds for this line. Supplemental Request #13 (01/24/08 JBC Supplemental document, Page 16) adjusted the original appropriation of $76,813 to reflect the actual TANF share.

In FY 2008-09, the General Assembly appropriated $88,838 in federal TANF funds for this line. The Department is requesting continuation level funding for FY 2009-10.

PROMOTING RESPONSIBLE FATHERHOOD GRANT

This line was established through FY 2008-09 Decision Item #16 (02/28/08 JBC Figure Setting, Page 48). Decision Item #16 appropriated $222,222 in the General Fund savings reduced in the County Block Grants line to this line which provides the State match for the federal grant of $2,000,000. The $2,000,000 in federal grant funds is shown for informational purposes. The funds are used to support the administrative functions related to the grant including a statewide public awareness campaign and for providing technical assistance. In addition, funds are allocated to counties and to local/faith based organizations for programs geared towards promoting responsible fatherhood. The Department is requesting continuation funding for FY 2009-10.

TANF REAUTHORIZATION CBMS CHANGES

This line was established through FY 2006-07 Supplemental/FY 2007-08 Budget Amendment #7 (03/05/07 JBC Figure Setting, Pages 38-39) to fund changes to the Colorado Benefits Management System that would allow Colorado counties to more accurately gather information for reporting on work participation rates. Following changes in federal TANF rules that became effective in October 2006, Colorado was no longer in compliance with the federally- required work participation levels. The federal government may impose sanctions if the State fails to meet the federal targets. The supplemental created a new line in order to track the funding associated with the necessary programming changes. $100,000 in federal funds (TANF) was appropriated for FY 2006-07 and $250,000 was appropriated for FY 2007-08. This was one-time funding for the FY 2006-07 and FY 2007-08.

PROGRAM MAINTENANCE FUNDS

S.B. 08-177 created this line. Pursuant to Section 26-2-721.3, C.R.S., the fund was created for the Department to respond to emergencies or otherwise unforeseen purposes consistent with the four purposes of the federal TANF program.

In FY 2008-09, the bill appropriated $3,000,000 in federal TANF funds to the line. The Department is requesting continuation funding for FY 2009-10.

STATEWIDE STRATEGIC USE FUNDS

S.B. 08-177 created the line. Pursuant to Section 26-2-721.7, C.R.S., the fund was created for the Department to allocate, based on recommendations from an advisory committee, dollars to initiatives and programs that meet one of the four purposes of the federal TANF program. In addition, statute requires that the fund is intended to support initiatives that have either demonstrated effectiveness in achieving, or represent an evidence-based, innovative approach that is likely to achieve, one or more of the following goals:

1. Enhancing the long-term self-sufficiency of eligible, low-income families;
2. Reducing the number of children and families living in poverty;
3. Strengthening families who are living in poverty; or
4. Increasing the participation of Colorado Works participants in meaningful work activities.

In FY 2008-09, the bill appropriated $10,000,000 in federal TANF funds to the line. The Department is requesting continuation funding for FY 2009-10.

C) SPECIAL PURPOSE WELFARE PROGRAMS

(I) LOW INCOME ENERGY ASSISTANCE PROGRAM (LEAP)

The LEAP is a federally funded program that provides heating assistance, furnace repair and replacement, and weatherization assistance to households at or below 185% of the Federal Poverty Level. This line provides funding for the benefit payments and for the expenses related to the administration of the program for the State. In addition to the federal funding, the LEAP program has also received funding from other sources such as the State Operational Account of the Severance Tax Trust Fund and from Energy Outreach Colorado which receives funding through the Governor's Office.

The FY2007-08 appropriation for the program was $39,674,338 with 6.6 FTE. The FY 2008-09 appropriation was a continuation of the prior year with adjustments for salary survey and performance pay. The 2008 General Assembly passed H.B. 08-1387, which eliminated the appropriation of the Severance Tax moneys in the amount of $5,950,000. These moneys will now be allocated to the Department through a transfer from Treasury. The resulting appropriation for FY 2008-09 was $33,742,345. The Department is requesting continuation funding for FY 2009-10, with annual salary adjustments. In addition, Decision Item #NP-2 is requesting $33,166 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $33,795,980.

(2) FOOD STAMP JOB SEARCH UNITS

Food Stamp Job Search (FSJS) Units (called Employment First in Colorado) provide or facilitate employment and training services for all food stamp applicants and recipients determined by the county food assistance worker to be able-bodied and ready to work, and not eligible for services under Colorado Works. The Employment First Program has been operational in Colorado since 1983, when it was initiated as a pilot project under contract with USDA. In 1985, the program was mandated nationwide by an amendment to the Federal Food Stamp Act of 1977. The Food Stamp Act was subsequently modified by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 and the Balanced Budget Act of 1997 (P.L. 108-269). . The current public law authorizing the program is the Food Stamp Act of 2008, as amended through Public Law 110-246 (this is effective October 1, 2008). Special 100% federal funds are appropriated nationally for this program. The funds are allocated to the states annually based for the most part on the proportion of the target population in the state compared to the national total. The allocation varies from year to year as the population fluctuates. There are uncapped 50% federal matching funds available to match local and state funds.

The federal law requires all areas of the state to have the program unless an area's unemployment rate is above the national average. In Colorado, services are directed through the county department responsible for food assistance benefits. The county can choose to operate the program in-house or contract with another provider in the community – most often the local workforce center. Services include job seeking skills training, referral to education and training classes, and work experience placements. Client participation is carefully monitored and sanctions against food assistance benefits are imposed for non-compliance with program requirements.

The state administrative unit allocates federal 100% grant funds, assists with identifying and documenting local match for additional federal funds, provides training and technical assistance to local program staff, and monitors program operation and performance to insure compliance with federal regulations.
The appropriated General Fund is used to fund the state administrative unit. The other appropriated federal funds are allocated to the counties to fund staff to provide the client services. The Food Stamp Job Search Program in Colorado receives $249,437 in general fund.

- $78,435 of the general fund is designated match to fund participant reimbursement as required by the federal law to reimburse program participants for costs of participation such as transportation for job search or to attend training. Funds must be 50% state/local to be matched by federal funds.
- The other $171,002 in general fund is used as match for federal funds which provide the cornerstone of an effective statewide job search assistance program for food stamp recipients as well as supporting a statewide workfare program which allows counties to qualify for enhanced federal reimbursement when food stamp applicants participate in workfare, find a job, and no longer need food stamps.

The Food Stamp Job Search Program uses the small appropriation of general fund to draw down more than a million dollars in federal 100% and matching funds, which are passed through to the counties. The overall general fund level has changed very little from 2007 to the present. This is true for both the participant supportive service allocation and the program costs.

FSJS - PROGRAM COSTS

The FY 2007-08 appropriation for this line was $2,027,218 with 6.2 FTE. This funding was continued into FY 2008-09 with adjustments for salary survey and performance pay, resulting in an appropriation of $2,043,946. The Department is requesting continuation funding for FY 2009-10 in the amount of $2,067,077, which includes the annual salary adjustments.

FSJS - SUPPORTIVE SERVICES

The FY 2007-08 appropriation for this line was $261,452. This funding was continued into FY 2008-09. The Department is requesting continuation funding for FY 2009-10.

(3) FOOD DISTRIBUTION PROGRAM

On behalf of the U.S. Department of Agriculture (USDA), the Colorado Food Distribution Program (FDP) administers the logistics of the Commodity Food Programs and is responsible for getting USDA Commodities from the ranchers and farmers of America to school children, needy families, and the homeless.

FDP works closely with the local office of the USDA and with two partner agencies in Colorado State Government: the Colorado Department of Education, and the Colorado Department of Public Health and Environment.

Currently, the Food Distribution Program provides nutritious commodities through 6 outlets:

1. National School Lunch Program (NSLP)
2. Child and Adult Care Food Program (CACFP)
3. Summer Food Service Program (SFSP)
4. Commodity Supplemental Food Program (CSFP)
5. The Emergency Food Assistance Program (TEFAP)
6. Food Assistance for Disaster Situation (Disaster Assistance)

This program's authority resides with U.S. Department of Agriculture, Food and Nutrition Services 7 CFR Part 210 – 251, and also 26-1-121 C.R.S.

For FY 2007-08, $532,834 and 6.5 FTE were appropriated to the program. This funding was continued for FY 2008-09, with adjustments for salary survey and performance pay, resulting in an appropriation of $551,499. The Department is requesting continuation funding for FY 2009-10, with annual salary adjustments. Decision Item #NP-2 requests an additional $77 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $574,605.

(4) LOW-INCOME TELEPHONE ASSISTANCE PROGRAM

The Low-Income Telephone Assistance Program (LITAP) provides financial assistance to low-income households to maintain basic telephone assistance. This line item funds the administrative costs associated with the program and comes from the Low-Income Telephone Assistance fund created in Section 40-3.4-108 (2) (a). Pursuant to Section 40-3.4-105, C.R.S., eligibility is determined by The Department of Human Services for those individuals at or below 185% of the Federal Poverty Level receiving public assistance. The program is funded through a telephone surcharge assessed on telephone customers statewide. As a utility, the Public Utilities Commission (Department of Regulatory Agencies) oversees the uniform charge to each business and individual line (government and eligible individuals are exempt). The General Assembly appropriates from the fund for the direct and indirect costs of administering the program in the Department of Human Services.

For FY 2007-08, $60,811 and 0.9 FTE was appropriated to the LITAP program. This funding was continued into FY 2008-09 with adjustments for salary survey and performance pay. The 2008 General Assembly passed H.B. 08-1227, which harmonized the eligibility for the Low-Income Energy Assistance Program and the Low-Income Telephone Assistance Program. This bill is expected to increase participation in the LITAP program by 25 percent, thus driving a corresponding increase in workload. An additional $15,578 and 0.2 FTE were appropriated to the program as a result of this legislation passing, resulting in a total appropriation for FY 2008-09 of $77,801 and 1.1. FTE. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments. Decision Item #NP-2 is requesting an additional $178 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $79,685.

(5) INCOME TAX OFFSET

The Income Tax Offset line is mandated by Section 26-2-133 of the C.R.S. and directs the Department of Human Services to submit information regarding individuals who are obligated to the state for overpayments of assistance payments. This appropriation covers the operational costs associated with matching Food Stamps program lists of overpaid recipients with Department of Revenue data in order to intercept corresponding income tax refunds.

The administrative activities associated with this line are funded with 50 percent General Fund and 50 percent federal funds. The FY 2007-08 appropriation for this line was $4,128. This appropriation was continued into FY 2008-09. The Department is requesting continuation funding for FY 2009-10.

(6) ELECTRONIC BENEFITS TRANSFER SERVICE

H.B. 95-1144 authorized the Department to implement an electronic benefits transfer system (EBTS) to deliver Food Stamp, Works Program, Old age Pension, Aid to the Needy Disabled, Aid to the Blind, Child Welfare, Child Care, and Low-Income Energy Assistance benefits. The EBTS is a state administered and contractor-operated benefit delivery system which allows clients to use a debit-type card to access their cash benefits through Automated Teller Machines (ATM) or their food stamp benefits and cash benefits through Point of Sale terminals at food retailers. The program is administered by the Department which includes: contract monitoring and compliance; transmission of payment files; coordination with federal, state, and local government agencies, retailers, bankers, clients and providers; and state and local training. In July 1996, the Department contracted with Citibank Electronic Financial Services to operate the system. The contract was re-bid in 2003 with Citibank Electronic Financial Services (EFS) again the winner. In January 2004 JP Morgan Electronic Financial Services purchased Citibank's EFS division. EBTS has been in operation statewide since February 1998.

For FY 2007-08, $3,188,582 and 5.0 FTE were appropriated for this line. This funding was continued into FY 2008-09, with adjustments for salary survey and performance pay, resulting in a total appropriation of $3,201,710. The Department is requesting continuation funding for FY 2009-10, with annual salary adjustments. In addition, two decision items are being requested to adjust the line as follows: Decision Item #11 will provide two additional staff at a cost of $112,981, to allow for increased oversight by the State of possible fraudulent activities relating to food assistance benefits as recommended from an audit recently conducted by the U.S. Department of Agriculture, Office of the Inspector General; Decision Item #NP-2 requests $187 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $3,334,903.

(7) REFUGEE ASSISTANCE

The Colorado Refugee Services Program (CRSP) provides short-term, intensive assistance to legally admitted refugees in order to avoid their long-term reliance on public assistance. Because refugee status makes individuals eligible for permanent legal residence and, eventually, citizenship, they are also eligible for TANF assistance if unable to provide adequately for themselves. The Colorado Refugee Services Program seeks to avoid this scenario by providing refugees with up-front services and training designed to improve their chances for successful employment and integration into the Colorado community. The Program has seen high success rates for many of the refugees it serves; however, some do not succeed and eventually transition onto county TANF programs that are much less prepared to provide the same level of service necessary for refugees. Therefore, the Colorado Refugee Services Program continues to work with Colorado Works to utilize TANF Block Grant funds to provide training and integration services to refugees and minimize the number who transition onto county TANF programs for long-term assistance. This appropriation is for additional funding from the Colorado Works TANF Block Grant to provide services to refugees, who are anticipated to increase in total numbers during Federal Fiscal Year (FFY) 2008-09, based on actual and projected data for the past five Federal Fiscal Years.

Prior to SFY 2005-06, the CRSP appropriation was funded entirely by the federal Refugee Act of 1980 (Refugee Social Services Grant and Cash and Medical Assistance Grant). Funding from the Refugee Act had been continuing to decrease each year related to the provisions of cash and employability services for refugees. To compensate for the decrease in funding, a supplemental request

SBA #18 was approved (03-08-09 JBC /figure Setting, page 137) for SFY 2006-07. With the support from and collaboration with Colorado Works, this request successfully resulted in a standing line in the Long Bill through which CRSP received $457,132 annually from the federal TANF Block Grant to provide culturally and linguistically specialized employability training. This training is provided through the Colorado Refugee English as a Second Language (CRESL) programs of Emily Griffith Opportunity School (EGOS), and through the Work Styles (WS) pre-employment training programs of Spring Institute for Intercultural Learning (SIIL). A decision item for additional funds was not submitted for SFY 2007–08, because there had not been enough time since the receipt of these initial funds to adequately absorb the growth and measure the outcomes from this funding. However, as CRSP began to analyze its data and program evaluations from FFY 2006 (the first full year of program implementation with the increased funds from the TANF Block Grant), and as CRSP began to plan for FFY 2008, it decided to submit a decision item, DI #19 for FY 2008–09 (02-28-08 JBC Figure Setting, page 62), and submitted a supplemental request for SFY 2007–08, both based on new data and new information impacting refugee resettlement in Colorado in FFY 2008 and beyond, requesting an additional $358,718. With the approval of the additional TANF funding, the total appropriation for the CRSP for FY 2008-09 was $4,017,400 with 10.0 FTE. The Department is requesting continuation funding for FY 2009-10.

(8) SYSTEMATIC ALIEN VERIFICATION ELIGIBILITY

The Systematic Alien Verification for Eligibility (SAVE) line supports the State's interface with the federal alien verification database, which serves all programs for which citizenship or legal residence is a requirement. This line was added in FY 2003-04 through H.B. 04-1322 in the form of a supplemental appropriation for the Department of Human Services so that funding and staffing for the SAVE program could be separated from the Refugee Assistance Program.

For FY 2007-08, $49,012 and 1.0 FTE was appropriated for this line. This funding was continued into FY 2008-09, with adjustments for salary act and performance pay, resulting in an appropriation of $53,040. The Department is requesting continuation funding for FY 2009-10, with annual salary adjustments for a total of $55,002.

(D) CHILD SUPPORT ENFORCEMENT

AUTOMATED CHILD SUPPORT ENFORCEMENT SYSTEM

The Child Support Enforcement (CSE) Program is mandated by Title IV-D of the Social Security Act and C.R.S 26-13-101, et. seq.. The Automated Child Support Enforcement System (ACSES) is the automated system that is used to support all required case handling activities for the 142,00 child support cases in Colorado. This line not only contains funding for the ACSES, but also contains funding for significant operational units housed and run by the Division of Child Support Enforcement (CSE) for the benefit of the statewide CSE Program operated by the 64 county CSE Units. Specifically, these operational units include the Family Support Registry (FSR) and the State Directory of New Hires (SDNH).

The inception of this line item dates back to approximately 1980 when it was originally called "Special Purpose Welfare Programs – Child Support Enforcement Program". Its purpose at the time was to fund the development and implementation of a comprehensive statewide computer system in support of the CSE Program in coordination with the Client Oriented Information Network (COIN) System. The original line was funded with 10% general fund and 90% Federal Financial Participation (FFP). The line today is funded with 34% General Fund and 66% Federal Financial Participation (FFP).

This line was expanded pursuant to S.B. 90-160 and H.B. 92-1232 to fund the implementation and operation of the Family Support Registry. The FSR is the entity responsible for the receipt and disbursement of virtually all child support in the State. In calendar year 2007, the FSR processed $367 million.

The line was further expanded by H.B. 97-1205 to accommodate the child support requirements mandated by the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). A number of enforcement remedies and other requirements were added to the Program, the most significant of which was New Hire Reporting. All employers in the state are required to submit new hire reports to the State Directory of New Hires (SDNH) where they are collected and then transmitted to the National Directory of New Hires. Ultimately this data is used by the Program to initiate the withholding of employee wages to meet their child support obligation. During 2007, approximately 1.8 million new hire reports were processed by the SDNH.

For FY 2007-08, this line was appropriated $11,613,279 and 37.9 FTE. During FY 2007-08, the line was expanded through H.B. 07-1349 to implement the requirements of the Federal Deficit Reduction Act. An $118,943 one-time appropriation was added to the line to implement these provisions. In SFY 2008-09, two changes were made to the line. The one-time appropriation of $118,943 for the DRA provisions was removed and BRI #1 was submitted and approved (02-28-08 JBC Figure Setting, page 64) to convert two contract Information Technology staff to FTE was approved, which resulted in an efficiency item reduction of $121,982. The final appropriation for FY 2008-09 was $11,455,066 with 39.9 FTE. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments. In addition, Decision Item #NP-2 is requesting $6,274 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $11,599,344.

CHILD SUPPORT ENFORCEMENT

The Child Support Enforcement (CSE) program is mandated by Title IV-D of the Social Security Act of 1975, which provides federal funding through grants for state-run child support enforcement programs. Title IV of the Social Security Act covers grants to states for the purpose of providing aid and services to needy families with Part "D" of that law providing for child support and the establishment of paternity. Additionally, C.R.S. 26-13-101, et seq. enacted the “Colorado Child Support Enforcement Act” and states "the purposes of this article is to provide for enforcing the support obligations owed by obligors, to locate obligors, to establish parentage, to establish and modify child support obligations, and to obtain support in cooperation with the federal government pursuant to Title IV-D of the federal 'Social Security Act', as amended, and other applicable federal regulations."

The inception of this line item dates back to the mid- 1970’s when the IV-D program began. The line provides funding for the staff and operating costs of the Child Support Enforcement Division. The Division provides operational oversight, training, policy development and monitoring to the 64 county child support units. It also operates several centralized enforcement remedies, such as the drivers and professional license suspension programs, and a unit that processes cases where one of the parties lives in a different state or country. The Division insures that Colorado complies with all federal and state regulations and laws concerning child support enforcement. Finally, the Division continually works to improve the state's performance in establishing and enforcing orders for paternity, child support, and medical support. The line is funded with 34% General Fund and 66% Federal Financial Participation (FFP) with the federal funding for child support remaining uncapped. It does not include costs for the operation, maintenance and ongoing development of the Automated Child Support Enforcement System (ACSES), the operation of the Family Support Registry (FSR) that processes child support payments or the State Directory of New Hires (SDNH); these are contained in the ACSES line.

The Child Support Enforcement line was appropriated $2,027,077 and 24.5 FTE for FY 2007-08. This funding was continued into FY 2008-09 with adjustments for salary act and performance pay, resulting in an appropriation of $2,075,707. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments. Decision Item #NP-2 is requesting $15,629 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $2,175,345.

(E) DISABILITY DETERMINATION SERVICES

Disability Determination Services (DDS) is a 100% federally funded program that provides the Social Security Administration (SSA) with medical disability decisions for Colorado residents who apply for benefits under the Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI) programs. Utilizing standards provided by the SSA, State Disability Determination Specialists and Medical Consultants located in the DDS office in Denver provide adjudication services for initial, reconsideration and continuing disability review (CDR) cases for SSDI and SSI claimants on behalf of the federal government. DDS is the agency sanctioned by the SSA to determine medical eligibility for these benefits. See: Social Security Act: Sections 205, 1102, 1106 and 1601-1634; Title 20: Parts 400-401 and 416, C.F.R. The SSDI is an insurance program providing benefits to disabled workers. The basic purpose of SSI is to assure a minimum level of income to people who are aged, blind or disabled, and who have limited income and resources. There is no minimum age limit in establishing eligibility on the basis of blindness or disability.

The DDS was appropriated $16,962,577 and 140.5 FTE for FY 2007-08. It included decision item, DI #17, which transferred 6.0 FTE and $430,847 from the Office of Information Technology Services to Disability Determination Services, since all work performed is in direct support of the operations and mission of DDS, using SSA computer systems independent from the State network. The JBC approved the D.I. on March 5, 2007 (Figure Setting, Page 47). The DDS was appropriated continuation funding of $17,208,434 for FY 2008-09. The Department is requesting continuation funding for FY 2009-10, with the annual salary adjustments. Decision Item #NP-2 is requesting $722 for a postage increase and a mail equipment upgrade. The total request for FY 2009-10 is $17,654,687.

Department of Human Services
Line Item Descriptions

FY 09-10 Budget Request

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(8) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES

(A) ADMINISTRATION

Personal Services

HB 06-1385 (Long Bill) appropriated $1,510,054 and 16.6 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $51,741 for salary survey and a 0.5% personal services base reduction ($8,095) pursuant to the Office of State Planning and Budgeting (OSPB) and the Joint Budget Committee (JBC) common policies.

The Department submitted Decision Item #8 titled Community Health Services totaling $1,501,032 and 2.0 FTE to provide appropriate mental health services to an additional 446 children with serious emotional disturbance (SED) and adults with serious mental illness (SMI), who live under 300 percent of the federal poverty level (FPL), and who do not currently receive care in any system. Of the $117,234 requested for personal services, $107,464 and 2.0 FTE was appropriated to provide adequate contract compliance/administration for the Division of Mental Health programs and to provide adequate program quality assurance and monitoring through site reviews, technical assistance and training.

The Division of Children's Health and Rehabilitation (CHR) was established in January 2000 and included mental health, developmental disabilities, and alcohol and drug abuse programs to address the youth components of programs that were traditionally considered adult services. The personal services and operating expenses associated with 2.0 FTE in the Alcohol and Drug Abuse Division (ADAD), 1.5 FTE in the Division of Mental Health (DMH) and 1.0 FTE in Developmental Disability Services were transferred to the CHR to fund the administrative cost in FY 2001-02. The objective was to focus on services for children and increase collaboration and integration of children's services. In FY 2003-04, the Department determined it would be more effective to dissolve the CHR and return the original funding. The 2.0 ADAD FTE were incorrectly allocated to the DMH. Therefore, the Department submitted technical Supplemental/Budget Amendment T-5 titled Transfer 2.0 FTE to ADAD from DMH to transfer ($121,202) and (2.0 FTE) that appropriated in this line item to the ADAD Personal Services line item.

The Goebel Lawsuit Settlement line item was created in FY 2003-04 to fund services for approximately 1,600 Medicaid eligible and non-Medicaid eligible individuals with mental illness in northwest Denver. Effective March 31, 2006, the Goebel Lawsuit was dismissed as a result of compliance with court ordered service requirements associated with the Goebel Settlement. As a result, the Department submitted a Technical Supplemental/Budget Amendment T-4 titled Incorporate Goebel GF and FTE Appropriations into Appropriate DMH line items (net zero dollar impact) to accurately reflect the status of the Goebel Lawsuit settlement and to maintain services and state staffing and operating funding at base levels. The Joint Budget Committee approved the transfer of $178,424 and 2.0 FTE to the Personal Services line item.

In FY 2005-06 funding associated with staff providing direct services to indigent clients was transferred from other line items to the personal services line item in order to consolidate personal services and operating expenses for the Division of Mental Health in one section of the Long Bill. However, the corresponding FTE authority associated with the dollars was not increased. The JBC staff added 1.0 FTE authority for a position that monitors the programmatic/clinical services and outcomes for the treatment of youth in approximately sixty residential treatment facilities, reviews seventeen community mental health centers, seven clinics and twelve 27-10 facilities, enforces corrective action plans and provides training and technical assistance. 0.5 FTE authority was also added to an existing position for data and evaluation.

Supplemental/Budget Amendment S-12 titled Additional Mental Health Services Block Grant Funds and 2008 Population In Need Study requested additional Federal Funds spending authority in FY 2007-08 and FY 2008-09 due to an increase in the Mental Health Services Block Grant in the amount of $441,499. These monies will be used to complete the 2008 Colorado Population in Need (PIN) Study and fund 1.0 FTE in FY 2008-09 to support data, evaluation and reporting functions, provide technical assistance and training on services to the non-Medicaid eligible population (i.e. indigent population) and also included technical changes. $75,000 for the PIN Study and $44,000 for training and technical assistance was appropriated as requested in HB 07-1287 (Supplemental Bill).

Supplemental/Budget Amendment S-1 titled Staff and Operating Funding to Improve Monitoring of the Not Guilty by Reason of Insanity Outpatients in the Community requested $114,862 General Fund and 1.0 FTE in FY 2007-08, which annualizes to $522,394 General Fund and 5.5 FTE in FY 2008-09, to provide the staff and operating funds needed to adequately assess and monitor 152 Not Guilty by Reason of Insanity (NGRI) outpatients currently residing in Colorado communities. $16,254 and 0.2 FTE was appropriated in HB 08-1375 Supplemental Add on.

FY 2007-08 Special Bills included $26,998 and 0.5 FTE for HB 07-1057 concerning Demonstration Programs for Integrated Systems of Care Family Advocacy Programs for Mental Health Juvenile Justice Populations, $51,161 and 0.8 FTE for SB 07-097/HB 07-1359 Allocation of Tobacco Litigation Settlement Moneys, $14,471 and 0.3 FTE for SB 07-146 concerning the creation of A Pilot Program to provide Mental Health Services to Families of Recently Discharged Veterans and $72,330 and 1.0 FTE for SB 07-230 concerning Revisions to the Children's Mental Health Treatment.

SB 07-239 (Long Bill) appropriated $1,718,386 and 20.1 FTE in FY 2007-08. The appropriation for FY 2008-09 includes $53,869 for salary survey, $17,527 for achievement pay and a 1.0% personal services base reduction ($20,737) pursuant to the OSPB and the JBC common policies, and annualizations totaling $54,976 (DI#8 $9,770, S-12 ($5,955) and 1.0 FTE, SB 07-097/HB 07-1359 $51,161 and 0.7 FTE). Special Bill HB 07-1022 Family Mental Health Services Grant Program provided one-time funding totaling $59,505 and 0.4 FTE ($29,505 for personal services and $30,000 contractual for site evaluations at each community mental health center receiving a grant) for family mental health services in rural areas.

Supplemental/Budget Amendment S-1 titled Staff and Operating Funding to Improve Monitoring of the Not Guilty by Reason of Insanity Outpatients in the Community appropriated $12,561 and 0.2 FTE and $66,077 and 0.8 FTE annualized in FY 2008-09.

The FY 2009-10 Base Request totaling $2,338,632 and 25.8 FTE includes $70,643 for prior year salary survey, $27,232 for prior year performance-based pay, and ($5,467) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies. There were no decision items requested for this line item in FY 2009-10.

Operating Expenses

This appropriation includes general operating, travel, capital outlay and transfer expenditures for the Office of Behavioral Health and Housing. The continuation base was $33,690 in FY 2007-08. $500 (Supplemental/Budget Amendment T-4) and $8,760 (Decision Item #8) were appropriated to this line item in FY 2007-08. Information regarding these requests is included in the Personal Services line item description.

Supplemental/Budget Amendment S-12 titled Additional Mental Health Services Block Grant Funds and 2008 Population In Need Study requested additional Federal Funds spending authority in FY 2007-08 and FY 2008-09 due to an increase in the Mental Health Services Block Grant. $45,000 was appropriated as requested in HB 07-1287 (Supplemental Bill) and annualized in the amount of $4,405 in FY 2008-09.

FY 2007-08 Special Bills included $2,599 FTE for HB 07-1057 Three Demonstration Programs for Integrated Systems of Care Family Advocacy Programs, $8,476 for SB 07-097/HB 07-1359 Allocation of Tobacco Litigation Settlement, and $5,337 for SB 07-230 Revisions to the Children's Mental Health Treatment.

Supplemental/Budget Amendment S-1 titled Staff and Operating Funding to Improve Monitoring of the Not Guilty by Reason of Insanity Outpatients in the Community appropriated $3,693 and annualized in the amount of ($2,743) in FY 2008-09.

FY 2008-09 annualizations totaled ($14,205) (DI#8 ($6,010), SB 07-230 ($2,897), HB 07-1057 ($1,503), SB 07-097/HB 07-1359 ($3,795).

The FY 2009-10 Base Request totals $95,512. The FY 2009-10 Request includes Decision Items #NP-1 State Fleet Variable Cost ($331) and NP-2 Postage Increase and Mail Equipment Upgrade ($929) pursuant to the OSPB common policies and totals $96,772.

Federal Indirect Cost

This line item reflects the monies anticipated to be recovered from federal sources that allow for indirect administrative costs. These monies are used to offset General Fund expenditures in the Department of Human Services Executive Director's Office. The FY 2009-10 base request totals 27,138 Federal Funds. There were no decision items requested for this line item in FY 2009-10.

Federal Programs and Grants

The DMH applies for a variety of federal grants designed to enhance mental health services in Colorado. The Federal Programs and Grants line item includes special purpose demonstration projects and research program grants funded at the Division level by the federal government. HB 06-1385 appropriated $1,688,497 and 7.0 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $8,926 for Salary Survey and a 0.5% Personal Services base reduction ($3,435) pursuant to the OSPB and the JBC common policies.

Supplemental/Budget Amendment T-6 titled Update Federal Funds and FTE Authority in HB 06-1385 (Long Bill) for Supportive Housing and Homeless Programs, Division of Mental Health and Alcohol and Drug Abuse Division requested a technical correction to reflect actual federal funds received for administration and direct program costs and corresponding FTE for the Supportive Housing and Homeless Program (SHHP), the Division of Mental Health and the Alcohol and Drug Abuse Division totaling $9,806,613 and 10.5 FTE. $785,416 and 4.0 FTE were appropriated as requested for the DMH.

The appropriation for FY 2008-09 includes $24,463 for Salary Survey and $7,580 for achievement pay pursuant to the OSPB and the JBC common policies.

The FY 2009-10 base request totals $2,531,634 and 11.0 FTE. There were no decision items requested for this line item in FY 2009-10.

Supportive Housing and Homeless Program

The Supportive Housing and Homeless Program (SHHP) provides housing subsidies to consumers through community agencies that work with persons who have special needs and persons who are homeless. In addition to serving individuals with mental illness, SHHP assists in obtaining affordable housing for persons with developmental disabilities, homeless individuals and families, families who are receiving or have received Temporary Assistance for Needy Families (TANF), persons with disabilities who are served through the Division of Vocational Rehabilitation, youth aging out of foster care and other homeless youth, non-elderly persons with disabilities moving from nursing homes to the community and other persons and families with special needs.

HB 06-1385 appropriated $15,656,900 and 13.5 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $26,743 for Salary Survey and a 0.5% Personal Services base reduction ($5,373) pursuant to the OSPB and JBC common policies.

All of the Supportive Housing and Homeless Programs are federally funded. SHHP has been successful in increasing the amount of federal dollars received each year through grant applications to the U.S. Department of Housing and Urban Development. The increase in dollars resulted in an increase in the number of persons receiving housing assistance and also the number of staff needed to administer the programs. The $4,313,588 in Federal Funds and 5.5 FTE requested in Supplemental/Budget Amendment T-6 were appropriated in FY 2007-08.

The appropriation for FY 2008-09 includes $34,339 for Salary Survey and $11,725 for achievement pay pursuant to the OSPB and the JBC common policies

The FY 2009-10 Base Request totaling $20,089,757 and 19.0 FTE includes $40,243 for prior year salary survey, $14,490 for prior year performance-based pay, and ($2,898) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies. Additionally, FY 2009-10 Decision Item #NP-2 included $1,731 Federal Funds for postage increase and mail equipment upgrade.

FY 2009-10 Decision Item #13 Homeless Program Funding 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.

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.

Traumatic Brain Injury Trust Fund

HB 02-1281 created the Colorado Traumatic Brain Injury Board and the Traumatic Brain Injury Trust Fund to provide for services, education and research in traumatic brain injuries. The General Assembly established the Colorado Traumatic Brain Injury Trust Fund to meet an identified need for a coordinated system to serve persons with traumatic brain injuries. HB 02-1281 created the Colorado Traumatic Brain Injury Board to manage the trust fund, and directed the Board to expend the monies collected based on a statutorily defined allocation. Monies in the trust fund are designated in statute for client services (65%), research (30%), and education (5%).

The TBI program provides a variety of services to adults and children, including care coordination, cognitive therapy, speech therapy, physical therapy, one-time home modifications, and many other types of services. These services assist individuals with TBI to live independently, become employed, and participate as active members of their communities.

HB 06-1385 appropriated $1,967,016 and 1.0 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $2,515 for Salary Survey and a 0.5% Personal Services base reduction ($547) pursuant to the OSPB and the JBC common policies.

The Department submitted Decision Item #22 titled Appropriation of Traumatic Brain Injury (TBI) Trust Fund Surplus requesting $445,125 Cash Funds Exempt and 1.0 FTE in order to serve an additional 46 adults and 18 children and reduce the number of eligible individuals on the wait list as well as the average length of time on the wait list. A total of $400,000 ($260,000 for client services, $120,000 for research and $20,000 for Education) for TBI services and $45,125 and 0.5 FTE were appropriated to hire a position to handle the increased administrative workload.

The Traumatic Brain Injury Trust Fund line item was transferred to Section (9) Services for People with Disabilities (B) Division of Vocational Rehabilitation in HB 08-1375 (Long Bill).

(B) MENTAL HEALTH COMMUNITY PROGRAMS

(1) Mental Health Services for the Medically indigent

Services for 10,296 Indigent Mentally Ill Clients

Community programs provide the majority of the services delivered in the public mental health system. Colorado's public mental health system is comprised of community-based mental health programs overseen by the DMH. This line item provides for the following services: partial care, outpatient, case management, long term care, inpatient care, residential care, sheltered workshop/vocational, chronically mentally ill services, and children's crisis services. The continuation base was $28,742,467 in FY 2006-07.

In FY 2007-08, non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $437,926 was appropriated for community providers pursuant to the SPB and the JBC common policies. The Department submitted Decision Item #8 titled Community Health Services totaling $1,501,032 and 2.0 FTE to provide appropriate mental health services to an additional 446 children with serious emotional disturbance (SED) and adults with serious mental illness (SMI), who live under 300 percent of the federal poverty level (FPL), and who do not currently receive care in any system. The $1,372,788 for mental health services was appropriated in this line item as requested in FY 2007-08.

The Goebel Lawsuit Settlement line item was created in FY 2003-04 to fund services for approximately 1,600 Medicaid eligible and non-Medicaid eligible individuals with mental illness in northwest Denver. Effective March 31, 2006, the Goebel Lawsuit was dismissed as a result of compliance with court ordered service requirements associated with the Goebel Settlement. In September 2006, the Department of Health Care Policy and Financing (DHCPF) and the Department of Human Services (DHS) submitted a '1331' supplemental to transfer the Medicaid funding associated with the Goebel population to the Mental Health Capitation Program in the DHCPF. At the time, the DHCPF estimated that the cost of all services provided to the Medicaid-eligible Goebel population would be reimbursable under the existing Medicaid Capitation Program. However, not all of the services previously provided to the Goebel population are reimbursable under Capitation. Specifically, some of the intensive integrated services cannot be billed through Medicaid. Therefore, the DHS requested $870,000 General Fund in FY 2006-07 and $435,000 General Fund in FY 2007-08 to continue these services to this Medicaid-eligible population in a late supplemental/budget amendment submitted on January 18, 2007. The annualized amount of $383,351 was appropriated in FY 2007-08 based on updated Medicaid data that indicated that the loss of revenue would be less than anticipated.

The Goebel Lawsuit Settlement line item was created in FY 2003-04 to fund services for approximately 1,600 Medicaid eligible and non-Medicaid eligible individuals with mental illness in northwest Denver. Effective March 31, 2006, the Goebel Lawsuit was

dismissed as a result of compliance with court ordered service requirements associated with the Goebel Settlement. As a result, the Department submitted a Technical Supplemental/Budget Amendment T-4 titled Incorporate Goebel GF and FTE Appropriations into Appropriate DMH line items (net zero dollar impact) to accurately reflect the status of the Goebel Lawsuit settlement and to maintain services and state staffing and operating funding at base levels. The Joint Budget Committee approved the transfer of $6,597,711 ($6,435,802 General Fund and $161,909 Cash Funds Exempt) to this line item as requested.

Supplemental/Budget Amendment S-12 titled Additional Mental Health Services Block Grant Funds and 2008 Population In Need Study requested additional Federal Funds spending authority in FY 2007-08 and FY 2008-09 due to an increase in the Mental Health Services Block Grant in the amount of $441,499. These monies will be used to complete the 2008 Colorado Population in Need (PIN) Study and fund 1.0 FTE in FY 2008-09 to support data, evaluation and reporting functions, provide technical assistance and training on services to the non-Medicaid eligible population (i.e. indigent population) and also included technical changes. The transfer of the indirect costs ($27,138) in this line item to the new Federal Indirect Costs line item and $277,499 additional Block Grant funding was appropriated as requested in HB 07-1287 (Supplemental Bill).

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $470,837 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

DI#8 titled Covering Mental Health Services for Indigent Clients requested funds to provide public community mental health services to 966 additional clients, including children with serious emotional disturbance (SED) and adults with serious mental illness (SMI), who live under 300 percent of the federal poverty level (FPL), and who do not currently receive care in any system. The rate used to calculate the increase in number of clients served is $3,104 per client. The $2,998,464 requested was approved by the JBC.

In FY 2008-09, JBC action added an additional $100,000 to fund therapeutic goods and services for the Not Guilty by Reason of Insanity outpatients in the community and $325,000 for Colorado West Hospitals/Southwest Colorado ATU inpatient facilities.

The FY 2009-10 base request totals $41,648,905. There were no decision items requested for this line item in FY 2009-10

Early Childhood Mental Health Services

Funding for this line item to provide evaluation and psychiatric services for children with serious emotional disturbance was requested in FY 2002-03. A supplemental was subsequently submitted to delete the funding in FY 2002-03 due to state revenue shortfalls. The program was reinstated by the General Assembly effective the last quarter of FY 2005-06. The program supports early childhood mental health specialists in each of the seventeen community mental health centers and psychiatric services for children with serious emotional disturbance.

The continuation base was $1,135,750 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $17,036 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $17,292 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $1,170,078. There were no decision items requested for this line item in FY 2009-10

Assertive Community Treatment Programs

Assertive Community Treatment (ACT) is a service delivery model for providing comprehensive community-based treatment to adults with serious and persistent mental illness that has demonstrated very successful outcomes. The ACT model includes a mobile mental health unit that functions interchangeably to provide the treatment, rehabilitation, and support services that adults with serious mental illnesses need to live successfully in the community. This line item was established in FY 2000-01 for intensive outpatient case management services for severely mentally ill adults. Approximately 120 severely and persistently mentally ill clients are provided new or enhanced services through competitive grants to community mental health centers.

The continuation base was $1,278,102 ($639,051 General Fund and $639,051 matching Cash Funds Exempt) in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $19,172 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $19,460 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $1,316,734. There were no decision items requested for this line item in FY 2009-10

Alternatives to Inpatient Hospitalization at a Mental Health Institute

The JBC Staff recommended consolidating the Alternatives to Inpatient Hospitalization at the Mental Health Institute at Pueblo, the Alternatives to Inpatient Hospitalization at the Mental Health Institute at Fort Logan, the Alternatives to the Fort Logan Aftercare Program and the Alternatives to Inpatient Hospitalization for Youth line items into a single new line item titled Alternatives to Hospitalization at the Mental Health Institutes to reflect the total funding of $2,977,822 for alternatives to services at the Mental Health Institutes in FY 2007-08.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $44,667 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

Alternatives to Inpatient Hospitalization at the Mental Health Institute at Pueblo-- This line item includes funding for community-based alternative placement to mitigate bed reductions (eight beds closed on March 1, 2003 and 24 beds closed on April 1, 2003) at the Colorado Mental Health Institute at Pueblo. The General Assembly funded community-based alternatives in order to ensure that patients would continue to receive services. The funding in this line item is only for non-Medicaid indigent clients.

The continuation base was $942,433 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $14,136 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

Alternatives to Inpatient Hospitalization at the Mental Health Institute at Fort Logan-- This line item includes funding alternatives to inpatient hospitalization slots associated with downsizing the Community Connections (CCI) unit at the Colorado Mental Health Institute at Fort Logan.

The Community Connections Inpatient (CCI) unit was an unlocked 27- bed unit that served as a “step down” from other adult units at the Mental Health Institute at Fort Logan. The unit was targeted for closure because it provided the lowest intensity of care at Fort Logan. The CCI utilized physical therapy, behavioral programs, medication administration education and practice, occupational therapy, and intensive hygiene programs for persons with dangerous behaviors, a history of repeated recidivism and significant medical issues. The Community Mental Health Centers took over the program on July 1, 2003 and the existing program at Fort Logan was closed. The funding in this line item is only for non-Medicaid indigent clients. The JBC also restored $230,000 General Fund in FY 2005-06 that annualized to $900,000 in FY 2006-07.

The continuation base was $1,543,743 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $23,156 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

Alternatives to the Fort Logan Aftercare Program - This line item provides funding to the community providers to manage the existing Aftercare Program at the Colorado Mental Health Institute at Fort Logan since the Community Mental Health Centers can provide similar services at a substantially lower cost. The funding enabled the community providers to take over management of the existing Fort Logan Aftercare program as of April 1, 2003.

The Aftercare Program was established in 1972, and consists of three residential buildings and a family care program that involves referring clients to therapeutic home placements. The program serves 53 severely ill, mostly elderly individuals, many who have spent most of their life in this program. The funding is for only non-Medicaid indigent clients.

The continuation base was $188,267 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $2,824 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

<u>Alternatives to Inpatient Hospitalization for Youth</u> – This program focuses on reducing hospitalization of youth in the Mental Health Institutes by providing necessary community-based services. The program objective is to avert hospitalization of youth in a mental health institute by providing necessary community-based services. The line item is associated with the reduction of eight adolescent inpatient beds at the Colorado Mental Health Institutes at Pueblo and Fort Logan. Funding is distributed to Centennial Mental Health Center (eastern plains) and the Colorado West Regional Mental Health Center. These communities were selected because they had the most feasible plans to reduce hospitalizations in their areas. Centennial Mental Health Center focuses on developing residential options and includes county departments as partners. The Colorado West project includes the development of a community-based assessment process in partnership with the Department of Human Services and a residential treatment provider. The project utilizes an existing acute treatment unit for children and adolescents and links with St. Mary's Hospital in Grand Junction to evaluate youth.

The continuation base was $259,372 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $3,891 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

<u>Juvenile Mental Health Pilot (HB 00-1034)</u>—The appropriation provides comprehensive mental health treatment services for youth with a history of serious criminal justice involvement. The line item was added in FY 2000-01 by a special bill to fund two pilot mental health programs for youth administered by community mental health centers in Sterling and Denver. The program provides comprehensive mental health treatment services for youth with a history of criminal justice involvement and a serious mental illness and includes family-based treatment and low staff to client ratios per statute.

The program sunset in June 2007 and the Legislative Oversight Committee for Persons with Mental Illness in the Criminal Justice system (original sponsor) and the Department did not continue the pilots because these services are more cost-effective if provided by community mental health centers. As required pursuant to Section 16-8-205, C.R.S., the Department submitted a legislative report on this program on January 11, 2007. The report reaches the following conclusion:

> “Past evaluations for the two pilot sites have documented some positive outcomes for youth served in these program. However, the most extensive evaluation of the projects to date was unable to attribute positive outcomes of participating youth directly in the pilot component. In the January 2006 evaluation report, both the youth receiving pilot services and the comparison youth receiving more traditional mental health treatment showed similar positive

outcomes. While the design of that evaluation did not allow for analysis of what would have happened had youth received no mental health services, it was generally encouraging that both groups receiving treatment (both pilot and comparison group youth) did show improved outcomes 12 months after participation in the program.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $44,667 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $3,022,489. There were no decision items requested for this line item in FY 2009-10

Enhanced Mental Health Pilot Services for Detained Youth

This line item includes post detention funding for the Division of Youth Corrections mental health treatment program for detained youth. This funding was eliminated in FY 2003-04 during figure setting for the Division of Youth Corrections and reinstated during the FY 2005-06 figure setting. The program, funded by the Division of Youth Corrections and Mental Health Services, identifies the mental health needs of youth placed in detention and provides needed services during detention and in the community and funds follow-up mental health services in the community.

The continuation base was $493,019 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $7,395 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $7,506 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $507,920. There were no decision items requested for this line item in FY 2009-10

Family Advocacy Demonstration Sites

Special Bill HB 07-1057 concerning Demonstration Programs for Integrated Systems of Care Family Advocacy Programs for mental health juvenile justice populations appropriated $130,769 and annualized amount of $26,154.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $2,354 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $159,277. There were no decision items requested for this line item in FY 2009-10

Mental Health Services for Juvenile and Adult Offenders

Special Bill SB 07-097/HB 07-1359 Tobacco Litigation Settlement appropriated $1,995,828 and annualized amount of $2,010,230. An attached amendment in HB 08-1287 increased the appropriation in the amount of $28,946.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $60,091 was appropriated for community providers pursuant to the Office of State Planning and Budgeting (OSPB) and the Joint Budget Committee (JBC) common policies in FY 2008-09.

The FY 2009-10 base request totals $4,066,149. There were no decision items requested for this line item in FY 2009-10

Veteran Mental Health

Special Bill SB 07-146 appropriation concerning the creation of a pilot program to provide mental health services to families of recently discharged veterans totaled $285,529.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $4,283 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $289,812. There were no decision items requested for this line item in FY 2009-10

(2) Residential Treatment for Youth (HB 99-1116)

HB 99-1116 established the Child Mental Health Treatment Act (CMHTA), which provides parents the option of mental health treatment residential services for children without requiring a dependency and neglect action. HB 04-1421 allocated tobacco settlement moneys for the implementation and appropriation for child mental health treatment. The program, codified in 27-10.3-101 through 107, C.R.S., provides parents the option of residential services for mental health treatment without going through the local county Departments of Social Services or the court.

The program provides funding to assist the family in placing a children in a therapeutic residential child care facility (TRCCF) when the child is not categorically eligible for Medicaid based on income criteria or suitable for placement based on "dependency and neglect" criteria. Funding helps to cover the initial costs of treatment and room and board costs for the child who will subsequently be Medicaid eligible based on a disability and temporary placement in the residential treatment center. The Department covers sliding scale parent fees and expenses that are not paid by private insurance, Medicaid, and Supplemental Security Income (SSI) benefits for children in the program.

The Residential Treatment for Youth Program (HB 99-1116) includes residential treatment in a facility and community based transition services that include case management. Residential Treatment Centers (RTC) traditionally have provided these services. However, the Centers for Medicare and Medicaid Services (CMS) required that the State of Colorado change the methodology for billing for residential treatment center services effective July 1, 2006. This change in funding methodology created a funding shortfall since Medicaid currently pays significantly less of the cost for these services. The 1331 Supplemental/Budget Amendment #1G totaling $392,296 enabled the DMH to continue providing services for the Residential Treatment for Youth (HB 99-1116) Program by decreasing the Medicaid appropriation, transferring Tobacco Litigation Settlement Cash Funds appropriated to the Department of Health Care Policy and Financing (DHCPF) to the Colorado Department of Human Services (CDHS), and requesting additional General Fund to backfill the reduced Medicaid funding. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $13,164 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

Special Bill HB 06-1317 was implemented for the purposes of providing State staff for monitoring and development of community alternatives for the CMHTA program, ($77,667) was transferred to the (8) Mental Health and Alcohol and Drug Abuse Services Personal Services and Operating areas of the Long Bill.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $16,686 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $1,129,146. There were no decision items requested for this line item in FY 2009-10

(C) MENTAL HEALTH INSTITUTES

Mental Heath Institutes

The Colorado Mental Health Institute at Pueblo (CMHIP) and the Colorado Mental Health Institute at Fort Logan (CMHIFL) provide inpatient hospitalization for seriously mentally ill citizens of Colorado. The Colorado Mental Health Institute at Pueblo was established in 1879 and provides inpatient psychiatric services for mentally ill persons in the southern and western regions of Colorado and certain patients from the north central and northeastern areas of the state. The Institute for Forensic Psychiatry (IFP) and a 20-bed acute care hospital, also located at CMHIP, receive referrals statewide. The Colorado Mental Health Institute at Fort Logan was established and licensed as a state psychiatric hospital in 1961 and is charged with providing psychiatric treatment services to residents of the Denver metropolitan area, as well as patients from the north central and northeastern areas of the state. Additionally, CMHIFL operates a licensed Residential Treatment Center (RTC) to provide comprehensive residential treatment for older children and adolescents with serious psychiatric and behavioral problems. CMHIFL receives referrals statewide for children 10 years of age and younger.

The Mental Health Institutes (MHIs) play an important role in the continuum of care in the mental health system in Colorado. Over time, the MHIs have moved away from housing mentally ill patients to providing active treatment in a secure setting with the goal of reintegrating severely mentally ill individuals back into the community. The majority of the patients are currently referred to the MHIs by the Community Mental Health Centers (CMHCs) when the patient is too unstable for community services to be effective. The MHIs, therefore, have become the provider of short-term secure stabilization services to the State's most severely mentally ill citizens.

HB 06-1385 appropriated $83,211,459 and 1195.2 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $2,140,682 for Salary Survey, a 0.5% Personal Services base reduction ($393,139), $324,892 for medical inflation, and $27,288 for food inflation pursuant to the OSPB and the JBC common policies.

Over the past few years, the number of court-ordered sanity and competency evaluations and Incompetent To Proceed (ITP) restorations referred to the CMHIP Institute of Forensic Psychiatry (IFP) has increased significantly. The waiting list has grown from 30 to 81 individuals waiting up to five months in jail to be admitted. The escalating waiting list poses an increasing risk of serious legal liabilities for the Department resulting from delayed admissions.

The Department submitted a 1331 Supplemental/Budget Amendment 1-J titled 20-Bed Competency Restoration Unit at the Colorado Mental Health Institute at Pueblo (CMHIP) to reopen a 20-bed, inpatient, medium-security unit dedicated to Institute for Forensic Psychiatry (IFP) competency evaluation and restorations, thereby eliminating the current backlog of waiting patients within a year, reducing the potential for legal actions against the Department regarding delayed admissions, and greatly reducing the possibility for negative treatment outcomes for those individuals awaiting admission. Since the new unit would be located in a former medium-security unit that was vacated only two years ago, no construction funding was required and the beds could be operational quickly upon hiring staff and purchasing furniture and equipment. Upon completion of the new High Security Forensics Institute (HSFI) in the summer of 2009, the patients, staff, equipment and furniture allocated to these beds would then move to the HSFI as medium-security beds.

The appropriation included funding for a) bolster security staffing for the CMHIP Medium Security unit, reflecting the increased demand posed by the reopening of the unit; and b) meet the increasing costs incurred through administering and paying for evaluation reports done by psychiatrists and contracted psychologists. The $2,366,916 and 47.7 FTE personal services appropriation reflects the impact in FY 2006-07, annualized in FY 2007-08. Additionally, $529,341 was appropriated for operating expenses in this emergency 1331 supplemental approved on December 15, 2007.

The Department submits a supplemental and budget amendment every year as a late supplemental to adjust the estimated revenue that will be available to the Mental Health Institutes based on the current patient mix and any changes to Medicaid and Medicare reimbursement for services received by Institute patients. The Institutes receive revenue from various sources to pay for the cost of care to patients, including patient payments typically cash from disability benefits, Medicare, Medicaid, third party insurers (e.g. Kaiser), counties, school districts and other state Departments (e.g. Department of Corrections, Department of Education). Each year, the Department projects the revenue that will be received from all of these sources based on the amount of revenue that has been received year-to-date in the current fiscal year. These revenues are applied to the total Institute spending authority. The difference between the total Institute spending authority minus the estimated total revenue from all sources equals the amount of General Fund the Institutes will need to continue their operations. In addition, the Institutes transfer a portion of their revenue to other offices in the Department that provide support functions for Institute operations, such as facilities management, accounting, and information technology, etc.

The Mental Health Institutes provide support services for the Sol Vista Division of Youth Corrections Facility and the Department of Corrections La Vista Facility that were opened on the Pueblo campus during FY 2006-07. In FY 2007-08, the JBC staff recommended eliminating these two line items and adding $548,765 and 5.0 FTE and $400,493 and 5.0 FTE respectively to the Mental Health Institutes line item.

Over the last several years, the Mental Health Institutes have had increasing difficulty retaining registered nurses, primarily due to the Institutes' lower salaries and less-attractive benefit packages. The JBC appropriated $500,000 General Fund in FY 2007-08 to specifically address hiring and retention of nurses.

Supplemental/Budget Amendment S-1 titled Staff and Operating Funding to Improve Monitoring of the Not Guilty by Reason of Insanity Outpatients in the Community requested $114,862 General Fund and 1.0 FTE in FY 2007-08, which annualizes to $522,394 General Fund and 5.5 FTE in FY 2008-09, to provide the staff and operating funds needed to adequately assess and monitor 152 Not Guilty by Reason of Insanity (NGRI) outpatients currently residing in Colorado communities. $49,975 and 0.6 FTE was appropriated in HB 08-1375 Supplemental Add on for additional Staffing for Safety & Forensic Community Based Services Outpatient Monitoring and $11,666 for operating expenses.

The appropriation for FY 2008-09 includes $2,488,402 for salary survey and $710,569 for achievement pay pursuant to the OSPB and the JBC common policies, and annualizations of $269,894 for Supplemental/Budget Amendment S-1.

Decision Item #1 titled Staff and Operating Funding for the New High Security Forensics Institute (HSFI) at the Colorado Mental Health Institute at Pueblo (CMHIP) requested $638,190 General Fund and 5.1 FTE in FY 2008-09, which annualizes to $1,737,615 General Fund and 22.7 FTE in FY 2009-10 to provide the remaining staff and operating funds necessary to operate the new HSFI. Construction will be completed on the State's new state-of-the-art, 200-bed, 200,000 square-foot building in June 2009. $216,125 and 3.2 FTE to increase the current staffing level, $98,769 and 1.9 FTE for additional therapeutic and security staffing and $215,419 for one-time transition costs for startup was appropriated for personal services and $78,071 for operating expenses.

Decision Item #7 titled Compression Pay for Nurse I (Registered Nurse) Positions at the Colorado Mental Health Institutes requested $1,006,095 to increase the salaries of experienced Mental Health Institute nurses in the Nurse I job class to an amount competitive with the private sector for nurses with comparable levels of experience. $986,386 was appropriated to support the initiative to improve nurse retention at the MHIs by increasing salaries of experienced existing staff.

Decision Item #9 titled Linen Contract Transfer was a technical change request to transfer $84,159 General Fund and the contract management responsibility for the Fort Logan linen services contract from the Office of Operations to the Colorado Mental Health Institute at Fort Logan (CMHIFL) was approved as requested.

Stand Alone Budget Amendment SBA #1 titled Mental Health Institute Menu Planning and Food Preparation and Office of Operations Consolidation of Food Purchases eliminated duplicative functions that resulted in a savings to the State of ($98,794) and (1.9) FTE in FY 2008-09 and ($98,794) and (1.9) FTE in FY 2009-10. The Department consolidated meal preparation and food related purchasing in an effort to increase efficiency and reduce costs by consolidating menu preparation and food ordering at the Fort Logan and Pueblo Mental Health Institutes,

The FY 2009-10 Base Request totaling $98,911,403 and 1277.2 FTE includes $2,318,263 for prior year salary survey, $1,043,745 for prior year performance-based pay, and ($208,749) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies. FY 2009-10 continuation base adjustments include ($2/86,192) to delete one-time costs of FY 2008-09 Decision Item #1 Staff and Operating Expenses for the New HSFI at CMHIP, $1,187,325 and 17.6 FTE annualization of FY 2008-09 Decision Item #1 and $89,672 annualization of FY 2008-09 Decision Item #7 Compression Pay for Nurse I at the Colorado Mental Health Institutes. In addition, the FY 2009-10 request includes $31,764 for DI#NP-1 State Fleet Variable Cost and $3,064 for DI#NP-2 Postage Increase and Mail Equipment Upgrade pursuant to the OSPB common policies.

FY 2009-10 Decision Item #5 Direct Care Capital Outlay for Regional Centers, Mental Health Centers, and Facilities Management and Facilities Management Operating Increase request $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 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.

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.

Year 1 FY 2009-10 Equipment	**Comments**	**AHA Useful Lives**	**FY 2009-10 Request**
CMHIFL—Electorencephalographic (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

Year 1 FY 2009-10 Equipment	**Comments**	**AHA Useful Lives**	**FY 2009-10 Request**
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
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**

FY 2009-10 Decision Item #17 Inflationary Increase for DHS Residential Programs requests additional operating funds of $561,152 ($511,539 NGF) 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. $192,181 General Fund is requested for the Mental Health Institutes at Pueblo and Fort Logan.

General Hospital

This line item funds the General Hospital's personal services and operating expenses in Pueblo. The Joint Budget Committee consolidated the personal services and operating expenses for the State Hospital at Pueblo in order to allow for greater flexibility in FY 2005-06.

HB 06-1385 appropriated $2,166,203 and 36.0 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $80,980 for Salary Survey, a 0.5% Personal Services base reduction ($14,706), and $24,199 for medical inflation pursuant to the OSPB and the JBC common policies.

The Department submitted a 1331 Supplemental/Budget Amendment 1-J titled 20-Bed Competency Restoration Unit at the Colorado Mental Health Institute at Pueblo (CMHIP) to reopen a 20-bed, inpatient, medium-security unit dedicated to Institute for Forensic Psychiatry (IFP) competency evaluation and restorations. $123,174 was appropriated for forensic patient per day costs, and general hospital services (radiology, pathology, respiratory therapy, dentistry, etc.).

The appropriation for FY 2008-09 includes $76,317 for Salary Survey, $21,102 for achievement pay, and a 1.0% Personal Services base reduction ($30,164) pursuant to the OSPB and the JBC common policies.

The FY 2009-10 Base Request totaling $3,515,963 and 36.0 FTE includes $72,263 for prior year salary survey, $32,624 for prior year performance-based pay, and ($6,525) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies. FY 2009-10 continuation base adjustment include ($29,501) annualization of FY 2008-09 Decision Item #1 Staff and Operating Expenses for the New HSFI at CMHIP.

Educational Programs

Local school districts and the Department of Education provide funding for educational services at the institutes. The source of funding for this line item is primarily from per pupil operating revenue and special education funds transferred from the school districts.

HB 06-1385 appropriated $675,553 and 15.0 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $13,366 for Salary Survey, .5% Personal Services base reduction ($3,381), and $4,707 for food inflation pursuant to the OSPB and the JBC common policies.

The appropriation for FY 2008-09 includes $17,979 for Salary Survey, $5,983 for achievement pay, and a 1.0% Personal Services base reduction ($836) pursuant to the OSPB and the JBC common policies.

The FY 2009-10 Base Request totaling $735,874 and 15.0 FTE includes $17,316 for prior year salary survey, $6,484 for prior year performance-based pay, and ($1,297) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies.

FY 2009-10 Decision Item #17 Inflationary Increase for DHS Residential Programs requests additional operating funds of $561,152 ($511,539 NGF) 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. $192,181 General Fund is requested for the Mental Health Institutes at Pueblo and Fort Logan.

(D) ALCOHOL AND DRUG ABUSE DIVISION

(1) ADMINISTRATION

Personal Services

The Alcohol and Drug Abuse Division staff manage the federal block grant, multiple federal discretionary grant programs, various cash fund programs and general fund appropriations to programs, and contract with the four managed service organizations that subcontract with 42 treatment providers in approximately 200 treatment sites throughout Colorado. The staff also oversees and provides technical assistance to 98 prevention program contracts. The staff monitors the providers and collects data on the program for state and federal reporting requirements. The staff is also responsible for licensing and monitoring treatment providers and managing the involuntary commitment process for persons incapacitated due to the abuse of drugs or alcohol.

HB 06-1385 appropriated $1,872,809 and 28.0 FTE in FY 2006-07. The appropriation for FY 2007-08 includes $49,814 for Salary Survey and a 0.5% Personal Services base reduction ($9,614) pursuant to the OSPB and the JBC common policies.

In FY 2005-06, ADAD went from being ‘bottom line’ funded in the Administration section on the Long Bill to individual line item funding. An incorrect allocation occurred between two revenue sources for the personal services and operating line items as a result of this change. A technical FY 2006-07 Supplemental and FY 2007-08 Budget Amendment T-3 titled Alcohol and Drug Driving Safety Program (Personal Services / Operating) Split Adjustment correctly allocated funds from the Alcohol and Drug Driving Safety (ADDS) Program and the Substance Abuse Prevention and Treatment (SAPT) Block Grant between the personal services and operating expenses line items. The $143,774 reallocation between Cash Funds Exempt and Federal Funds was a net zero impact in each line item.

The Division of Children’s Health and Rehabilitation (CHR) was established in January 2000 and included mental health, developmental disabilities, and alcohol and drug abuse programs to address the youth components of programs that were traditionally considered adult services. The personal services and operating expenses associated with 2.0 FTE in the Alcohol and Drug Abuse Division (ADAD), 1.5 FTE in the Division of Mental Health (DMH) and 1.0 FTE in Developmental Disability Services were transferred to the CHR to fund the administrative cost in FY 2001-02. The objective was to focus on services for children and increase collaboration and integration of children’s services. In FY 2003-04, the Department determined it would be more effective to dissolve the CHR and return the original funding. The 2.0 ADAD FTE were incorrectly allocated to the DMH. Therefore, the Department submitted technical Supplemental/Budget Amendment T-5 titled Transfer 2.0 FTE to ADAD from DMH to transfer $121,202 and 2.0 FTE to the ADAD Personal Services line item.

Decision Item #24 titled Increase Alcohol and Drug Abuse Division (ADAD) Persistent Drunk Driver Cash Fund Spending Authority increased spending authority from the Persistent Drunk Driver (PDD) Cash Fund by $23,790. Funds were available as result of the re-payment of $500,000 by the General Assembly during the 2006 legislative session pursuant to Section 24-75-217, C.R.S. and made possible by the revenues retained through the passage of Referendum C. Funds from the PDD cash fund were transferred to the General Fund in FY 2002 pursuant to HB 02-1391.

Special Bill SB 07-213 Licensing of Addiction Treatment Programs appropriated an additional $700 from the Controlled Substances Program Fund.

The appropriation for FY 2008-09 includes $64,994 for Salary Survey, $21,386 for Achievement Pay and a 1.0% Personal Services base reduction ($1,781) pursuant to the OSPB) and the JBC common policies.

A continuation adjustment ($23,790) deleted one-time funding for 25% of the ADAD statistical analyst position to research data and develop a report on the effectiveness of education and treatment in reducing recidivism in DUI offenders (Decision Item #24 Increase Persistent Drunk Driver Cash Fund Spending Authority).

The FY 2009-10 Base Request totaling $2,247,511 and 30.1 FTE includes $88,561 for prior year salary survey, $31,977 for prior year performance-based pay, and ($6,395) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies and $13,857 and 0.1 FTE for HB 08-1314 Gambling Addiction Counseling.

FY 2009-10 Decision Item #24 Increase Persistent Drunk Driver Programs Spending Authority requests $71,801 in Cash Fund spending authority from the Persistent Drunk Driver Cash Fund (PDDCF). This request will enable the Persistent Drunk Driver Committee to make informed data-driven decisions, determine funding priorities, increase the competency levels of counselors delivering Driving Under the Influence (DUI) education and treatment, and expand education services and prevention strategies for youth. The request includes $9,915 for personal services and $95 for operating expenses for DUI offender data collection, evaluation and reporting, $52,500 for education and prevention strategies in Bent, Cheyenne and Custer counties, and $9,291 for DUI curriculum training.

All monies in the PDDCF are subject to annual appropriation by the General Assembly. The Departments of Transportation, Revenue and Human Services are statutorily directed to coordinate programs to accomplish the goals of the fund. This function is the responsibility of the Persistent Drunk Driver Fund Committee that includes representatives from these three State agencies as established by an interagency agreement. The committee has determined that in order to meet the statutory requirements of the PDDCF in FY 2009-10 and subsequent years, it is necessary to request an increase in the current spending authority appropriated to the Department of Human Services.

The report titled Education/Treatment Intervention Among Drinking Drivers and Recidivism, dated June 2008 was developed by a Statistical Analyst IV position currently employed in the ADAD. This 1.0 FTE has been funded historically by federal funds. However, in FY 2007-08, a one-time appropriation was approved to fund 25% or 0.25 FTE of the position from the PDDCF. In order to continue the work associated with maintaining the data collection, evaluation and reporting, ten percent (0.10 FTE) of this position would need to be funded permanently by the PDDCF. The Department plans to absorb the associated change in workload within the existing ADAD FTE authority.

Operating Expenses

HB 06-1385 appropriated $189,902 in FY 2006-07.

In FY 2005-06, ADAD went from being ‘bottom line’ funded in the Administration section on the Long Bill to individual line item funding. An incorrect allocation occurred between two revenue sources for the personal services and operating line items as a result of this change. Therefore, a technical FY 2006-07 Supplemental and FY 2007-08 Budget Amendment T-3 titled Alcohol and Drug Driving Safety Program (Personal Services / Operating) Split Adjustment correctly allocated funds from the Alcohol and Drug Driving Safety (ADDS) Program and the Substance Abuse Prevention and Treatment (SAPT) Block Grant between the personal services and operating expenses line items. The $143,774 reallocation between Cash Funds Exempt and Federal Funds was a net zero impact in each line item.

Decision Item #24 titled Increase Alcohol and Drug Abuse Division (ADAD) Persistent Drunk Driver Cash Fund Spending Authority increased spending authority for the Persistent Drunk Driver (PDD) Cash Fund by $2,000. Funds were available as result of the re-payment of $500,000 by the General Assembly during the 2006 legislative session pursuant to Section 24-75-217, C.R.S. and made possible by the revenues retained through the passage of Referendum C. Funds from the PDD cash fund were transferred to the General Fund in FY 2002 pursuant to HB 02-1391.

The FY 2009-10 Base Request totals $191,902. In addition, the FY 2009-10 request includes $1,017 for DI#NP-1 State Fleet Variable Cost and $1,385 for DI#NP-2 Postage Increase and Mail Equipment Upgrade pursuant to the OSPB common policies.

FY 2009-10 Decision Item #24 Increase Persistent Drunk Driver Programs Spending Authority includes an additional $95 in Cash Fund spending authority from the Persistent Drunk Driver Cash Fund (PDDCF) for supplies and telephone expenses for the Statistical Analyst IV position

Other Federal Grants

The Alcohol and Drug Abuse Division (ADAD) receives the majority of its federal funding from the Substance Abuse Prevention and Treatment (SAPT) Block Grant awarded by the Substance Abuse and Mental Health Services Administration (SAMHSA). These funds are utilized to support the core services and administration of substance abuse prevention, intervention and treatment programs. In order to expand and enhance the impact of substance abuse prevention and treatment services in Colorado, ADAD has applied for and received funding beyond the SAPT from SAMHSA. These are primarily discretionary grants, which may include administrative and data infrastructure dollars. funding includes the administrative and data infrastructure portions of grant increases and new funds awarded to the Department to expand and/or enhance substance abuse prevention and treatment in Colorado.

The continuation base was $126,500. Supplemental/Budget Amendment T-6 titled Update Federal Funds and FTE Authority in HB 06-1385 (Long Bill) for Supportive Housing and Homeless Programs, Division of Mental Health and Alcohol and Drug Abuse Division requested a technical correction to reflect actual federal funds received for administration and direct program costs and corresponding FTE for the Supportive Housing and Homeless Program (SHHP), the Division of Mental Health and the Alcohol and Drug Abuse Division totaling $9,806,613 and 10.5 FTE. $330,883 was appropriated as requested for the ADAD Other Federal Grants line item.

The FY 2009-10 base request totals $457,383. There were no decision items requested for this line item in FY 2009-10

Indirect Cost Assessment

This line item reflects the amount anticipated to be recovered from cash and federal sources. The $243,723 appropriation includes $3,280 in Cash Funds recoveries from the Law Enforcement Assistance Fund program and $240,443 in federal indirect cost recoveries from the federal SAPT Block Grant. These monies are used to offset General Fund expenditures in the Department of Human Services Executive Director's Office.

The FY 2009-10 base request totals $243,723. There were no decision items requested for this line item in FY 2009-10

(2) COMMUNITY PROGRAMS
(a) Treatment Services

Treatment and Detoxification Contracts

Treatment and detoxification are two different levels of care that are funded separately and have separate and distinct contract admissions requirements even though appropriated in a single line item. ADAD arranges for detoxification and treatment services with one contract for each sub-state planning region. Detoxification/shelter services serve a dual purpose by protecting individual and public health and safety, and also serves as an entry point for treatment. Detoxification services are critical for law enforcement and community protection but do not constitute treatment for substance abuse.

The Division contracts with four Managed Service Organizations (MSOs) that subcontract with local community providers to provide non-hospital detoxification services. The subcontractors accept persons who are intoxicated by alcohol or drugs for evaluation and provide services necessary to protect client and public health and safety until the blood level of the intoxicating substance(s) is zero.

The intent of the ADAD Treatment Contracts is to purchase coordinated and comprehensive services for specific low-income populations of highest priority to the state and federal governments, as well as for clients outside the specific priority populations. ADAD treatment contracts must also implement principles of managed care in providing such services in order to expand capacity and improve treatment outcomes while controlling cost. The required basic treatment services in the Treatment Contracts are detoxification, outpatient opioid replacement treatment, individual, group and family outpatient therapy, intensive outpatient therapy, transitional residential treatment, therapeutic community and intensive residential treatment. These services are delivered through statewide contracts with four managed service organizations, which subcontract with providers in six geographic regions.

HB 06-1385 appropriated $22,828,944 in FY 2006-07. Special Bill SB 06-122 Concerning Creation of the Adolescent Substance Abuse Prevention and Treatment Fund, and Making an Appropriation in Connection Therewith added $27,989 Cash Funds for adolescent substance abuse treatment programs in FY 2006-07 annualized to include an additional $38,229 in FY 2007-08.

The JBC approved Decision Item #25 titled Increase ADAD Spending Authority from the Drug Offender Surcharge (DOS) Cash Fund requesting $268,000 in additional spending authority from the Drug Offender Surcharge (DOS) Fund to increase the funding for two offender-specific substance abuse treatment programs and pay for a portion of an evaluation project sanctioned by the Interagency Advisory Committee on Adult and Juvenile Correctional Treatment (IAC). $37,000 was earmarked for intensive residential treatment for male offenders in the Short-Term Intensive Residential Remediation Treatment (STIRRT) Program and $213,000 to fund statewide outpatient treatment services provided to offenders by four ADAD designated Managed Services Organizations (MSOs). $18,000 was used to pay for the Standardized Offender Assessment-Revised (SOA-R) evaluation project to improve training and standardize treatment for offenders with similar profiles.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% cost-of-living increase in the amount of $167,816 was appropriated for community providers pursuant to the Office of State Planning and Budgeting common policies in FY 2007-08.

The STIRRT Program is specifically designed for the substance-abuse offender, 18 years of age or older who has been unsuccessful in community treatment and recommended for intensive outpatient treatment. These individuals are identified as being previously unsuccessful in maintaining abstinence while under supervision from a criminal justice agency and living in the community. All of the clients are convicted felons who were referred by various criminal justice agencies throughout the state. The JBC staff transferred ($1,511,988) to establish a new line item solely for the STIRRT Program during the Department's FY 2007-08 figure setting. These funds support 790 residential slots and 240 continuing care slots at locations in Denver and Pueblo operated by Arapahoe House and Crossroads respectively.

Technical Supplemental/Budget Amendment #14-Department of Human Services corrected the General Fund and Cash Funds appropriations between the Treatment and Detoxification Contracts and the STIRRT line items for a net zero impact (HB 08-1375 Supplemental Add-on.)

Additionally, the Joint Budget Committee action appropriated $160,000 for rural detoxification, $280,000 for Synergy, $310,661 for provider performance monitoring and $395,000 for Arapahoe House Female Co-occurring Programming.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $168,263 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The total FY 2009-10 Request totals $23,192,453 that includes the $22,942,453 base request and Decision Item #15 Increase Drug Offender Surcharge Spending Authority 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.

Case Management for Chronic Detoxification Clients

PROJECT PROUD (Project to Reduce Over-Utilization of Detoxification) is a Denver metropolitan area case management program targeting persons chronically dependent on alcohol or drug substances. The goal of this intensive case management program is to reduce the chronic use of detoxification services by providing intensive assistance with obtaining the multiple services needed by population such as housing, health care, mental health services, and employment or vocational support. This program is available to both adult men and women.

The continuation base was $369,288 in FY 2007-08. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% increase in the amount of $36 was appropriated for a cost-of-living-adjustment in FY 2007-08 pursuant to the Office of State Planning and Budgeting common policies.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $37 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $369,361. There were no decision items requested for this line item in FY 2009-10

Short-term Intensive Residential Remediation and Treatment (STIRRT)

Fiscal Year 2007-08

Priority #2 titled Expansion of Short-term Intensive Residential Remediation Treatment (STIRRT) Programs included in Governor Ritter's Recidivism Reduction Package submitted on February 10, 2007 requested $1,492,115 to expand the Short-term Intensive Residential Remediation Treatment (STIRRT) Program to reduce recidivism among adult offenders, age 18 years or older, who have been unsuccessful in community treatment for drug and alcohol abuse and continue to commit offenses. The request included:

- $567,000 for a new STIRRT program in Rifle, serving 130 females and 260 male adult offenders and providing continuing care to 220 offenders for eight months;
- $419,448 for a new STIRRT program in Ft. Collins serving 260 adult male offenders and providing continuing care to 150 male offenders for eight months;

- $262,667 to expand the STIRRT program at Arapahoe House to provide 300 adult male offenders with continuing care for eight months and offer psychiatric services and a 30-day supply of medications to offenders with co-occurring disorders;
- $243,000 to expand the STIRRT program in Pueblo to provide continuing care to 130 adult offenders for eight months.

The JBC approved $1,492,115 to fund this request and consolidated the current state funding totaling $1,511,988 in a new line item solely for the STIRRT Program.

Technical Supplemental/Budget Amendment #14-Department of Human Services corrected the General Fund and Cash Funds appropriations between the Treatment and Detoxification Contracts and the STIRRT line items for a net zero impact (HB 08-1375 Supplemental Add-on.)

The JBC approved a one-time $600,000 Drug Offender Surcharge fund balance appropriation for FY 2007-08 to be replaced with General Fund in FY 2008-09, this was completed in HB08-1375 and also added for FY 2008-09 was $669,600, General Fund, for the addition of an 8-bed female STIRRT Program.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $39,867 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $3,750,570. There were no decision items requested for this line item in FY 2009-10

High Risk Pregnant Women Program

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. This program was developed with the following goals: l) to produce a healthy infant; 2) to reduce or stop the substance using behavior of the pregnant woman during and after the pregnancy; 3) to promote and assure a safe child-rearing environment for the newborn and other children; and 4) to maintain the family unit, the mother, infant, and other family members. Low-income pregnant women, regardless of Medicaid eligibility, may receive these services from 13 designated treatment providers throughout the state. The services include an in-depth assessment, individual and group counseling, case management services, health education, and urinalysis screening and monitoring. In FY 2007-08, the High Risk Pregnant Women program served 192 Medicaid eligible women in outpatient services, and 85 Medicaid eligible women in residential services. 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. All clients enrolled in Special Connections must be willing to receive routine prenatal care during their pregnancy.

The continuation base of $983,958 was incremented by Non-prioritized Decision Item NP-1 that requested a Community Provider Rate Increase of 2%. A 1.5% increase in the amount of $14,759 was appropriated for a cost-of-living-adjustment in FY 2007-08 pursuant to the Office of State Planning and Budgeting common policies.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $14,981 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 Request totals $2,039,945 and includes $1,013,698 base request and Decision Item #14 that requests 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 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.

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 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

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.

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.

Family Centered Treatment

FY 2009-10 Decision Item #26 Family Centered Substance Use Disorder Treatment for Families Involved in the Child Welfare System requests $647,344 General Fund to provide a two-year pilot program for family-centered substance use disorder treatment for families involved in the child welfare system. The additional funding will enable the Division of Behavioral Health (DBH) Alcohol and Drug Abuse Division (ADAD) to implement a Family Centered Treatment Service Model that is currently recognized by the U.S. Department of Health and Human Services Substance Abuse Mental Health Services Administration (SAMHSA)/Center for Substance Abuse Treatment (CSAT) as state of the art in working with families in which there are substance use disorders.

The additional funding would provide family-centered treatment services for 56 families across Colorado with open child welfare cases. A family (mother, father and one child) would receive a minimum of 90 days of treatment contact that includes substance abuse treatment services, case management services, therapeutic intervention for the child, and therapy for the family. This model focuses on therapeutic intervention for the entire family rather than only the parent or parents, recognizing that substance use disorders affect the entire family nucleus and that the family is more effectively treated as a unit rather than as a collection of individuals. Additional information regarding this model can be found in a publication from the Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Treatment.

Integrated School-based Mental Health and Substance Use Treatment for Adolescents

FY 2009-10 Decision Item #27 Integrated School-based Mental Health and Substance Use Treatment for Adolescents 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.

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.

(b)Prevention and Intervention

Prevention Contracts

Prevention programs provide young people, families and communities with the resources and skills to increase protective factors and decrease risk factors linked to substance abuse. The Division contracts with statewide and local prevention programs by providing partial funding for services designed to prevent the illegal and inappropriate use of alcohol, tobacco and other drugs. Types of services include mentoring, tutoring, life skills training, parenting training, creative arts, education/resource centers, DUI prevention programs and employee assistance programs. Prevention strategies used by the Division and its contractors include: 1) information distribution regarding the nature and extent of use, abuse and its effects on individuals, families and communities; 2) substance-free activity development for community events; 3) community development, which helps groups, neighborhoods or communities plan and implement a range of prevention services; 4) prevention education, which involves a structured, formal research-based curriculum; problem identification and assessment, which determines whether substance abusing/using behavior can be reversed through education; and 5) community-based efforts to establish or change written and unwritten community standards and attitudes influencing the incidence and prevalence of the abuse of alcohol, tobacco and other drugs.

Special Bill SB 06-122 Concerning Creation of the Adolescent Substance Abuse Prevention and Treatment Fund, and Making an Appropriation in Connection Therewith added $27,989 Cash Funds for adolescent substance abuse prevention and treatment programs in FY 2006-07 annualized to delete ($5,917) in FY 2007-08.

The continuation base of $3,877,084 was incremented by Non-prioritized Decision Item NP-1 that requested a Community Provider Rate Increase of 2%. A 1.5% increase in the amount of $500 was appropriated for a cost-of-living-adjustment in FY 2007-08 pursuant to the Office of State Planning and Budgeting common policies.

FY 2006-07 Decision Item #21 increased the spending authority in this line item by $12,525 from the Tobacco Use Prevention Fund. The one-time funding to support fund intervention and measurement systems throughout Morgan County was deleted in FY 2007-08.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $507 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $3,887,638. There were no decision items requested for this line item in FY 2009-10

Persistent Drunk Driver Programs

The Persistent Drunk Driver Programs are funded by the Persistent Drunk Driver Cash Fund (created by HB 98-1334) consisting of fees assessed against convicted drunk drivers. The fund is managed by representatives of the Departments of Revenue, Transportation and Human Services. Funding priorities as defined by statute are designed to support programs intended to deter persistent drunk driving, and to educate the public, with emphasis on young drivers.

HB 06-1385 appropriated $486,041 in FY 2006-07. Decision Item #24 titled Increase Alcohol and Drug Abuse Division (ADAD) Persistent Drunk Driver Cash Fund Spending Authority requested an increase in spending authority for the Persistent Drunk Driver (PDD) Cash Fund by $273,424. Funds were available as a result of the re-payment of $500,000 by the General Assembly to the PDD Cash Fund. Funds from the PDD cash fund were transferred to the General Fund in FY 2002, per HB 02-1391.

The planned utilization of the additional spending authority was as follows:

Description	Amount
Fund 0.25 of ADAD's statistical analyst FTE, to research data and develop a report on the effectiveness of education and treatment in reducing recidivism in DUI offenders.	$ 23,790
Support travel for ADAD's PDD prevention program field manager to perform monitoring visits.	$ 2,000
Re-establish PDD funding for PDD youth prevention program contracts. Funding was reduced through a FY 2006-07 efficiency item due to forecasted reduction in funds available from PDD cash fund in FY 2006-07.	$ 20,000
Increase youth prevention programs in counties that have shown positive results.	$ 110,000
Increase funding for the media program which has been very successful in selected communities known for their high rate of repeat DUI offenders.	$ 100,300

Description	Amount
Restore full funding for DUI curriculum training and training printed materials. Funding was reduced through a FY 2006-07 efficiency item due to forecasted reduction in funds available from PDD cash fund in FY 2006-07.	$ 14,334
Restore full funding for training for Alcohol Drug Evaluation Specialists. Funding was reduced through a FY 2006-07 efficiency item due to forecasted reduction in funds available from PDD cash fund in FY 2006-07.	$ 3,000
Total Intended Use of Spending Authority	$ $273,424

The request for $23,790 for 25% of the ADAD's statistical analyst FTE and $2,000 for travel was not approved by the Joint Budget Committee. The total amount appropriated for this decision item totaled $247,634.

Stand Alone Budget Amendment SBA-8 titled HB 06-1171 Persistent Drunk Driver Cash Fund Spending Authority provided $312,733 Cash Funds to the Department of Human Services in FY 2007-08 and FY 2008-09. The appropriation should have been included in the FY 2007-08 continuation base but was inadvertently omitted. This request increased the Cash Funds spending authority pursuant to the statute to pay a portion of the costs for intervention and treatment services for the persistent drunk driver who is unable to pay for the required services in compliance with Section 42-3-303 (d) C.R.S. (2007).

The FY 2009-10 base request totals $1,046,408. FY 2009-10 Decision Item #24 Increase Persistent Drunk Driver Programs Spending Authority requests an additional $52,500 for education and prevention strategies in Bent, Cheyenne and Custer counties and $9,291 for DUI curriculum training in Cash Fund spending authority from the Persistent Drunk Driver Cash Fund (PDDCF).

Additional funding is needed to prevent persistent drunk driving by enhancing prevention programs and education for high risk youth in three counties that have shown favorable outcomes based on effectiveness evaluations. These programs incorporate experiential activities that emphasize the risk of underage drinking and drunk driving in addition to providing opportunities to learn how to select and enjoy healthy alcohol-free activities.

Law Enforcement Assistance Fund Contracts

The Colorado General Assembly created the Law Enforcement Assistance Fund [(Section 43-4-402 (2), C.R.S.] in 1982 to promote the prevention of drunk driving. The fund collects a surcharge on drunk and drugged driving convictions to help pay for enforcement, laboratory charges and prevention programs. The Alcohol and Drug Abuse Division receives 20 percent of the dollars specifically to establish impaired driving prevention programs.

Populations mandated under the LEAF legislation and served through five prevention contracts include: 1) the general population as a whole; 2) teachers of young people and young adults, especially those young people/adults at high risk for impaired driving; 3) health professionals; 4) local law enforcement; and 5) providers and advocacy organizations. Types of services include: mentoring, tutoring, life skills training, harm reduction education, community coalition building, social norms marketing, and education/information dissemination.

Funding supports local efforts to prevent persons from driving when using alcohol or other drugs. The funding comes from a $60 fee charged to those persons convicted of a DUI offense. These funds are distributed according to statute [Section 43-4-401, C.R.S.] to the Department of Public Health and Environment for the Implied Consent program, ADAD for community prevention projects, and the Department of Transportation for grants to local law enforcement agencies. The statutes require ADAD to use these funds for a statewide program of public education on driving under the influence, including teacher training and the dissemination of educational curricula. There were no changes to the $255,000 continuation base from FY 2007-08.

The FY 2009-10 base request totals $255,000. There were no decision items requested for this line item in FY 2009-10

(c) Other Programs

Federal Grants

The ADAD receives a variety of federal alcohol and drug abuse discretionary grants. The portion of federal grants anticipated to be used for administrative activities is shown in the Alcohol and Drug Abuse administration section. The federal government frequently allows ADAD to roll forward unspent grant monies and may also extend the actual grant period in order to enable ADAD and the service provider to complete a project.

HB 06-1385 appropriated $921,291 in FY 2006-07. The $4,142,138 technical FY 2006-07 Supplemental and FY 2007-08 Budget Amendment T-6 updated federal funds and FTE authority in HB 06-1385 (Long Bill) for Supportive Housing and Homeless Programs, Division of Mental Health and Alcohol and Drug Abuse Division (ADAD). The key components of this change request were to update the Long Bill based on current FTE and the total amount of federal funds received for administration and direct program costs by the Supportive Housing and Homeless Program (SHHP), the Division of Mental Health and the Alcohol and Drug Abuse Division (ADAD).

The FY 2009-10 base request totals $5,063,249. There were no decision items requested for this line item in FY 2009-10

Balance of Substance Abuse Block Grant Programs

This appropriation is combined with funds appropriated for treatment and prevention contracts to provide services to meet the needs of specific populations. This flexibility is essential in meeting the five earmarked requirements of each Block Grant award (administration, drug/alcohol treatment, prevention, women's services, and HIV early intervention) and to implement the Managed Service Organization designation" process by contracting with designated (by law) intermediary organizations for treatment services.

This line item includes federal Substance Abuse Prevention and Treatment Block Grant allocations. The Division has the flexibility to allocate funds in this line item to the Community Programs Treatment Contracts. The block grant requires that 35 percent of the funds are used for alcohol abuse programs, 35 percent for drug abuse, 20 percent for prevention, and the remaining 10 percent can be applied to any of the three areas.

The continuation base totals $6,019,588. Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 2%. A 1.5% increase in the amount of $2,763 was appropriated for a cost-of-living-adjustment in FY 2007-08 pursuant to the Office of State Planning and Budgeting common policies. Additionally, the JBC staff recommended $650,000 in Federal Funds to reflect anticipated expenditures of the Substance Abuse Block Grant in FY 2007-08.

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $2,804 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09.

The FY 2009-10 base request totals $6,675,155. There were no decision items requested for this line item in FY 2009-10

Community Prevention and Treatment

Special Bill SB 07-097/HB 07-1359 Tobacco Litigation Settlement appropriated $513,866 and annualized amount of $514,399. An attached amendment in HB 08-1287 increased the appropriation by the amount of $7,237, for a total FY 2007-08 appropriation of $521,103..

Non-prioritized Decision Item NP-1 requested a Community Provider Rate Increase of 1.35%. A 1.5% cost-of-living increase in the amount of $15,424 was appropriated for community providers pursuant to the OSPB and the JBC common policies in FY 2008-09. HB08-1375 established the FY 2008-09 appropriation at $1,043,689 based on projections of fund revenue as determined by the Colorado Department of Public Health and Environment.

The FY 2009-10 base request totals $1,043,689. There were no decision items requested for this line item in FY 2009-10

Gambling Addiction Program Services

This program was established in HB08-1314 to provide gambling addiction counseling to Colorado residents. From the Local Limited Gaming Impact Fund, 2% is transferred to the Gambling Addiction Account to award grants for the provision of gambling addiction counseling, including prevention and education, to Colorado residents. The Department may use a portion of the moneys in the gambling addiction account to cover the Department's direct and indirect costs associated with administering the grant program, not to exceed 10% for FY 2008-09 and 5% for FY 2009-10. Grants shall be awarded to state or local public or private entities or programs that provide gambling addiction counseling services and that have or are seeking nationally accredited gambling addiction counselors. For FY 2008-09, 10% of the moneys in the Gambling Addiction Account in grants to addiction counselors who are actively pursuing national accreditation as gambling addiction counselors. This program is repealed, effective July 1, 2013. HB08-1314 appropriated $143,818 to this line for the provision of the program, $2,866 is appropriated to the Department in the Executive Director's Office for the purpose of covering legal services acquired from the Department of Law.

The FY 2009-10 base request totals $129,961. There were no decision items requested for this line item in FY 2009-10

Department of Human Services
Line Item Descriptions

FY 2009-10 Budget Request

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(9) SERVICES FOR PEOPLE WITH DISABILITIES

(9) SERVICES FOR PEOPLE WITH DISABILITIES

(A) COMMUNITY SERVICES FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES
(1) ADMINISTRATION

The Division for Developmental Disabilities (DDD) is the State office that provides leadership for the direction, funding, and operation of services for adults and children with developmental disabilities within Colorado both in community-based services and state-operated services. State leadership and oversight includes: policy, planning, program development, budget development, program operational guidelines, technical assistance, training, determination of funding needs, setting priorities, contracting and allocation of funding for services, review of services and funding utilization, program approval, program quality, monitoring, evaluation, management information, coordination with other state and local service systems, and supervision of the Regional Centers. These functions are performed in concert with service providers, advocacy groups, consumers and their families.

PERSONAL SERVICES

Personal Services is calculated in accordance with Budget Instructions including special bills, salary survey, and achievement pay and vacancy savings adjustments per Common Policy. The adjustments, made for FY 2008-09, include: 1) a reduction for surveys for the Regional Centers that are managed in this appropriation through FY 2008-09's DI-6, which will convert the Comprehensive Medicaid Waiver program at the Wheat Ridge Regional Center (WRRC) to an Intermediate Care Facility for Persons with Mental Retardation (ICF/MR). 2) Special bills HB 08-1246 "Abuse Caregiver Registry for Developmental Disabilities" and SB 08-002 "Family Caregiver for Developmentally Disabled" and 3) Changes for salary survey, achievement pay and vacancy savings adjustments per common policy.

The personnel in the administration program complete surveys of community group homes in conformance with a joint licensure agreement with the Department of Public Health and Environment (DPHE) in accordance with 27-10.5-109, C.R.S., which will no longer be required as WRRC converts from the Medicaid waiver to ICF/MR funding. In DI-6- Regional Center ICF/MR Conversion and Year Two of the Staffing Study (Wheat Ridge) this reflects a reduction of .1 FTE and $2, 872 in FY 2008-09. This annualizes to $5,626 in FY 2009-10, an incremental increase of $2,754. The FY 2009-10 request is a continuation budget with annualizations of DI-6 and common policy adjustments.

There are two bills from the 2008 legislative session that affect both FY 2008-09 and annualize in the request for FY 2009-10. First, HB 08-1246 Abuse Caregiver Registry Developmental Disability creates a registry for caregivers who are deemed to have a substantiated allegation of wrong doing against program clients. The legislation establishes a cash fund of $33,000 for one year for a contractor to assist the work group established by the legislation in developing a plan for the registry. Development of the registry is not required until the $33,000 is available in the cash fund.

Second, SB 08-002 Family Caregiver Developmentally Disabled, allows the Department of Human Services to purchase services for clients with developmental disabilities from qualified family members. The state will oversee this program and has been allocated staffing to monitor the new caregiver contracts. State expenditures for the Department of Human Services are expected to increase by $34,264 and 0.5 FTE in FY 2008-09, $106,846 and 1.7 FTE in FY 2009-10, and $147,430 and 2.5 FTE in FY 2010-11, and thereafter. In FY 2008-09, the department requires 0.5 FTE ($30,334) to rewrite the Medicaid waiver proposal and develop rules to implement the bill. The remaining $3,930 is in operating expenses. When federal approval is received, the fiscal note assumes that approximately 700 Medicaid clients with developmental disabilities (10%) will request that family members provide services. Assuming that the federal approval is received in July 2009, 1.0 FTE is required in FY 2009-10 to manage financial aspects of the program and to respond to billing and technical questions. In addition, 0.7 FTE is required for program quality monitoring activities. The Department is expected to use a sampling approach to assure compliance with program rules including 150 to 200 on-site visits per year to monitor family caregivers. In FY 2010-11, monitoring activities increase based on a full-year implementation and reaching the full 10% family participation. Thus, personal services are increased to 2.5 FTE that year.

In summary, the FY 2006-07 (FY 2006-07 Figure Setting, 2/23/06 Pages 68-72) appropriation in HB 06-1385 was $2,545,466 with 32.4 FTE. In FY 2007-08 the Long Bill appropriation was $2,602,214 and 32.4 FTE in SB 07-239 (FY 2007-08 Figure Setting Pages 28-29 3/14/07). Increases were for common policy adjustments and the annualization of DI-10 (Program Quality Data Monitoring) $3,972 approved in FY 2006-07. The FY 2008-09 Long Bill HB 08-1375 appropriation was $2,693,060 (FY 2008-09 Figure Setting, 3/5/08 Pages 58-59) and 32.3 FTE plus .5 FTE and $30,334 per SB 08-002 and $33,000 for HB 08-1246, bringing the total appropriation in FY 2008-09 to $2,756,394 with 32.8 FTE. Increases to the base budget for FY 2009-10 were for common policy and pay for performance increases, annualization of SB 08-002 and a reduction of $33,000 for HB 08-1246 because this was a one-time expense for a total request of $2,923,535.

OPERATING EXPENSES

This appropriation funds operating expense for the administrative function of the office.

The FY 2006-07 (FY 2006-07 Figure Setting, 2/23/06 Page 72) appropriation in HB 06-1385 was $151,317 and included operating expenses for DI-10 - Program Quality Data Monitoring. In FY 2007-08 the Long Bill SB 07-239 (FY 2007-08 Figure Setting Page 33 3/14/07) appropriation was reduced by $3,288 for the one time operating expenses annualized for DI-10 in FY 2006-07, reducing the appropriation to $148,029. The FY 2008-09 Long Bill HB 08-1375 appropriation was the base request of $148,029, the same amount as the previous year, and added $3,930 for SB 08-002 operating expenses plus an incremental annualized increase of $2,868 for FY 2009-10. In addition there are reduced travel expenses for the personnel reduced for FY 2008-09's DI-6 - Regional Center ICF/MR Conversion and Year Two of the Staffing Study (Wheat Ridge), (see Personal Services above) $645 in FY 2008-09 (FY 2008-09 Figure Setting, 3/5/08 Page 59) and an additional annualization of $510 in FY 2009-10, for a total reduction of $1,155. This brings the total FY 2009-10 continuation request to $153,672. Added are decision items NP-1 State Fleet Variable Cost ($1,827) and NP-2 Postage Increase and Mail Equipment Upgrade ($72) for a total request of $155,571.

COMMUNITY CONTRACT MANAGEMENT SYSTEM

In FY 2005-06 and FY 2006-07 the one-time use of base resources previously included in the Adult Program Costs line item was authorized for the development of a new Community Contract and Management System (CCMS) database. This information technology system is used to track developmental disability contracts and payments, as well as program information, general demographics and waiting list information required to be submitted pursuant to Section 27-10.5-103(d), C.R.S. Information from the system also can be used to make claims for Medicaid reimbursement through the Medicaid Management Information System. The old CCMS System, based on FoxPro and designed in 1986, had become unstable. The new system, completed at the end of FY 2006-07, is a centralized web-based system. The Department was authorized to develop a system consistent with the results of a 2004 feasibility study that reflected development costs of $491,308 (which could be spread over two years) plus some ongoing costs after development for maintenance. Through the Medicaid Waiver Transition Costs appropriation $94,000 was added for additional system development costs associated with complying with federally required changes to billing for Medicaid waiver programs. The new CCMS system can be used as a “front end” to the Medicaid Management Information System for billing Medicaid waiver services. It is also used to manage all contracts with community centered boards for both Medicaid and General Fund service provision.

Changes identified in FY 2007-08, SBA-3 – CCMS Web System Replacement, included an IT contract for any changes to the system, technical support for the database and internet/web telecommunications and network support, software maintenance agreements with various vendors and hardware replacement totaling $137,480 for on-going maintenance of the system. In FY 2008-09 ongoing funding of $137,480 for the community contract and management system maintenance was approved.

In summary the FY 2006-07 appropriation in HB 06-1385 (FY 2006-07 Figure Setting, 2/23/06 Pages 72-74, 91) was $301,675 for the last year of the development of the system. In FY 2007-08 the Long Bill appropriation was $137,480 in, SB 07-239 (FY 2007-08 Figure Setting Pages 29-33 3/14/07) for maintenance of the system. The FY 2008-09 Long Bill HB 08-1375 appropriation was that same $137,480 (FY 2008-09 Figure Setting, 3/5/08 Page 59) and the FY 2009-10 request is also the same continuation amount of $137,480.

MEDICAID WAIVER TRANSITION COSTS

The federal Centers for Medicare and Medicaid Services (CMS), which had previously approved three of Colorado’s Medicaid waiver applications as “quasi managed care” service models no longer considered the State’s system acceptable. During FY 2003-04, CMS reviewed Colorado’s three home and community based services Medicaid waivers for persons with developmental disabilities. The final report on the Comprehensive (24 hour) Waiver program was issued in April 2004 and a renewal of the Comprehensive Waiver was approved September 24, 2004. The renewal was conditioned on various changes, including the (1) removal of certain program costs from the Waiver program and their transition to the Medicaid State Plan; and (2) steps to increase financial oversight and accountability for the program, including steps to "unbundle" services and costs in the Comprehensive Waiver program.

In FY 2004-05, Colorado unbundled the collection of service encounter data and differentiated costs through Community Centered Board (CCB) units, but the billings were still bundled. In addition, the CCBs continued to negotiate rates as an “Organized Health Care Delivery System (OHCDS)”. During FY2005-06, CMS indicated that: billings must be unbundled, all providers must have the choice to bill directly or to use CCBs as the OHCDS, and that there must be a uniform rate setting methodology. Based on this direction from CMS, Colorado has been engaged in an extensive restructuring of its Medicaid waiver program. The first set of changes was implemented August 1, 2006. Further changes are now anticipated throughout FY 2008-09 and FY 2009-10. As identified in the revised plan of correction submitted by Health Care Policy and Financing (HCPF) to CMS in May 2006, changes include: (1) detailed billings that unbundled services; (2) notification to all providers of their option to become Medicaid providers and to bill directly through MMIS; and (3) a short-term plan for uniform rates. The short-term ("interim") solution (effective in FY 2006-07 and FY 2007-08) was based on a survey of the Community Centered Boards for current rates for each individual by service, analyzing this information and setting rates based on current levels/grouping. The May 2006 plan of correction indicated that long-term uniform rate-setting methodology based on client need would be established beginning in FY 2007-08, but later revised to FY 2008-09.

Under the long-term plan, levels of need will be set based on an acuity tool (the "Supports Intensity Scale" (SIS)) that measures the intensity of service needs that impact costliness of service provision with up to 7 levels for difficulty of care. The rates associated with difficulty of care levels are structured based on work with a rate-setting consultant, detailed assumptions and federal requirements. DDD moved to a new interim rate structure for both the Comprehensive HCBS-DD Medicaid waiver program effective FY 2006-07. The State has committed to federal authorities that it will migrate to a new long-term rate structure for the Comprehensive Waiver program effective January 1, 2009 and a new long-term rate structure for the Supported Living Services (HCBS-SLS) Medicaid waiver program effective July 1, 2009. The long-term rate structures will be based on client needs, as assessed, on the Supports Intensity Scale (SIS) tool. The General Assembly previously appropriated funds for one-time costs associated with administering the SIS tool to Comprehensive Waiver clients. In June 2007, the Department identified a variety of additional one-time funding needs associated primarily with administering the SIS tool to the SLS population, re-administering the SIS to comprehensive clients who had not been properly assessed the first time, entering prior authorization review (PAR) data on each client assessed with the SIS, and making associated computer system modifications.

The Joint Budget Committee approved a 1331 supplemental in June, 2006 for $620,800 for Administrative and Consultant Assistance including Project Management, a rate consultant, purchase of the acuity tool (SIS) short-term processing help with prior authorization reviews (PARs) and changes to CCMS to address CMS/HCPF requirements. In September 2006, although the Department did not submit changes related to the Comprehensive Medicaid waiver, the JBC wrote a letter to the Department specifying that up to $500,000 in the Adult Program Cost line could be used to cover one-time transition costs for CCBs associated with the Medicaid waiver changes.

Supplemental 1331 1-C - DDD Medicaid Waiver Transition Costs and Required Changes to HCBS-DD Medicaid Waiver Program included a component that deals with Medicaid Waiver Transition Costs. It combined the previously approved June and September 2006 supplementals for a total of $1,440,468 in SB 07-165.

FY 2006-07 Emergency Supplemental Division for Developmental Disabilities Medicaid Waiver Reform Transition Costs (6/20/07 – Page 1-14 FY 2006-07 Supplemental Department of Human Services – Services for People with Disabilities
The Developmental Disabilities Program revised its utilization projection for the developmental disabilities services line items for FY 2006-07 based on actual data. The Services for People with Disabilities was reduced by $9,700,759 in the Adult Program Line and by $403,517 in Services for Children and Family– Program Funding. New costs for Medicaid Waiver Transition Costs were identified and funded from these savings in the amount of $371,581. The funding was for additional training and license fees for the SIS Acuity tool (141,858), SIS administration by the CCBs for an additional 586 evaluations ($62,170), temporary personnel to do PAR processing ($12,000) and modifications needed to the CCMS ($155,553).

The Medicaid Waiver Transition Costs funding was allowed to roll-forward along with any other remaining funding in that line for use in FY 2007-08. This was appropriated in an add-on to Supplemental Bill SB 08-1287 to FY 2006-07 an additional $371,581 brought the FY 2006-07 appropriation to $1,812,049. The emergency supplemental amount was authorized by the JBC to be rolled forward for use in FY 2007-08; an additional $239,993 also was rolled forward to FY 2007-08 based on encumbrances

In FY 2007-08 (HB 08-1287), S-4 - Medicaid Waiver Reform Transition Costs of $579,928 was approved (FY 2007-08 and FY 2006-07 Late Supplementals, 1/23/08 Pages 15-20). Funding was requested for costs associated with federally required modifications to the Medicaid developmental disability supported living services (SLS) home-and community-based services (HCBS-SLS) waiver program.

In summary, based on federal requirements, the Department moved to a new interim rate structure for the Comprehensive Medicaid HCBS waiver program effective FY 2006-07. The State has committed to federal authorities that it will migrate to a new long-term rate structure for the Comprehensive Waiver program effective January 1, 2009 and a new long-term rate structure for the SLS program effective July 1, 2009. The long-term rate structures will be based on client needs as assessed based by the Supports Intensity Scale (SIS) tool. The General Assembly previously appropriated funds for one-time costs associated with administering the SIS tool to Comprehensive Waiver clients, and development of the new rate structure, in preparation for the July 1, 2008, now changed to January 1, 2009, rate-system change for the Comprehensive Waiver program. In June 2007, (see above) the Department identified a variety of additional one-time funding needs associated primarily with administering the SIS tool to the SLS population, re-administering the SIS to Comprehensive Waiver clients who had not been properly assessed the first time, entering prior authorization review (PAR) data on each consumer assessed with the SIS, and making associated computer system modifications. The current request substantially reflects the portion of a June 2007 emergency supplemental that was previously rejected on the grounds that it did not meet "emergency" supplemental criteria as outlined in Section 24-75-111, C.R.S. In June 2007, the JBC approved those portions of the supplemental request that needed to be completed during the first half of the year and that reasonably reflected needs that could not have been foreseen while the General Assembly was meeting. These included the re-administration of the SIS to some Comprehensive Waiver clients and a sample of SLS clients (required to develop a new SLS rate structure), associated costs for Department-processing of PAR documents, and funding for computer-system modifications. The FY 2007-08 amount is for administering the SIS and entering PARs for those SLS clients who were not part of the sample funded through the June 2007 emergency supplemental.

The June 2006 1331 S/BA-4 – Statutorily Required DD Non- Medicaid Case Management Functions was approved for $832,283 in General Fund to pay for statutorily required non-Medicaid reimbursable functions that are provided by community centered boards beginning in FY 2006-07. Also recommended was a continuation amount for FY 2007-08 of $579,928

The Department's January 2007 Supplemental/Budget Amendment S/BA-4 – Statutorily Required DD Non- Medicaid Case Management Functions request, formally requested changes to both FY 2006-07 and FY 2007-08 to combined these two items into a request for the transition costs. Approved was $1,440,468 in the Supplemental Bill SB 07-165. An increase was appropriated in the DHS Supplemental Bill, HB 08-1287 add-on to FY 2006-07, for $$371,581 (FY 2007-08 and FY 2006-07; Late Supplementals - 1/23/08 Pages 54-55. These funds were allowed rollforward authority to use the appropriation over two fiscal years. SB 07-239's Long Bill Add-on for S/BA-4 - Statutorily Required DD Non- Medicaid Case Management Functions was $579,928. In FY 2008-09 the Long Bill appropriation was $79,028 in HB 08-1375 (FY 2008-09 Figure Setting, 3/5/08 Pages 59-60). The FY 2009-10 request is a continuation amount of $93,140 for ongoing SIS implementation.

2) PROGRAM COSTS

According to Colorado state statute, persons with developmental disabilities are those who have a "disability that is manifested before the person reaches twenty two years of age, which constitutes a substantial disability to the affected individual, and is attributable to mental retardation or related conditions which include cerebral palsy, epilepsy, autism, or other neurological conditions when such conditions result in impairment of general intellectual functioning or adaptive behavior similar to that of a person with mental retardation". (CRS 27-10.5-102 (11) (a)) This definition applies to individuals five years of age or older. For children under five years of age, eligibility is based on the determination of a developmental disability, a significant developmental delay, or factors known to put the child at risk of having a developmental disability.

Ninety-seven percent of adults determined to have a developmental disability in Colorado have mental retardation. In addition, many individuals have a long-term need for assistance with the normal activities of daily living, and are extremely vulnerable to abuse, neglect, mistreatment, and exploitation. An individual's level of vulnerability is assessed in terms of their individual characteristics, and whether that individual has access to the necessary supports and services in their life. Although many persons with developmental disabilities age 18 and older continue to reside with their parents, parents are not legally required to provide housing, care and supervision to an adult son or daughter with a developmental disability. The Division for Developmental Disabilities (DDD) within the Department of Human Services administers the developmental disability programs. DDD has limited funds with which to serve eligible individuals and therefore, uses an individual's level of vulnerability to prioritize services for those individuals with more immediate needs for which other alternative sources of support are not available.

Service Delivery System – There are two principal types of service organizations that serve persons with developmental disabilities in Colorado: (1) private community service organizations including state designated Community Centered Boards (CCBs) and their individual service providers; and (2) state-operated service organizations called Regional Centers (RCs). Regional Centers are described separately in another section that follows.

The State contracts for case management services with twenty CCBs that deliver these community-based services to persons with developmental disabilities. CCBs are private non-profit organizations designated in state statute (Sections 27-10.5-102 (3) and 105, C.R.S.) as the single entry point into the long-term service and support system for persons with developmental disabilities. Each CCB has a non-overlapping geographic service region of one to ten counties serving from 88 to 2,031 individuals each.

Areas in Program Costs Often Applied to the Budget Annually:
There are several types of program costs that may apply to more than one type of service. These include yearly adjustments as well as decision items presented during the current fiscal year. They are described as follows.

Community Provider Cost of Living Adjustment
Pursuant to Joint Budget Committee common policy, a community provider cost of living adjustment is often applied to the base funding in these line items. For FY 2008-09, it was 1.5%. Consistent with recent practice, the increase was not applied to all fund sources in this line item. Specifically, for the last fiscal year the increase was not applied to (1) funds identified as transferred to the Division of Vocational Rehabilitation, as this is essentially an informational component of this line item; and (2) funds identified as client cash. There is no source of revenue for increases associated with client cash apart from increases awarded by the federal government for the Supplemental Security Income (SSI) program. No FY 2008-09 increase associated with the SSI program was anticipated to be available to offset state costs. This was because in the last two fiscal years the increase awarded by the federal government was used by the Department to increase the personal needs allowance of SSI recipients above the 2007 level of $55 per month to $61. In addition to the base adjustment the 1.5% community provider cost of living adjustment was included in the calculations for the caseload decision items. The Department submitted a decision item for a cost of living adjustment for FY 2009-10.

Post-Eligibility Treatment of Income
Federal regulations allow a State's Medicaid State Plan to include a special (higher) income limitation for the aged, blind, and disabled population if such persons are enrolled in a home and community based services (HCBS) waiver, and their other income does not exceed 300% of the SSI standard maintenance allowance. The federal regulations require an individual who qualifies for Medicaid under the special income to pay for a portion of the cost of care. This assessment is known as Post Eligibility Treatment of Income (PETI.) Consumers are essentially allowed to retain $61 per month for personal care items. A portion of the balance is used to cover the client's room and board. Amounts beyond this are to be turned over to the provider to offset all other client care expenses.

In FY 1998-99 the Joint Budget Committee permanently reduced the Medicaid appropriation for Community Programs for Developmental Disabilities Services by $1,655,000 to account for these PETI assessments. The General Fund portion (approximately $827,500) was then returned to the General Fund to be used elsewhere. The Department expected the numbers of people to be assessed and the amount of the PETI assessments to decrease in FY 2001-02; however the amount of the assessments actually grew. As a result, the Department included as part of the budget reduction plan for FY 2002-03 an additional on-going decrease in the appropriation of $400,000 (MCF) and $200,000 (NGF). Further reductions of $300,000 were taken in FY 2004-05 and $80,000 in FY 2006-07 (which was used to fund new people to be served in SLS) (FY 2006-07 Figure Setting, 2/23/06 Pages 90-91). Thus, the current appropriation is built on PETI of $2,432,000. The recommendation included that the current letter note reflecting $2,432,000 for PETI assessments continues to be reflected in the letter note for Program Costs.

Reorganization of Community Programs

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 are described as well as the actions adopted for each line item.

FY 2008-09 Developmental Disability Program Costs Line Items						
	Number of Persons Served		Long Bill Amounts			
	GF	Medicaid	Total	General Fund	Cash Funds	CFE/RF
FY 2008-09 Line Item - Developmental Disability Program Costs						
Adult Comprehensive Services	66.0	4,002.5	$264,294,183	$1,650,459	$31,955,475	$230,688,249
Adult Supported Living Services	692.0	3,135.0	$55,259,558	$7,974,941	$2,774,349	$44,510,268
Early Intervention Services	2,176.0	0.0	$11,663,694	$11,098,328	$565,366	$0
Family Support Services	1,226.0	0.0	$6,837,871	$6,507,966	$329,905	$0
Children's Extensive Support Services	0.0	395.0	$7,288,632	$0	$369,001	$6,919,631
Case Management and Quality Assurance	3,713.0	7,979.5	$23,693,965	$3,888,010	$1,226,029	$18,579,926

FY 2008-09 Developmental Disability Program Costs Line Items	Number of Persons Served		Long Bill Amounts			
	GF	Medicaid	Total	General Fund	Cash Funds	CFE/RF
Special Purpose	0.0	0.0	$1,064,342	$360,844	$6,649	$696,849
Total			**$370,102,244**	**$31,480,548**	**$37,226,773**	**$301,394,923**
<u>FY 2008-09 Line Item - Developmental Disability Program Costs by adjustments summarized</u>						
FY 2007-08 Long Bill			$348,625,078	$30,747,830	$0	$317,877,248
FY 2007-08 S-4B Division for Developmental Disabilities Medicaid Appropriation Reduction (Hold Harmless)			($7,001,858)	$2,904,897	$0	($9,906,755)
Reclassify funds			$0	$0	$35,594,224	($35,594,224)
Annualize FY 2007-08 S-4B			$7,001,858	($2,904,897)	$0	$9,906,755
Annualize Leap Year			($822,865)	($26,157)	($90,767)	($705,941)
Annualization FY 2007-08 DI-3 DDD New Resources			$3,635,533	$0	$314,848	$3,320,685
FY 2008-09 DI-4 - Division for Developmental Disabilities New Resources			$8,076,580	$0	$731,985	$7,344,595
FY 2008-09 SBA - 4A Governor's Initiative for Developmental Disabilities Resources			$6,173,632	$298,050	$561,578	$5,314,004
SLS base adjustment			($450,042)	$0	($22,502)	($427,540)
Community Provider Cost of Living Increase			$4,864,329	$460,825	$137,407	$4,266,097
Total			**$370,102,244**	**$31,480,548**	**$37,226,773**	**$301,394,923**

Leap Year

2008 is a leap year and as such has one more day of service provided by the Developmental Disability Community. The cost in FY 2007-08 was estimated to be $822,865. This was reversed in FY 2008-09 to annualize the one-time expenditure, as the funds would only need to be available in the year that contained February 29, 2008.

Adult Program Costs and Services for Children and Families (FY 2006-07 Change Requests)
In FY 2007-08 this line (A) Developmental Disabilities Services – (1) Community Services - Adult Program Costs was combined with (3) Services for Children and Families – Program Funding. Several Change Requests affected these lines. The following are descriptions of the Change Requests for the lines.

Recommended Change Requests to Adult Program Costs and Children and Family Services, Program Funding FY 2006-07
FY 2006-07 1331 S-1-C – DDD Medicaid Waiver Transition Costs and Required Changes to DD Medicaid Waiver Program (Part-1) (1/24/07 - Pages 25-30 FY 2005-06 and 2006-07 Supplemental Recommendation)
In June and September 2006, DHS requested and the JBC approved emergency supplemental action with several components related to federally required changes to the Medicaid HCBS developmental disability waiver. In January 2007 a revised request was submitted to the previously approved supplemental.

The final supplemental converted Medicaid Funds to General Fund to increase the appropriation for one-time transition funds in the Medicaid Waiver Transition Costs line-item for FY 2006-07. Converted resources and funds from Adult Program Costs included 90 new Comprehensive Waiver resources and 60 Supported Living Services resources and the associated cost of living increase, totaling $7,483,450 in Medicaid Cash Funds Exempt converted to General Fund of $3,741,725 for a net decrease of Total Funds (federal funds in the HCPF budget) of ($3,741,725). The resources that are used for Medicaid Waiver Transition Costs total $1,440,468 (SB 07-239 DHS Supplemental Bill).

FY 2006-07 1331 S-1-E – Implementing Part C and Achieving Equity in Early Intervention Services (1/24/07 – Page 31 FY 2005-06 and FY 2006-07 Supplemental Recommendation)
In a June 2006 1331 Supplemental, the Joint Budget Committee authorized the reduction of $182,242 in General Fund from the FY 2005-06 budget for Developmental Disability, Children and Family Services, Program Funding and an increase of the same amount for FY 2006-07. The funding is to be used to “hold harmless” in FY 2006-07 those regions of the state, mostly rural, that would be negatively affected by the reallocation of early intervention funding in a more equitable manner across the state.

FY 2006-07 1331 S-1-I –CMS and HCPF Required Changes to DD Medicaid Waiver Program (Part-2) (1/24/07 - Pages 25-30 FY 2005-06 and 2006-07 Supplemental Recommendation) Reversed 1/26/07 Staff Supplemental Comebacks – Memo to JBC
For FY 2006-07 Medicaid funding for high-risk individuals was approved. In June 2006, DHS was approved to convert funding (see Part 1 S-1-C previously) for a half year. In December the JBC approved converting the second half of the new Medicaid funding to General Fund. This was a conversion/reduction of $3,805,583 in Medicaid Cash Funds to $1,902,792 in General Funds. Since this was reversed no change is included in SB 07-165.

FY 2006-07 S-2 – General Fund Backfill for Local Funds Previously Used to Support DD Medicaid Waiver Program Services (1/24/07 – Pages 33-37, FY 2005-06 and 2006-07 Supplemental Recommendation)

Prior to FY 2006-07, under the bundled rate payments methodology, local certified public funds were used in both the Comprehensive and Supported Living Services Waiver programs to generate federal Medicaid match to serve additional clients, to provide more units of Medicaid service to clients, and to augment/enhance rates paid to providers. In Comprehensive Services, these augmented rates were necessary to enable providers to serve individuals with high cost needs and also to address cost of living increases. (See Federally-matched Local Program Costs).

Recommended was an increase in services to the Comprehensive and Supported Living Services Waiver Programs to offset the reductions in the Federally-matched Local Programs. The amount of Medicaid funding added to the Adult Program Line was $15,215,890

FY 2006-07 S-4 – Statutorily Required DD non-Medicaid Case Management Services (1/24/07 – Pages 39-44, FY 2005-06 and 2006-07 Supplemental Recommendation)
Approved in SB 07-165 was $823,283 in General Fund to pay for statutorily required non-Medicaid reimbursable functions that are provided by the community centered boards (CCBs). The costs associated with case management functions prior to enrollment into the program (e.g., eligibility determination, Individualized Plan development, addressing emergency situations for persons on a waiting list for services) is generally recovered once a person is enrolled and case management funding becomes available). However, the DD system has a large waiting list for services. This has meant that several case management functions that take place prior to program enrollment are not currently reimbursable to a CCB for an extended period of time and sometimes never if the person does not enroll into a program.

This funding was broken down into the following categories and costs to total the $823,282.

- Eligibility determination of persons not Medicaid eligible - $7,195
- Eligibility determination for persons not eligible for services based on the level of disability - $18,887
- Development of Individualized Plans for persons placed on the waiting list - $84,867
- Annual Individualized Plan updates for persons on waiting lists - $182,529
- Emergency placements (648 hours per CCB on average) to assist in case management for persons not enrolled in service - $529,805

FY 2006-07 Emergency Supplemental Division for Developmental Disabilities Medicaid Waiver Reform Transition Costs (6/20/07 – Page 1-14 FY 2006-07 Supplemental Department of Human Services – Services for People with Disabilities
The Developmental Disabilities Program revised its utilization projection for the developmental disabilities services line items for FY 2006-07 based on actual data. The Services for People with Disabilities was reduced by $9,700,759 in the Adult Program Line and by $403,517 in the Services for Children and Family– Program Funding. New costs for Medicaid Waiver Transition Costs were identified and funded from these savings $371,581. The new Medicaid Waiver Transition Costs funding is to be allowed to roll-forward along with any other remaining funding in that line for use in FY 2007-08.

FY 2007-08 DI-3 DDD New Resources
Although DDD continues to update its planning efforts to identify the needs of children and adults with developmental disabilities, DDD requests funds for the most critical needs specific to individuals. In FY 2007-08 the following funding was approved for 6 months and then annualizes in the FY 2008-09's base budget request to meet the needs of specific targeted populations as follows:

	Number of Persons Served		**Long Bill Amounts**			
	GF	**Medicaid**	**Total**	**General Fund**	**Cash Funds**	**CFE/RF**
FY 2007-08 DI-3 DDD New Resources – Annualization for						
Adult Comprehensive Services						
New Foster Care	0.0	19.5	$1,701,424	$0	$151,763	$1,549,661
New Emergency	0.0	15.0	$1,337,338	$0	$117,229	$1,220,109
New Wait List	0.0	9.5	$380,059	$0	$35,020	$345,039
Reduce for portion DI-3 in case management	0.0	0.0	($111,338)	$0	($5,583)	($105,755)
Adult Comprehensive Services	0.0	44.0	$8,591,552	($26,157)	$30,739,911	($22,122,202)
Supported Living Services caseload	0.0	12.0	$216,712	$0	$10,836	$205,876
Less DI-3 annualization in case management section	0.0	0.0	($30,365)	$0	($1,523)	($28,842)
Supported Living Services	0.0	12.0	$186,347	$0	$9,313	$177,034
Comprehensive case management	0.0	44.0	$111,338	$0	$5,583	$105,755
Supported Living case management	0.0	12.0	$30,365	$0	$1,523	$28,842

FY 2007-08 S-4B Division for Developmental Disabilities Medicaid Appropriation Reduction (Hold Harmless)
In FY 2006-07 additional funding was identified towards the end of the year and the Department was authorized to roll forward, beyond the 3% allowed by letternote, for hold harmless funding. Based on very preliminary expenditure data, DDD projected approximately $5.6 Million from the Program Costs line in Medicaid Funding may be unexpended by the end of FY 2007-08. This supplemental was to use $2,788,624 of the FY 2007-08 unexpended amount to be reduced from the appropriation, $1,000,000 General Funds be appropriated to a new Hold Harmless line in the Community Services line of the Long Bill. The Department was given roll forward authority to be used in FY 2008-09 if needed. This possible underutilization is a result of changes required by CMS.

The impact of changes made to both program and financial systems were to DDD projected Medicaid expenditures in the HCBS-DD (Comprehensive) and Supported Living Services (HCBS-SLS) waiver FY 2007-08 appropriation. Most of these changes are short-term and one-time in nature that will only affect this fiscal year; however, there is some potential long-term impact as a result of program changes. Numerous changes to the billing and prior authorization review (PAR) system have resulted in delays in billing for July though September, 2007 for this fiscal year. Based on DDD analysis and input from service providers, the following underutilization issues were identified.

- Large Medicaid receivables indicate that approximately $3 Million was billed at FY 2006-07 year-end (most likely delayed by billing/PAR issues). This would show as reversion in FY 2006-07.
- Waiver cap for SLS not approved until June 2007, leaving $508K in the appropriation for FY 2006-07.
- 90 Comprehensive resources that were allocated as GF in FY 2006-07 due to Medicaid waiver cap restrictions were not all converted from GF by year end FY 2006-07, resulting in lower Medicaid billings for FY 2006-07.
- Delays in individuals obtaining Medicaid eligibility were an issue for some providers.
- Prior authorization reviews (PAR) have been delayed due to the rewrite of the Community Contract Management System that interfaces with Medicaid Management Information System at Department of Health Care, Policy and Financing to authorize billings.
- Provider technology issues have delayed billings.
- Reductions in number of resources served as new Medicaid rules prohibit serving more individuals than allowed in the contract.

Prior to the CMS accountability changes, CCBs were allocated funding in a bundled rate, allowing them to over-serve the number of people served n the contract as they managed to the funding in the contract.

- Insufficient direct care and case management staff at CCBs to address all of the new system demands/changes.
- Program changes to SLS have resulted in lower billings.

FY 2007-08 June 23, 2008 1331 Supplemental DDD – The Resource Exchange Assistance

Unspent FY 2007-08 Medicaid funds, which is 50% General Fund, was converted to all General Fund and rolled forward to FY 2008-09 with a letternote indicating “Any General Fund not expended by June 30, 2008 may be rolled forward for expenditure in FY 2008-09 for the purposes of providing financial assistance to The Resource Exchange”. The Department is requesting that these funds be appropriated in the Special Purpose line of Program Costs so they could more easily be identified and tracked. This allowed the DDD to assist The Resource Exchange, a Community Centered Board, to continue operations for the remainder of FY 2007-08 and continue in FY 2008-09. The Medicaid Funds would normally be rolled forward to FY 2008-09 per footnote 79b in HB 08-1375 that allows up to 3% of unexpended Medicaid funds to be rolled forward. The Joint Budget Committee approved the following June 23, 2008 reducing the two indicated services and increasing the Special. Purpose line with a zero net General Fund impact to the program for FY 2007-08 only with roll forward authorized to FY 2008-09 of any unspent funding.

Type of Service	Appropriation	Estimated Expenditures	Available
Adult Comprehensive Services	$208,714,434	$206,687,240	$2,027,194
Adult Supported Living Services	$39,999,973	$37,535,536	$2,464,437
Children's Extensive Support Services	$6,007,974	$5,836,629	$171,345
Case Management	$17,279,904	$16,642,922	$636,982
		Total Available	$5,299,958
		Total Needed	$3,932,000
		From Adult Comprehensive Services	$1,932,000
		From Adult Supported Living Services	$2,000,000
		To Special Purpose	$1,966,000

FY 2008-09 DI-4 - Division for Developmental Disabilities New Resources
Foster Care Transition – The Department added funding to serve 45 young adults with developmental disabilities aging out of the Foster Care system who need 24 hour Comprehensive Services. The needs of youth with developmental disabilities over the age of eighteen years in the Foster Care system are reviewed each year. This process allows the State to plan for youth that age out of the Child Welfare system at age 21 and require continued comprehensive 24-hour care. This provided Foster Care Transition Comprehensive Services for 45 individuals for an average of six months in FY 2008-09. The program is Medicaid funded and requires a 50% General Fund match.

Since 1987, the DDD has worked with the Child Welfare system to assure funding and services for youth with developmental disabilities who need to transition at age 21 from one system to the other. The Division for Developmental Disabilities, which is the state office that manages services for persons with developmental disabilities, is responsible for developing and submitting budget requests to the legislature so that new funding needed for services for youth transitioning from foster care to the Community Centered Board (CCB) system may be appropriated. The Department has made a long-standing commitment to request funding for 24-hour residential and day program services (Comprehensive Services) for youth who have been placed in out-of-home foster care and are transitioning into long-term services in the adult CCB system.

The County Departments of Human Services review all youths from the age of 14 through age 20 who are placed in foster care that are suspected of having a developmental disability. The purpose of this review is to assure that all persons potentially eligible for DD services are identified and referred to the appropriate CCB.

CCBs notifies DDD in January each year of all youths they are aware of who will turn 21 in the next fiscal year (i.e. at least 18 months prior to their 21st birthday, possibly up to 29 months prior). This includes youth in foster care. In addition, CCBs must also review by early January of each year, information submitted to DDD previously regarding all youths who will need a resource in the coming fiscal year (i.e. youths who will turn 21 in the fiscal year starting July 1st).

In summary, some children with developmental disabilities receive services in out-of-home placements through the Child Welfare System. The Child Welfare System must terminate these services when the individual reaches the age of 21. Most of these individuals have been in out-of-home placements for several years. For a variety of reasons, typically abuse and neglect issues or the inability of the natural family to provide for the complex needs of the child, returning to the natural family home is not an option for these young adults. In addition, due to their developmental disability and ongoing need for supervision and care, these individuals cannot be emancipated at age 21. DDD and Child Welfare Services, in conjunction with the County Departments of Social Services, have identified 45 youths with developmental disabilities currently in the Child Welfare System who will reach the age of 21 during FY 2008-09. Since 1987, DDD and Child Welfare have worked together to assure each youth in Foster Care is provided with appropriate adult DD services and supports by age 21. These individuals have been identified by name by the County Departments of Social Services and reviewed by the CCBs. The dates of birth of these individuals are the basis for the transition dates.

Emergency – The Department added funding to serve 62 adults in emergency/crisis situations due to loss of their home, death or infirmity of caregivers, or abuse/neglect, and for whom no resource is available through CCB turnover. This provided Emergency Comprehensive Services for 62 individuals for an average of six months in FY 2008-09. This program is Medicaid funded and requires a 50% General Fund match.

Historical data indicates that a significant number of adults with developmental disabilities will require Comprehensive Services due to emergency situations. Prior to FY 2006-07, when CCBs had the ability to provide over-service, DDD received 20 to 25 requests for funding for individuals that needed Comprehensive Services, as they are a danger to themselves or others, in abusive or neglectful situations, or at risk of homelessness. At the time of the emergency request to DDD, Comprehensive Services are not available at the local level to meet these individual crises. Included in this number are individuals previously not identified in the developmental disabilities data system and therefore not on the current Comprehensive Services waiting list. These individuals are in crisis at the time of presentation to the DD system and require immediate attention. In addition, individuals can go into crisis due to the inability of a caregiver to continue to provide the supervision and support necessary.

Of the 1,368 individuals identified in June 2008 as waiting for Comprehensive Services in the next two years, an estimated 10% of these individuals are age 40 or older and are living with their parents. At any time, these caregivers may be unable to continue to provide supervision and care for their “adult children”. DDD anticipates more on-going emergency funding requests than in prior years since CCBs, under the new Medicaid fee for service system, can no longer meet emergency needs through over-service, thereby placing the onus directly on the State to provide funding targeted for Comprehensive Services for adults in emergency/crisis situations. DDD received 61 requests for Emergency resources in FY 2006-07.

Transition funding from Children's Extensive Support Program to Adult Supported Living Services –funding for 28 youth with intensive disabilities who are aging out of the Children's Extensive Supports (CES) program and in need of Adult Supported Living Services (SLS) and who are at risk for services if no other program is available were approved. This provides Supported Living Services for 28 individuals for an average of six months in FY 2008-09. The program is Medicaid funded and requires a 50% General Fund match.

Supported Living 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. DDD must plan for 28 youth identified as aging out of the Children's Extensive Support (CES) program in FY 2008-09. As the CES program serves children under the age of 18 years, who are at high risk for out-of-home placement (i.e. Comprehensive Services) and require near constant line-of-sight supervision, youth aging out of this program are considered a high priority for continued support and services. Provided are services for 28 youth for six months whose needs are critical and urgent, as they will be transitioning from the CES program at age 18.

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 require new SLS funding. These Supported Living Services help maintain the youth in the family home and postpone the need for higher cost Comprehensive Services.

Wait List –Comprehensive services for 44 adults were included on the wait list for Comprehensive Services who 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 live in precarious situations due to aging and/or ailing caregivers. Provided were comprehensive services to 44 adults for an average of six months in FY 2008-09. These services are Medicaid funded and require a 50% General Fund match.

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 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. This request would provide Comprehensive Services to 44 adults on the waiting list for an average of six months in FY 2008-09.

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 footnote report in 2007 on the waiting list indicates 1,981 adults are currently waiting for the supported living services program. Of these, 565 are considered to be "high risk" targeting the funding for 200 people could make a significant impact on this "high risk" subsection of the waiting list**.** Over 4,000 individuals are waiting for Family Support Services Program. In addition, in prior years, DDD has requested and been approved for additional funding in each of these service categories. Those appropriated 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 funding is available through CCB turnover are served.
- Comprehensive Community Waiting List - 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. 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.

In 2008, 145 supported living placements were added using base funding in the Program Costs line item that appears unlikely to be used based on Medicaid waiver program changes. For legislative intent to be clearer, funds that are anticipated not to be used were removed from the appropriation and then "added back" as new placements. This includes an assumption that 30% of persons added into services will become eligible for the Medicaid program, reflected in the HCPF budget to include acute care coverage. Because of these Medicaid costs, 117 new placements were made rather than 145.

The funding was approved in HB 08-1375 – the Long Bill for FY 2008-09 at a slightly lower rate than requested.
FY 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources (JBC Staff Comeback 3-13-08 Pages 1-6)
The Governor expanded the Department’s request for funding to include the following types and amounts of services. The funding was recommended and in some cases expanded even further.

<u>Wait List Resources</u> – Comprehensive services to 110 adults are to be provided for an average of six months in FY 2008-09. The program is Medicaid funded and requires a 50% General Fund match. 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 resources 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.

Adult Supported Living Services (SLS) – Funds were approved to provide services for 200 adults at for an average of six months in FY 2008-09. The program is Medicaid funded and requires a 50% General Fund match. This is 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.

Family Support Services Program (FSSP) - This amendment provided services for 100 families. This is a General Fund program. Services include assistance to families with costs and services beyond those normally experienced and needed by other families without children with a developmental disability, and are meant 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.

These resources were approved at a slightly different funding level calculation (see Figure Setting documents for FY 2008-09).

The following is a description of the types of services and changes made from the inception of the line in FY 2007-08 to FY 2008-09 (Staff Comeback Memo 3/13/08 pages 1-6 and FY 2008-09 Figure Setting, 3/5/08 Pages 51-88): The request for FY 2009-10 annualizes DI-4 New Resources and DI-4A Governor's Initiative for new Resources. To this has been added DI-1 Community Resources for the Developmentally Disabled for $4,782,566 in Adult Comprehensive services

ADULT COMPREHENSIVE SERVICES

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 resources 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.

FY 2008-09 Developmental Disability Program Costs Line Items	Number of Persons Served		Long Bill Amounts			
	GF	Medicaid	Total	General Fund	Cash Funds	CFE/RF
Adult Comprehensive Services						
FY 2007-08 Long Bill	66.0	3,806.0	$247,005,842	$1,652,225	$0	$245,353,617
One-time S-4B for Hold Harmless			($6,106,934)	$0	$0	($6,106,934)
Subtotal - FY 2007-08 Appropriation	66.0	3,806.0	$240,898,908	$1,652,225	$0	$239,246,683
FY 2007-08 1331 Supplemental DDD – The Resource Exchange Assistance (Non-Add)			($1,932,000)			($1,932,000)
FY 2007-08 Appropriation	66.0	3,806.0	$238,966,908	$1,652,225	$0	$237,314,683
FY 2007-08 Appropriation for HB 08-1375 calc	66.0	3,806.0	$240,898,908	$1,652,225	$0	$239,246,683
Reclassify cash exempt funds			$0	$0	$30,532,249	($30,532,249)
Annualize one-time S-4B for Hold Harmless			$6,106,934	$0	$0	$6,106,934
Annualize Leap Year Adjustment			($822,865)	($26,157)	($90,767)	($705,941)
Annualize FY 2007-08 DI-3 DDD New Resources						
New Foster Care	0.0	19.5	$1,701,424	$0	$151,763	$1,549,661
New Emergency	0.0	15.0	$1,337,338	$0	$117,229	$1,220,109
New Wait List	0.0	9.5	$380,059	$0	$35,020	$345,039
Reduce for portion DI-3 in case management	0.0	0.0	($111,338)	$0	($5,583)	($105,755)
Subtotal - Annualization/reclassification	0.0	44.0	$8,591,552	($26,157)	$30,739,911	($22,122,202)
FY 2008-09 Base Funding	66.0	3,850.0	$249,490,460	$1,626,068	$30,739,911	$217,124,481
FY 2008-09 DI-4 Division for Developmental Disabilities New Resources Request (Including rate increases/6 months)						
New Foster Care (6 months)	0.0	22.5	$2,048,265	$0	$175,893	$1,872,372
New Emergency (6 months)	0.0	31.0	$2,531,842	$0	$239,926	$2,291,916
New Wait Lists - HIGH NEEDS (6 months)	0.0	39.0	$3,239,850	$0	$303,335	$2,936,515
Reduce for portion DI-4 in case management	0.0	0.0	($233,889)	$0	($11,563)	($222,326)
FY 2008-09 SBA-4A - Governor's Initiative for						

FY 2008-09 Developmental Disability Program Costs Line Items	Number of Persons Served		Long Bill Amounts			
	GF	**Medicaid**	**Total**	**General Fund**	**Cash Funds**	**CFE/RF**
Developmental Disabilities Resources						
New wait list (6 months)	0.0	60.0	$4,026,875	$0	$454,240	$3,572,635
Reduce for portion DI-4 in case management			($151,711)	$0	($7,500)	($144,211)
Subtotal - Caseload Decision Items	0.0	152.5	$11,461,233	$0	$1,154,332	$10,306,901
Community Provider Rate Increase on annualized FY 2007-08 base, except VR & client cash	0.0	0.0	$3,342,490	$24,391	$61,232	$3,256,867
TOTAL - Comprehensive Services	**66.0**	**4,002.5**	**$264,294,183**	**$1,650,459**	**$31,955,475**	**$230,688,249**

The request for FY 2009-10 annualizes DI-4 New Resources ($7,586,069) and DI-4A Governor's Initiative for New Resources ($3,875,164). To this has been added DI-1 Community Resources for the Developmentally Disabled for $4,782,566 for a total request of $280,537,982.

ADULT SUPPORTED LIVING SERVICES

Supported Living Services (SLS) are intended to augment available supports for adults who either are capable of living independently with limited supports, or who are principally supported by other sources, such as their family. SLS offers a variety of individualized and flexible supports to enable adults to live in their own homes or in family homes, and to avoid or delay more costly Comprehensive Services. The level of support and supervision provided through the SLS program varies based on the individual's needs, and the availability of supports from other sources. These supports are provided in or outside the home and may include, but are not limited to the following: personal assistance for daily care or homemaking needs; employment or other day type services; community integration services; assistance with decision-making; assistive technology; home modification; professional therapies; transportation services; and twenty-four hour emergency assistance. Supported Living Services are available to both adults who are Medicaid eligible and to those who are not Medicaid eligible.

FY 2008-09 Developmental Disability Program Costs Line Items

	Number of Persons Served		Long Bill Amounts			
	GF	**Medicaid**	**Total**	**General Fund**	**Cash Funds**	**CFE/RF**
<u>Adult Supported Living Services</u>	-	-				
FY 2007-08 Long Bill	692.0	2,892.0	$52,858,984	$7,857,085	$0	$45,001,899
One-time S-4B for Hold Harmless	0.0	0.0	($2,347,889)	$0	$0	($2,347,889)
Subtotal - FY 2007-08 Appropriation	692.0	2,892.0	$50,511,095	$7,857,085	$0	$42,654,010
FY 2007-08 1331 Supplemental (Non-Add) DDD – The Resource Exchange Assistance			($2,000,000)	$0	$0	($2,000,000)
FY 2007-08 Appropriation	**692.0**	**2,892.0**	**$48,511,095**	$0	$0	**$40,654,010**
FY 2007-08 Appropriation for HB 08-1375 calc	692.0	2,892.0	$50,511,095	$7,857,085	$0	$42,654,010
Reclassify cash exempt funds	0.0	0.0	$0	$0	$2,654,037	($2,654,037)
Annualize one-time S-4B for Hold Harmless	0.0	0.0	$2,347,889	$0	$0	$2,347,889
Annualize FY 2007-08 DI-3 DDD New Resources Supported Living Services caseload	0.0	12.0	$216,712	$0	$10,836	$205,876
Less DI-3 annualization in case management section	0.0	0.0	($30,365)	$0	($1,523)	($28,842)
FY 2008-09 Base Funding	692.0	2,904.0	$53,045,331	$7,857,085	$2,663,350	$42,524,896
Community Provider Rate Increase	0.0	0.0	$795,679	$117,856	$39,950	$637,873
2008-09 DI-4 Division for Developmental Disabilities New Resources Request (Including rate increases/6 months)	0.0	14.0	$256,623	$0	$12,831	$243,792
FY 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources (6 months)	0.0	100.0	$1,833,020	$0	$91,651	$1,741,369
Less portion DI-4 new resources in case management section	0.0	0.0	($35,399)	$0	($1,750)	($33,649)
Less portion DI-4A new resources in case management	0.0	0.0	($252,852)	$0	($12,500)	($240,352)
Subtotal - Decision Items	0.0	114.0	$2,597,071	$117,856	$130,182	$2,349,033
JBC action - new SLS within base:						

FY 2008-09 Developmental Disability Program Costs Line Items	Number of Persons Served		Long Bill Amounts			
	GF	Medicaid	Total	General Fund	Cash Funds	CFE/RF
Reduce 5% SLS base			($2,594,676)	$0	($129,734)	($2,464,942)
Assume 14% reduction in Case Management			$363,255	$0	$18,163	$345,092
Add 117 full year resources	0.0	117.0	$2,144,634	$0	$107,232	$2,037,402
Less portion new resources in case management section	0.0	0.0	($296,056)	$0	($14,844)	($281,212)
Subtotal – within base adjustment		117.0	($382,843)	$0	($19,183)	($363,660)
TOTAL - Adult Supported Living Services	**692.0**	**3,135.0**	**$55,259,558**	**$7,974,941**	**$2,774,349**	**$44,510,268**

The request for FY 2009-10 annualizes DI-4 New Resources ($221,224) and DI-4A Governor's Initiative for New Resources ($1,580,168). To this has been added DI-1 Community Resources for the Developmentally Disabled for $576,700 for a total request of $57,637,650.

EARLY INTERVENTION SERVICES

Early Intervention Services provide support to infants and toddlers (birth through age two) who have developmental delays or disabilities or are at risk for developmental disabilities. These services enhance a child's development and learning. They also enhance a family's ability to support their child's well being.

Early Intervention Services are important because the critical window for development is during the first three years of a child's life. The earlier services are provided, the greater the impact these services have. Additionally, extensive studies demonstrate that providing services early in children's lives often results in fewer resources being needed to support them, as they grow older.

Early Intervention Services are funded with State General Fund in this Program and with federal funding under the Individuals with Disabilities education Act (IDEA) Part C (described in another line) may include the following:

- Assistive technology devices and services (IDEA)
- Audio logy services (GF)
- Developmental Intervention (GF)
- Health services and Nutrition services (IDEA)
- Nursing services (GF)
- Occupational therapy (GF)
- Physical therapy (GF)

- Psychological services (GF)
- Respite Care (IDEA)
- Service coordination (IDEA)
- Social work/emotional services (GF)
- Speech / language services (GF)
- Transportation (IDEA)
- Vision services (GF)

In order to receive early intervention services a family and child must be a Colorado resident. The child must be under three years of age and determined eligible based on one of the following criteria either 1) a significant developmental delay or 2) have a diagnosed physical or mental condition with a high probability of resulting In significant developmental delay. These two criteria are described below

1. Infants and Toddlers who are demonstrating a significant developmental delay in one or more of the following areas of development:
   - Cognitive development (thinking and learning skills)
   - Physical development (moving, seeing and hearing)
   - Communication development (understanding and using sounds, gestures and words)
   - Social-Emotional development (responding to and developing relationships with others)
   - Adaptive development (taking care of one's self when doing things like feeding and dressing)
2. Infants and toddlers with an established condition means a child, birth through two years of age, with a diagnosed physical or mental condition that has a high probability of resulting in significant delays in development, and who may or may not be exhibiting delays in development at the time of diagnosis as assessed by a qualified medical professional utilizing appropriate diagnostic methods and procedures. The Division for Developmental Disabilities maintains a database of physical and mental conditions that establish a child's eligibility for early intervention services.
3. Infants and toddlers who live with one or both parents who have a developmental disability. Funding for these children is only available through State General Funds.

In Colorado, early intervention services are provided to children from birth through two years of age from a variety of funding sources including private insurance, state, and federal monies. Since the 1960s, the State has provided services through CCBs. CCBs are private, non-profit organizations responsible for coordinating developmental disability client intake, eligibility determination, service plan development, arrangement for services, delivery of services (either directly and/or through purchase), monitoring, and many other functions. Early Intervention services are funded primarily by state General Fund in this program. Other services are available through federal sources. More information is available on the following website: http://www.eicolorado.org

FY 2008-09 Developmental Disability Program Costs Line Items						
	Number of Persons Served		Long Bill Amounts			
	GF	**Medicaid**	**Total**	**General Fund**	**Cash Funds**	**CFE/RF**
Early Intervention Services						
FY 2007-08 Long Bill	2,176.0	0.0	$11,171,495	$10,934,313	$0	$237,182
Reclassify cash exempt funds	0.0	0.0	$0	$0	$557,011	($557,011)
Community Provider Rate Increase	0.0	0.0	$167,573	$164,015	$8,355	($4,797)
Technical clean up (Move Medicaid negative to Case Mgt.	0.0	0.0	$324,626	$0	$0	$324,626
Total - Early Intervention Services	**2,176.0**	**0.0**	**$11,663,694**	**$11,098,328**	**$565,366**	**$0**

For FY 2009-10 there is a continuation request of $11,663,694.

FAMILY SUPPORT SERVICES

The Family Support Services Program (FSSP) 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. These services include:

- Respite care - temporary care of the child with a developmental disability
- Professional services - counseling, occupational/speech/physical therapies - medical and dental expenses not otherwise covered by sources such as Medicaid or private insurance
- Transportation - mileage costs related to providing care and support
- Assistive technology - mobility aids, adaptive equipment, communication devices
- Home/vehicle modification - ramps, lifts, widened door frames
- Other individual expenses - special diets, specialized clothing

This is a General Fund program and services available are intentionally flexible to meet the individualized needs of unique family circumstances. Current family support services funds are "stretched" to serve 3,000 to 4,000 families each year, although funding is only officially provided for just 1,226 families. Thus, funding additional families could result in additional families served or could result in an increase in the amount received by the families that already benefit from the program, although at a lesser amount than originally intended.

FY 2008-09 Developmental Disability Program Costs Line Items						
	Number of Persons Served		Long Bill Amounts			
	GF	**Medicaid**	**Total**	**General Fund**	**Cash Funds**	**CFE/RF**
Family Support Services						
FY 2007-08 Long Bill	1,176.0	0.0	$6,461,550	$6,150,284	$0	$311,266
Reclassify cash exempt funds	0.0	0.0	$0	$0	$311,266	($311,266)
Community Provider Rate Increase	0.0	0.0	$96,923	$92,254	$4,669	$0
2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources (6 months)	50.0	0.0	$313,737	$298,050	$15,687	$0
Less Case Mgt. portion of SBA-4			($34,339)	($32,622)	($1,717)	$0
Total - Family Support Services	**1,226.0**	**0.0**	**$6,837,871**	**$6,507,966**	**$329,905**	**$0**

The request for FY 2009-10 annualizes DI-4A Governor’s Initiative for New Resources ($279,398). To this has been added DI-1 Community Resources for the Developmentally Disabled for $279,400 for a total request of $7,396,669.

CHILDREN’S EXTENSIVE SUPPORT

Children's Extensive Support (CES) provides Medicaid-funded services and supports to children with developmental disabilities who demonstrate a behavior or have a medical condition that requires constant supervision.

The main areas of services and supports available are:

- Personal assistance services - assistance with personal hygiene, eating/drinking and toileting
- Professional services - therapies, training, evaluation, and assessments that are not covered by other sources
- Behavioral services - intervention or consultation
- Home modifications - showers, toilets, or doorways
- Assistive technology - intercom systems, electronic monitoring devices for the home, or mobility devices
- Childcare services - respite care and supervision

These children are considered to be the most in need in the state and are at high risk of out-of-home placement. They require near constant line-of-sight supervision due to one or more of the following: (a) self-injurious or self-endangering behavior or medical condition which, without intervention, will result in a life threatening condition or situation; (b) a demonstrated pattern of serious aggression toward self, others or property; or (c) constant vocalizations which are a significant disruption to family life. These children must meet the same level of care criteria as is used for institutional placement. The intense level of services provided by this program enhances the ability of the family to stay together, thus avoiding more costly out-of-home placement for these children.

FY 2008-09 Developmental Disability Program Costs Line Items						
	Number of Persons Served		Long Bill Amounts			
	GF	Medicaid	Total	General Fund	Cash Funds	CFE/RF
Children's Extensive Support Services						
FY 2007-08 Long Bill	0.0	395.0	$7,184,725	$3,807	$0	$7,180,918
FY 2007-08 one-time S-4B for Hold Harmless	0.0	0.0	($809,396)	$0	$0	($809,396)
Subtotal - FY 2007-08 Appropriation	0.0	395.0	$6,375,329	$3,807	$0	$6,371,522
Reclassify cash exempt funds	0.0	0.0	$0	$0	$363,548	($363,548)
Annualize FY 2007-08 one-time S-4B for Hold Harmless	0.0	0.0	$809,396	$0	$0	$809,396
Community Provider Rate Increase	0.0	0.0	$107,771	$57	$5,453	$102,261
Technical clean-up (move to GF to CM)	0.0	0.0	($3,864)	($3,864)	$0	$0
Total - Children's Extensive Support	0.0	**395.0**	**$7,288,632**	**$0**	**$369,001**	**$6,919,631**

For FY 2009-10 there is a continuation request of $7,288,632.

CASE MANAGEMENT

CCBs are designated by the state to provide case management services, which include intake, eligibility determination, service plan development, and arrangement for services, delivery of services, monitoring, and many other functions. Additionally, CCBs are responsible for assessing service area needs and developing plans and priorities to meet those needs. CCBs either deliver services directly and/or contract with Program Approved Service Agencies (PASAs) and other Service Provider Organizations (SPOs) to provide services and supports to individuals receiving services.

FY 2008-09 Developmental Disability Program Costs Line Items						
	Number of Persons Served		Long Bill Amounts			
	GF	Medicaid	Total	General Fund	Cash Funds	CFE/RF
Case Management, Quality Assurance						
FY 2007-08 Long Bill	3,663.0	7,540.0	$22,886,608	$3,794,605	$0	$19,092,003
FY 2007-08 one-time S-4B for Hold Harmless	0.0	0.0	($642,536)	$0	$0	($642,536)
Subtotal - FY 2007-08 Appropriation	3,663.0	7,540.0	$22,244,072	$3,794,605	$0	$18,449,467
Reclassify cash exempt funds	0.0	0.0	$0	$0	$1,169,562	($1,169,562)
Annualize FY 2007-08 one-time S-4B for Hold Harmless	0.0	0.0	$642,536	$0	$0	$642,536
Annualize FY 2007-08 DI-3 DDD New Resources – Comprehensive case management	0.0	44.0	$111,338	$0	$5,583	$105,755
Annualize FY 2007-08 DI-3 DDD New Resources – Supported Living case management	0.0	12.0	$30,365	$0	$1,523	$28,842
FY 2008-09 Base Funding	3,663.0	7,596.0	$23,028,311	$3,794,605	$1,176,668	$18,057,038
Community Provider Rate Increase	0.0	0.0	$345,425	$56,919	$17,650	$270,856
FY 2008-09 DI-4 Division for Developmental Disabilities New Resources Request - Comprehensive case management	0.0	92.5	$233,889	$0	$11,563	$222,326
FY 2008-09 DI-4 Division for Developmental Disabilities New Resources Request - - Supported living case management	0.0	14.0	$35,399	$0	$1,750	$33,649
FY 2008-09 SBA-4A - Governor's Initiative for Developmental Disabilities Resources						
SBA-4A - Comprehensive case management	0.0	60.0	$151,711	$0	$7,500	$144,211
SBA-4A - SLS case management	0.0	100.0	$252,852	$0	$12,500	$240,352
SBA-4A - FSSP case management	50.0	0.0	$34,339	$32,622	$1,717	$0
Technical clean up from Early Intervention	0.0	0.0	($324,626)	$0	$0	($324,626)
Technical clean up from Children's Extensive Support	0.0	0.0	$3,864	$3,864	$0	$0
JBC SLS base adjustment - reduction	0.0	0.0	($363,255)	$0	($18,163)	($345,092)
JBC SLS base adjustment - increase (doesn’t annualize)	0.0	117.0	$296,056	$0	$14,844	$281,212
Total - Case Management and Quality Assurance	**3,713.0**	**7,979.5**	**$23,693,965**	**$3,888,010**	**$1,226,029**	**$18,579,926**

The request for FY 2009-10 annualizes DI-4 New Resources ($269,287) and DI-4A Governor's Initiative for New Resources ($438,902). To this has been added DI-1 Community Resources for the Developmentally Disabled for $280,964 for a total request of $24,683,117.

SPECIAL PURPOSE

Special Purpose projects include surveys for determining wait lists and service requirements, consultants on DD issues and often help in researching other issues not related to individual services provided. The Division for Developmental Disabilities manages these funds. A 1331 supplemental was approved for DDD – The Resource Exchange June 23, 2008 adding funding to this line for assisting The Resource Exchange in getting their program on track in FY 2007-08 and FY 2008-09.

FY 2008-09 Developmental Disability Program Costs Line Items				
	Long Bill Amounts			
	Total	**General Fund**	**Cash Funds**	**CFE/RF**
Special Purpose				
FY 2007-08 Long Bill	$1,055,874	$355,511	$0	$700,363
FY 2007-08 1331 Supplemental DDD – The Resource Exchange Assistance (Non-Add to FY 2008-09 will roll forward)	$1,966,000	$1,966,000	$0	$0
FY 2007-08 Appropriation	$3,021,874	$2,321.511	$0	$700,363
FY 2007-08 Appropriation for HB 08-1375 calc	$1,055,874	$355,511	$0	$700,363
Reclassify cash exempt funds	$0	$0	$6,551	($6,551)
Community Provider Rate Increase	$8,468	$5,333	$98	$3,037
Total - Special Purpose	**$1,064,342**	**$360,844**	**$6,649**	**$696,849**

In the 2008 Legislative Session, HB 08-1031 Developmental Disabled Waiting List Navigator added $500,000 to this line. The $500,000 is one-time funding that is allowed to roll forward if not completely used in that fiscal year. Since this is a one-time addition, it is not included in the FY 2009-10 continuation request of $1,064,342.

HOLD HARMLESS

"Hold harmless" funding is designed to help ease the transition for providers and consumers, first, from the previous quasi-managed-care rates to the interim rate structure in effect for the comprehensive residential program in FY 2006-07 and FY 2007-08 and, second, from the interim rate structure to a new long-term rate structure in FY 2008-09. Hold harmless funds may be used to keep providers "whole" (or partially whole) on a temporary basis, when changes in the rate structure result in decreases to the payment they receive for providing the same services. In addition to assisting providers, such assistance is expected to help consumers who might otherwise be faced with sudden changes to their services based on the revised rate structure. Hold harmless assistance is presumably available on a limited term basis only.

"Hold harmless" funds temporarily backfill provider revenue reductions that are associated with changes to the Medicaid rate structure required by federal CMS. The Department's preliminary analysis indicated that:

- Smaller and rural community centered boards will generally benefit from the adoption of Supports Intensity Scale and new uniform rate structure;
- Some of the large urban CCBs may face significant funding reductions as a result of the changes. Hold harmless funds will backfill these losses.
- A number of these providers may need to make long-term structural adjustments to compensate for reductions in revenue.

This was a new line item in FY 2007-08 although previously roll-forward from Medicaid funds was identified as being available for hold harmless in FY 2006-07. These funds were not part of the Long Bill for that year but were estimated in a footnote. The final recommendation to establish this new line included the following points:

- The Department would receive interim-rate hold harmless funding for FY 2007-08. This was estimated to require $1.7 million. This requires no budget change, as the roll-forward of FY 2006-07 funds is already authorized for this purpose.
- Hold-harmless amounts not needed in FY 2007-08, that were rolled forward from FY 2006-07, should be further rolled forward from FY 2007-08 to FY 2008-09 to assist in addressing the anticipated FY 2008-09 hold harmless need.

The total need for hold harmless funding is expected to exceed the $5.2 million identified in the FY 2006-07 footnote, when FY 2007-08 and FY 2008-09 needs are considered. It was deemed to be appropriate to *add an FY 2007-08 roll-forward footnote* allowing hold harmless roll-forward amounts not needed in FY 2007-08 to be further rolled forward to FY 2008-09. There is no request for FY 2009-10.

S-4B-FY 2007-08 Developmental Disability Services Appropriations for Hold Harmless:
To address FY 2007-08 hold harmless needs (through the roll-forward of both FY 2006-07 funds and FY 2007-08 funds) and to identify the FY 2008-09 hold harmless need through the FY 2007-08 appropriation the Department requested a reduction in spending authority in the Program Costs line item groups where funding was anticipated to be available at year-end. The anticipate need for hold harmless would not be entirely filled by the request but funding would be converted from unspent Medicaid to General Fund to increase the amount to be rolled forward for use in the community provider system.
The FY 2007-08 need was similar to the FY 2006-07 need, because both were based on the interim (rather than long-term) rate structure (FY 2008-09 Figure Setting, 3/5/08 Pages 63-65, 67).

FY 2008-09 Developmental Disability Program Costs Line Items				
	Long Bill Amounts			
	Total	**General Fund**	**Cash Funds**	**CFE/RF**
Hold Harmless				
FY 2007-08 one-time S-4B DDD Medicaid Appropriation Reduction add-on to HB 08-1375 for FY 2007-08	$2,904,897	$2,904,897	$0	$0
Annualize one-time S-4B for Hold Harmless	($2,904,897)	($2,904,897)	$0	$0
Total - Hold Harmless	**$0**	**$0**	**$0**	**$0**

The services described previously are bottom line funded, meaning that the estimates for each type of service can be adjusted amongst the various services based on needs of the community and that costs may fluctuate but the Department must keep within the total appropriation and per letter notes for this line is authorized to roll forward funding (3% in FY 2007-08) that is unspent for Medicaid programs to supplement costs in the next fiscal year.

(3) OTHER COMMUNITY PROGRAMS

FEDERAL SPECIAL EDUCATION GRANT FOR INFANTS, TODDLERS, AND THEIR FAMILIES (PART C)

Colorado receives a federal grant under the Individuals with Disabilities Education Act (IDEA), Part C to assist states in providing early intervention and related services to children with developmental delays and disabilities from birth through two years of age, , and their families. Part C funds may be used to implement, maintain, and strengthen the statewide system of early intervention services. In addition, such funds may be used for direct early intervention services that are not otherwise funded through other public and private sources. Thus, Part C is the payer of last resort, and all other funding options must be explored before accessing available Part C funds for the provision of direct services. Federal Part C funds may not be commingled with state funds, and may not be used to supplant state and local funds expended for infants and toddlers with developmental delays and disabilities and their families..

On December 30, 2005, the Governor signed Executive Order D 017 05 that switched the lead agency for Part C from the Department of Education to the Department of Human Services, Division for Developmental Disabilities. Pursuant to the federal Part C legislation, the Governor of each state is authorized to identify the Part C lead agency. As a result of the Executive Order, the Part C program began to appear in the Department of Human Services' section of the Long Bill for FY 2006-07 (FY 2007-08 Figure Setting Pages 90-91 3/14/07).

In accordance with federal regulations, the Colorado Interagency Coordinating Council provides advice and guidance to the Department regarding the use of Part C funds. For FY 2007-08, Part C funds as follows:

Expenditure of Part C Funds FY 2007-08	
State Program Administration (State staff and operating costs)	$597,574
Statewide Systems Coordination (various grants and outreach activities)	$1,058,050
Local Community Service Coordination (funding to CCBs)	$2,655,000
Direct Services (funding through CCBs)	$2,532,374
Total	$6,842,998

The primary categories of direct service include "developmental intervention", speech, occupational, and physical therapy, all significant components of direct service costs. The FY 2008-09 appropriation reflects $6,832,502 and 6.5 FTE, based on the federal projection for the State's FY 2008-09 Part C grant (FY 2008-09 Figure Setting, 3/5/08 Pages 88-89). The federal allocation was finalized in June 2008 and is $6,935,430. Senate Bill 07-255 (a JBC bill) clarified the relative responsibilities for "child find" for children under the age of three between the two departments, leaving the Department of Education with many of the responsibilities for identifying and assessing young children's needs, while the Department of Human Services is responsible for ensuring infants ad toddlers receive appropriate services, using the various funding sources at its disposal including General Fund, federal Part C funds, and, pursuant to S.B. 07-004, private insurance and Medicaid funds.

The total FY 2009-10 continuation request of $6,852,382 includes common policy salary adjustments. Added to that is decision item NP-2 - Postage Increase and Mail Equipment Upgrade ($115) for a total request of $6,852,497.

CHILD FIND

"Child Find" is the process by which children with developmental disabilities and delays are identified by the State so that they can receive early intervention services. The process includes public awareness activities (through doctors and hospitals, preschools and schools, child care settings and other community based agencies) initial screening of children identified as having concerns and in-depth evaluations by multi-disciplinary teams to determine whether children qualify for services and the nature of services needed.

In previous years, Child Find for all children (birth to twenty-one years of age) has been provided by school districts using IDEA, Part B funds or local funds. When the Governor's Executive made the Division of Developmental Disabilities in the Department of Human Services the lead agency for Part C of IDEA, the previous lead agency, the Department of Education (CDE) did not believe that it had the authority to continue to require school districts to provide Child Find.. The Part C lead agency is responsible for ensuring that Child Find, as well as direct early intervention services, is provided for all children under age 3 in need of such services. Based on the Executive Order, the Department focused on the provision of early intervention services because at the time, school districts were responsible for Child Find. Child Find, inadvertently, was not provided with funding. The Department indicated in June 2006 that interim funding was needed until the two Departments could find a solution. The Department requested and was approved for emergency supplemental funding of $500,000 General Fund to pay for assessments under Child Find for children birth through two years of age that the Colorado Department of Education and Local Education Agencies would no longer provide without additional funding.

The Department in a January 2007 supplemental was appropriated a total of $1,000,000 for FY 2006-07 (1/24/07, FY 2005-06 and FY 2006-07 Supplemental Recommendations per 1331 S-1B- Interim Funding for Child Find for the Division for Developmental Disabilities Pages 21-24). The appropriation was to serve per the CDE estimate of 1,500 children in that year at a cost of $600 to $800 per child. The Joint Budget Committee sponsored legislation to clarify the roles of the CDE and DHS and the appropriation is now in the CDE Long Bill.

CUSTODIAL FUNDS FOR EARLY INTERVENTION SERVICES

This line item is the result of Senate Bill 07-004 “Early Intervention Services Coordinated System of Payment” (Shaffer/Todd). This bill required the Department of Human Services, in conjunction with other public and private entities, to develop a coordinated system of payment for early intervention services for infants and toddlers with developmental disabilities and delays, consistent with the requirements of Part C of the federal Individuals with Disabilities Education Act (IDEA). It required insurance coverage of such services without co-payments or deductibles, or impact on annual or lifetime caps, up to a maximum annual liability of $5,725 for affected policies and services and required the Department of Health Care Policy and Financing to make associated adjustments to the Children's Basic Health Plan and the Medicaid program. It also authorized the Department of Human Services to receive and expend custodial funds from insurance companies for early intervention services. This new line item reflects, for informational purposes, the estimated $2.8 million in custodial funds the Department of Human Services expects to receive from insurance companies for provision of early intervention services to young children. This is based on estimated average insurance payments of $5,725 per child for 500 children.

The Department received $2,813,085 for this line item, including $4,505 for annualization of Senate Bill 07-004. which is consistent with the fiscal note for SB 07-004. No better estimates of revenue are available to-date. Funding in this line item was classified as cash funds exempt in FY 2007-08, but is classified as cash funds in FY 2008-09, pursuant to new funds classification policies. Because these amounts are custodial funds, they are exempt from limitations on state fiscal year spending imposed by Article X, Section XX of the State Constitution, and this will be reflected in the associated letter note. (FY 2008-09 Figure Setting, 3/5/08 Page 91). For FY 2009-10 the request is the same amount as FY 2008-09, $2,813,085.

FEDERALLY MATCHED LOCAL PROGRAM COSTS

This line item provides spending authority to enable locally generated funds for developmental disabilities services to draw down a federal Medicaid match. Federal regulations allow the use of public funds as the State's share in claiming federal financial participation if they meet certain conditions. One of these allowable conditions is when the contributing public agency certifies these funds as representing expenditures eligible for federal financial participation. The Community Centered Boards in Colorado receive public funds through mill levies and other distributions from cities and counties for the provision of services to persons with developmental disabilities. The federal Centers for Medicare and Medicaid Services (CMS) previously approved Colorado's certification process to use these public funds as the State's share of match for services provided or purchased by the CCBs for persons enrolled in the Medicaid waiver programs for persons with developmental disabilities, *e.g.*, comprehensive services, supported living services, children's extensive support and the targeted case management program. Prior to FY 2006-07, funding in this line item included adjustments to Medicaid rates for individuals, in addition to services for new individuals.

Beginning in FY 2006-07, pursuant to required Medicaid waiver program billing changes, all funding in this line item that increased amounts paid for individuals already enrolled in waiver programs was eliminated. This included a transfer of $15.2 million in expenditures to the Program Costs line item, at a cost of $7.6 million General Fund to the State and a further reduction of $5,424,038 that was previously spent in this line item in FY 2005-06, which has neither been transferred up to the Program Costs line item nor retained in this line item. It was assumed that half of this amount ($2,712,019 originating as federal funds) is no longer available for developmental disability expenditure, while the other half is presumably being spent by community centered boards on developmental disability services that do not receive federal match. This line provides spending authority to enable locally generated funds for DD services to draw down the federal Medicaid match. Beginning in FY 2006-07, with waiver changes being made in Adult Comprehensive Services, reductions were made in this program and the appropriation reduced to reflect current estimated needs.

Starting in FY 2006-07, the only payments made through this program were associated with the addition of new individuals into the waiver program at community centered board option. Should a CCB enroll additional individuals into the program it was understood that this created a long-term commitment and should the CCB not continue to receive these additional public funds the CCB would only be able to downsize through attrition and will not be allowed to terminate or cut existing services.

During FY 2007-08, federal authorities raised additional concerns about the flow of these locally certified funds and indicated that they were only willing to reflect these as locally certified amounts if the funds flowed directly from county governments to the State, rather than through the community centered boards

If the flow of funds cannot be adjusted consistent with federal requirement, the costs for the associated individuals will need to be absorbed by the General Fund-supported program. Two of the seven participating CCBs have already absorbed these individuals into their General Funded program. One CCB cannot make the federally required adjustment because their mill levy requires the funds go directly to them. The Department continues to negotiate with the remaining four CCBs. To the extent these expenditures have to be "absorbed", an additional $3.6 million (including $1.8 million General Fund) will NOT be available to serve individuals with developmental disabilities through the Medicaid program. In other words, this change offsets proposals to reduce the developmental disability waiting list through increased state support.

The appropriation was reduced to $2.0 million although the request was for a continuation level of $3,641,910. This continuation amount was based on FY 2006- 07 contracts and reflected funding associated with an estimated 103 individuals to the supported living services program and 39 individuals to the comprehensive waiver program who would not otherwise have access to Medicaid waiver services. This includes local match from 7 of the 20 CCBs, with the majority attributable to five Metro-Denver boards. In FY 2005-06, $24.3 million was expended in this line item. The majority of local funds generated and expended for services for people with disabilities are off budget. For FY 2006-07, CCB audits reflected $67.9 million from sources other than the General Fund or Medicaid revenues. In addition to client payments for room and board ($10.7 million, which is on-budget), and $15.1 million from "other" sources (which may include CCB-run businesses), this included $37.3 million from city and county governments and other public sources and $4.8 million from donations. However, significant local funds are not available in all regions of the State. Four of the 20 CCBs receive no city or county funds and, among those that do receive such funds, the amount varies widely (FY 2008-09 Figure Setting, 3/5/08 Pages 89-90).

In summary, the FY 2006-07 appropriation in HB 06-1385 was $24,281,838 (FY 2006-07 Figure Setting, 2/23/06 Pages 93-94) and was reduced to $12,234,307 in SB 07-165 (Page 32-38, 1/24/07, FY 2005-06 and FY 2006-07 Supplemental Recommendations per S-2 – General Fund Backfill for Local Funds Previously Used to Support DD Medicaid Waiver Program Services, submitted 1/2/07). In FY 2007-08 the Long Bill appropriation was $3,641,910, SB 07-239 (FY 2007-08 Figure Setting Pages 67-68 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $2,000,000 (FY 2008-09 Figure Setting, 3/5/08 Page 89-90) and the FY 2009-10 request is that same continuation amount.

PREVENTATIVE DENTAL HYGIENE

DDD contracts for the Preventive Dental Hygiene program through the Colorado Foundation of Dentistry for the Handicapped. This program is intended to improve the oral health of persons with developmental disabilities. The focus of this program is on teaching oral hygiene skills in order to prevent dental disease, and to find ways to assure early detection and treatment of dental problems. This program provides individuals with developmental disabilities with referrals to dentists for special treatments. In addition, this program provides persons with developmental disabilities who have no funds for dental treatment with dentists who are willing to donate their time.

This line item provides funding to assist the Colorado Foundation of Dentistry for the Handicapped in providing special dental services for approximately 1,200 persons with developmental disabilities. This program provides dental evaluation, intervention, and advocacy designed to provide comprehensive prevention of oral disease. Dental services for adults are an optional program under federal Medicaid law in which the state has opted not to participate. Medicaid eligible children may receive dental screening under the Early and Periodic, Screening, Diagnosis and Treatment (EPSDT) federal requirement, however, for FY 2008-09 the budget is $64,337, including $60,621 General Fund. This is calculated pursuant to common policy and includes the 1.5% community provider rate increase. Local funds amounts in this line item were previously classified as cash funds exempt, according to the new funds classification approach; they will now be identified as cash funds.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $62,449 (FY 2006-07 Figure Setting, 2/23/06 Page 94). In FY 2007-08 the Long Bill appropriation was $63,386, SB 07-239 (FY 2007-08 Figure Setting Page 68 3/14/07) with the increase based on that year's provider rate adjustments. The FY 2008-09 Long Bill HB 08-1375 appropriation was $64,337 with the increase based on that year's provider rate adjustments of 1.5% (FY 2008-09 Figure Setting, 3/5/08 Page 91) and the FY 2009-10 request is that same continuation amount.

(B) REGIONAL CENTERS FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

The role of the state operated Regional Centers (RCs) is to provide direct support for adults with developmental disabilities who have very significant needs and for whom adequate services and supports are not available in the CCB community system to safely meet their needs. Under the supervision of the Division for Developmental Disabilities, the state of Colorado operates three Regional Centers for adults with developmental disabilities: one in Grand Junction (GJRC), one in Pueblo (PRC), and one in Wheat Ridge (WRRC). Regional Centers serve adults in community group homes funded through the Home and Community-Based Services (HCBS) Medicaid Waiver (also called the Comprehensive Services Waiver) and in on-campus Intermediate Care Facilities for Persons with Mental Retardation (ICF-MR) Class IV facilities. In addition to group home and ICF-MR campus facilities, there are a limited number of nursing facility beds on the campus of the Grand Junction Regional Center (GJRC).

Regional Centers (RC) through Comprehensive Services for adults in the state-operated system are targeted to individuals who have the most intensive needs and cannot have their needs adequately met in the Community Centered Board system. RCs provide active treatment through a number of services including: 24-hour supervision, residential services, day programming, habilitation, medical, training and behavioral intervention, plus short-term emergency/crisis support to the community system. Based on their Individualized Plan, people are referred to the Regional Centers through Community Centered Boards from the Mental Health Institutes, the Department of Corrections, nursing facilities and the CCB community system including persons with high needs who are waiting for services. Included are:

- Individuals who have extremely high needs requiring very specialized professional medical support services – This population includes people with developmental disabilities who present with severe complex medical problems and are at high risk for deteriorating into life-threatening situations. These individuals will have complex medical issues, such as uncontrolled seizures, contractures, feeding tubes, tracheotomies, and need for complex oxygen support and other therapies.
- Individuals who have extremely high needs due to challenging behaviors – This population includes individuals with difficult behavioral challenges, such as those with severe self-injurious behaviors, aggression, property destruction, and suicidal tendencies; and dually diagnosed individuals with both a developmental disability and a psychiatric diagnosis, such as schizophrenia or bipolar disorder. This group may include individuals who are at risk of running away and would be a danger to them if this were to occur.

- Individuals who pose significant community safety risks to others and require a secure setting – This population includes individuals who have been convicted of a violent crime (assault; sex offense; other) and/or who are deemed to be at risk for committing such offenses and who will not accept or cooperate with the services necessary to provide for their safety or the safety of others. This population includes individuals who have been convicted, determined incompetent to proceed with their defense, or referred by the Community Centered Boards or Mental Health Institutes because they present significant safety risks. This population needs a secure, secluded setting including door and window alarms, security fencing, increased staff supervision and training, and other security support systems. Individuals with these types of behaviors are generally served in the on-campus ICF/MR facilities at GJRC and Kipling Village at WRRC.

The State operates facilities for individuals with developmental disabilities, using three methods of providing services: 1) Regional Centers operate residential and support services in congregate settings known as Intermediate Care Facilities for the persons with Mental Retardation (ICF/MR); 2) Regional Centers operate group homes that provide services to 4-8 people per home in a community setting (these services are sometimes referred to as "state-operated group homes") and 3) A skilled nursing facility at Grand Junction Regional Center. Many persons served by Regional Centers have multiple handicapping conditions, such as maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The Regional Centers work closely with the Community Centered Board (CCB) system, which provides community-operated services for persons with developmental disabilities. Traditionally, the Regional Centers have served persons with developmental disabilities where appropriate community programs are not available. They provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans.

Since April 2003, the RCs have used the following admissions criteria: (1) individuals who have extremely high needs requiring very specialized professional medical support services; (2) individuals who have extremely high needs due to challenging behaviors; and (3) individuals who pose significant community safety risks to others and require a secure setting.

Funding has recently been allocated through the budget process to address several issues.. The descriptions of these issues follow:

Staffing Change Requests at the Regional Centers

FY 2007-08 DI-1 Regional Centers for Persons with Developmental Disabilities Staffing Shortfall (Phase I)

The Department received FTE and associated funding for six months in FY 2007-08, annualizing in FY 2008-09, to begin to address a serious staffing shortfall at the Regional Centers. Over the past three years, the Regional Centers have been serving a more severe clientele largely due to new admissions criteria that were fully implemented in April 2003 and were established to meet the high demand for Regional Center services. These individuals require enhanced staffing for monitoring of safety and provision of necessary treatment. The Colorado Department of Public Health and Environment (CDPHE) identified the staffing pressures, associated with a more severe clientele, during requisite surveys of the facilities. All three centers were cited for inadequate staffing with plans of correction requiring additional staff. Continued certification by CDPHE and Medicaid funding for the programs were at risk if adequate staff was not obtained.

As a result of the above circumstances, the Department of Human Services undertook a comprehensive study of the staff of the Regional Centers. The Study included two models for staffing: minimum and appropriate. The minimum additional staff necessary to continue operating at current bed capacity (403) is 279.1 FTE. The number of FTE necessary to provide the services outlined in the Appropriate Model is 686.3. Given the very large number in the Appropriate Model, the Department pursued funding of the Minimum Model, with this being the first of a five-year request. Dividing the remaining FTE evenly over the four years after the request year would result in decision items of approximately 63 FTE per year.

The staffing study focused on the direct care staff of the facility, which account for 650.8 of 887.4 total FTE. The balance of 236.6 FTE are assigned to therapy and support positions in the agency. The identified need for 279.1 FTE for direct care did not attempt to address shortfalls in other programmatic areas.

The staffing study has evaluated the needs for all 403 clients, regardless of licensure. The majority of the Regional Center beds in the HCB-DD waiver (301 of 403 total beds), face numerous difficulties providing needed services to individuals in the waiver program due to CMS limitations on service staffing levels. The Department identified a preferred remedy to the licensure issues in the FY 2008-09 DI-6, which follows.

FY 2007-08 S-4A Regional Center High Needs Clients

The primary reason for the current person services shortfall is the growing intensity of clients at the regional centers, all with dual, mental health, or other multiple diagnoses. These clients have ongoing one-to-one or greater staff supervision needs and have also prompted CDPHE to require more intensive staffing in some homes.

- The RCs currently have 15 recent admissions requiring dedicated one-to-one or greater supervision. The Department calculates the additional associated hours as $2,162,917 and 55.6 FTE (without any additional adjustment for "coverage" ratios to address staff absences).
- FTE associated with CDPHE requirements to increase staff (associated with a suicide) are calculated to drive additional costs of $792,596 and 24.4 FTE (without "coverage" ratios). Together these two issues would be calculated to drive costs of $3.1 million and 80.0 FTE and nearly double this with "coverage" ratios. The Department's request for $1.7 million and 42.0 FTE was less than this due to RC efforts to control costs.

These efforts include, among other items:

  - Implementing a hiring freeze on non direct care staff;
  - Limiting the use of overtime; and
  - Shifting administrative and professional staff to direct care.

The savings from these and other measures are reflected in a shortfall projection of $2.0 million and the (even lower) projected need for $1.7 million for the balance of the year reflected in Supplemental - 4A Regional Center High Needs Clients, submitted February 20, 2008. Also included was a plan to manage funding and appropriations for the regional centers for FY 2008-09, a work group was assembled comprised of RC directors and other high level DHS administrators, OSPB staff, JBC staff, the Department of Health Care Policy and Financing, and a representative of the community and/or a family member of a person residing at the regional center. The work group would consider:

- What type of individuals the regional centers might be most appropriate in serving;
- Trend the increase in severity of those being served;
- Update and re-examine the staffing study in light of the evolving population;
- Consider the adequacy of facilities;
- Consider whether there should be a separate system for the dually diagnosed; and
- Identify the role of other agencies in caring for dually-diagnosed individuals; and

An add-on to HB 1375 Long Bill for FY 2007-08 (FY 2008-09 Figure Setting, 3/5/08 Pages20-21), added $1,337,293 total funds ($1,296,443 in Personal Services and $40,850 in Operating Expenses and 39.4 FTE in FY 2007-08. There was no further annualization for FY 2008-09 pending recommendations of the work group described previously.

It is anticipated that, over the next year, the Departments of Human Services and Health Care Policy and Financing will take steps to clarify statewide the appropriate profile for an individual served in an ICF/MR (either at a state-operated institution) or in the community. This will serve the dual benefit of ensuring that any further growth of ICFs/MR in the community will be appropriate. Nationally, the average cost per person served in a state operated institution was $400 per day in 2004.

FY 2007-08 S-4C Increased Spending Authority (Wheat Ridge and Grand Junction Regional Center)

The Department was approved to receive additional spending authority for the Wheat Ridge (WRRC) and Grand Junction Regional Centers (GJRC) to utilize funding made available through the Arapahoe County Department of Human Services and the Arapahoe Mental Health to provide targeted, short term services to a youth, under the age of eighteen years, placed first at Fort Logan and ultimately at GJRC. This allowed Wheat Ridge and Grand Junction Regional Center to collect and expend up to $135,695 of revenue generated through the above named sources. No additional funding was required from State sources.

The Department was requested to provide services to an individual in a crisis situation, who was 17 years, 8 months old. It is the Department’s responsibility to only provide services to adults (18 years and over). The youth referenced received services, in the family home, through the Children’s’ Extensive Support Waiver (CES) until November 2007. CES is a Waiver administered through the Department. As a result of extreme on-going psychiatric and behavioral issues (autism and mental illness,), which placed the youth and his family members in immediate jeopardy, the youth was hospitalized. After a course of in November and early December 2007 the youth was transferred to another location for continued psychiatric treatment. WRRC supplemented these treatments with developmental disability staff support on weekends. The youth was stabilized and discharged in late January 2008.

This individual, due to the physical danger posed to self and family members, could not return to the family home upon discharge. Extensive attempts were made to locate appropriate, community based residential services without success. It has been determined that no options, other than the services provided in a Regional Center operated through the Division for Developmental Disabilities could appropriately meet the needs of this youth at this time. Due to the individual's age (under 18 years) Medicaid funded services at a Regional Center will not be available until the youth turns 18 in late April 2008. Arapahoe County Human and Mental Heath Services were to fund services until the youth is eligible to receive adult Medicaid services and the appropriation, in the add-on to the Long Bill, HB 08-1375 as a one-time change, was approved (FY 2008-09 Figure Setting, 3/5/08 Pages 99 and 102).

FY 2008-09 DI-6 Regional Center ICF/MR Conversion and Year Two of the Staffing Study (Wheat Ridge)
The Department request was approved for funding and positions to provide necessary staff and operating to begin transition of the Regional Centers' group homes to certification under the Centers for Medicare & Medicaid Services (CMS) regulations for Intermediate Care Facilities for Persons with Mental Retardation (ICF/MR). This approved appropriation will begin to address compliance with Medicaid regulations and to assure the health, well being and safety of vulnerable residents at the Regional Centers. Currently, all but 102 of thee 403 RCs beds are certified under the Home and Community Based Services for persons with Developmental Disabilities (HCBS-DD) waiver. This would allow 20 of the 40 RCs waiver group homes to convert to ICF/MR certification during FY 2008-09. These 20 homes represent all of the waiver group homes at the Wheat Ridge Regional Center. The remaining homes at the Grand Junction and Pueblo Regional Centers would be requested as needed. Funding are requested for 6.7 months in FY 2008-09 will annualize to twelve months in FY 2009-10 and are part of the continuation request.

ICFs/MR are an entitlement component of the Medicaid State Plan. Payments for ICFs/MR are cost based, rather than reflecting fixed rates established by the State (the HCBS-DD model). ICFs/MR are not overseen by community centered boards or another case-management entity and must comply with different regulatory guidelines than HCBS-DD placements. One component of this is that ICFs/MR must provide 24-access to physician services, as well as active treatment services, while the HCBS-DD regulations require that such services be accessed from community providers. The Department seeks to:

- Limit the impact of federally required HCBS waiver system changes on the RCs. If RC beds are ICFs/MR, rather than HCBS group homes, they will not be affected by federal waiver requirements.
- Increase direct care staff, consistent with a previous Department five-year plans to increase staffing intensity at the Regional Centers. For FY 2008-09, all proposed increases would begin at Wheat Ridge.

As approved DI-6 will convert all HCBS waiver beds at the Wheat Ridge Regional Center to ICF/MR beds, effective FY 2008-09. Reimbursement rates for ICFs/MR are cost-based.

In summary, of the RC beds, 295 are certified under the Medicaid Home- and Community-based Services for persons with Developmental Disabilities (HCBS-DD) Comprehensive Waiver program. Funding is for direct care staff. and for therapists, doctors, and infrastructure that would enable all group homes at the Wheat Ridge Regional Center to be reclassified as ICF/MR. The Department proposes to convert all Grand Junction and Pueblo Regional Center beds to ICF/MR in future years. ICF/MR are an entitlement component of the Medicaid State Plan. Payments for ICF/MR are cost based, rather than reflecting fixed rates established by the State (the HCBS-DD model). ICFs/MR are not overseen by community centered boards or another case-management entity and must comply with different regulatory guidelines than HCBS-DD placements. ICFs/MR must provide 24-access to physician services, as well as active treatment services, while the HCBS-DD regulations require that such services be accessed from community providers.

Regional Center Wait Lists

Because the RCs have operated at capacity, a community centered board (CCB) with a consumer who it believe is more appropriate for a Regional Center placement must remove a client from a RC in order to move a new client into placement. There are currently 79 persons waiting for regional center placement including 41 waiting for ICF/MR placement and 38 waiting for waiver services. Of these, 44 are waiting from CCBs, with the balance waiting from the Department of Corrections or the Mental Health Institutes.

Impact of Federal Medicaid Waiver Changes

The regional center budgets for FY 2008-09 are affected by the changes to developmental disability wavier programs being required by federal authorities, since the majority of RC beds are operated under the HCBS-DD Waiver program that supports most community-based residential services. The Department has indicated that it presently expect that most regional center residents will qualify for "tier 7" placements under the new rate structure, based on their Supports Intensity Scale results. "Tier 7" placement rates fall outside of the regular rate structure and will be funded based on individual need., The Department intends to focus Regional Center services on the highest needs clients and thus this small number of clients will be gradually moved out of their RC placements and into community placements.

Client Cash

Client cash revenue for the Regional Centers is derived from three sources: (1) room and board for waiver clients; (2) Post Eligibility Treatment of Income (PETI) from waiver clients; and (3) patient pay from ICF/MR clients. Room and Board rates reflect SSI federal allocations less $61 dollars per month (including 2007 increase) for personal spending. PETI income is from waiver clients who do not qualify for SSI. To maintain eligibility for the Medicaid waiver program, they must turn over excess income to offset their Medicaid cost of care. The amount from an individual patient can vary from $1 to $1,101 per month and varies based on patient mix. Patient pay from ICF/MR clients is from ICF/MR clients who receive benefits and/or earn wages. Such clients are permitted to keep personal spending money. Benefits above this and/or excess wages must be paid to the State. (Excess wages are calculated as ½ of the amount earned over $65). Currently the amount from an individual patient can vary from $0 to $979 per month. Like PETI, this amount is subject to change depending upon the patient mix.

Updated estimates of the client cash level for FY 2008-09 are included in the appropriation in HB 08-1375 with an adjustment to increase cash funding by $55,270 and decrease Medicaid funding by the same amount.

The major portions of costs associated with the Regional Center are appropriated in several line items in two groups of the Long Bill, Medicaid Funded Services and Other Program Costs. Additionally, costs associated with Regional Center physical plant maintenance and housekeeping, among other components, are centrally appropriated in the Office of Operations, and other indirect amounts are charged to the Executive Director's Office and the Office of Information Technology Services. The following describe the line items in the two groups in the Long Bill.

(1) MEDICAID FUNDED SERVICES

PERSONAL SERVICES

In FY 2007-08 DI -1 was approved increasing staffing for half of the year by 14.5 FTE and $479,556. This was annualized by adding another 14.5 FTE and $479,556 for FY 2008-09. This was the first part of a five-year plan that was to bring the Regional Centers to a minimum necessary staffing ratio. In accordance with the Executive Budget Instructions, the FY 2008-09 Request was based on the continuation of the FY 2007-08 base personal services appropriation, annualization of DI -1 for increasing staffing to meet appropriate ratios of clients to staff, plus salary survey and 80% of the achievement pay for FY 2007-08 that is base building.

Over the past four years RCs have been admitting individuals with the most severe clinical and behavioral needs. Adequate staffing had already been identified as a problem and, as a result, in 2006, the Department did a comprehensive study of the staff of the three RCs to determine the appropriate level necessary to provide services to individuals with severe medical, behavioral, and psychiatric needs. The study identified the need for one staff person for every three clients 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. The study also included an allotment of staff for community outings.

The Department previously submitted decision items for FY 2007-08 and FY 2008-09 to fund staff, based on this staffing study, over a five-year time frame. The Department also plans to prepare an update of the study during the summer of 2008. However the long term impact of the clients admitted over the past nine months have driven overtime and staffing needs beyond the appropriation, and the RCs require fiscal relief prior to the update of the study. Further, more recently the Department of Public Health and Environment (CDPHE) has required increased staffing related to a suicide.

The study did not anticipate the influx of the current population that requires ongoing, one-on-one or other enhanced staffing. Staffing was increased through a supplemental appropriation in FY 2007-08 to accommodate the new high-risk admissions, but it was expected that the staffing would decrease as those admissions stabilized. It has become apparent that stabilization was a longer process and the RC staffing appropriation was inadequate to meet these new needs. A more detailed description of each of the change requests and their impacts was provided in the description of the long bill group issues. Change requests (previously described) were approved to increase staffing both for high needs clients (S-4A and S-4C) and to begin the conversion of the Regional Centers to ICF/MR waivers (DI-6) beginning with the Wheat Ridge Regional Center beginning in FY 08-09.

In summary the FY 2006-07 appropriation in HB 06-1385 was $40,117,878 with 887.4 FTE (FY 2006-07 Figure Setting, 2/23/06 Page 100-103), which included increases over the previous year for salary survey, a reduction for vacancy savings and adjustments for SSI, funding categories and for medical inflation. In SB 06-165 $237,870 was added for S-1A Providing Physician Services to individuals served at the Regional Center, bringing the appropriation to $40,355,748 with the same number of FTEs 887.4 as the services were identified as contracted services. There was a base reduction for SB 06-219 the HCPF Reorganization of $29,024 to provide funding for a new position in the Adult Aging Program for Home Care Allowance and Adult Foster Care Administration bringing the total appropriation for FY 2006-07 to $40.326,724 and 887.4 FTE. In FY 2007-08 the Long Bill appropriation was $41,781,411 with 901.9 FTE in SB 07-239 (FY 2007-08 Figure Setting Pages 72-83 3/14/07). Added were salary survey increases, medical inflation, adjustments to client cash and DI-1 for 14.5 FTE. There was also a reduction for the General Fund Physician Services that were moved to a separate line item. The FY 2008-09 Long Bill HB 08-1375 appropriation was $45,597,117 with 955.3 FTE with over $1.9 M added for Salary Survey and Achievement Pay, the annualization of DI-1 for 14.5 FTE and the increase of 38.9 FTE and $1.3 M for the DI-6 conversion of WRRC to ICF/MR (Staff Comeback Memo 3/13/08 pages 6-14). The FY 2009-10 request is a continuation amount including salary and achievement pay increases, annualization of FY 2008-09 DI-6 for ICF/MR Conversion at Wheat Ridge Regional Center plus funding and 39.4 FTE for high needs clients staffing at the Regional Centers. This increases the request by $1,342,368 for DI-1 Regional Centers High Needs Clients, with a total request of $50,317,708 and 1025.5 FTE.

OPERATING EXPENSES

Operating expenses for the Regional Centers include services and supplies for operating the three centers. They are normally increased by Medical and or Food inflation factors that allows for minimum level of growth. In the last few years, due to the severity of clients and transportation increases in the program, staff has attempted to provide appropriate operating items at minimal increases to the program. In FY 2006-07, there were increases for fuel, medical and food inflation that totaled $32,877. In FY 2007-08, only medical inflation adjustments were made for $15,828 and in FY 2008-09 there were no inflation increases. The Operating expenses request for FY 2008-09 includes the annualization/reduction of one-time costs related to FY 2007-08 DI-1, a reduction of $2,170 and an additional $321,633 in FY 2008-09 DI-6 for items that are part of allowable costs for the ICF/MR waiver. The FY 2008-09 appropriation in the Long Bill is $2,550,164. The FY 2009-10 request annualizes as an increase of $213,787 for durable medical equipment less $9,998 in one-time operating expenses for DI-6 ICF/MR Conversion. These amounts include personal-services-related operating costs (e.g., supplies, computers, telephone) and adaptive equipment, medical supplies, and disposable briefs previously billed through the Medicaid State Plan that are to be billed by the Wheat Ridge Regional Center as a result of conversion to ICF/MR status. The increase is offset by a related decrease for Medicaid Premiums budget in the Department of Health Care Policy and Financing (Staff Comeback Memo 3/13/08 pages 6-14). The FY 2009-10 continuation request is for $2,753,953. To this are added several decision items bringing the total FY 2009-10 request to $2,944,948 (details follow).

In summary the FY 2006-07 appropriation in HB 06-1385 was $2,198,203 (FY 2006-07 Figure Setting, 2/23/06 Page 103), which included $12,967 for 2.1% food inflation and $6,816 for 2.05% medical inflation and $13,094 for a fuel adjustment. In FY 2007-08 the Long Bill appropriation was $2,230,701 (FY 2007-08 Figure Setting Pages 83-84 3/14/07) with a medical inflation increase of $15,828 and an increase of $16,670 for DI-1 in SB 07-239. The FY 2008-09 Long Bill HB 08-1375 appropriation was $2,550,164 (Staff Comeback Memo 3/13/08 pages 6-14) and the FY 2009-10 request is a continuation amount $2,753,953 plus DI-1 Regional Center High Needs Clients (40,850), DI-17 Inflationary Increases for DHS Residential Programs ($65,162), and two common policy decision items NP-1 State Fleet Variable Costs ($83,987) and NP-2 Postage Increase and Mail Equipment Upgrade ($996) for a total of $2,944,948.

CAPITAL OUTLAY – PATIENT NEEDS

This line item 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. The appropriation was $80,249 (FY 2008-09 Figure Setting, 3/5/08 Page 117) in the Long Bill (HB 00-1451) for FY 2000-01 and has not changed over the last nine years. The FY 2009-10 request is for a continuation amount of $80,249 plus an increase of $164,250 for DI –5 Direct Care Capital Outlay for Regional Centers, Mental Health Institutes and Facilities Management and Facilities Management Operating Increase.

In summary the FY 2006-07 appropriation in HB 06-1385 was $80,249 (FY 2006-07 Figure Setting, 2/23/06 Page 103). In FY 2007-08 the Long Bill appropriation was $80,249, SB 07-239 (FY 2007-08 Figure Setting Page 84 3/14/07). The FY 2008-09 Long Bill, HB 08-1375 appropriation was $80,249 (FY 2008-09 Figure Setting, 3/5/08 Page 117) and the FY 2009-10 request is $244,499.

LEASE SPACE

Leased space funds are generally requested for group homes operated by the Regional Centers. At the Pueblo Regional Center (PRC), leased space is for PRC administration at Pueblo West. The Pueblo Regional Center building also contains the maintenance shop and an area for program service delivery to some persons residing there. For the Wheat Ridge Regional Center, leased space is for residential houses for residents living off-campus. The request is for a continuing appropriation of $200,209.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $200,209 (FY 2006-07 Figure Setting, 2/23/06 Page 103). In FY 2007-08 the Long Bill appropriation was $200,209, SB 07-239 (FY 2007-08 Figure Setting Page 84 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $200,209 (FY 2008-09 Figure Setting, 3/5/08 Page 118) and the FY 2009-10 request is that same continuation amount.

RESIDENTIAL INCENTIVE ALLOWANCE

This provides funding for payments to persons residing at the Regional Centers for services provided to the institution. Some areas where residents work are washing vehicles at the garage, food preparation and food service, janitorial services in non-residential areas, etc. These programs are in addition to the formal active treatment program for each resident. The appropriation was $138,176 in the Long Bill (HB 00-1451) for FY 2000-01. Expenditures are requested at the same continuation level of $138,176. .

In summary, the FY 2006-07 appropriation in HB 06-1385 was $138,176 (FY 2006-07 Figure Setting, 2/23/06 Page 103). In FY 2007-08, the Long Bill appropriation was $138,176, SB 07-239 (FY 2007-08 Figure Setting Page 84 3/14/07). The FY 2008-09 Long Bill HB 08-1375, appropriation was $138,176 (FY 2008-09 Figure Setting, 3/5/08 Page 118) and the FY 2009-10 request is that same continuation amount.

PURCHASE OF SERVICES

This line item provides funding for the purchase of contractual services such as security and laundry, as well as various maintenance agreements at the three RCs. Contracts included are:

- Pueblo Regional Center: A contract between the Colorado Mental Health Institute at Pueblo and the Pueblo Regional Center to provide laundry services, vehicle maintenance, and medical services.
- Wheat Ridge Regional Center: A contract for laundry services.
- Grand Junction Regional Center: Various medical contracts, telephone maintenance contract, lawn maintenance contract, and a contract for pest control.

The appropriation was $262,112 in the Long Bill (HB 00-1451) for FY 2000-01.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $262,661 with an adjustment for inflation of $219 (FY 2006-07 Figure Setting, 2/23/06 Page 103-104). In FY 2007-08, the Long Bill appropriation was $263,291, SB 07-239 (FY 2007-08 Figure Setting Pages 84-85 3/14/07) with an adjustment for medical inflation of $630. The FY 2008-09 Long Bill HB 08-1375 appropriation was $263,291 (FY 2008-09 Figure Setting, 3/5/08 Page 118) and the FY 2009-10 request is that same continuation amount $263,291.

(2) OTHER PROGRAM COSTS

GENERAL FUND PHYSICIAN SERVICES

The Department of Human Services requested 1.5 FTE and sufficient General Fund to provide physician services at Wheat Ridge Regional Center and Grand Junction Regional Center in FY 2006-07 in a 1331 S-1A – General Fund for Physician Services at the Regional Centers (1/24/07 Pages 20-21 FY 2005-06 and FY 2006-07 Supplemental Recommendation). In the past, Regional Centers were able to pay for physician and mental health services through the Comprehensive Services waiver, but currently these services must be accessed through the Medicaid State Plan. Through its evaluation of the Comprehensive Services waiver, CMS (the federal Centers for Medicare and Medicaid Services) indicated it would not approve renewal of the waiver unless the State ensured that all waiver services available through the State Plan be accessed from the State Plan. The primary reasons provided by CMS for these changes are: 1) to ensure that individuals in waiver services operated by the RCs have a "choice" of medical providers and are not simply required to use physicians hired by the regional centers; and 2) to ensure that waiver services represent services that are not available in the State Plan.

The Regional Centers was unable to secure physician services for the individuals. Despite significant effort on the part of the Regional Center Medical Directors as well as other staff, the Regional Centers were unable to find physicians that are willing to accept new Medicaid clients. As a result of the need for more Medicaid providers, the Department requested General Fund and FTE to secure physician services and took steps to pursue ICF/MR licensure where appropriate to protect the health and safety of individuals receiving services.

The initial appropriation was included in the Regional Centers – Personal Services and Operating Expenses lines. At the close of FY 2006-07, it was found that there were accounting issues in combining these two lines because of the way the accounting system was programmed. Consequently, the line was separated in FY 2007-08 with the appropriation unchanged, but FTE increased by 1.5 to allow for full-time or part-time employees to be hired as contracting for services had not been successful (FY 2007-08 Figure Setting Pages 73, 81-82 3/14/07), but still in the same long bill group. In FY 2007-08, these same accounting issues with system programming continued and the appropriation was moved to its own Long Bill Group in FY 2008-09, which should eliminate accounting issues between Medicaid Cash Funds and General Fund.

Physician services are not allowable expenses under the current Medicaid Waiver for Comprehensive Services and thus need to be appropriated with General Funds. For FY 2008-09, the Physician Services of $244,460 (which are allowed in the ICF/MR waiver) were reduced in the General Fund program to $155,127 through DI-6 (ICF/MR conversion) in HB 08-1375 and provided for 6.7 months of these costs in Medicaid–funded Services - Personal Services. To these costs were added common policy adjustments for salary survey ($2,598), performance pay ($951) and a full year reduction for the physician at Wheat Ridge Regional Center ($70,667) reducing the FY 2009-10 request to $88,009 (Staff Comeback Memo 3/13/08 pages 6-14).

ICF/MR ADAPTATIONS

This line was first funded in the FY 2008-09 DI-6 (ICF/MR conversion) to make changes in the leased facilities, where clients have been living under the Comprehensive Waiver for Home and Community Based Services in the Regional Centers. In converting clients in 20 houses from licensed in the Waiver program to being licensed as Intermediate Care Facilities for persons with Mental Retardation, these homes will need to install sprinklers for health and safety requirements but other changes may also be necessary. The costs must be General Fund as revamping the homes to meet ICF/MR standards is not eligible for Medicaid reimbursement (Staff Comeback Memo 3/13/08 pages 6-14). The costs ($240,000) are one-time and there is no request for FY 2009-10.

(D) WORK THERAPY

PROGRAM COSTS

The Work Therapy Cash Fund supports sheltered workshop programs for training and employment of persons receiving services at the Colorado Mental Health Institute at Fort Logan and the Regional Centers located at Grand Junction, Pueblo and Wheat Ridge. Revenue is derived from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing, which may be performed by persons receiving services from these programs. These individuals are paid from funds received in proportion to the work performed.

The program serves over 300 persons residing at the three regional centers and at the Fort Logan Mental Health Institute. Historically, 55% of the spending authority was allocated to Fort Logan, with the balance going to the regional centers. In FY 2005-06, the balance was shifted to give the Regional Centers over 65% of the spending authority, as Fort Logan was not using the program at the level allocated. The FY 2008-09 continuation level of funding was appropriated with a minor personal services adjustment. Of the $464,589 appropriation amount, $93,827 is for personal services and $370,762 is for operating costs. All amounts previously reflected as "cash funds exempt" were shifted into the cash funds category, as there is no evidence that any of the program activities derive revenue from other state agencies.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $464,900 (FY 2006-07 Figure Setting, 2/23/06 Page 114). In FY 2007-08, the Long Bill appropriation was $464,589, SB 07-239 (FY 2007-08 Figure Setting Pages 93-94 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $464,589 (FY 2008-09 Figure Setting, 3/5/08 Pages 121-122) and the FY 2009-10 request is that same continuation amount.

(D) DIVISION OF VOCATIONAL REHABILITATION

REHABILITATION PROGRAMS- GENERAL FUND MATCH

These line items include personal services, operating expenses, customer services, in-service training and purchased services for Rehabilitation Services offices.

The Division provides employment training and other necessary vocational-related services including job placement services for eligible people with disabilities. The two Rehabilitation Program line items fund purchased consumer vocational rehabilitation services, direct consumer services provided by DVR staff, personal services and operating costs. Consumers receive assistance at one of 19 field offices. The offices are strategically located throughout Colorado based upon population concentrations and geographic characteristics. In addition, vocational rehabilitation (VR) counselors regularly travel to various locations to meet the needs of DVR's diverse consumers. The VR Counselors assist people with disabilities to develop job goals and employment plans to achieve their goals. First, the VR Counselor must determine if a person with a disability is eligible for vocational rehabilitation services. The Federal Rehabilitation Act criteria include the following requirements: An individual must have a physical or mental impairment that constitutes or results in a substantial impediment to employment for him or her. Eligible individuals must intend to obtain employment, and be presumed to benefit from DVR assistance in terms of obtaining employment.

After eligibility is determined, a VR Counselor and the consumer jointly develop an employment plan. The plan explains the employment goal, the vocational rehabilitation services necessary, the obligations of DVR and the consumer to reach the goal, and the responsibilities for paying for vocational rehabilitation services. The VR Counselor provides counseling and guidance, job skills development and job placement services, and arranges for a variety of vocational rehabilitation services including assessments, training, , medical restoration, and more. Counseling, guidance, and purchased vocational rehabilitation services enable consumers to address the functional limitations caused by their disability so that they can become successfully employed.

The Division of Vocational Rehabilitation assists people whose disabilities result in barriers to employment or independent living to attain or maintain employment and to live independently. The Division has field and satellite offices in 43 locations throughout the State, where rehabilitation counselors work with clients to assess needs and identify appropriate services. For rehabilitation programs, the federal government provides reimbursement for 78.7% of eligible expenditures up to the total annual federal grant for the State. In Colorado, the match for these expenditures includes General Fund (Rehabilitation Programs - General Fund Match) and local government funds, primarily from school districts (Rehabilitation Programs - Local Funds Match). The Division also administers federal and state grants to assist individuals with disabilities to live independently, including grants to independent living centers throughout Colorado and grants for programs that assist older blind individuals. Two major issues are currently confronting the Division: limits on the availability of federal funds for vocational rehabilitation programs and steady increases in the cost of purchased services and goods.. Each of these issues is reviewed below.

Each annual federal grant received may be expended over a two-year period. If it does not appear that the State will be fully able to use its grant, the funds are redistributed to other states via a reallocation process; similarly, if the State needs additional federal funds, it may apply for a reallocation share. The State is applying for more than $4 million in reallocated funds for FY 2008-09. However, it also applied for such a reallocation for FFY 2007-08 and received almost none of the request. Thus, there is no guarantee that Colorado will receive a significant reallocation. The annual federal allocation in FY 2007-08 was $5.5 million below the annual state appropriation of federal rehabilitation funds, and a similar gap is projected in future years.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $23,459,836 with 224.7 FTE (FY 2006-07 Figure Setting, 2/23/06 Page 115-119) including $319,479 for salary survey, vacancy savings of ($22,866), medical inflation of $11,986 and a COLA for providers of $72,570. In FY 2007-08, the Long Bill appropriation was $23,712,393 with 224.7 FTE , SB 07-239 (FY 2007-08 Figure Setting Pages 95-97 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $19,409,647 with 224.7 FTE (FY 2008-09 Figure Setting, 3/5/08 Pages 122-128).Changes included salary survey of $376,032, performance pay of $125,156, the provider cost of living adjustment for services of $22,672, vacancy savings of ($131,770) and a one time reduction in General Fund $1,000,000 and matching federal funds of $3,694,836 by replacing the GF with deferred revenue and switching the services to be funded in FY 2008-09 from the

General Fund Program to the Local Funds Match program. The FY 2009-10 request a is the continuation amount with common policy adjustments and adds the one time $1,000,000 GF and $3,694,83 federal match reduced in FY 2008-09 back to this program's base budget ($24,835,064). Additionally, there are two common policy decision items NP-1 State Fleet Variable Costs ($9,003) and NP-2 Postage Increase and Mail Equipment Upgrade ($6,307) for a total of $24,850,374..

REHABILITATION PROGRAMS – LOCAL FUNDS MATCH

This includes funds from one major source, local school districts, for the purpose of operating the School to Work Alliance Program (SWAP), and other sources including transfer funds from other state entities, local government match funds, grants and donations from private entities.

For many years, the Department was not able to draw down the full federal rehabilitation grant available. This was partly due to having insufficient matching funds and partly due to not being able to spend the funds available on a timely basis due to insufficient FTE. As a result, the Department gave up portions of its federal allocation to the national redistribution process. $5.0 million in FFY 2001-02, $5.0 million in FFY 2002-03, $4.0 million in FFY 2003-04, $3.7 million in FFY 2004-05, and $1.5 million in FFY 2005-06 reduced the Division's award. The State's inability to fully draw down its federal allocation, and the subsequent reversal of this trend, was tied in part to an FY 2004-05 rehabilitation programs appropriations cut of $1.2 million General Fund (and matching $5.6 million federal funds). A subsequent restoration starting the last quarter of FY 2005-06 that annualized to $1.8 million General Fund per year and enabled the State to draw down an additional $6.7 million federal fund. Federal funds may not, it now appears, be routinely available at this level for the next 2 to 3 fiscal years.

D*eferred Revenue*

The majority of deferred revenue reflects receipts from the Department of Education on behalf of school districts for the School to Work Alliance Program. The funds represent local match that will be recognized as revenue and can be spent on program operations. As of the close of FY 2005-06, the Department reported a total of $1,685,154 in deferred cash revenue remained on the Division of Vocational Rehabilitation's books. At the close of FY 2006-07, the deferred revenue balance was $2,034,483. The Department's balance was $1,097,000 for FY 2007-08. In FY 2008-2009, the Department expects to receive $4.5 million in revenue and spend $5.5 million, (including $1 million of deferred revenue). At the end of FY 2008-2009 the Department expects the balance in this account to be $0.

The Department has eliminated a number of third party contracts for the current fiscal year, as there are limited federal funds to match. A portion of the Department's deferred revenue, $1,000,000, has been appropriated in FY 2008-09 on a one-time basis to substitute for General Fund that would otherwise be required (see General Fund program appropriation)**.**

The Department requested in the FY 2008-09 Figure Setting process that the deferred revenue be held to address the Department's anticipated needs with respect to its case management computer system (RISE), which was initially funded with federal social security reimbursements but which has faced ongoing development problems.

DVR Case Management Software System

The Department issued an RFP for this case management software system in early FY 2004-05, intending to fund it entirely through off-budget federal funds. A contract was signed with a vendor (HCL America) in March 2005. The system was expected to replace a 1980s system that is required to comply with federal reporting requirements. The Department has now terminated the contract with HCL America and identified an off-the-shelf product that will more accurately fit the needs of the Division and its reporting requirements. The Department has used Social Security Reimbursements to fund the program since 2004-05, but has targeted deferred revenue as a source of funding (Cash Funds) for completion of the project. However, since no deferred revenue is expected to be available in FY 2008-2009, the Department will wait to complete this project until funds are available and not needed for the general operation of the program.

FY 2006-07 S/BA-12 Migrant and Seasonal Workers Grant

The Department was awarded a five-year grant to work with migrant workers. The grant matches $20,000 in deferred revenue (CF) with $180,000 in federal funds for a 90% federal match. Although the Department had received this federal funding in the past, another organization was providing the matching funds. As this organization could no longer provide the match it was approved to use deferred revenue for the match as the program enables DVR to serve clients in many parts of the state who would otherwise be unserved (FY 2007-08 Figure Setting Page 99 3/14/07). The grant continues through FY 2010-11.

FY 2007-08 GBA -3 (Governor's Budget Amendment) - Uses of Deferred Revenue

The Division of Vocational Rehabilitation (DVR) transferred 9.0 FTE from the Department of Local Affairs (DOLA, in order to maintain the Disability Program Navigator (DPN) Program in Colorado. This was necessary due to an unforeseen circumstance. This program has twenty positions that are located throughout the State and are housed in Workforce Centers (WFC). Their role is to act as facilitators to ensure collaboration and coordination between Workforce Center staff and DVR staff, and to increase the positive perception that people with disabilities are individuals that have abilities, who want to and can work, and can be and should be included in the trainings and other offerings available to all customers of the Workforce Centers. The program was funded as a pilot project initially, and for the last 6 years as a full-scale project by the US Department of Labor partially in the Colorado Department of Local Affairs (CDOLA) and partially in counties. The US Department of Labor did not have sufficient funding to continue funding Colorado. A transfer of the FTE from CDOLA to CDHS, and using the Rehabilitation Programs- Local Funds Match – Cash Funds Exempt line matched with Federal vocational rehabilitation funds, provides continued funding for Disability Program Navigators. The division manages this program and was receiving local match from the Colorado Department of Labor and Employment (CDLE) to continue these programs at the Workforce Centers.

FY 2008-09 1331 Supplemental – Disability Program Navigator, September 22, 2008

During the last few months CDLE was able to come to an agreement with the US Department of Labor to once again provide sufficient funding for the DPN program in Colorado. CDLE presented an Emergency Supplemental in September that requests authority to spend the federal funds they will again be receiving and to have the 9.0 FTE transferred back to CDLE. CDHS will provide a companion request. CDHS will continue to support the 9.0 FTE through October 1, 2008 at which point they will become part of CDLE. The supplemental was approved September 22, 2008. Decision Item NP-6 Disability Program Navigators annualizes these costs and FTE (see below).

In summary the FY 2006-07 appropriation in HB 06-1385 are $22,944,652 and 18.0 (FY 2006-07 Figure Setting, 2/23/06 Page 119-132). Changes included $13,219 for salary survey, a reduction of ($870) for vacancy savings, medical inflation of $43,889, community provider COLA of $421,640, $891,936 and 6.0 FTE for BA-8B (DVR and Division for Developmental Disabilities Pilot Project submitted 1/2/06, BA 10-B (DVR/Denver Homeless Pilot submitted 1/2/06 $159,635 and 1.0 FTE, DI-8 Order of Selection waiting list 2.0 FTE $210,807 and the annualization of FY 2005-06 S-13 Vocational Rehabilitation – Rehabilitation Programs – Local Funds Match increasing the program by $226,692 and a further adjustment of $299,186 recommended for the same purpose, matching federal dollars with local dollars, recommended by the Joint Budget Committee Staff. In SB 07-165 the 2006-07 S/BA-12 Migrant and Seasonal Workers Grant was approved and $200,000 was added to the budget on a continuation basis as the grant is for five-years. In FY 2007-08 the Long Bill appropriation was $24,571,732 with 27.0 FTE, SB 07-239 (FY 2007-08 Figure Setting Pages 97-106 3/14/07). For FY 2007-08 the changes were increases in salary survey of $13,548 and personal service reductions of $4,615, medical inflation of $55,309, community provider cost of living adjustments of $317,750 and annualization s of DI 8B, BA 10B and DI-8 that reduced the budget by $55,475. GBA-3 increased the program by $1,180,000 and 9.0 FTE The FY 2008-09 Long Bill HB 08-1375 appropriation was $29,314,972 with 27.0 FTE (FY 2008-09 Figure Setting, 3/5/08 Pages 129-133). In addition to $4,694,836 for changing services provided from the General Fund to deferred revenue, there were additions for salary survey $31,889, pay for performance of $10,519, COLA for community providers of $266,587 and reductions for vacancy savings of ($11,591) and one time costs for GBA-3 of $249,000). The FY 2009-10 request is that same continuation amount with common policy adjustments and a reversal of the deferred revenue funding and federal funding match that was allocated in FY 2008-09 as a one-time adjustment. Additionally, there are two common policy decision items NP-1 State Fleet Variable Costs ($944) and NP-2 Postage Increase and Mail Equipment Upgrade ($634) and the transfer of 9.0 FTE to the Department of Labor and Employment through decision item NP-6 Disability Program Navigators reducing the request by $931,000 for the full year impact. These 9 positions will be federally funded in that program. These changes bring the request to a total of $23,751,404 for FY 2009-10.

BUSINESS ENTERPRISE PROGRAM FOR PEOPLE WHO ARE BLIND

Federal law designates the Division of Vocational Rehabilitation as the State Licensing Agency (SLA) responsible for the administration of the Federal Randolph-Sheppard Vending Facility Program. The federal act authorizes blind persons licensed under the provisions of the act to operate vending facilities on any federal property. The State law, referred to as the mini Randolph-Sheppard Act, applies to the State of Colorado buildings and facilities (i.e. state government buildings located along Sherman Street in downtown Denver). The federal and state laws give priority to legally blind individuals to operate and manage vending services in these federal and state government office buildings and facilities. This employment program places these business people in the management of vending services in federal, state, and local government office buildings as well as military installations and privately owned facilities. The vending services encompass large cafeterias, small cafeterias, snack bars, convenience stores, vending machine units, copy machines, and coin operated laundry machines.

The Business Enterprise Program assists blind or visually impaired individuals in operating vending and food service businesses in approximately 45 state and federal buildings. There are no General Fund dollars associated with this program. In addition to federal funds, money from the Business Enterprise Cash Fund (vendor assessments) supports the program. The program is the result of the federal Randolph-Sheppard Vending Facility Program (34 C.F.R. 395.3 (11) (iv), and associated state law at Section 26-8.5-100, C.R.S., which give priority to blind and visually impaired individuals who wish to operate and manage food and vending services in federal and state government office buildings and facilities. The program is responsible for initial merchandise and supply inventory, purchasing and maintaining equipment, and providing technical support to vendors. After initial set-up is established, managers operate the facility with revenue from food sales. All operators pay a certain percentage of their profits (up to 13%) to support the program. These assessments are deposited into the Business Enterprise Cash Fund that, in combination with matching federal funds, support equipment maintenance and repair, operator benefits (i.e., health insurance, IRA, vacation pay, etc.), and site improvement and new development. The federal government matches most expenditure associated with the program at a 78.7% rate.
All amounts identified in past years as cash funds exempt from reserves are classified as cash funds under the new fund classification approach effective in FY 2008-09.

Decision Items were approved for one-time BEP site improvements to the state wide BEP program beginning in FY 2006-07.

FY 2006-07 DI -20 BEP site development included the following projects and 1.0 FTE to manage the projects and begin the State Park vending route project.

Facility	**Project Estimate***	**Project Description**
U.S. Postal Services - Bulk Mail Facility	$39,000	Equipment replacement
Colorado State Park System	$259,755	Build up state park vending route.
National Oceanic and Atmospheric Research Administration	$22,000	Coffee cart
Colorado Department of Health	$30,000	Remodel for hot and cold food service
US Postal Service-General Mail Facility (Colorado Springs)	$30,000	Computerized vending
Colorado State Rest Areas	$338,245	With CDOT additional locations
Federal Aviation Administration (Longmont)	$30,000	Remodel and upgrade
National Institute of Standards and Technology –NIST	$40,000	Equipment replacement
Centennial Building – 1313 Sherman	$60,000	Complete remodel
Total	$849,000	

FY 2007-08 DI -20 Site development and improvements included the following projects:

Facility	Project Estimate*	Project Description
Northcom cafeteria	$71,630	Build out, equipment update
New customs convenience	$27,819	Equipment Update and paint
Byron Rogers convenience	$27,030	Equipment Update
General Mail Facility Colorado Springs	$57,691	Equipment replacement
Pueblo Hospital	$84,332	Equipment Replacement and Remodel
Aerospace Data Facility	$112,000	Build out training cafeteria
Centralized Integrated Services Facility	$80,110	Install a hood and equipment to increase menu
National American Aerospace Defense	$5,000	Update counters
Space Command	$5,200	Update counters.
Tricare Management Association	$15,210	Add new serving counter, equipment for self serve foods, increase electricity
State Rest Areas	$493,000	Build up entire state rest area vending route
Program Operated	$65,300	Program Facilities
National Oceanic & Atmospheric Admin.	$30,000	Equipment & infrastructure replacement
National Business Center	$25,000	Equipment Update
CO Health Dept.	$45,000	Equipment replacement and remodel
Total	$1,047,322	

In summary the FY 2006-07 appropriation in HB 06-1385 was $1,771,875 with 6.0 FTE (FY 2006-07 Figure Setting, 2/23/06 Pages 132-136). In FY 2007-08 the Long Bill appropriation was $1,972,915 with 6.0 FTE, SB 07-239. Both of the Decision Items approved were one-time projects except for the 1.0 FTE added in FY 2006-07 and continuing in the following years. Common Policy adjustments were made in each year of the appropriations for salary survey, pay for performance and any other appropriate changes (FY 2007-08 Figure Setting Pages 107-111, 3/14/07. The FY 2008-09 Long Bill HB 08-1375 appropriation was $943,822 with 6.0 FTE (FY 2008-09 Figure Setting, 3/5/08 Pages 133-134) and the FY 2009-10 request is that same continuation amount with common policy adjustments and two common policy decision items NP-1 State Fleet Variable Costs ($1,471) and NP-2 Postage Increase and Mail Equipment Upgrade ($37) for a total request of $969,250.

BUSINESS ENTERPRISE - PROGRAM OPERATED STANDS, REPAIR COSTS, AND OPERATOR BENEFITS

If an operator leaves the program, the Business Enterprise Program is obligated to temporarily take over the operation of the site until it has been assigned to either a new or existing operator. The frequency of such occurrences and the consequent costs fluctuate from year to year, and are therefore not very predictable. The funding for Program Operated Stands is generated by and put back into the operation of locations that are temporarily contracted out by the Business Enterprise Program until a permanent operator is assigned to the location. Costs covered include:

- Equipment Maintenance and Repair.
- Operator Benefits: These benefits include health insurance, IRA contributions, and vacation pay for operators (not state FTE). The Operator benefit moneys are passed through this account only. The actual funding is provided from the operation of unassigned vending. Unassigned vending is vending revenue generated from a machine that is not operated by a Licensed Manager. The machines generating this revenue are operated under a third party contract.
- Leasehold Improvements: The funds for Leasehold Improvements are used for necessary remodeling and equipment purchases to prepare a location for operation.
- Purchases the initial merchandise and supplies inventory.

The Department requests a continued funding of this line item at the present level of $659,000, the same level of funding since FY 2005-06, SB 05-209. Pursuant to new funds classification rules, all amounts previously classified as cash funds exempt from reserves will now be classified as cash funds.

In summary the FY 2006-07 appropriation in HB 06-1385 was $659,000 (FY 2006-07 Figure Setting, 2/23/06 Page 137). In FY 2007-08 the Long Bill appropriation was $659,000, SB 07-239 (FY 2007-08 Figure Setting Page 111 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $659,000 (FY 2008-09 Figure Setting, 3/5/08 Pages 134-135) and the FY 2009-10 request is that same continuation amount.

INDEPENDENT LIVING CENTERS AND STATE INDEPENDENT LIVING COUNCIL

The request funds the Rehabilitation Independent Living Case Services and Independent Living Council. They are mandated by Title VII of the Rehabilitation Act of 1973, as amended and authorized by Title 26, Article 8.1, of the Colorado Revised Statues. The purpose of the Independent Living Program is to promote a philosophy of independent living (IL), including consumer control, peer support, self help, self-determination, equal access, and individual and system advocacy, to maximize the leadership, empowerment, independence, and productivity of individuals with significant disabilities, and to promote and maximize the integration and full inclusion of individuals with significant disabilities into the mainstream of American society. The Division of Vocational Rehabilitation contracts with ten independent living centers on a statewide basis to provide independent living services to individuals with significant disabilities. Independent living services include the independent living core services that consist of information and referral, individual and systems advocacy, peer counseling, and independent living skills training.

The independent living centers may also provide other services, such as counseling, housing, including accommodations and modifications, rehabilitation technology, mobility training, interpreter and reader services, personal assistance services, community resource guides and directories, transportation, consumer information programs, especially for minorities and other individuals with significant disabilities who have traditionally been un-served or underserved by programs under the Rehabilitation Act of 1973, as amended, children and youth, supported living, and other services that may be necessary to improve the ability of an individual with a significant disability to function, continue functioning, or move toward functioning independently in the family or community or to continue in employment and that are not inconsistent with any other provisions of the Rehabilitation Act of 1973, as amended.

Independent living grants help train and assist disabled individuals to live and function outside of an institution. The grantee provides the cash funds exempt portion of the match for the federal dollars. In FY 1997-98, the General Assembly added a General Fund grants program to this line. These General Fund grants have historically been equally distributed among the State’s ten independent living centers. Beginning in the last quarter of FY 2005-06 the General Assembly substantially increased General Fund support for the independent living centers. When annualized in FY 2006-07, the increase totaled $1.0 million General Fund.
The staff FY 06-07 recommendation for this line item is was $1,836,377, including $1,387,351 General Fund**.** This recommendation included the following components:

- An increase for a 1.5% COLA on the General Fund portion of the line item.
- An increase in General Fund associated with eliminating the Independent Living Centers - Vocational Rehabilitation program and transferring associated General Fund amounts to this line item. This represents the total General Fund that would have been in the Independent Living Centers - Vocational Rehabilitation program line item, including a 1.5% community provider cost of living increase.

The Joint Budget Committee recommended the Independent Living Centers - Vocational Rehabilitation program be transferred to the new program with $98,323 in General Fund to support the program appropriated and the associated federal funding $363,288 to appropriate the next line item described Independent Living Centers - Vocational Rehabilitation Program. The Long Bill included a footnote allowing transfer back to this program if all the funding was not allocated.

In summary the FY 2006-07 appropriation in HB 06-1385 was $1,698,804 (FY 2006-07 Figure Setting, 2/23/06 Pages 137-138 indicates $698,804 was recommended and an additional $1,000,000 was approved by the General Assembly). In FY 2007-08 the Long Bill appropriation was $1,717,551, SB 07-239 with the increase due to the provider rate increase (FY 2007-08 Figure Setting Pages 111-112 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $1,936,377, incorporating the funding from the program described below and a provider rate increase of 1.5% (FY 2008-09 Figure Setting, 3/5/08 Pages 135-136) and the FY 2009-10 request is that same continuation amount $1,936,377.

INDEPENDENT LIVING CENTERS VOCATIONAL REHABILITATION PROGRAMS

This line began in FY 2005-06 and continued through FY 2007-08. This program obtains qualifying vocational rehabilitation services from Centers for Independent Living (CILs). These services assist the DVR consumers in overcoming barriers in their lives that interfere with their ability to find and/or retain gainful employment. The services are individualized in collaboration with DVR counselors to meet the needs of the DVR consumer in the local community.

The qualifying vocational rehabilitation services as identified and defined in the DVR Provider Standards Manual (Revised, August 1, 2000) are personal adjustment training; job seeking skills; on-the-job training opportunities; job coaching, including, job support and intervention; and work adjustment training. Additional services can include assistance with transportation training, resolving childcare issues, and disability awareness training for employers. The CILs may also provide independent living services to DVR consumers, such as assistance to locate affordable and accessible housing, if requested by the DVR consumer and DVR counselor. Such services are provided under the independent living Core Independent Living Services (CILCS) contracts.

The Independent Living Centers - Vocational Rehabilitation Program line item was created in FY 2005-06, when a portion of the General Fund allocated to this line item was moved to a new Independent Living Centers - Vocational Rehabilitation Program line item to allow independent living centers to draw down federal financial participation for qualifying expenditures. During its FY 2008-09 budget hearing, the Department reported that some of the independent living centers (particularly in rural areas) had been doing a strong job providing vocational rehabilitation services, but that not all independent living centers were performing adequately as vocational rehabilitation providers. As a result, the Department proposes to use the better-performing independent living centers as vocational rehabilitation providers, but to fund these through the Vocational Rehabilitation - General Fund Match line item. The Department has confirmed that it would like the Independent Living Centers - Vocational Rehabilitation Line item to be eliminated and associated General Fund to again be consolidated in the Independent Living Centers line item. Although this was not formally requested through the budget process, this process was implemented and the Vocational Rehabilitation Program funds were adjusted back to the Independent Living Centers and State Independent Living Council appropriation. See the Schedule 3s for these programs to see the impact in FY 2007-08.

As discussed above, this line item was created in FY 2005-06 to enable the states' ten certified independent living centers (ILCs) to reallocate some of the General Fund they receive to become vocational rehabilitation providers and thus to draw down additional federal matching funds. The program was not appropriated in FY 2008-09 and this line item was eliminated. Associated General Fund (including a 1.5% community provider cost of living increase) was transferred to the Independent Living Centers line item; the associated matching federal funds appropriation was eliminated.

In summary the FY 2006-07 appropriation in HB 06-1385 was $454,789 (FY 2006-07 Figure Setting, 2/23/06 Page 138). In FY 2007-08 the Long Bill appropriation was $461,611, SB 07-239 (FY 2007-08 Figure Setting Page 112 3/14/07). There was no FY 2008-09 Long Bill HB 08-1375 appropriation (FY 2008-09 Figure Setting, 3/5/08 Page 136) and there is no continuation budget request.

APPOINTMENT OF LEGAL INTERPRETERS FOR THE HEARING IMPAIRED

This line item funded legal interpreters for hearing impaired individuals involved with criminal cases and police actions. Pursuant to Senate Bill 06-061, Concerning Providing Interpretation in Legal Situations for Persons with Hearing Loss (Keller/Larson), funding and functions associated with this program have become part of the duties of the Colorado Commission on the Deaf and Hard of Hearing. As a result, this line item is eliminated.

In summary the FY 2006-07 appropriation in HB 06-1385 was $64,471 (FY 2006-07 Figure Setting, 2/23/06 Page 139). The appropriation was reduced to zero and funds reappropriated to the Colorado Commission for the Deaf and Hard of Hearing through SB 06-061 Legal Setting Interpreting For Deaf.

COLORADO COMMISSION FOR THE DEAF AND HARD OF HEARING

Created in FY 2000-01, the Colorado Commission for the Deaf and Hard of Hearing is codified at Section 26-21-106, et. seq., C.R.S. The Commission is responsible for: (1) facilitating the provision of general government services to persons who are deaf and hard of hearing; (2) distribution of telecommunications equipment for persons who are deaf and hard of hearing (pursuant to H.B. 02-1180 Transfer To Deaf & Hard Of Hearing Fund); and (3) overseeing provision of legal interpreters for the hearing impaired (pursuant to S.B.06-61 Legal Setting Interpreting For Deaf). Funding is from the General Fund (for a portion of the legal interpreters program), and the balance reflects appropriations from the Colorado Disabled Telephone Users Fund (DTUF) to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund for the Commission's use. The Commission may also receive and expend gifts, grants and donations. Prior to FY 2006-07, the Commission was supported by ongoing and one-time transfers from the DTUF to the Commission Cash Fund, fixed in statute; however, pursuant to S.B. 06-218, amounts from the DTUF to the Commission Cash Fund are based on annual appropriation. This line item was moved to the Executive Director's Office from the Division of Vocational Rehabilitation in FY 2007-08 (FY 2007-08 Figure Setting Pages 113-117 3/14/07 and FY 2008-09 Figure Setting, 3/5/08 Pages 25-26).

In FY 2006-07 was there an appropriation of $308,750 in the Long Bill HB 06-1385, (FY 2006-07 Figure Setting, 2/23/06 Pages 139-140), with $310,027 added by SB06-061 – Legal Setting Interpreting for the Deaf and $6,251 in POTS; totaling $650,028 is still included in the DVR budget’s Schedule 3 for FY 2006-07 only.

COLORADO COMMISSION FOR THE VISUALLY IMPAIRED

This program for FY 07-08 and was established by legislation, HB 07-1274 Commission For Visually Impaired Individuals. The program was moved in FY 2008-09 (FY 2008-09 Figure Setting, 3/5/08 Page 136) to the Executive Director’s Office in the Office of Performance Improvement – Boards and Commissions where other Commissions are administered. The program is to provide, within the Department of Human Services a commission to assist the blind and visually impaired.

OLDER BLIND GRANTS

These funds are for qualified recipients of Blind Grants. This program is administered by DVR under Title VII, Chapter 2 of the federal Vocational Rehabilitation Act. The program provides independent living services to person's age 55 or older and who are blind or visually impaired. Eligible persons are provided assistance in learning new strategies for accomplishing daily tasks and participating in family and community activities. Most persons served in this program have become blind or visually impaired in their later years. Independent Living services include advocacy, information and referral, cross-disability peer counseling and independent living skills training, as well as other services that assist individuals to maintain or regain independence and participation in their communities. Independent Living Centers and other community agencies are eligible to receive OIB Program funding under a RFP process. DVR conducted a procurement that resulted in grant awards to six independent living centers and the Colorado Center for the Blind. For Older Blind Grants, a continuation amount is requested in FY 2009-10.

In summary the FY 2006-07 appropriation in HB 06-1385 was $450,000, (FY 2006-07 Figure Setting, 2/23/06 Page 140). In FY 2007-08 the Long Bill appropriation was $450,000, SB 07-239 (FY 2007-08 Figure Setting Pages 117-118 3/14/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was $450,000 (FY 2008-09 Figure Setting, 3/5/08 Page 136) and the FY 2009-10 request is that same continuation amount $450,000.

TRAUMATIC BRAIN INJURY TRUST FUND

The Traumatic Brain Injury Trust Fund is supported by fines levied on people convicted of driving under the influence ($15.00), driving while impaired ($15.00), and speeding ($10.00). Pursuant to Section 26-1-301, C.R.S., the Colorado Traumatic Brain Injury Board was created to administer the program. Of the annual revenues for the program:

- 65.0% will be used for services for people with traumatic brain injuries;
- 30.0% will be used to support research related to the treatment and understanding of traumatic brain injury; and
- 5.0% will be for education for individuals with traumatic brain injury and to assist educators, parents, and non-medical professionals in the identification of traumatic brain injuries.

At the end of 2006, there were 227 adults on a waiting list for services and the anticipated wait time was 14 months. Due to issues raised b the Legislative Legal Services Committee in 2008, the State Board of Human Services adopted changes to the rules for this program that eliminate the limit of one year of services in a person's lifetime. During FY 2007-08 the program served 574 adults and 165 children, an increase of 43% and 67% respectively, from FY 2006-07.

Beginning in FY 2007-08 the Vocational Rehabilitation Division has administered the Traumatic Brain Injury program. The appropriation for the program was moved from Mental Health (Long Bill Group 8) of the DHS Long Bill and is for the first time reflected in the Vocational Rehabilitation section of the Long Bill (Long Bill Group 9). The FY 2008-09 Long Bill HB 08-1375 appropriation is $2,411,498 (FY 2008-09 Figure Setting, 3/5/08 Page 136). The FY 2009-10 request is the continuation amount including common policy adjustments, plus $603,077 for DI-19 Spending Authority for the Traumatic Brain Injury Trust Fund and decision item NP-2 Postage Increase and Mail Equipment Upgrade ($23) for a total request of $3,025,031.

FEDERAL SOCIAL SECURITY REIMBURSEMENTS

The Division receives annual payments from the Social Security Administration, based on the number of individuals who have been removed from federal Supplemental Security Income roles, based on their involvement with the Division and subsequent employment. A new Long Bill line item was added in FY 2008-09 for informational purposes only. It reflects projected revenues and expenditures from reimbursements.

The FY 2008-09 Long Bill HB 08-1375 appropriation was $813,741 (FY 2008-09 Figure Setting, 3/5/08 Page 127 and 137) and the FY 2009-10 request is that same continuation amount.

HOMELAKE DOMICILIARY AND STATE AND VETERANS NURSING HOMES

The Domiciliary is located at the Colorado State Veterans Center at Homelake, outside of Monte Vista. The capacity of the Domiciliary is 46 beds. The center also includes a 60-bed skilled nursing facility. Homelake has been caring for veterans since the 1890's when some of the original buildings were constructed to take care of Civil War veterans. The Division of State and Veterans Nursing Homes, within the Colorado Department of Human Services, administers the Homelake Domiciliary. The Domiciliary provides residential rehabilitation and health maintenance services for veterans, their spouses, or widows of veterans who do not require hospital or nursing home care but are unable to live independently because of medical or psychiatric disabilities. The program serves a unique veteran population. Many of these veterans are recovering from behavioral problems and substance abuse disorders. Residents receive necessary medical and psychiatric care, rehabilitative assistance, and other therapeutic interventions while residing in a homelike environment.

The Domiciliary operates in conjunction with the Federal Department of Veterans Affairs (VA) Domiciliary Home Care program. The VA provides financial assistance to states that operate domiciliary programs to offset the operating costs of care for eligible veterans. Facility residents demonstrate a lack of adequate means of support for themselves and a temporary or permanent physical disability, or are of an age that substantially precludes engaging in any gainful employment or occupation. Pursuant to VA requirements, a minimum of 75 percent of all residents must be veterans. As of July 24, 2006, 40 (or 88.9 percent) of the 45 residents are veterans.

The Colorado State and Veterans Nursing Homes are state owned nursing homes that provide skilled nursing care primarily to honorably discharged veterans and their spouses, widows and in some instances, parents of deceased veterans. The six homes are located throughout the state in Aurora (Fitzsimons), Florence, Monte Vista (Homelake), Rifle, Trinidad, and Walsenburg. Each facility is Medicaid-certified and licensed by the Colorado Department of Public Health and Environment. Fitzsimons and Rifle are also Medicare-certified. Additionally, five of the homes are certified by the US Department of Veterans Affairs to receive federal funds in support of the care of veterans; the Trinidad Home is a state nursing home (i.e. does not specifically cater to veterans) and therefore is the sole facility not VA-certified.

The Homelake Domiciliary and Nursing Homes are an enterprise and are information only on the Long Bill.

Department of Human Services
Line Item Descriptions

FY 2009-10 Budget Request

NOVEMBER 1, 2008

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(10) ADULT ASSISTANCE PROGRAMS

(A) ADMINISTRATION

Adult Aging Programs are responsible for the administration of numerous assistance programs that focus on the elderly population. The division supervises the Aid to the Needy Disabled State Only program, which provides cash assistance to disabled individuals awaiting SSI eligibility determination and those individuals who meet state eligibility requirements but not federal requirements; and the Aid to the Needy Disabled-Colorado Supplement program for those who are on Supplemental Security Income. In addition, the division supervises Adult Protective Services programs (APS), which intervene on behalf of at-risk adults to correct or alleviate situations of abuse, neglect, or exploitation; supervises and funds the provision of services to older Coloradans throughout the state through the auspices of 16 Area Agencies on Aging (AAA); supervises the county administered Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older; supervises the Home Care Allowance Program which provides cash assistance to help pay for the cost of in-home services, not to include skilled services; and supervises the Adult Foster Care program which provides services to those individuals in need of 24-hour supervision, not to include nursing home services.

The line covers centralized general administrative services with staffing of 6.0 FTE including personal services and operating expenses for the administration of the Office of Adult Disability and Rehabilitation Services (ADRS) and the Adult Aging Programs. FY 2009-10 is a continuation request and includes common policy adjustments including salary survey and achievement pay.

The FY 2006-07 appropriation in HB 06-1385 was $479,808 (FY 2006-07 Staff Figure Setting Pages 143-144, 3/8/06) and 5.0 FTE and was increased by 1.0 FTE and $58,047 when SB 06-219, the Department of Health Care Policy and Financing (HCPF) Reorganization Bill, transferred Home Care Allowance and Adult Foster Care programs and their administration from HCPF to the Department of Human Services. In FY 2007-08 the Long Bill, SB 07-239, appropriation was $545,909 with 6.0 FTE (FY 2007-08 Staff Figure Setting Pages 48-49 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was $565,426 and 6.0 FTE (FY 2008-09 Staff Figure Setting, Pages 68-69 2/28/08). State common policies are included as appropriate in each year. In addition, NP-2 Postage Increase and Mail Equipment Update increased the line by $189 bringing the FY 2009-10 Request to $593,785 and 6.0 FTE.

The Social Security Administration and the Maintenance of Effort Agreement with the State of Colorado

Department of Human Services operates under a Maintenance of Effort (MOE) Agreement with the Social Security Administration (SSA). The Office of Adult Disability and Rehabilitation Services through the Adult and Aging Services Division, manages the agreement. 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 is not met, the State risks the loss of over 1.2 billion dollars of Federal Financial

Participation (FFP) matching funds in the Medicaid program. The MOE is based on CY (calendar year) 2006. The expenditures that are counted toward the Maintenance of Effort are the mandatory supplementary programs of OAP (for individuals receiving a Supplemental Security Income grant), 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). All of these programs are included in the Adult Aging Programs.

The optional supplementary payments of Home Care Allowance (HCA) and Adult Foster Care (AFC), if the recipient receives an SSI grant, are also counted toward meeting the MOE. Finally, the State's Property Tax and Heat Rebate program have been added to the MOE expenditures, 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 the MOE plan. Colorado has been on the expenditure test to meet the MOE compliance requirements since 1991.

The MOE is a requirement that must be met to receive Federal Financial Participation (FFP) for Medicaid reimbursements. Compliance with these regulations 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.

If the State is found out of compliance for meeting its 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. Monies spent in the subsequent year to meet the expenditure test of the previous year are 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 (CY) by an amount at least equal to the amount of 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 (CY) 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 was not met and the shortfall of just over $1 million will need to be met in CY 2008, half in FY 2007-08 and half in FY 2008-09. Colorado has met the MOE target only once in the past five years, although the State has made up each shortfall with corrective actions during the following year. If Colorado is ever found to be in noncompliance, the minimum sanction that would be imposed is the loss of federal Medicaid matching dollars for three months (approximately $300 million). To meet the current shortfall for CY 2007, the Department has approval to rollforward any Interim Assistance Reimbursements over collected in FY 2007-08. This, with changes to the Aid to the Needy Disabled Programs and the Home Care Allowance program, should be sufficient to meet the level of expenditure for both the CY 2007 shortfall and CY 2008 MOE.

Some important factors affecting spending towards the MOE vary, and are outside the Department's control. Some of the programs that are counted towards the MOE have impacts that vary from year to year. For example, if fewer SSI recipients file for the property tax rebate, the result is lower spending on the target population. The nature of the MOE then requires that spending on other programs be increased. Information that the Department needs may be delayed. Again using the property tax rebate as an example, if the Department finds out in October that payments for the period July through September have decreased, very little of the calendar year remains to try and recover in other programs, which is complicated by most of the other programs' data being collected and payments distributed by the Colorado Benefits Management System (CBMS). CBMS requires two months to make changes in the current process, shortening the time to impact that year's MOE.

Attempts to meet both the MOE and the budget result in fluctuating assistance for clients. The MOE test is applied on a calendar year, and establishes an effective floor under certain types of spending. The Department's budgets for the programs that count towards the MOE establish a ceiling on that spending. As a result, the Department is often in the position of adjusting grant awards (or providing supplemental grant payments) during the period from July to December in order to meet the calendar year MOE, then abruptly reducing grants from January through June in order to meet the budget constraint. Such fluctuations are a particular problem because many of the programs serve those who are extremely poor.

The current request assumes that for FY 2009-10 the MOE will be met in CY 2008 and current levels of appropriation will be sufficient in FY 2009-10 for the programs in the Maintenance of Effort for CY 2009.

(B) OLD AGE PENSION PROGRAM

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 (OAP) was authorized through an amendment to the Colorado Constitution passed in 1936. This program is intended to supplement older individuals' income. The current total monthly income is at 76.36 percent of the

Federal Poverty Level ($867 per month). The OAP program is for persons 60 and older with no disability requirement for eligibility. There is a maximum grant of $662 per month effective January 1, 2008. There is a resource limit of $2,000 for an individual and $3,000 per couple.

The State Constitution (Article XXIV, Old Age Pensions, Section 2) dedicates several major State revenue sources for financing the OAP program. The OAP program receives its funding from revenues based on 85 percent 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 can adjust the basic minimum grant award if living costs have changed sufficiently to justify such action, such as when a cost of living adjustment (COLA) is passed by the federal SSI programs or the Federal Poverty Level is adjusted.

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 very small program for institutionalized clients aged 60 and older.

This program, authorized by the State Constitution, provides cash assistance to eligible individuals age 60 and older. In 2004 the Old Age Pension Program was distributed into categories to track administrative costs. All of the various categories are funded with Old Age Pension Cash Funds except for OAP- Refunds, which are considered reappropriated as they are collections from previous years. In addition to the Cash Assistance payments to OAP eligible individuals, this program also provides reimbursements for burial expenses to OAP recipients. The OAP program also has two types of administrative costs: (1) state administration for the personal services and operating costs of the state staff administering the program; (2) county administration for county staff who interact with clients and determine eligibility. There is also an OAP State Medical Program funded by a similar mechanism and administered by the Department of Health Care Policy and Financing.

Revenues that are not utilized for the OAP Program are transferred to the General Fund. As a result, greater expenditures in the OAP program mean less revenue in the General Fund to be used for other purposes. As the earmarked revenues are "Continuously appropriated" by the State Constitution, the General Assembly does not directly control program expenditures. As such, the Long Bill simply reflects anticipated program expenditures for informational purposes, because the level of these expenditures can have an impact on the revenue available to the General Fund (FY 2008-09 Staff Figure Setting, Pages 68-70 2/28/08).

CASH ASSISTANCE

This program provides cash assistance to eligible individuals age 60 and older. The current grant is $662. This line item represents anticipated payments from the Old Age Pension to eligible beneficiaries. As payments are continuously appropriated, this appropriation is included for informational purposes. The State Board of Human Services is authorized to determine the maximum grant standard for the OAP Program. It may grant a cost of living increase, using the federal Supplemental Security Income inflation factor or another measure of the Board's choosing. DI -17 - Old Age Pension Cost of Living Adjustment submitted November 2007 was an adjustment made in HB 08-1375, which authorized an increase in cash funds spending authority of $3,420,600 for the Old Age Pension Program due to cost of living and caseload. DI-17 begins implementation in January 2009. The amount annualizes in FY 2009-10, and the continuation request includes an additional $3,000,000 for a full year impact of the COLA. This line is entirely cash funded.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $74,472,421 (FY 2006-07 Staff Figure Setting Pages 144-145, 3/8/06). In FY 2007-08 the Long Bill appropriation in SB 07-239 was $77,451,318 (FY 2007-08 Staff Figure Setting Page 49 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation is $80,871,918 (FY 2008-09 Staff Figure Setting, Pages 68-70 2/28/08). The FY 2009-10 appropriation requests adds an additional $3,000,000 to annualize DI -17 Old Age Pension Cost of Living Adjustment totaling $83,871,918. DI –21 Old Age Pension Cost of Living Adjustment projects a 2% increase of $1,801,722 bringing the requested amount to $85,673,640.

OAP – REFUNDS

These refunds are for overpayments or payments to ineligible clients. These collections are used to offset OAP Cash Assistance expenditures and are cash funds. FY 2009-10 is a continuation request.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $588,362 (FY 2006-07 Staff Figure Setting Page 145, 3/8/06). In FY 2007-08 the Long Bill appropriation in SB 07-239 was $588,362 (FY 2007-08 Staff Figure Setting Page 50 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was $588,362 (FY 2008-09 Figure Setting Page 70, 2/28/08) and the FY 2009-10 request is the same continuation amount of $588,362.

OAP – BURIAL REIMBURSEMENTS

This appropriation funds reimbursement of burial expenses for OAP clients. The current standard is $1,500. FY 2009-10 is a continuation request and cash funds.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $918,364 (FY 2006-07 Staff Figure Setting Page 146, 3/8/06). In FY 2007-08 the Long Bill appropriation was $918,364, SB 07-239 (FY 2007-08 Staff Figure Setting Page 50 3/5/07). The FY 2008-09

Long Bill, HB 08-1375, appropriation was $918,364 (FY 2008-09 Figure Setting Page 70, 2/28/08) and the FY 2009-10 request is the same continuation amount of $918,364.

OAP - STATE ADMINISTRATION

These dollars are used to fund state administration activities related to the Old Age Pension Program. FY 2009-10 is a continuation request for 14.0 FTE, personal services and operating expenses for management of programs funded through the OAP Cash Funds. Increases conform to common policy.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $1,055,984 and 14.0 FTE (FY 2006-07 Staff Figure Setting Page 146, 3/8/06). In FY 2007-08 the Long Bill appropriation was $1,072,357 and 14.0 FTE per SB 07-239 with changes based on common policy (FY 2007-08 Staff Figure Setting Pages 50-51 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was $1,114,694 and 14.0 FTE (FY 2008-09 Figure Setting Page 71, 2/28/08). Increases over the years were based on common policy for salary survey and achievement pay and salary savings adjustments. The continuation request for FY 2009-10 is based on this year’s common policy adjustments including an increase through NP-2 Postage Increase and Mail Equipment Upgrade of $228. The total request is $1,161,337 for FY 2009-10.

OAP - COUNTY ADMINISTRATION

This appropriation funds the portion of county administration related to the Old Age Pension Program. Counties are the initial intake for determining eligibility for the Department of Human Services, including OAP. This money is not included in the County Administration section of the Long Bill, and is included for informational purposes as the funds are continuously appropriated. The Department requests a continuation level appropriation of cash funds (Old Age Pension). This line item includes expenses that are sometimes subject to the provider rate increase factor.

In summary, the FY 2006-07 appropriation in HB 06-1385 (FY 2006-07 Staff Figure Setting Pages 146-7, 3/8/06) was $2,361,993, which was adjusted by SB 07-165 in Supplemental CA-1, County HB06-1023 Implementation Costs (FY 2006-07 Supplemental: Request Submitted September 6,2006, Page 2-4), which added $48,915 in OAP funding for Counties. The increase was identified for a bill passed in the 2006 Special Session, HB 06S-1023 – Restrictions on Defined Public Benefit. The OAP- County Administration change was based on Random Moment Sampling revisions for time needed to process information under the bill, which increased the appropriation to $2,410,908. In FY 2007-08 the Long Bill appropriation was $2,450,785, SB 07-239, an increase of $39,877 for a 1.5% provider rate increase (FY 2007-08 Staff Figure Setting Page 51, 3/5/07). The FY 2008-09 Long Bill HB 08-1375 appropriation did not increase and is $2,450,785 (FY 2008-09 Figure Setting Page 71, 2/28/08). For FY 2009-10 it is a continuation request of the same amount.

(C) OTHER GRANT PROGRAMS

In FY 2007-08 three programs were consolidated into Aid to the Needy Disabled Programs. The three programs are still tracked internally on the Colorado Benefits Management System (CBMS) but for program flexibility they were combined in SB 07-239 (FY 2007-08 Staff Figure Setting Pages 52-54, 3/5/07). Their history is still reflected in the Schedule 3.
These three programs are described below and their FY 2006-07 history follows:

AID TO THE NEEDY DISABLED STATE SUPPLEMENTAL GRANT PROGRAM

The FY 2006-07 appropriation in HB 06-1385 was $3,268,199 (FY 2006-07 Staff Figure Setting Pages 148-149, 3/8/06). Estimates showed the program was not going to spend the appropriation and a reduction of $1,298,199 (S-15 - Aid to the Needy Disabled - Colorado Supplement program budget reduction) was approved bringing the appropriation in SB 07-165 to $1,970,000. In FY 2007-08 there was no Long Bill appropriation in SB 07-239, as the program was combined into Aid to the Needy Disabled Programs to allow the Department additional flexibility in managing the three Aid to the Needy Disabled (AND) Programs.

AID TO THE BLIND STATE SUPPLEMENTAL GRANT PROGRAM

The FY 2006-07 appropriation in HB 06-1385 was $15,275 (FY 2006-07 Staff Figure Setting Pages 149-50, 3/8/06). In FY 2007-08 there was no Long Bill appropriation in SB 07-239, as the program was combined into Aid to the Needy Disabled Programs to allow the Department additional flexibility in managing the three Aid to the Needy Disabled (AND) Programs.

AID TO THE NEEDY DISABLED STATE-ONLY GRANT PROGRAM

The FY 2006-07 appropriation in HB 06-1385 was $14,666,720 (FY 2006-07 Staff Figure Setting Pages 150-151, 3/8/06). To this was added $640,000 in S-5 - Aid to the Needy Disabled - State Only Budget Adjustment (FY 2006-07 Supplemental Recommendation – page 10-13 1/24/07), bringing the budget to $15,306,720 in SB 07-165. This was augmented by a HB 08-1287 Add-on to FY 06-07's appropriation of $657,711 in General Fund. The increase was due to Interim Assistance Reimbursements (IARs) (see discussion that follows) coming to the state being lower than budgeted. This increase to $15,964,431 was described in S-2 Aid to the Needy Disabled Programs - Affect of FY 2006-07 over-expenditure, submitted January 2008. In FY 2007-08 there was no Long Bill appropriation in SB 07-239, as the program was combined into Aid to the Needy Disabled Programs to allow the Department additional flexibility in managing the three Aid to the Needy Disabled (AND) Programs.

AID TO THE NEEDY DISABLED PROGRAMS

The Aid to the Needy Disabled Programs line item funds three programs. Aid to the Needy Disabled - Colorado Supplement makes supplemental grants to SSI recipients who do not receive the maximum SSI federal grant. Aid to the Blind - Colorado Supplement makes supplemental grants to a small group of individuals who meet the more specialized qualifications. Aid to the Needy Disabled -

State Only provides payments to the needy disabled who have applied for federal Supplemental Security Income benefits. These three programs were combined into a single line item in the FY 2007-08 Long Bill, SB 07-209, to allow for flexibility between these three programs and allow for administration of the appropriations to be streamlined. In 2007-08 (FY 2007-08 Staff Figure Setting Pages 52-54 3/5/07), as the three programs were being combined into the Aid to the Needy Disabled Grant Programs in SB 07-209, two things occurred to begin the new appropriated line at $17,428,495. The AND-SO Grant Program was increased by $640,000 through BA-5 - AND-SO Adjustment and AND-CS was reduced by $1,161,699 through BA -15 – AND-CS adjustment based on new caseload and grant projections in the two programs.

Aid to the Needy Disabled State Supplemental Grant Program -The AND/SSI/CS Program is funded 80% with state funds and 20% county funds. This program provides financial and Medicaid assistance for disabled Supplemental Security Income (SSI) recipients. The Social Security Administration makes the SSI payment directly to clients with 100% Federal funds. Only individuals who meet specific eligibility criteria and who receive less than the maximum SSI grants qualify for this Colorado Supplement program.

- Age: There is an age limit for this program of 18 to 59.
- Disability, resource limit, exempt resources, income limit, citizenship, and residency requirements are the same as all SSI programs.

The program is included in the MOE for SSI programs.

Aid to the Blind State Supplemental Grant Program -The AB/SSI/CS Program is funded 80% with state funds and 20% county funds. This program provides financial and Medicaid assistance for disabled Supplemental Security Income (SSI) recipients. The Social Security Administration makes the SSI payment directly to clients with 100% Federal funds. Only individuals who meet specific eligibility criteria and who receive less than the maximum SSI grants qualify for this Colorado Supplement program.

- Age: There is an age limit for this program of 18 to 59.
- Disability, resource limit, exempt resources, income limit, citizenship, and residency requirements are the same as all SSI programs.

The program is included in the MOE for SSI programs.

Aid to the Needy State Disabled State-only Grant Program - The AND-SO program was established in 1953 and provides basic financial assistance to qualifying low-income persons aged 18 to 59. To qualify, a person must be certified by a physician or other designated medical practitioner, as being too disabled to work at any occupation for at least six months. The AND-SO is linked to the federal Supplemental Security Income program; persons who apply for AND-SO benefits must also apply for the federal SSI program. The AND-SO program pays a state benefit pending an eligibility decision for federal benefits. If the applicant is approved for SSI benefits, Colorado is reimbursed from the client's initial SSI benefit for payments made under the AND-SO program. The current AND-SO maximum grant amount is $230 per month. AND-SO recipients do not qualify for Medicaid.

This program is funded with 80% State funds and 20% county funds and provides financial assistance for disabled persons who meet the following criteria.

- Age: 18-59.
- Disability: Must have a total disability, which can be expected to last for a period of 6 months or more and must be unable to work.
- Resource Limit: $2,000 maximum level for an individual, $3,000 for a couple.
- Income Limit: Less than $230 per month.
- Citizenship: Born in USA, naturalized citizen, or qualified aliens.
- Residency: Colorado residency required, but no duration of residency required.

This program is a state option program. The AND-SO program provides a small financial payment (no standard medical assistance) to people waiting for SSI eligibility that may take 6 to 18 months and to people who are disabled six months but less than the 12 months required by the SSI program. It is not included in the MOE for SSI programs.

One of the sources for the AND-SO program (now included in the AND Programs) is the repayment to the State of Interim Assistance. Interim assistance reimbursements (IARs) are a significant source of cash revenues for the Aid to the Needy Disabled programs. The State provides assistance during the period while a potential SSI recipient is waiting a decision by the federal Social Security Administration on their eligibility. When an SSI applicant qualifies, their initial benefit payment covers the entire period from the time of their application. Out of that payment, the State is reimbursed for the assistance they provided during the waiting period. Predicting the amount of IAR revenues that will be received has been difficult for the Department, resulting in a series of supplemental requests. The IARs are considered a volatile source of funding as they are influenced by the workflow of the Social Security Administration. The IARs anticipated for the last several years has both been under the amount included in the Long Bill and over that amount Budget requests have been submitted to reflect the ups and downs of these cash fund revenues for the Aid to the Needy Disabled program line.

In FY 06-07 the IARs received were less than the budget needed. This over expenditure was due to events that could not be reasonably anticipated**.** During a particular fiscal year, the Department receives revenues for the AND-SO program from two sources: a General Fund appropriation, and the reimbursements from the federal government mentioned above. The amount of revenue derived from reimbursements depends on the number of applicants, which are approved for SSI benefits by the federal Social Security Administration (SSA) and the length of time that passes before the applications are approved. The SSA has experienced increased delays in approving SSI benefits that were not anticipated by the Department. The size of the average grant can also vary; for example, decreases in the average income of recipients from sources other than AND-SO will increase the average grant size. The Department did not increase the maximum grant amount between FY 2005-06 and FY 2006-07, but still experienced an unanticipated increase in the average grant amount. In order to maintain the $230 maximum grant level, the Department elected to overspend its General Fund appropriation for the AND-SO line. State policy is that if overspending occurs the next year's appropriation is restricted and the Department must apply to the Joint Budget Committee, in a supplemental request to lift that restriction. The restriction in FY 2007-08, because of overspending in FY 2006-07 of $657,711 General Fund expenditures at the state level will result in a corresponding decrease of $164,428 in county spending for this line, for a total of $822,139 General Fund impact. If the restriction is not removed, and if current Department forecasts for reimbursement revenues and expenditures are accurate, it would have been necessary to reduce the maximum grant standard in order to remain within the restricted appropriation. HB 08-1287 included this funding in the add-on for FY 2006-07 and lifted the restriction in FY 2007-08 through S-2 Aid to the Needy Disabled Programs – Affect of FY 2006-07 Over Expenditures (FY 2007-08 Staff Comeback, Department of Human Services Figure Setting, March 13, 2007, Pages 5-6).

The same problems that led to the over expenditure in FY 2006-07 – an increase in the average monthly grant paid and an increase in the time clients remain in the AND-SO program due to delays by the federal Social Security Administration in processing applications for Supplemental Security Income – continued to create a problem in FY 2007-08. In HB 08-1287 the appropriation was increased to insure that the grant of $230 would not need to be reduced with projected caseload increase. The increase was implemented through S-3 Aid to the Needy Disabled programs for an increase of $561,340 with $449,072 General Fund and $112,268 Local Cash Funds as match.

In FY 2007-08 (perhaps due to some catch up in the under collection of IARs in FY 2006-07) projections indicated that the IARs were accumulating and would exceed the budget target in the appropriation. Such an increase would normally result in a reversion to the General Fund. The Department requested in S-3A - Interim Assistance Reimbursement Roll Forward Authority and was granted permission to retain the funds, for use in FY 2008- 09 to assist in meeting the State's maintenance of effort (MOE) requirement for payments to federal supplemental security income (SSI) assistance. Authorization is provided for the roll-forward spending authority through a letternote change. See MOE information above for details on the importance of meeting the level of expenditure on a yearly basis.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $0, In FY 2007-08 the Long Bill appropriation was $17,428,495 (SB 07-239, FY 2007-08 Staff Figure Setting Pages 52-54, 3/5/07), which was augmented by an increase of $561,340 through Supplemental - S-3 Aid to the Needy Disabled Programs in HB 08-1287 and by a letternote change in HB 08-1375's Long Bill Add-on by S-3A Interim Assistance Reimbursement Roll Forward Authority. The FY 2008-09 Long Bill, HB 08-1375, appropriation was

$17,428,495 (FY 2008-09 Staff Figure Setting, Pages 68-72 2/28/08). For FY 2009-10 it is a continuation request of the same amount.

BURIAL REIMBURSEMENTS

Burial Reimbursements for Aid to the Needy Disabled and Aid to the Blind recipients are provided to individuals on the AND-SO Program or those on Medicaid between the ages of 18 and 59 if their estate cannot cover the cost of a funeral/burial. A relative or friend must apply for the benefit on behalf of the deceased. The maximum limit upon total charges for the funeral, burial, and/or cremation of a deceased recipient is $2,500. A prepaid burial marker or stone is not counted in the burial total cost. The State will pay up to $1,000 for any and all expenses for the burial or cremation. The State pays 80% of the cost and the county pays 20%. There has been no change in the appropriation except for last year's adjustment from CFE to Cash Funding in HB 08-1375.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $508,000 (FY 2006-07 Staff Figure Setting Page 151, 3/8/06). In FY 2007-08 the Long Bill, SB 07-239, appropriation was $508,000 (FY 2007-08 Staff Figure Setting Page 55 3/5/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was also $508,000 (FY 2008-09 Staff Figure Setting, Pages 73 2/28/08) and the FY 2009-10 request is the same continuation amount of $508,000.

HOME CARE ALLOWANCE

This is a cash assistance program for individuals that need minimal help in daily living to prevent nursing home placement. This is a 95% General Funds and 5% County Funds long-term care program administered by the Colorado Department of Human Services and transferred from the Department of Health Care Policy and Finance per SB 06-219, the HCPF reorganization bill. The program provides a monthly payment of up to $493 per month (effective 4-01-08) to AND or OAP recipients who need to hire help to meet basic in-home service needs due to a disability. FY 2009-10 is a continuation request.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $10,880,411 Cash Funds Exempt (FY 2006-07 Staff Figure Setting Page 151, 3/8/06) with the funding split adjusted through SB 06-219, HCPF Reorganization, to its current General Fund 95% and local county match of 5%. In FY 2007-08 the Long Bill, SB 07-239, appropriation was the same $10,880,411 (FY 2007-08 Staff Figure Setting Page 55 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was also $10,880,411 (FY 2008-09 Staff Figure Setting, Pages 73 2/28/08) and the FY 2009-10 request is the same continuation amount of $10,880,441.

ADULT FOSTER CARE

This program is a structured living arrangement for adults 18 and older who qualify due to physical or mental problems. The Adult Foster Care Program is a program administered by the Colorado Department of Human Services and transferred from the Department of Health Care Policy & Financing per SB 06-219, the HCPF reorganization bill. The program is effective at keeping clients in the community and out of a more costly nursing home setting and is funded 95% General Funds and 5% County Funds Exempt. FY 2009-10 is a continuation request.

In summary the FY 2006-07 appropriation in HB 06-1385 was $157,469 Cash Funds Exempt (FY 2006-07 Staff Figure Setting Page 151, 3/8/06) with the funding split adjusted through SB 06-219 HCPF Reorganization to its current General Fund 95% and local county match of 5%. In FY 2007-08 the Long Bill SB 07-239 appropriation was the same $157,469 (FY 2007-08 Staff Figure Setting Page 55 3/5/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was also $157,469 (FY 2008-09 Staff Figure Setting, Pages 73 2/28/08) and the FY 2009-10 request is the same continuation amount of $157,469.

(D) COMMUNITY SERVICES FOR THE ELDERLY

ADMINISTRATION

This line item funds salary and contractual services related to the state administration of old age community programs. There are 7.0 FTEs that administer these programs for the State of Colorado.

The FY 2006-07 appropriation in HB 06-1385 was $631,610 and 7.0 FTE (FY 2006-07 Staff Figure Setting Page 152, 3/8/06). In FY 2007-08 the Long Bill appropriation was $639,997 and 7.0 FTE through SB 07-239 (FY 2007-08 Staff Figure Setting Pages 55-56 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was $657,866 and 7.0 FTE. Changes in the appropriation were through common policy adjustments for salary survey and achievement pay (pay for performance) for each of the years (FY 2008-09 Staff Figure Setting, Pages 74-75 2/28/08). The FY 2009-10 request is based on a continuation of the base personal services and operating expenses this fiscal year, including an increase through NP-2 Postage Increase and Mail Equipment Upgrade of $886. The total request is $685,783 and 7.0 FTE for FY 2009-10.

COLORADO COMMISSION ON AGING

The FY 2009-10 request is based on a continuation budget. The Commission on Aging consist of seventeen members appointed by the governor, with the consent of the senate to: (a) Conduct, and encourage other organizations to conduct studies of the problems of the state's older people; (b) Assist governmental and private agencies to coordinate their efforts on behalf of the aging and aged in order that such efforts be effective and that duplication and waste of effort be eliminated; (c) Promote and aid in the establishment of local programs and services for the aging and aged. The commission shall assist governmental and private agencies by designing surveys that may be used locally to determine needs of older people; by recommending the creation of services; by collection and distribution of information on aging; and by assisting public and private organizations in all ways. (d) Conduct promotional activities and programs of public education on problems of the aging; (e) Review existing programs for the aging and make recommendations to the governor and the general assembly for improvements in such programs; (f) Advise and make recommendations to the state department and the state office on aging, on the problems of and programs and services for the aging and aged. This appropriation is for staff support (1.0 FTE) to the Commission, which meets quarterly and assists the Commission with special projects in addition to regular administrative duties.

Under the auspices of the Older Americans Act (OAA), Older Coloradans Act (OCA) established in HB 00-1072, and State Funding for Senior Services (SFSS), the services are generally available to individuals who are age 60 or over including those who are homebound, frail, isolated, or have difficulty with some aspects of daily living. These programs specifically target low-income, low-income minority, and rural individuals. The intent of the Older Americans Act is for the State Unit on Aging (SUA) to be the leader, relative to all aging issues, on behalf of older persons in Colorado. These programs are administered by 16 Area Agencies on Aging (AAAs) located throughout the State. The State's responsibilities for administering the Title III and Title VII Programs funded under the Older Americans Act include developing a State Plan on Aging, overseeing federal grants, and providing assistance to the AAAs and other local service providers. Services include supportive services; senior centers; nutrition services; in-home services for persons outside the eligibility thresholds for Medicaid; caregiver support; and disease prevention and health promotion services. Additionally, the SUA administers the OAA Title V Senior Community Service Employment Program (SCSEP), and the Title VII Elder Rights Protection Programs via contracts for services.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $75,831 and 1.0 FTE (FY 2006-07 Staff Figure Setting Pages 152-3, 3/8/06). In FY 2007-08 the Long Bill appropriation was $77,005 and 1.0 FTE through SB 07-239 (FY 2007-08 Staff Figure Setting Page 56, 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was $79,309 and 1.0 FTE (FY 2008-09 Staff Figure Setting, Page 75, 2/28/08). Changes in the appropriation were through common policy adjustments for salary survey and achievement pay (pay for performance) for each of the years. The FY 2009-10 request is based on a continuation of the base personal services and operating expenses this fiscal year, including an increase through NP-2 Postage Increase and Mail Equipment Upgrade of $87. The total request is $82,132 and 1.0 FTE for FY 2009-10.

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SENIOR COMMUNITY SERVICES EMPLOYMENT

This program is entirely federally funded. A continuing level of funding is requested. The Senior Community Service Employment Program (SCSEP) promotes useful, part-time employment opportunities in community service organizations for persons with low incomes, who are 55 years of age or older. Eligible participants are provided subsidized wages, training for skill enhancement or acquisition of skills, personal and employment counseling, and assistance in obtaining un-subsidized employment. The State enters into contracts with local community providers to implement this program. This is done through non-profit host agencies and on-the-job experience employers. A 0.5 FTE assists the program.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $860,537 and .5 FTE (FY 2006-07 Staff Figure Setting Page 153, 3/8/06). In FY 2007-08 the Long Bill appropriation was $861,146 and .5 FTE through SB 07-239 (FY 2007-08 Staff Figure Setting Page 56, 3/5/07). The FY 2008-09 Long Bill, HB 08-1375, appropriation was $862,379 and .5 FTE (FY 2008-09 Staff Figure Setting, Pages 75-76, 2/28/08). Changes in the appropriation were through common policy adjustments for salary survey and achievement pay (pay for performance) for each of the years The FY 2009-10 request is based on a continuation of the base personal services and operating expenses this fiscal year. The total request is $863,857 and .5 FTE for FY 2009-10.

OLDER AMERICANS ACT PROGRAMS

This line item provides funding for Area Agencies on Aging to contract with provider agencies to deliver a variety of services to older persons. Services provided include:

- Supportive services and senior centers - Functions include case management, client representation, shopping assistance, transportation, chore services, personal care services, adult day care, health screening, legal services, and an ombudsman;
- Nutrition services such as congregate meals, nutrition screening and education;
- In-home services for persons who are either not eligible for, or needs cannot be completely met through Medicaid, Home Care Allowance and Adult Foster Care (homemaker services, personal care services, home repair services, visiting services); and,
- Disease prevention and health promotion services (e.g., health risk assessments, programs regarding physical fitness, education regarding diagnosis, prevention and treatment of age related diseases and chronic disabling conditions).

In general, services are available to individuals age 60 and over, regardless of income or assets. While the federal government does not allow a means test, it does require that priority be given to those with the greatest social and economic need, with particular attention to minority individuals and those who are frail, homebound, or otherwise isolated. Provider agencies often request donations or fees on a sliding scale for services such as transportation and congregate meals.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $13,421,987 (FY 2006-07 Staff Figure Setting Pages 153-4, 3/8/06). This was increased by $720,000 through a technical adjustment because there were additional funds available in FY 2007-08 by S-19 Older Americans Act Program Budget Correction (FY 2006-07 Supplemental Recommendation Pages 29-30 1/24/07). A technical correction (Staff Comeback – Older Americans Act Line Item Supplemental Request) adding $87,053 in restricted GF and reducing the same amount in Cash Funds Exempt to comply with the letternote on the program was included in the add-on to SB 07-165. In FY 2007-08 the Long Bill appropriation was $14,141,987 in SB 07-239, a continuation of S-19 Older Americans Act Program Budget Correction (FY 2007-08 Staff Figure Setting Page 56-58 3/5/07). The FY 2008-09 Long Bill HB 08-1375 appropriation was also $14,141,987 (FY 2008-09 Staff Figure Setting, Page 76 2/28/08). There is no change in the FY 2009-10 continuation request.

NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM

The National Family Caregiver Support Program provides services to caregivers, so they may continue to provide care to family and loved ones who are age sixty and over. This was the first new program under the Older Americans Act since 1972. Beginning with HB 02-1420 in FY 2002-03, services have been provided to caregivers of individuals who are "frail" - persons medically determined to be functionally impaired and unable to perform at least two activities of daily living without substantial human assistance. Caregiver services include respite, information, access assistance, respite care, counseling and training, and supplemental services. Additionally, the National Family Caregiver Support Program offers services to older individuals providing assistance for adult children with disabilities, and grandparents or other relative caregivers caring for children eighteen or younger. A "relative caregiver" means a grandparent or step-grandparent of a child, or a relative of a child by blood or marriage, who is 60 years of age or older and lives with the child, is the primary caregiver of the child, and has a legal relationship to the child or raises the child informally. The program provides:

- Information to caregivers about available services;
- Assistance gaining access to services;
- Individual counseling, organization of support groups and caregiver training to assist the caregivers in making decisions and solving problems relating to their caregiver roles;
- Respite care to enable caregivers to be temporarily relieved from their care-giving responsibilities; and,
- Supplemental services, on a limited basis to complement the care provided by caregivers.

In FY 2008-09 the appropriation increased through approval of DI-18 – Community Services for the Elderly Federal Spending Authority Update, which added $842,972 to the appropriation to bring the program into alignment with anticipated federal allocations of $632,229. A match of local funds (Cash Funds) of $210,743 was also included in the appropriation.

In summary, the FY 2006-07 appropriation in HB 06-1385 was $1,420,414 (FY 2006-07 Staff Figure Setting Pages 154-5, 3/8/06). In FY 2007-08, in SB 07-239, the Long Bill appropriation was $1,420,414 (FY 2007-08 Staff Figure Setting Page 58. 3/5/07). For FY 2008-09 (FY 2008-09 Staff Figure Setting, Pages 73 and 77, 2/28/08) DI- 18 - Community Services for the Elderly Federal Spending Authority Update was approved, increasing the spending authority by $842,972 in Long Bill HB 08-1375 to $2,263,386. The 2009-10 request is this same amount.

STATE OMBUDSMAN PROGRAM

State Ombudsman Program is managed through a contract with the Legal Center for Persons with Disabilities and Older Persons on behalf of any resident of a long-term care facility. Provided are ombudsman services to benefit elderly residents of the facility involved in complaints and/or assistance to elderly residents of long-term care facilities in general. Ombudsman services are often the only viable avenue of assistance available and the contract includes both administrative and part-time legal developer services as well as management of 17 paid local ombudsmen and 90 volunteer ombudsmen. The Legal Center supplies training to AAAs and their local ombudsman staff, and training and technical services associated with program administration.

In FY 2008-09 SBA -2 - Aging and Adult Services Ombudsman and Legal Assistance Developer added $50,000 to the program. The appropriation had not changed since SB 03-258. In past years services provided by the contractor had been reduced as the program tried to keep pace with inflation and salary increases. A failed bid in 2008 highlighted the necessity for increasing the contract to provide a more reasonable reimbursement for these necessary services to the long-term care facility residents. FY 2009-10 is a continuation request.

The FY 2006-07 appropriation in HB 06-1385 was $222,031 (FY 2006-07 Staff Figure Setting Page 155, 3/8/06). In FY 2007-08 the Long Bill, SB 07-239, appropriation was the same $222,031 (FY 2007-08 Staff Figure Setting Page 59, 3/5/07). The FY 2008-09 Long Bill HB, 08-1375, appropriation was $272,031 (see description of SBA -2 in preceding paragraph and FY 2008-09 Staff Figure Setting, Pages 73-74 and 77-78, 2/28/08). FY 2009-10 is a continuation request of $272,031.

STATE FUNDING FOR SENIOR SERVICES

Through this program the State of Colorado helps to provide senior programs throughout the state. The funding is "passed through" to the Area Agencies on Aging (AAAs) to provide services to the senior population. Services include personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, transportation, and legal assistance. The programs are administered by the 16 statewide Area Agencies on Aging. State Funding for Senior Services was appropriated General Fund of $386,197 in the Human Services Supplemental Bill, HB 00-1402, which also included a General Fund reduction in the Community Services Grant Program of that same amount ($386,197). Community Grant funds used the General Fund to match federal funding. The federal funds were also reduced from $7,902,768 to $7,649,329 for FY 1999-2000, a reduction of $283,439. Since then the appropriation for State Funding for Senior Services has continued using General Fund for the program. In FY 2000-01 in HB 00-1451 the General Fund appropriation was $922,294. In FY 2001-02 the appropriation remained the same at $922,294. In FY 2002-03 the appropriation was reduced to $780,253. SB 03-205, the DHS supplemental bill further reduced the appropriation to $493,956.

The Older Coloradans Cash Fund (established in 2000 in HB 00-1072) has been adding Cash Funds to the General Fund appropriated to the program since FY 2003-04.

Through HB 00-1072 the Older Coloradans Program in the Department of Human Services (DHS) was required to provide moneys to the Area Agencies on Aging to provide grants for community-based services to persons 60 and older by creating the Older Coloradans Cash Fund. The statute revised the distribution of receipts collected for state sales and excise taxes, and 100 percent of inheritance and incorporation taxes are distributed with 85 percent of all receipts collected credited to the Old Age Pension Fund. The remaining 15 percent are allocated as follows:

Highway Users Tax Fund (10%)
Older Coloradans Cash Fund ($3 million)
General Fund (5% less $3 million)

In SB 03-258, in the FY 2003-04 Long Bill, $2,000,000 was included from the Older Coloradans Cash Fund and with $2,993,956 General Fund brought the total appropriation to $4,993,956. In HB 04-1422 the appropriation was reduced to $3,000,000, split 50% General Fund and 50% Older Coloradans Cash Fund. In FY 2005-06, to conserve General Fund the amount was maintained at $3,000,000 but the split was $1,000,000 General Fund and $2,000,000 Older Coloradans Cash Fund.

The FY 2006-07 appropriation in HB 06-1385 was $4,000,000 (FY 2006-07 Staff Figure Setting Pages 155-6, 3/8/06). This was increase by $1,000,000 through HB 06-1018 – Increase Older Coloradoans Cash Fund. In FY 2007-08 the SB 07-239 Long Bill appropriation was $5,000,000 (FY 2007-08 Staff Figure Setting Page 59, 3/5/07). HB 07-1100 increased the allocation from the Older Coloradans Cash Fund from $3.0 million to $5.0 million. This brought the funding in FY 2007-08 to $7,000,000, $2,000,000 General Fund and $5,000,000 Cash Funds. The FY 2008-09 Long Bill, HB 08-1375, appropriation was $7,000,000 (FY 2008-09 Staff Figure Setting, Page 78, 2/28/08) with an increase from HB 08-1108 - Increase Funds For Older CO Cash Fund with $3,000,000 in Cash Funds. The FY 2009-10 request is a continuing level of funding totaling $10,000,000 of which $2,000,000 is from the General Fund and $8,000,000 is from the Older Coloradans Cash Fund.

AREA AGENCIES ON AGING ADMINISTRATION

The Area Agencies on Aging (AAAs) develop and administer an area plan, consistent with the state plan, for a comprehensive and coordinated system of programs in the planning and service area; assist older persons in obtaining their rights, benefits, and entitlements currently available under the law; identify special needs or barriers to maintaining personal independence; involve older persons in the area in the development and planning of services delivered within the area; assess the need for services within the planning and service area to determine the effectiveness of existing services available within the area; and conduct public hearings on the needs and problems of older persons and on the area plan.

The FY 2006-07 appropriation in HB 06-1385 was $981,915 (FY 2006-07 Staff Figure Setting Page 156, 3/8/06). In FY 2007-08, in SB 07-239, the Long Bill appropriation continued at $981,915 (FY 2007-08 Staff Figure Setting Page 59, 3/5/07). In FY 2008-09 the appropriation increased through approval of DI-18 – Community Services for the Elderly Federal Spending Authority Update (FY 2008-09 Staff Figure Setting, Page 73, 2/28/08), which added $372,042 federal funds to the appropriation to bring the program into alignment with anticipated federal allocations in Long Bill HB 08-1375 to $1,353,957 (FY 2008-09 Staff Figure Setting, Page 78, 2/28/08). A continuing level of funding of $1,353,957 is requested for the Area Agencies on Aging Administration in FY 2009-10.

Department of Human Services
Line Item Descriptions

Division of Youth Corrections

FY 09-10 Budget Request

NOVEMBER 1, 2008

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(11) DIVISION OF YOUTH CORRECTIONS

(A) ADMINISTRATION

This section of the Division is responsible for establishing program policies and procedures for the treatment of juveniles in the custody of the Division and monitoring compliance with these standards and collects data and provides strategic planning. Other duties of the Administration section include contract management and victim notification. Other divisions within the Department of Human Services provide support for the accounting, facilities maintenance, and for human resource functions of the Division.

PERSONAL SERVICES

This line item funds salaries, PERA, and Medicare for administrative and management staff of the Division. The workload for the "Personal Services" line item in the Administration section is driven by the number of employees and programs in the Division that require supervision and strategic guidance, and by the amount and complexity of research and statistical data requested by the legislature, general public, and Division of Youth Correction's (DYC) own management. These factors are generally increasing, rather than decreasing, as the population of delinquent juveniles increases.

As the DYC commitment population grows, a larger number of youths are in contract placements. Although the direct care of the youths is provided by the private sector, any caseload growth requires DYC to manage a larger number of contracts with private-providers (including contracts with licensed Psychiatric Residential Treatment Facilities and Therapeutic Residential Child Care Facilities, medical and mental health treatment providers, local school districts, and colleges).

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $1,303,783 total funding and 15.4 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$1,221,746	15.4	Final FY 2007-08 Appropriation
$62,415	0.0	Salary Survey Awarded in FY 2007-08
$1,303,783	**15.4**	**FY 2008-09 Appropriation**

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$1,303,783	15.4	FY 2008-09 Appropriation (H.B. 08-1375)
$60,893	0.0	Salary Survey Estimated in FY 2008-09
$17,451	0.0	Performance-based Pay Estimated at 80 percent
$1,382,127	**15.4**	**FY 2009-10 Request**

OPERATING EXPENSES

This line item provides operating funds for the administrative and management staff of the Division. Expenditures are for general office supplies; office equipment maintenance, purchases, repairs; and travel expenses.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $30,294 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $30,294 plus $138 for the *NP #2 Postage Increase and Mail Equipment Upgrade*, which is part of DPA Common Policy item. This bring up the FY 2009-10 request to $30,342.

VICTIM ASSISTANCE

This line item provides spending authority and 0.5 FTE to help DYC fulfill its obligation to keep victims informed. For victims of qualifying charges (crimes against persons), Division of Youth Corrections provides notification of all movements and status changes of the perpetrator within the youth corrections system, such as escapes and return to custody, eligibility for visits to the community and cancellation of visits, hearings involving the perpetrator, re-commitments, transfer to the adult system, death, and expiration of commitment. The victim has the right at any of these events to provide statements for review.

Fund Source Overview. The source of re-appropriated funds/cash funds exempt for the victim assistance program is a grant from the Division of Criminal Justice in the Department of Public Safety, made pursuant to Section 24-33.5-506, C.R.S. (2008) The State Victims Assistance and Law Enforcement Advisory Board (State VALE Board), created in Section 24-33.5-508, C.R.S. (2008), advises the Division of Criminal Justice on what grants to make. Revenue for the State VALE fund comes from a percentage of surcharges on criminal offenders levied at the judicial district level, with a small amount coming from the Department of Corrections' Prison Industry Enhancement Program (federal) of which a certain amount must be used to provide direct services to crime victims.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $28,298 total funding and 0.5 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$28,298	0.5	FY 2008-09 Appropriation (H.B. 08-1375)
$1,031	0.0	Salary Survey Estimated in FY 2008-09
$270	0.0	Performance-based Pay Estimated at 80 percent
$29,599	**0.5**	**FY 2009-10 Request**

(B) INSTITUTIONAL PROGRAMS

This section of the Division includes state-operated detention and commitment facilities, and diagnostic and program services for juveniles while they are in a DYC institution. Additional services for juveniles who leave an institutional setting, for example to a community placement or parole, are funded through the Community Programs section.

PERSONAL SERVICES

This line item pays salaries for the majority of program, supervisory, and support staff at DYC institutions. Educational and medical staffs are funded in separate line items, and physical plant staffs are funded through the Office of Operations.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $42,666,971 total funding and 794.3 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$40,711,093	792.4	Final FY 2007-08 Appropriation
$1,401,031	0.0	Salary Survey Awarded in FY 2007-08
$436,433	0.0	Performance-based Pay Awarded at 80 percent
$104,914	1.9	Annualization of Critical Post Staffing (FY 2007-08 DI #7)
$13,500	0.0	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$42,666,971	**794.3**	**FY 2008-09 Appropriation**

FY 2007-08 DI #7 – Critical Post Staffing

In FY 2007-08 the General Assembly approved funding for $212,638 total funding and 5.6 FTE (7.5 FTE annualized) for staffing of critical posts at the Marvin W. Foote Youth Services Center. Critical posts represent those posts that are essential to the safely and security of both youth and staff in the facility as well as the operation of the facility itself. Staff assigned to facility critical posts are directly responsible for the care, supervision, and oversight of all juveniles placed in the facility.

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$42,666,971	794.3	FY 2008-09 Appropriation (H.B. 08-1375)
$1,234,957	0.0	Salary Survey Estimated in FY 2008-09
$120,394	0.0	Performance-based Pay Estimated at 80 percent
$44,383,506	**794.3**	**FY 2009-10 Request**

OPERATING EXPENSES

This line item funds the operation of DYC facilities, including such expenses as uniforms for staff and juveniles, custodial and laundry supplies, telephone fees, office equipment, and counseling supplies. Nearly half of the appropriation is for food and food service supplies. Food costs are paid primarily by the federal school breakfast and lunch program. Re-appropriated funds/cash funds exempt in the line item are funds transferred from the Department of Education for the federal school breakfast and lunch program.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $3,411,434 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$3,487,109	N/A	Final FY 2007-08 Appropriation
$938	N/A	Annualization of Critical Post Staffing (FY 2007-08 DI #7)
($76,613)	N/A	Reverse Custodial funds
$3,411,434	**N/A**	**FY 2008-09 Appropriation**

FY 2007-08 DI #7 – Critical Post Staffing

In FY 2007-08 the General Assembly approved funding for $212,638 total funding and 5.6 FTE (7.5 FTE annualized) for staffing of critical posts at the Marvin W. Foote Youth Services Center. Critical posts represent those posts that are essential to the safely and security of both youth and staff in the facility as well as the operation of the facility itself. Staff assigned to facility critical posts are directly responsible for the care, supervision, and oversight of all juveniles placed in the facility.

Custodial funds

A net of the funds coming in from the Department of Education $1,406,813 and the letter note "a" restricted of $1,330,200.

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$3,411,434	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
$164,179	N/A	FY 2009-10 DI#17: "Inflationary Increase for DHS Residential Programs"
$13,960	N/A	FY 2009-10 NP#1: "State Fleet Variable Cost"
$877	N/A	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$3,590,450	N/A	**FY 2009-10 Request**

Decision Item #17: Inflationary Increase for DHS Residential Programs is being 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 $114,547 ($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.

NP #1 State Fleet Variable Cost and NP #2 Postage Increase and Mail Equipment Upgrade are part of DPA Common Policy items which affects the Child Care Licensing and Administration line.

MEDICAL SERVICES

Personnel, contract, and operating costs associated with providing medical services to DYC youth were consolidated into one line item several years ago to enable better tracking of costs and to provide the Division with more flexibility in managing medical expenses. Because this is a "program" line item, there are three distinct components to the recommendation: (1) personal services; (2) contract services; and (3) operating expenses.

(1) Personal Services - This portion of the line item pays for staff in state-operated facilities who are providing routine medical care and administer medications, especially psychotropics. Youth in contract facilities are eligible for Medicaid.

(2) Contract Services - The Division's primary contract for medical services is with Devereaux Cleo Wallace to provide acute mental health services at Lookout Mountain Youth Services Center in the Cypress Unit. This function is complemented by the opening of the 20-bed mental health facility and the requested increase in mental health treatment services. Also, the Division uses contract dollars to pay Colorado Access for managing specialty off-site medical needs. The Division spends smaller amounts on contracts for infrequently used on-site medical services, such as psychiatrists, and on contracts for medical services in areas where it is difficult to recruit state FTE.

(3) Operating Expenses - The majority of medical operating expenses are for youth in state-owned or state operated commitment facilities. Federal rules prohibit youth in state-owned or state-operated institutions from accessing Medicaid. However, juveniles in contract facilities can typically meet Medicaid eligibility requirements because they are considered a family of one for the income criteria. Exceptions exist for youth placed out-of-state and youth in secure contract facilities. Detained youth who have not been committed, and therefore are not officially a ward (legal custody) of the State, may retain the Medicaid status they had prior to detention for the short duration of their stay.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $7,934,779 total funding and 39.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$7,810,704	39.0	Final FY 2007-08 Appropriation
$97,092	N/A	Salary Survey Awarded in FY 2007-08
$26,983	N/A	Performance-based Pay Awarded at 80 percent
$7,934,779	**39.0**	**FY 2008-09 Appropriation**

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$7,934,779	39.0	FY 2008-09 Appropriation (H.B. 08-1375)
$93,329	0.0	Salary Survey Estimated in FY 2008-09
$33,472	0.0	Performance-based Pay Estimated at 80 percent
$1,175	0.0	FY 2009-10 NP#1: "State Fleet Variable Cost"
$47	0.0	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$8,062,802	**39.0**	**FY 2009-10 Request**

ENHANCED MENTAL HEALTH SERVICES PILOT FOR DETENTION

The funding in this line item is intended to examine the efficacy of providing intensive mental health services for detained youth. At the time this line item was added to the budget, DYC had a system-wide problem with readmissions to detention. The Division believed that a disproportionate share of the juveniles getting readmitted had a mental health problem that was not being treated in the community. The appropriation in the line item provided for assessment by DYC of youth in detention at the Mount View and Grand Mesa facilities. A companion piece of funding in the Division of Children's Health and Rehabilitation provided community treatment upon release.

Due to the shortage of General Fund dollars, this line item was eliminated in FY 2003-04. In FY 2005-06, the General Assembly provided $250,000 General Fund to reestablish this program.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $265,927 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$262,704	N/A	Final FY 2007-08 Appropriation
($707)	N/A	Removal of Leap Year Adjustment (FY 2007-08)
$3,930	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$265,927	**N/A**	**FY 2008-09 Appropriation**

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $265,927.

EDUCATIONAL PROGRAMS

This line item funds personal services and operating expenses associated with education, primarily in state-operated commitment facilities. In contract commitment facilities, and in detention facilities, education is the responsibility of local school districts and paid for with the help of state per pupil operating revenue (PPOR). A limited portion of the "Educational Programs" line item is used to supplement PPOR-funded services at detention facilities with health education, such as AIDS prevention and substance abuse prevention.

There are three sources of federal funds for this line item that appear as re-appropriated funds/cash funds exempt because the money is transferred from the Department of Education: (1) the Carl D. Perkins Vocational Education Act for vocational training ($30,000); (2) Title I of the Elementary and Secondary Education Act for disadvantaged youth ($206,336); and (3) the Individuals with Disabilities Education Act for special education ($107,557).

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $5,697,368 total funding and 40.8 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$5,987,503	40.8	Final FY 2007-08 Appropriation
$69,870	0.0	Salary Survey Awarded in FY 2007-08
$22,943	0.0	Performance-based Pay Awarded at 80 percent
($413,952)	0.0	Reverse Custodial funds
$31,004	0.0	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$5,697,368	**40.8**	**FY 2008-09 Appropriation**

Custodial funds
A net of the funds coming in from the Department of Education $757,845 and the letter note “a” restricted of $343,893.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$5,697,368	40.8	FY 2008-09 Appropriation (H.B. 08-1375)
$186,149	0.0	Salary Survey Estimated in FY 2008-09
$30,549	0.0	Performance-based Pay Estimated at 80 percent
$5,914,066	**40.8**	**FY 2009-10 Request**

PREVENTION/INTERVENTION SERVICES

This line item provides spending authority for an intra-agency agreement between DYC and the Alcohol and Drug Abuse Division (ADAD) located in the Division of Mental Health. Historically, the funds have supported drug and alcohol assessment and training for substance abuse counselors in DYC facilities. Prior to FY 2002-03, the funds were originally appropriated in ADAD as General Fund dollars. Because the funds are transferred to DYC, they are reflected as re-appropriated funds/cash funds exempt in DYC's budget. Because of budget reductions, no General Fund dollars are transferred from ADAD. The dollars transferred to DYC are federal funds. Approved for FY 2008-09 is a continuation level of funding with common policy adjustments. Approved is an appropriation of $49,693 re-appropriated funds/cash funds exempt (federal funds transferred from ADAD) and 1.0 FTE for this line item.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $49,693 total funding and 1.0 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $49,693.

(C) COMMUNITY PROGRAMS

This section of the Division funds contract placements of juveniles typically in community settings with lower security levels than state-operated institutions. This section also supports case management that begins during a juvenile's stay in commitment and continues through the end of parole. Finally, this section funds S.B. 91-94 programs intended to divert juveniles from detention and commitment, or reduce their length of stay.

PERSONAL SERVICES

This line item supports personal services for case managers, support staff, and regional administrators, who are responsible for overseeing contract placements and the overall operation of DYC services in the area. Beginning in FY 1997-98, the Division combined the role of case manager and parole officer, so the same individual tracks a juvenile through the system from commitment to the end of parole. The source of cash funds in this line item is a reimbursement by the operator of the Ridge View facility to offset the cost of monitoring the facility pursuant to Section 19-2-411.5 (2) (e), C.R.S. (2008).

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $7,929,462 total funding and 118.8 FTE for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$7,393,280	115.2	Final FY 2007-08 Appropriation
$246,992	0.0	Salary Survey Awarded in FY 2007-08
$79,786	0.0	Performance-based Pay Awarded at 80 percent
$111,220	1.8	Decision Item #3B-H.B. 04-1451
$98,184	1.8	Decision Item #3C-Functional Family Parole
$7,929,462	**118.8**	**FY 2008-09 Appropriation**

Decision Item #3B - Earned Incentive Funds for Collaborative Management Program

The Department was approved 1.8 FTE and funding in the "Personal Services" line item and General Fund in the "Operating Expenses" line item for this decision item. The DYC 1.8 FTE will annualize to 2.0 FTE in FY 2009-10. Included are General Professional IV H.B. 04-1451 Regional Coordinators to provide assistance and support to the Division's management regions in actively participating in the 18 county H.B. 04-1451 programs across the State. The duties and responsibilities of these positions include:

1. Working with the other H.B. 04-1451 participating agencies in each county to develop collaborative management processes;
2. Identifying, monitoring, and reporting on performance-based measures related to the juvenile justice goals of each local H.B. 04-1451 program;
3. Assisting in the development and operation of individualized service and support teams to meet the needs of children and families;
4. Representing the Division at Interagency Oversight Group meetings; and
5. Serving as the Division's liaison and contact person to each of the participating counties.

The Division will participate in H.B. 04-1451 programs that are designed to reduce costs. In addition, the Division has not received funding to support its participation in the H.B. 04-1451 programs. Because the number of H.B. 04-1451 programs across the State has continued to rise the past three years.

Decision Item #3C - Functional Family Parole

The Department was approved 1.8 FTE and funding in the "Personal Services" line item and General Fund in the "Operating Expenses" line item for this decision item. This funds the statewide expansion of the Functional Family Parole (FFP) program, which is currently being piloted in the DYC Central Region. This expansion of the FFP program is anticipated to result in a reduction in the number of youth on parole who receive a criminal filing and are convicted and sentenced to the Department of Corrections. The FFP program is modeled on Functional Family Therapy (FFT), which is a structured, family-based intervention that uses a multi-step approach to enhancing protective factors and reducing risk factors in the family. An organization called Functional Family Therapy, Inc. (FFT, Inc.) has developed the FFT model and has made its use conditional upon certain requirements. Among these are continuous training, consultation, and supervision to ensure model fidelity. The 1.8 FTE (annualized to 2.0 FTE in FY 2009-10) would fund additional Social Worker III level positions. These positions would receive additional training and supervision in FFP from FFT, Inc. in order to ensure model fidelity. In addition, FFT, Inc. would oversee their training and approve their ability to provide internal consultation.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$7,929,462	118.8	FY 2008-09 Appropriation (H.B. 08-1375)
$324,743	0.0	Salary Survey Estimated in FY 2008-09
$93,011	0.0	Performance-based Pay Estimated at 80 percent
$8,347,216	**118.8**	**FY 2009-10 Request**

OPERATING EXPENSES

This line item provides operating funds for the FTE in the personal services line item above. The single largest expenditure category from this line item is fuel expenditures, reflecting the mobile nature of case management work. The source of cash funds is fees collected from the Ridge View contractor to offset the cost of monitoring operations in DYC facilities, which is required pursuant to Section 19-2-411.5 (2) (e), C.R.S. (2008).

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $359,860 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$342,240	N/A	Final FY 2007-08 Appropriation
$8,810	N/A	Decision Item #3B-H.B. 04-1451
$8,810	N/A	Decision Item #3C-Functional Family Parole
$359,860	**N/A**	**FY 2008-09 Appropriation**

For Decision Item #3B and Decision Item #3C, $8,810 in operating expenses is added for each (a total of $17,620) funding related to adding a total of 3.6 FTE (1.8 FTE for Decision Item #3B and 1.8 FTE for Decision Item #3C).

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$359,860	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
$35,715	N/A	FY 2009-10 NP#1: "State Fleet Variable Cost"
$327	N/A	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$395,902	N/A	**FY 2009-10 Request**

NP #1 State Fleet Variable Cost and NP #2 Postage Increase and Mail Equipment Upgrade are part of DPA Common Policy items which affects the Division of Youth Correction, (C) Community Program, Operating line.

PURCHASE OF CONTRACT PLACEMENTS

This line item provides funding for the Division to contract with private for-profit and non-profit organizations to house and treat youth. All of the contracts funded through this line item are for residential services. Non-residential services are paid for through other line items.

The source of re-appropriated funds/cash funds exempt is Medicaid funds transferred from the Department of Health Care Policy and Financing.

Within the last decade, there has been enormous growth in the DYC system. The Division’s State-operated capacity has easily been outpaced by the demand for residential and non-residential services; thus, the Division has augmented its capacity through the Purchase of Contract Placements Subprogram. The attraction of residential contract placements is that privately operated programs do not require the State to construct and staff new facilities. This process of building new state facilities often involves several years of preparation. Because of anticipated growth in populations, the State requires more immediate solutions. The Division views the Purchase of Contract Placements Subprogram as essential to its system. This subprogram includes an array of contract residential placement services for youth needing secure, staff-secure, and non-secure residential placement services. In addition, residential services are provided to youth transitioning to the community after release from institutional settings and adjudicated youth that have been assessed as appropriate for placement in a community residential setting. Payment is made to private vendors for the provision of a range of services to youth based on specific treatment and counseling needs. The Division continues to move forward in implementing a continuum of care approach to enhancing services for committed youth. With the approval of the General Assembly, the Division has applied funds for residential placements to provide treatment, transition and wraparound services to committed youth. FY 2005-06 funds were partially used to build service delivery capacity in the community and to develop evidence based treatment programs to serve DYC youth in the community.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill 53,665,253 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$45,489,476	N/A	Final FY 2007-08 Appropriation
($148,229)	N/A	Removal of Leap Year Adjustment (FY 2007-08)
$9,297,189	N/A	Funding level forecast by the LCS December 2007 population projections reversed (S#11)
$793,083	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
($1,766,266)	N/A	Joint Budget Committee Action for Joint Budget Committee Action for Continum of Care
$53,665,253	**N/A**	**FY 2008-09 Appropriation**

The appropriation was not calculated pursuant to the estimated need for beds in the juvenile system based on the Legislative Council Staff (LCS) December 2007 population projections. Instead, this appropriation carries forward the FY 2007-08 appropriation prior to supplementals, with an adjustment for the Continuum of Care Initiative. The Division requested its FY 2007-08 base funding level, which is greater than the funding level forecast by the LCS December 2007 population projections, because the Division plan was to invest in additional programs to continue the decrease in population numbers.

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $53,665,253.

MANAGED CARE PILOT PROJECT

This line item is used to fund the Boulder County Impact Project, which is a managed care agreement between the Division of Youth Corrections and Boulder County for handling delinquent youth. The agreement caps the dollars that can be used for detained and committed youth in Boulder County.

The Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) is a community based effort to integrate formerly categorical funding streams (Boulder County Social Services, Boulder County Mental Health, and DYC) and programs with a focus on accountability and outcomes. IMPACT's mission is to perform gate keeping, assessment, concurrent utilization review and quality assurance reviews for delinquent youth who are in or at risk of placement. DYC works collaboratively with Boulder on issues related to local management of DYC resources and the number of beds and resources that will be dedicated to this initiative.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill 53,665,253 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$1,373,590	N/A	Final FY 2007-08 Appropriation
($3,698)	N/A	Removal of Leap Year Adjustment (FY 2007-08)
$20,549	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$1,390,441	**N/A**	**FY 2008-09 Appropriation**

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $1,390,441.

S.B. 91-94 PROGRAMS

Senate Bill 91-94 authorized the creation of local, judicial-district based programs designed to provide alternatives to incarceration for pre-adjudicated and adjudicated youth. These programs work to reduce the incarcerated population by impacting the number of admissions into DYC facilities, or by reducing the length of stay for youths placed in DYC facilities. Senate Bill 91-94 funds are also used in each judicial district to implement a uniform intake screening and assessment of all youth taken into custody by law enforcement. The goal of this intake screening is to determine the most appropriate placement for youth. Four levels of placement are identified on the screening instrument, including secure detention, staff secure detention, residential/shelter, and home detention with monitoring. Of the funds appropriated to this line item, the Division reserves three percent for research, evaluations, technical assistance, and audits. The remainder of the money is allocated by formula to programs in each judicial district. Historical funding has been based on approximately 25 percent for committed youth and 75 percent for detained youth. However, because of recent budget reductions and because of the statutory cap on juvenile detention beds, the funds are currently used for detention services only.

Through the S.B. 91-94 program, DYC developed a detention screening and assessment instrument that is used at the point a youth is taken into custody and referred for detention. The screening instrument classifies youth into five categories:

1. secure detention
2. staff secure detention
3. shelter-care
4. pretrial supervision
5. release without services

Prior to the 1991 Legislative Session, the Division of Criminal Justice Population Projections indicated the need for approximately 500 additional DYC secure placement beds. The Executive Director of the Department of Institutions[1], DYS staff, the Legislature, and the Joint Budget Committee (JBC) examined how the use of local options and early intervention could serve as a viable alternative to building expensive state facilities. These discussions culminated in the development of Senate Bill 91-94, which was introduced and adopted during the 1991 Legislative Session. The bill contained provisions that:

- Outlined a process for the development of criteria for placement of juveniles in secure state facilities;
- Specified that a formula should be developed for the allocation of resources to each county in the State for the development of local services to be utilized as alternatives to the placement of youth in State facilities;
- Authorized the establishment of pilot programs in local jurisdictions that would provide services for juveniles that would help relieve overcrowding in State-operated facilities;
- Specified that guidelines should be established for the emergency release of juveniles from State facilities during periods of crisis overcrowding; and,
- Provided for the establishment of a Juvenile Services Fund that would distribute funds to local jurisdictions on or after July 1, 1993, based on a local juvenile services plan developed by each jurisdiction. Plans were to include, but not be limited to, such services as intervention, treatment, supervision, lodging, assessment, bonding programs, and family services[2].

In 1992, DYC appointed a statewide advisory committee composed of members of juvenile justice agencies to advise the DYC on policy and program issues affecting the successful implementation of the S.B. 91-94 legislation. The committee reviewed the allocation formula, provided input on program evaluation, developed formats for the yearly submission of local S.B. 91-94 plans, and reviewed and approved all plans prior to implementation.

In FY 1995-96, a subcommittee composed of representatives of local planning committees, treatment providers, and agency representatives developed standardized procedures for detention screening and assessment. A detention “Screening and Assessment Guide” was field tested throughout the State. Based on this field test, revisions were made and the instrument was implemented Statewide in January 1996. The detention assessment is designed for use at the time a youth is taken into custody and referred to secure detention, staff secure detention, or S.B. 91-94 funded alternatives to detention. The data collected from the screening and assessment instrument has provided useful profile information on juveniles served in each of these program types.

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[1] DYS formerly housed under the Department of Institutions (DOI). In 1996, DYS was renamed to DYC and is an agency within the Colorado Department of Human Services (CDHS).

[2] Senate Bill 93-134, enacted during the 1993 Legislative Session, changed the local jurisdictions for funding allocations from counties to judicial districts, specified how local juvenile services planning committees were to be appointed, and how plans were to be approved. SB 91-94 funding includes resources for a statewide evaluation of the effectiveness of Local Juvenile Services plans. DYC submits annual reports on program effectiveness each November.

In FY 2003-04, the Division substantively reconstituted the S.B. 91-94 programs to specifically address the detention population[3]. This shift in focus was largely attributed to two factors: 1) New legislation that capitates the number of detention beds in the state (S.B. 03-286); and 2) Significant budgetary reductions taken from this program area to address the State's budgetary shortfalls[4].

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $13,297,406 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	**FTE**	**Explanation**
$12,463,139	N/A	Final FY 2007-08 Appropriation
($28,554)	N/A	Removal of Leap Year Adjustment (FY 2007-08)
$666,308	N/A	Decision Item #3A Recidivism S.B. 91-94
$196,513	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$1,390,441	**N/A**	**FY 2008-09 Appropriation**

Decision Item #3A - Funding for S.B. 91-94 Programs

To develop and implement evidence-based programs within the State's 22 judicial districts, as managed by the S.B. 91-94 program. This assistance would allow for more uniform understanding and application of evidence-based principles and programs. The funding would also assist in providing services to an increasing number of S.B. 91-94 youth needing services while under community supervision.

The Division is developing a protocol for program review or monitoring to ensure that programs are being delivered according to design. The Division will be structure this funding around the following principles: (1) developing consistency in the application of evidence-based programming; (2) maintaining program fidelity in the application of the services; and (3) maintaining flexibility in allowing districts to create programming that meets local needs that have been shown to be a promising practice or a best practice in juvenile justice.

[3] For over a decade SB91-94 dollars also addressed the committed population. Programs such as Juvenile Intensive Supervision Probation, Multi-Systemic Therapy, etc. were developed as community-based alternatives to a commitment sentence.

[4] In FY 2002-03, the budget for SB91-94 was $12.2 million. In FY 2003-04, the budget was reduced to $8.9 million (approximately 27 percent reduction in total budget). In FY 2004-05, the budget was reduced an additional $ 1.0 million to approximately 7.9 million. This FY 2004-05 $ 1.0 million reduction was restored in FY 2005-06. An additional $ 1 million was restored to the SB91-94 budget for SFY 2006-07.

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation plus the following:

Amount	FTE	Explanation
$1,390,441	N/A	FY 2008-09 Appropriation (H.B. 08-1375)
$153	N/A	FY 2009-10 NP#2: "Postage Increase and Mail Equipment Upgrade"
$13,287,559	**N/A**	**FY 2009-10 Request**

NP #2 Postage Increase and Mail Equipment Upgrade is part of DPA Common Policy item, which affects the Division of Youth Correction, (C) Community Program, S.B. 91-94 Program line.

PAROLE PROGRAM SERVICES

This line item was created in FY 1998-99 through the consolidation of several line items providing "wrap-around" services to parolees and pre-parolees. The funds are designed to assist in a successful transition from commitment to parole, and in successful completion of parole. In addition, some of the services, such as electronic monitoring, create conditions in the community that may make the Parole Board more comfortable with releasing a juvenile to parole sooner.

The DYC parole program services subprogram is part of the DYC Regional service system[5]. Statewide parole services are administered through the four DYC Regions: Central (2nd, 18th, 1st, 5th Judicial Districts), Northeast (8th, 20th, 19th, 17th, 13th Judicial Districts), Southern (4th, 10th, 11th, 16th, 15th, 3rd, 12th Judicial Districts), and Western (14th, 9th, 21st, 7th, 22nd, 6th Judicial Districts). Juvenile Parole Officers are responsible for the supervision of committed youth released to parole[6]. An essential component of supervision is the development, implementation, and monitoring of a parole plan. The parole plan is consistent with the Discrete Care Plan developed by the case manager at the time of a youth's commitment, and establishes the residential and service continuum for the youth. Specifically, the parole plan outlines the goals and objectives for the youth during the period of parole. The Division is currently implementing the Colorado Juvenile Risk Assessment (CJRS) assessment tool for use with youth across the system, from commitment to parole. This instrument provides as assessment of youth criminogenic risk factors, and will be administered to all DYC youth at transition points. The Division is also striving to provide evidence-based programs and practice for paroled youth. These programs have been proven effective in addressing youth risk and increasing successful outcomes.

DYC Parole Officers provide direct services to the youth and their family, link youth with community service providers to assure that appropriate services and supervision are delivered, and collaborate with educators or employers to strengthen the youth's set of pro-social skills and abilities. The intent of parole is to facilitate the youth's effective transition from a residential to a community setting.

[5] Section 19-2-209, C.R.S. (2008), establishes the Division of Juvenile Parole within the Department of Human Services.
[6] Section 19-2-909, C.R.S. (2008) specifies that all youth committed to DYC must serve a mandatory parole period of six months.

As part of the parole plan, *parole program services* are used to serve youth who have been granted parole and require supportive services and specialized supervision to assist in their transition. All programs provide in-home or other community-based services designed to help youth successfully reintegrate with their families and the community. All programs emphasize supervision, and require youth to be accountable for their behavior at home, school and/or in their work environments. These services are an important component of parole supervision, and they can only be met by purchasing specific services to meet the individualized needs of the parolee (e.g., "wraparound" services). Specific parole program services include tracking services, day treatment and day reporting programs, and community-based services. Each of these contracted service types are described below:

- <u>Tracking Services:</u> Tracking services supplement the monitoring provided by the case manager/parole officer. Parole Officers may not be available, or their workload may not allow, the level of monitoring necessary to ensure that juveniles adhere to the conditions of parole and that public safety is not compromised. The tracker, an employee of a private provider, works flexible hours and is assigned to make direct contact with a juvenile at home, at school, and at work. Tracking is often combined with other surveillance tools (e.g., drug use testing, electronic monitoring or voice verification programs) to increase the level of supervision during critical periods where public safety may be at risk. As a result of the enhanced monitoring, problem behaviors can be recognized earlier, thereby enabling more timely interventions. Further, the use of tracking services helps the client to access community-based services and to follow-through on activities required in the parole plan. Tracking services are utilized in accordance with the risk of the parolee (as evidenced by their level of supervision[7]). In higher risk cases, tracking services may be required as a condition of release, and may be continued throughout the period of parole. Additional tracking services are not typically utilized with parolees who are succeeding on the lower levels of supervision[8]. Finally, there are instances where tracking services are utilized as an intermediate sanction in lieu of revocation. An example may be when a juvenile is not succeeding on supervision, but a revocation may not be altogether warranted. Additional monitoring may provide the needed structure for the youth to avoid more costly re-incarceration.

- <u>Day Treatment or Day Reporting Programs:</u> These programs enhance the level of supervision by requiring the parolee to attend sessions during the day and return home at night. For youth who are at greatest risk of re-offending, there are programs that provide "seven-days-a-week" supervision and offer "overnight" monitoring and contact. In addition to surveillance, these day treatment or day reporting programs provide youth with needed treatment or educational training. These types of programs have consistently proven to be effective in reducing future criminal behavior. Many of these day treatment or day reporting programs actively encourage families to maintain involvement in the supervision of their youth. Within this paradigm, families and communities are seen as assets and reaffirm the Division's commitment to "Restorative Justice" and community reintegration. Similar to the use of tracking services, day treatment or day reporting programs are utilized on a risk-need basis.

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[7] As of July 2000, the Division has adopted a system of graduated levels of parole supervision. There are five (5) levels of supervision outlined: Intensive, High, Medium, Low and Administrative.

[8] In practice, the Division does not authorize tracking for parolees on "Low" or "Administrative" level supervision.

These high-intensity services are reserved for those youth who have the greatest need or pose the most serious risk to public safety[9].

- Community-Based Services: These services assist the parole officer with transitioning the committed youth back into the community. These types of programs are commonly required for those youth that either do not have a family, or cannot rely upon familial support. This group of youth is at particular risk because many fail on parole as a result of their inability to cope with the basic rigors of daily living. Many of these juveniles move to independent living and need support systems in finding housing, employment, school, and community services. Community-based Services offer holistic advocacy services that assist the youth with meeting their daily needs (examples of these services include Multisystemic Therapy, and substance abuse and mental health treatment). Similar to tracking services, community-based program staff work flexible schedules to be available to assist the youth at times of crisis or need.

FY 2008-09

In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $5,453,754 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	FTE	Explanation
$5,135,922	N/A	Final FY 2007-08 Appropriation
($9,071)	N/A	Removal of Leap Year Adjustment (FY 2007-08)
$250,000	N/A	Decision Item #3C Recidivism Functional Family Parole
$76,903	N/A	Joint Budget Committee Action for Net Provider Increase for Cost of Living Adjustment of 1.5%
$5,453,754	**N/A**	**FY 2008-09 Appropriation**

Decision Item #3C - Functional Family Parole

$250,000 total funding and 1.8 FTE were approved to fund the statewide expansion of the Functional Family Parole (FFP) program, which is currently being piloted in the DYC Central Region. The personal services and operating portions of the Decision Item were discussed previously. The FFP program is modeled on Functional Family Therapy (FFT), a structured, family-based intervention that uses a multi-step approach to enhancing protective factors and reducing risk factors in the family. This portion adds $250,000 General Fund in the "Parole Program Services" line item to fund contract services. These funds would be used to bring in experts from Functional Family Therapy, Inc. (FFT, Inc.) to conduct a series of 2-day initial trainings for the client managers/parole officers and their supervisors who deliver parole services for DYC in the Division's other management regions (Northeast, Southern, and Western). The FFP program further requires initial training for supervisors, quarterly follow-up training for supervisors, quarterly advanced

[9] Sustained placement on intensive stages of Day Treatment or Day Reporting Programs are paid by the State only to those parolees on "Intensive" and "High" levels of supervision.

training for parole officers, and weekly phone consultation with FFP experts for groups of six to eight client managers/parole officers and their supervisors. The $250,000 in funding would allow DYC to meet these requirements upon which use of the model is conditional.

Source of Federal Funds

The source of federal funds is Title IV-E funding. Title IV-E provides assistance to states in paying a portion of the cost associated with maintaining certain youth in out-of-home placements. The youth must meet eligibility criteria based on family income and committing circumstances (best interests of the child and reasonable efforts to avoid out-of-home placement). The placement must be in a non-institutional, non-secure, community-based setting. Many of DYC's youth and placements meet the criteria.

The Division uses random moment sampling (RMS), a federally approved method of accounting for personal services time spent on Title IV-E eligible activities. Under RMS, an automated system calls client managers arbitrarily to determine what they are doing at that moment and for the preceding hour, and whether that activity qualifies for Title IV-E reimbursement. Then, based on the percentage of Title IV-E eligible youth in the system, the agency can claim the federal funds.

FY 2009-10

In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $5,453,754.

JUVENILE SEX OFFENDER STAFF TRAINING

This line item was added through a supplemental appropriation in FY 2002-03 for the purpose of funding training costs for DYC staff. Pursuant to the provisions of H.B. 00-1317 (Tool / Anderson), the Sex Offender Management Board (SOMB) was required to develop standards for the evaluation and identification of juvenile sex offenders. The standards developed by the SOMB are founded on "best practices", which include an emphasis on "informed supervision". Implementing this concept involves a list of supervisory roles and duties for all individuals who have a direct care or custodial relationship with a juvenile sex offender, which includes facility staff, case managers, parents, teachers, coaches, etc. The Division estimates that, on average, approximately 250 youth in its custody either have been adjudicated for a sexual offense or have charges that include an underlying factual basis for a sexual offense. This estimate includes the population in residential treatment or under parole supervision.

H.B. 07-1093 (Concerning sexual conduct occurring in penal institutions) annualized in FY 2007-08 adding $57,390 to this line item.

This bill directs the Department of Corrections (DOC) and the Division of Youth Corrections (DYC) in the Department of Human Services to develop polices and procedures regarding sexual assaults that occur in facilities they are responsible for. These policies are to:

- require disciplinary action for employees who fail to report incidences of sexual assault to the inspector general;

- require the inspector general, after completing an investigation for sexual assault, to submit the findings to the district attorney with jurisdiction over the facility in which the alleged sexual assault occurred;
- prohibit retaliation and disincentives for reporting sexual assaults;
- provide reasonable measures to ensure the safety of sexual assault victims;
- ensure the confidentiality of prison rape complaints and the protection of inmates who make such complaints;
- provide acute trauma care for sexual assault victims, including but not limited to treatment of injuries, HIV/AIDS prophylactic measures, and testing for sexually transmitted diseases;
- provide, at intake and periodically thereafter, information on sexual assault prevention, treatment, and counseling;
- provide sexual-assault-specific training to staff regarding treatment and methods of prevention and investigation;
- provide confidential mental health counseling; monitor victims of sexual assault for suicide impulses, post-traumatic stress disorder, depression, and other mental health consequences resulting from the sexual assault; and
- require termination of an employee who engages in a sexual assault on or sexual conduct with an inmate.

The bill also requires that persons investigating sexual assaults in penal institutions be trained in sex crimes investigation. Finally, the bill requires the DOC and the DYC to keep data related to sexual assaults and provide an annual report to the Judiciary Committees of the General Assembly.

FY 2008-09
In FY 2008-09 the General Assembly appropriated through H.B. 08-1375 Long Bill $47,060 total funding for this line item. The total appropriation for FY 2008-09 equals H.B. 08-1375.

Amount	**FTE**	**Explanation**
$95,640	N/A	Final FY 2007-08 Appropriation
($48,580)	N/A	Annualization of H.B. 07-1093
$47,060	N/A	FY 2008-09 Appropriation

FY 2009-10
In FY 2009-10 the Department is requesting a continuation from the FY 2008-09 Appropriation of $47,060.