

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

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

Request Title: Administrative Review Compliance FTE FY 2008-09
 Department: Human Services Dept. Approval by: *Will [Signature]* Date: 12-30-08
 Priority Number: S-10, BA-10 OSPB Approval: *[Signature]* Date: 12-30-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	3,676,597	4,751,619	140,657	4,892,276	4,841,610	0	4,841,610	(140,657)	4,700,953	0
	FTE	0.0	22.2	1.7	23.9	22.2	6.6	28.8	0.0	28.8	6.6
	GF	1,209,456	1,196,849	0	1,196,849	1,257,143	0	1,257,143	0	1,257,143	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,710,316	2,800,000	0	2,800,000	2,800,000	(459,113)	2,340,887	(140,657)	2,200,230	(429,836)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	756,825	754,770	140,657	895,427	784,467	459,113	1,243,580	0	1,243,580	429,836
(1) Executive Director's Office (B) Special Purpose, Administrative Review Unit	Total	1,966,281	1,951,619	140,657	2,092,276	2,041,610	459,113	2,500,723	0	2,500,723	429,836
	FTE	0.0	22.2	1.7	23.9	22.2	6.6	28.8	0.0	28.8	6.6
	GF	1,209,456	1,196,849	0	1,196,849	1,257,143	0	1,257,143	0	1,257,143	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	756,825	754,770	140,657	895,427	784,467	459,113	1,243,580	0	1,243,580	429,836
(5) Division of Child Welfare, Excess Federal Title IV-E Reimbursements	Total	1,710,316	2,800,000	0	2,800,000	2,800,000	(459,113)	2,340,887	(140,657)	2,200,230	(429,836)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,710,316	2,800,000	0	2,800,000	2,800,000	(459,113)	2,340,887	(140,657)	2,200,230	(429,836)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Federal Fund: Title IV-E; Cash Fund: Excess Federal Title IV-E Reimbursement - 17W
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Department of Human Services
Priority Number:	S-10, BA-10
Change Request Title:	Administrative Review Compliance FTE FY 2008-09

SELECT ONE (click on box):

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

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Department is requesting 1.7 FTE and \$140,657 (prorated 4/1/09 to 6/30/09 – three months) in funding for FY 2008-09 from the Child Welfare - Excess Federal Title IV-E Reimbursements. This request will increase the Administrative Review Division's (ARD) staff in order to meet the requirements of Section 422 of the Social Security Act and the Adoption and Foster Care Analysis Reporting System (AFCARS) by providing timely 6-month periodic reviews of all children in foster care and avoiding Federal Fiscal Sanctions due to non-compliance.

Background and Appropriation History:

In 1991, the Administrative Review process was established due to the State's failure to correct non-compliance issues and the federal fiscal sanctions that were going to be imposed. As a result, the Division was created and approved by the legislature to meet the federal mandates requiring states to have a comprehensive, statewide system for assessing all Colorado children placed out of their own homes.

The term "Administrative Review" as defined in federal and state law, means a review open to the participation of the parents of the child, the foster care provider, and youth (if

age appropriate) that is conducted by a panel of appropriate persons at least one of whom is not responsible for the case management, or the delivery of services to, either that child or the parents who are the subject of the review. (CRS 19-1-103) This review provides a third-party objective view of the case. It also allows for case specific training and technical assistance as the findings are discussed with the caseworker/client manager at the end of each review.

The administrative review consists of reading a case file read and facilitating a one-hour long face-to-face review with those involved with the case. This would include the caseworker or client manager, parent/guardian(s), youth, foster care provider, Guardian ad Litem (GAL), and anyone else the caseworker or client manager deems appropriate in their relationship to the case. Colorado's process also incorporates a Quality Assurance (QA) process with data collection, needs and strength identification, written findings and case specific data reports. These are provided daily for each completed Administrative Review. Aggregate reports are then distributed to county and program managers, judicial and other stakeholders for their use in policy development and program evaluation. This data is also used to research statewide trends in Child Welfare and identify strengths and weaknesses in the service delivery system.

The statewide data collected from the ARD reviews was also used for measuring Colorado's compliance with the Performance Improvement Plan (PIP) negotiated with the Federal Regional Office to address areas of non-conformity and areas needing improvement, which were found during the Child and Family Services Review (CFSR) of 2002.

The final report dated August 2002 on the Colorado Child and Family Services Review (CFSR) issued by the U.S. Department of Health and Human Services, Administration for Children and Families, and the Children's Bureau found Colorado to be compliant with most of the Items listed under the outcomes of Safety, Permanency and Well-Being and six (6) of the seven (7) Systemic Factors. The Case Review System was the only systemic factor to be an "Area Needing Improvement". At that time, only two (2) of the five (5) Items under the Systemic Factor of Case Review were found to be strengths.

These two (2) Items found to be strengths were directly related to the ARD Reviews. The other three (3) Items were areas needing improvement. These Items were related to the Case Plan being developed jointly with the child's parents with regard to timely Permanency Hearings conducted by the courts and a process for termination of parental rights. In order to be found in compliance on any Systemic Factor, the number of Items listed, as strengths must be larger than those needing improvement.

At that time (FY 2001-02), the unit, staffed with 19.0 FTE Compliance Investigators, who completed 11,902 reviews, was able to maintain compliance with the federal regulation of timely periodic reviews and was successful in meeting the legislative mandate.

In FY 2002-03, the Division incurred its first budget reduction of 2.0 FTE that provided supportive functions. During this period the Division maintained federal compliance.

In FY 2003-04, ARD received additional reductions resulting in the loss of 7.0 FTE Compliance Investigators and an additional 2.0 FTE that provided supportive functions. The Division reorganized and implemented several changes including the Joint Budget Committee staff recommendations. Some of the changes that were made are as follows:

1. Restructured reviews allowing only for questions that were required by federal regulations and eliminating duplication of data collected through other sources i.e. Trails. This decreased that amount of time required to conduct the review.
2. Decreased on-site county audits from every year to once every 4 years
3. Eliminated client satisfaction surveys
4. Eliminated training and technical assistances for the counties
5. Reduced the staff consistency training for review and updates of changes in child welfare rules/agency letters/procedure from three-days to two days.

In FY 2005-06, the Division received \$120,000 to provide funding for contractors to assist in reducing the number of late reviews. ARD reduced the number of late reviews by 1,410. However, the Division remained out of compliance.

The FY 2006-07 appropriation recommended for ARD was \$1,869,984 and 22.2 FTE. The JBC recommended General Fund of \$1,143,089 and \$730,549 in Federal Title IV-E funding. Although calculating a need for 4.2 FTE, the JBC staff only recommended and approved 2.2 FTE. (See page 45 of the FY 2006-07 Staff Figure Setting.) The staff recommended that 1.0 FTE could supervise the unit's FTE, so the committee asked that the department reclassify two supervisory positions to reviewer positions. As a result, one supervisory position was reallocated to a reviewer FTE. They did recommend two additional vehicles for 4-month leases in FY 2006- 07 and then for 12 months in FY 2007-08.

General Description of Request:

This request is for three months, 1.7 FTE and \$140,657 in federal funding, to increase the Administrative Review Division's (ARD) total Compliance Investigator II FTE staffing in order to meet the requirements of Section 422 of the Social Security Act and AFCARS by providing timely 6-month periodic reviews of all children in foster care through Child Welfare and the Division of Youth Corrections, while monitoring for safety, permanency, and well-being of Colorado's children. The ability to decrease late reviews is directly tied to the number of Compliance Investigator II positions allocated, which determines the number of children that can be reviewed each month. This supplemental is a continuation of the Decision Item submitted in the November 3, Executive Request (DI-16 Administrative Review Additional FTE). These additional months of funding will allow for the training and deployment of the additional staff to increase the program's effectiveness and allow for full implementation of the federal requirements in FY 2008-09.

Timeliness of Out of Home Reviews FY 2005-06 (Considering those children in care 7 months or longer and those who were reviewed early)				
	1 st Quarter SFY 2006	2 nd Quarter SFY 2006	3 rd Quarter SFY 2006	4 th Quarter SFY 2006
Percent of Reviews Timely	62.2	60.6	60.9	62.7
Percent of Reviews Late	37.8	39.4	39.1	37.3
Universe of Eligible Reviews (n)	7,006	7,041	7,003	7,304

Cumulative FY 2005-06 38.4%

Timeliness of Out of Home Reviews FY 2006-07 (Considering those children in care 7 months or longer and those who were reviewed early)								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	n	%	n	%	n	%	n	%
Number of Reviews Timely	4,366	62.18%	3,833	54.61%	3,390	48.32%	3,650	52.72%
Number of Reviews Late	2,655	37.82%	3,186	45.39%	3,625	51.68%	3,274	47.28%
Universe of Eligible Reviews	7,021	100%	7,019	100%	7,015	100%	6,924	100%

Cumulative FY 2006-07 =45.54%

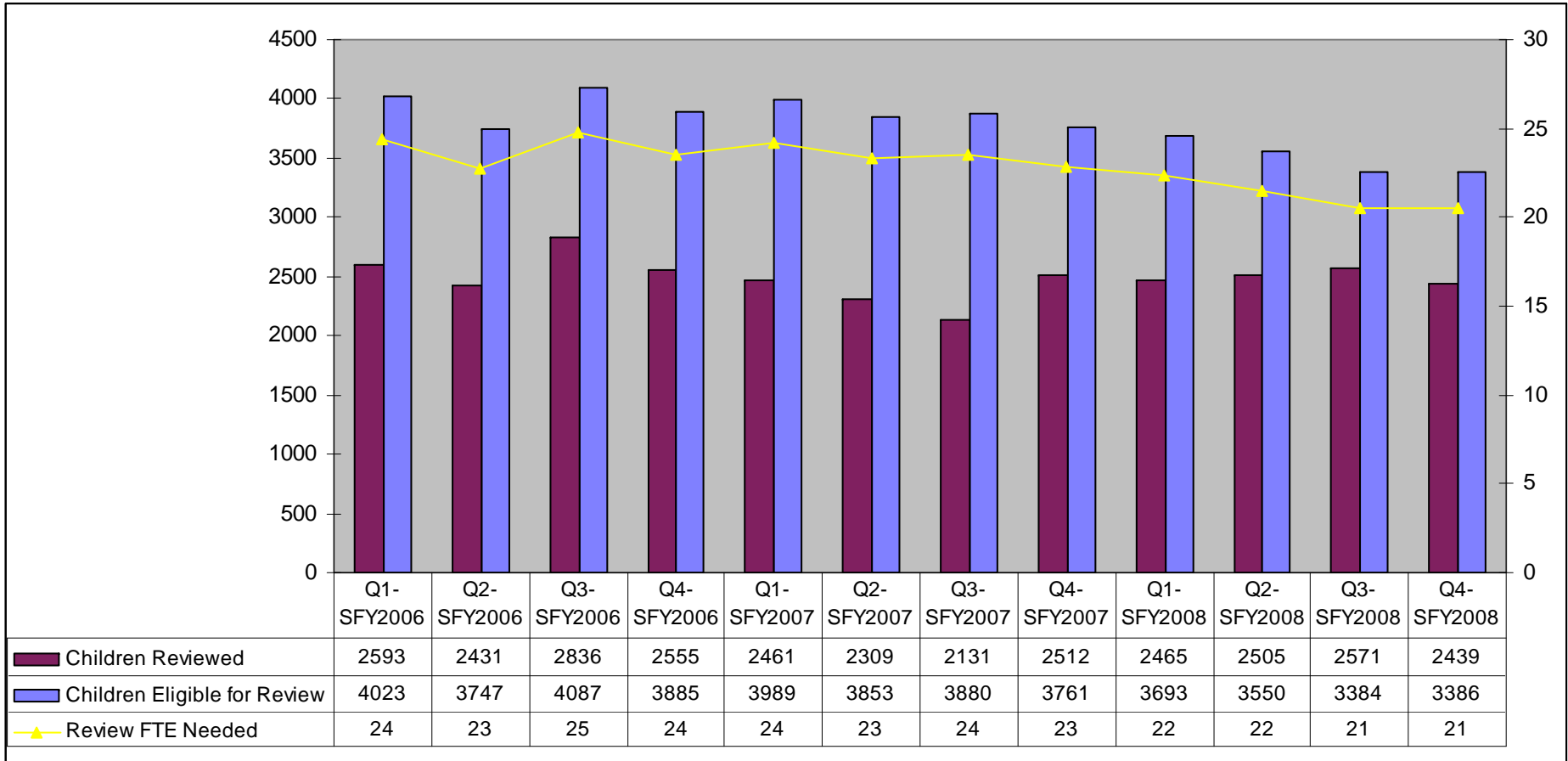
Timeliness of Out of Home Reviews FY 2007-08 (Considering those children in care 7 months or longer and those who were reviewed early)								
	1st Quarter		2nd Quarter		3 rd Quarter		4 th Quarter	
	n	%	n	%	n	%	n	%
Number of Reviews Timely	3,836	56.33%	4,066	60.99%	4,257	65.04%	4,098	65.97%
Number of Reviews Late	2,974	43.67%	2,601	39.01%	2,288	34.96%	2,114	34.03%
Universe of Eligible Reviews	6,810	100%	6,667	100%	6,545	100%	6,212	100%

Cumulative FY 2007-08 = 37.92%

Number of Children Due for Review Each Month (Based on LOS in OOH) Compared to Number of Reviews Conducted													
Number of Children	Jul 07	Aug-07	Sept-07	Oct-07	Nov-07	Dec-07	Jan08	Feb-08	Mar-08	Total Reviews Needed	Average per Month	Avg. Reviews per mo by FTE	Review FTE Needed
Requiring Reviews	1,114	1,370	1,218	1,231	1,199	1,129	1,074	1,222	1,139	10,696	1,188.44	55	21.6
Reviewed	817	955	698	921	816	769	913	729	929				

Difference	297	415	520	310	383	360	161	493	210				
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History of Population Reviewed Versus FTE Need from FY 2005-06 to FY 2007-08 by the Administrative Review Unit



Historical Review Numbers/Population Versus FTE Need:

Although the out-of-home population has shown a decline over the past two years of actual information, it is expected that the out-of-home population will increase due to the fatality review and increase in assessments.

Consequences if Not Funded:

On July 7, 2008, a letter was received by Karen L. Beye, Executive Director of the Department of Human Services, from Christine M. Calpin, Associate Commissioner of the Children's Bureau, stating that Colorado needs to address the fact that the 90% level of tolerance for element #5, which is the date of the most recent periodic 6 month review, remains out of compliance. If Colorado remains out of compliance at the time of the next CFSR in 2009, a fiscal sanction will be imposed. If not funded, Colorado would remain out of compliance with the federal requirements for timely case review. Colorado would incur penalties in regards to AFCARS and the Social Security Act. The penalty per element or for not achieving a 90% compliance with timely case review would be a reduction of \$693,510. This is calculated as 1 percent of the pooled expenditures for Title IV-B Expenditures and Administrative Expenditures for Title IV E. For detail on penalties for FFY03 thru FFY08 see Cost Benefit Analysis on pages 11-12. This penalty compounds yearly as long as the state remains out of compliance. Colorado's compliance will be measured during the next Child and Family Services Review scheduled for March of 2009.

In addition to the financial penalties, Colorado's children and youth placed in out-of-home care are not assured of the protections that timely case review provides them. Without timely case reviews, children/youth's length of stay in out-of-home care increases and permanency is delayed. Without funding this supplemental request, the state's ability to meet the recommendations for more accountable oversight is diminished.

Calculations for Request:

The full year of FTE and continuation costs for the FTE are included in DI -16 Increase in Administrative Review FTE per the November Request. If both components are approved a reduction in Operating expenses for one time costs should be decreased in FY 2009-10.

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: Colorado Department of Human Services

Summary of Request FY 2008-09	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$140,657	\$0	\$0	\$0	\$140,657	1.7
Administrative Review Unit Total	\$140,657	\$0	\$0	\$0	\$140,657	1.7
Salaries & Benefits	\$104,584	\$0	\$0	\$0	\$104,584	1.7
Operating	\$36,073	\$0	\$0	\$0	\$36,073	0.0
Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$140,657)	\$0	(\$140,657)	\$0	\$0	0.0
Excess Federal Title IV –E Reimbursements needed for FY 2008-09	(\$140,657)	\$0	(\$140,657)	\$0	\$0	0.0

FTE and Operating Costs	Fiscal Year(s) of Request	
<i>PERSONAL SERVICES For Compliance Investigator II Positions</i>	FY 2008-09	
Number of PERSONS / class title		6.6
Number of months <u>working in</u> FY 08-09		3
Number months <u>paid in</u> FY 08-09		3
Calculated FTE per classification		1.7
Annual base salary		\$56,796
Salary		\$93,713
PERA	10.15%	\$9,512
Medicare	1.45%	\$1,359
Subtotal Personal Services at Division Level		\$104,584
<i>OPERATING EXPENSES</i>		
Supplies @ \$500 per year	\$500	\$825
Computer @ \$900 one time	\$900	\$5,940
Office Suite Software @ \$330 one time	\$330	\$2,178

Office Equipment @ \$3,998 (includes cubicle and chair) one time	\$3,998	\$26,387
Telephone Base @ \$450/ each year	\$450	\$743
Subtotal Operating Expenses		\$36,073
GRAND TOTAL ALL COSTS		\$140,657

Cash Funds Projections:

A cash fund projection are not appropriate for this request as this is not a cash funded program but an application of Title IV-E Revenue.

Assumptions for Calculations:

Staff salaries and operating costs are based on common policy.

Impact on Other Government Agencies:

None

Cost Benefit Analysis:

The cost benefit analysis shows a full annual net benefit of providing the requested FTE vs. incurring the federal penalties of non-compliance in regards to AFCARS and Social Security Act. This net benefit is the difference between the amount of the cost associated with the FTE (\$437,423 in the first full year) and the cost for the fiscal penalties.

Cost to State	Full Year	Benefit to State	Net Benefit (Cost)	Comments
\$437,423	1	\$693,510.	\$256,087	Positive net benefit.
\$513,081	2	\$693,510+	\$180,429+	Sanctions continue to increase

Total Expenditure Pool for Title IV-B				
IV-B	Total	Subpart 2	Subpart 1	Caseworker Contacts
FFY08	\$7,328,989	\$3,308,202	\$3,970,916	\$49,871
FFY07	\$7,877,050	\$3,448,038	\$4,048,736	\$380,276
FFY06	\$7,279,114	\$3,308,202	\$3,970,912	\$0
FFY05	\$7,340,362	\$3,329,769	\$4,010,593	\$0
FFY04	\$7,203,564	\$3,184,015	\$4,019,549	\$0
FFY03	\$7,244,740	\$3,329,794	\$3,914,946	\$0

Total Expenditure Pool for Title IV-B		
Total IV-B	\$44,273,819	
IV-E Foster Care Administration Pool	FY07	Admin =10%
FFY08 (estimated)	\$ 45,783,452	
FFY07 (actual)	\$45,783,452	
FFY06 (actual)	\$44,025,017	
FFY05 (actual)	\$39,986,843	
FFY04 (actual)	\$37,376,177	
FFY03 (actual)	\$ 37,816,955	
Total IV-E Foster Care Administration	\$250,771,896	\$25,077,190

POOL TOTAL: **\$69,351,009 = \$44,273,819 + \$25,077,190**

PENALTY PER ELEMENT: **\$693,510** (Assuming 1% of Pool as Penalty For FFY03 Thru FFY08)

Implementation Schedule:

Task	Month/Year
FTE Hired Training begins Staff is of assistance as they train	April 2009
System Modifications Made	On-Going
Start-Up Date	April 2009
FTE Fully Trained for Full Review Schedule	July 2009

Statutory and Federal Authority

C.R.S. 26-1-111(II) (A) For the fiscal year beginning July 1, 1991, the state department shall pay to each county an amount equal to all federal revenues earned by the state pursuant to Title IV-E of the federal "Social Security Act", as amended, which exceed the amount necessary to fully fund program, training, and administrative costs that are reimbursed under Title IV-E for eligible services for the fiscal year beginning July 1, 1990, plus an amount necessary to fully fund the state foster care review program for the fiscal year beginning July 1, 1991.

(B) For each fiscal year after the fiscal year beginning July 1, 1991, the amount set aside from federal revenues earned by the state in accordance with sub-subparagraph (A) of this subparagraph (II) to fully fund Title IV-E eligible services and the costs of the administrative review unit shall be adjusted annually by the general assembly to reflect rate changes, workload, federal financial participation, and any other factor determined as necessary to maintain a comparable level of said services and costs as for the respective fiscal years described in sub-subparagraph (A) of this subparagraph (II).

Section 475 (5) and (6) of the Social Security Act (42 U.S.C. 675), Section 422 (10) of the Social Security Act (42 U.S. C. 622) 45 C.F.R 1355.34(c)(2)(2001). Section 471 (a) (22), 5 C.F.R 1355.34(c)(3)(2001), Section 471 [42 U.S.C. 671], Public Law 107-273

- Section 475 (5) and (6) of the Social Security Act (42 U.S.C. 675), defines “Case Review System” and the requirements of a case review system. This section also defines “administrative review”.
- Section 422 (8)(ii) of the Social Security Act (42 U.S. C. 622) 45 C.F.R 1355.34(c)(2)(2001). The Federal Rule Interpretation outlines the requirements of a Case Review System.
- 471 (a) (22) provides that, not later than January 1, 1999, the State shall develop and implement standards to ensure that children in foster care placements are provided quality services that protect the safety and health of the children.
- 45 C.F.R 1355.34(c)(3)(2001). The Federal rule and interpretation, outlines the requirements of an identifiable quality assurance system.
- Section 471 (42 U.S.C. 671). State Plan for Foster Care and Adoption Assistance. In order for a State to be eligible for payment under this part, it shall have a plan approved by the Secretary which provides for the development of a case plan (as defined in section 475(1)) for each child receiving foster care maintenance payments under the State plan and provides for a case review system which meets the requirements described in section 475(5)(B) with respect to each such child;
- P.L. 107-273. A 2002 Department of Justice authorization act. States receiving juvenile justice funds must provide assurances that juvenile offenders whose placements

are financed using federal funds through the Title IV-E Foster Care program receive all the protections included for children in the foster care system, including a case plan and a case plan review.

Performance Measures:

Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Actual	Actual	Estimate	Projected
Administrative Review	Increase the average daily number of quality assurance reviews from eight to twelve to maintain compliance with federal mandates for an identifiable statewide Quality Assurance System.	10.83	10	10	12	12
Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Actual	Actual	Estimate	Projected
Administrative Review	Increase the average number of monthly case/administrative reviews completed per FTE to maintain compliance with federal mandates for timely six-month periodic reviews of all children/youth in out-of-home placements.	56.40	53	57	55	55
Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Actual	Actual	Estimate	Projected
Administrative Review	Decrease the percent of late 6-month periodic reviews in order to meet Federal Requirements	38.4%	45.54%	39.2%	38%	20%